Cassava Smartech

Trading as

EcoCash HOLDINGS ZIMBABWE

Driving Inclusion through Digital Solutions

ANNUAL REPORT 2021

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

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

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ABOUT THIS REPORT

Report Boundaries

This annual report seeks to present a performance overview and commentary on Cassava Smartech Zimbabwe Limited (CSZL) operations for the financial year ended 28 February 2021. The report communicates the non-financial and financial performance of our business to our stakeholders and all parties with interest in our business operations.

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

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

Reporting Standards and Responsibilities

The business applies International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the IFRS Interpretations Committee.

In addition, this report has been prepared in accordance with the S.I. 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules and the Companies and Other Business Entities Act [Chapter 24.31].

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

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

Data Collection

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

Disclaimer - Forward-Looking Statements

An Annual Report includes certain 'forward-looking statements'. These forward-looking statements are necessarily about the future and therefore incorporate degrees of uncertainty. Consequently, future actual results and performance may differ from these statements. The forward-looking statements are current as of the date of publication of the Annual Report. The information is therefore, deemed to be correct at the time of publication. The Group makes no representation that the information will be publicly updated after release of this Annual Report.

CONTENTS

Trading as EcoCash HOLDINGS ZIMBABWE

Your diversified digital solutions group

VISION

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

MISSION

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

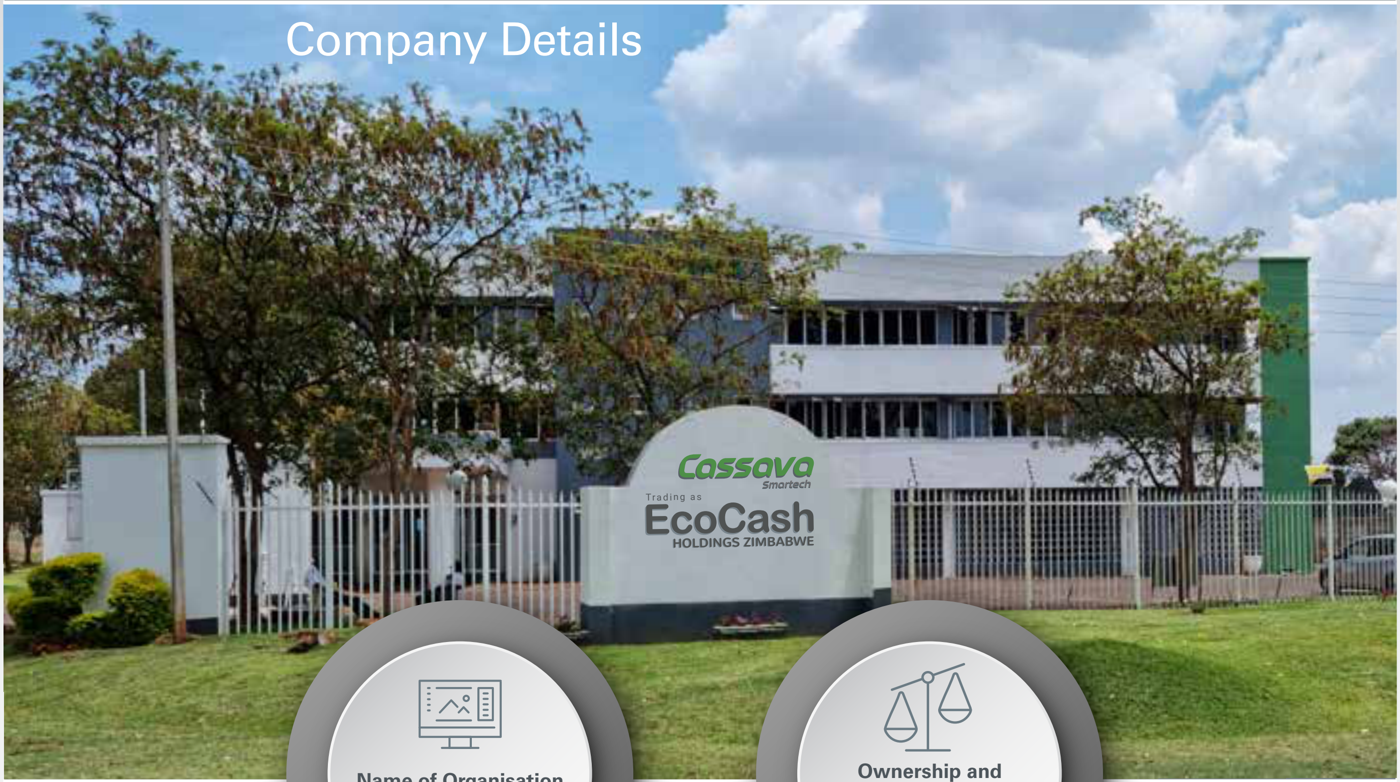
VALUES

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

DISRUPTIVE
Actively seek to disrupt and confront the status quo.

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

Company Details



Name of Organisation
Cassava Smartech Zimbabwe Limited trading as EcoCash Holdings Limited

Ownership and Legal Form
Cassava Smartech is a listed company on the Zimbabwe Stock Exchange

Date Established
30 November 2018

Location of Headquarters and Operations
1906 Borrowdale Road, Harare, Zimbabwe

Group Structure and Business Outline

Cassava Smartech Zimbabwe Limited (CSZL) and its associated companies includes on-demand services, digital services, mobile money, banking and insurance services.

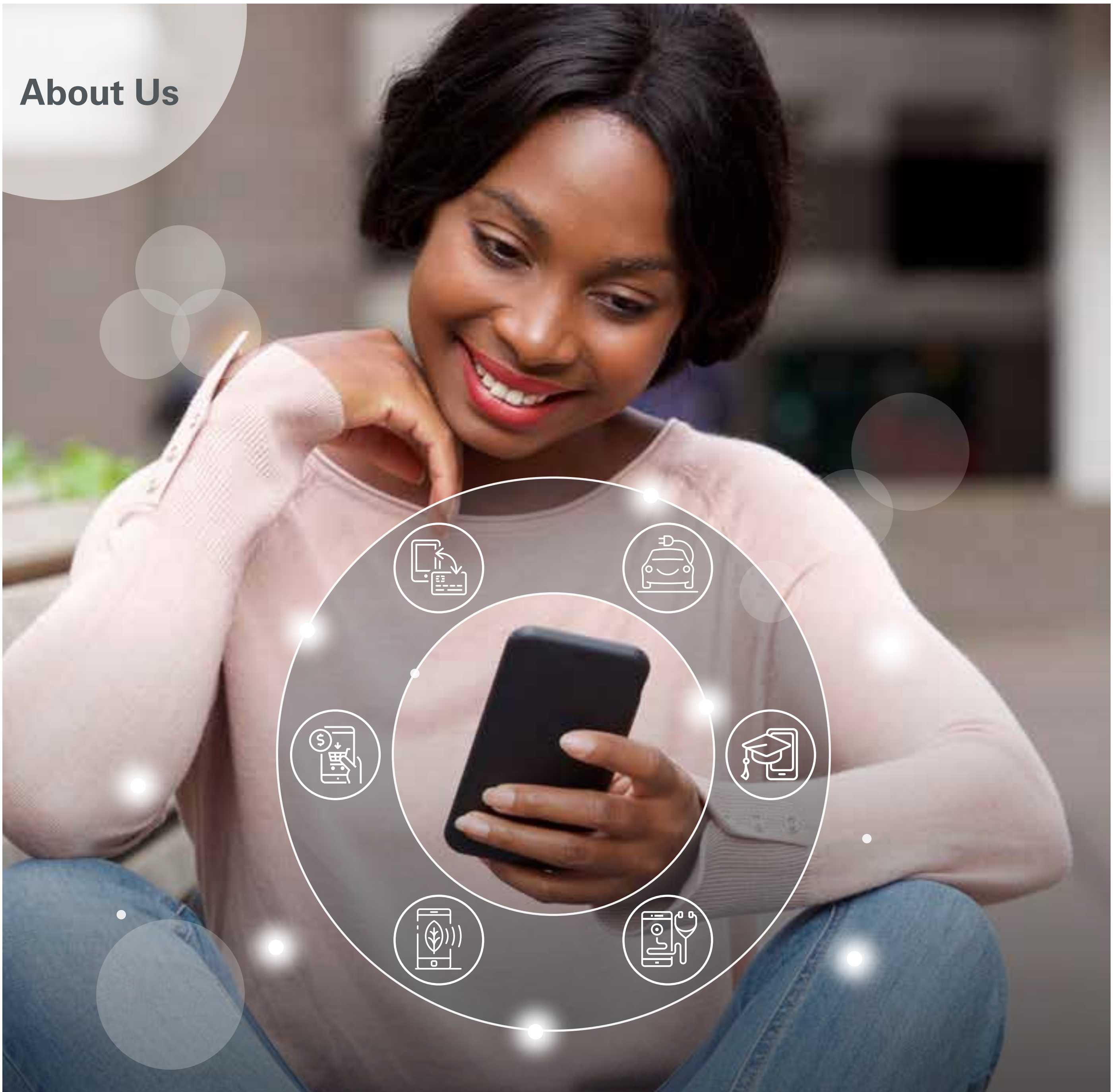
Scale of the Reporting Organisation

For the consolidated statement of financial position with details of assets, equity and liabilities, see Compliance and Financial Reporting > Consolidated statement of financial position on page 126

Composition of the Workforce

As at 28 February 2021, Cassava employed a total staff complement of 1272 members.

About Us



Cassava Smartech Zimbabwe Limited (Cassava) is a diversified smart technology ("smartech") group with a dictate to drive socio-economic development and improve the overall quality of life for all Zimbabweans through the provision and usage of digital solutions. We pride ourselves in developing approaches and formats for implementing digital applications to satisfy the needs of all our customers who range from individuals, to businesses and the government. Our mission is to be transformational, we envision a future in which our digital solutions become an integral part of everyone's everyday life thereby positively impacting lives of the previously excluded. Through the provision of stable financial services, social and digital inclusion solutions, we seek to drive sustainability and change lives in Africa.

Starting from a financial technology (FinTech) operation (mobile money), Cassava has seen a transformative evolution that has given birth to, and presided over the growth of a full-fledged smart technology business. The business capitalises on new opportunities to counter everyday challenges through innovative, inclusive, stable and reliable digital solutions.

As it stands today, the group boasts of a reputable well-diversified business portfolio composed of; FinTech, InsurTech, On-Demand Services, e-Commerce, Agritech, Healthtech and Edutech. This unique, yet cohesive composition makes Cassava Smartech's business model a rare jewel.

Your diversified digital solutions group

Trading as EcoCash HOLDINGS ZIMBABWE

Financial Performance Highlights (inflation adjusted)

Revenue

ZW$14.3 billion

ZW$19.3 billion in FY 2020

Cost of Sales

31 percent

30 percent in FY 2020

Mobile Money Subscribers

8.4 million

10.8 million in FY 2020

EBITDA (inflation adjusted)

ZW$2.2 billion

ZW$5.1 billion in FY 2020

Digital Banking Account Holders

1.9 million

1.6 million in FY 2020

Contribution to Fiscus

ZW$3.6 billion

ZW$1.4 billion in FY 2020

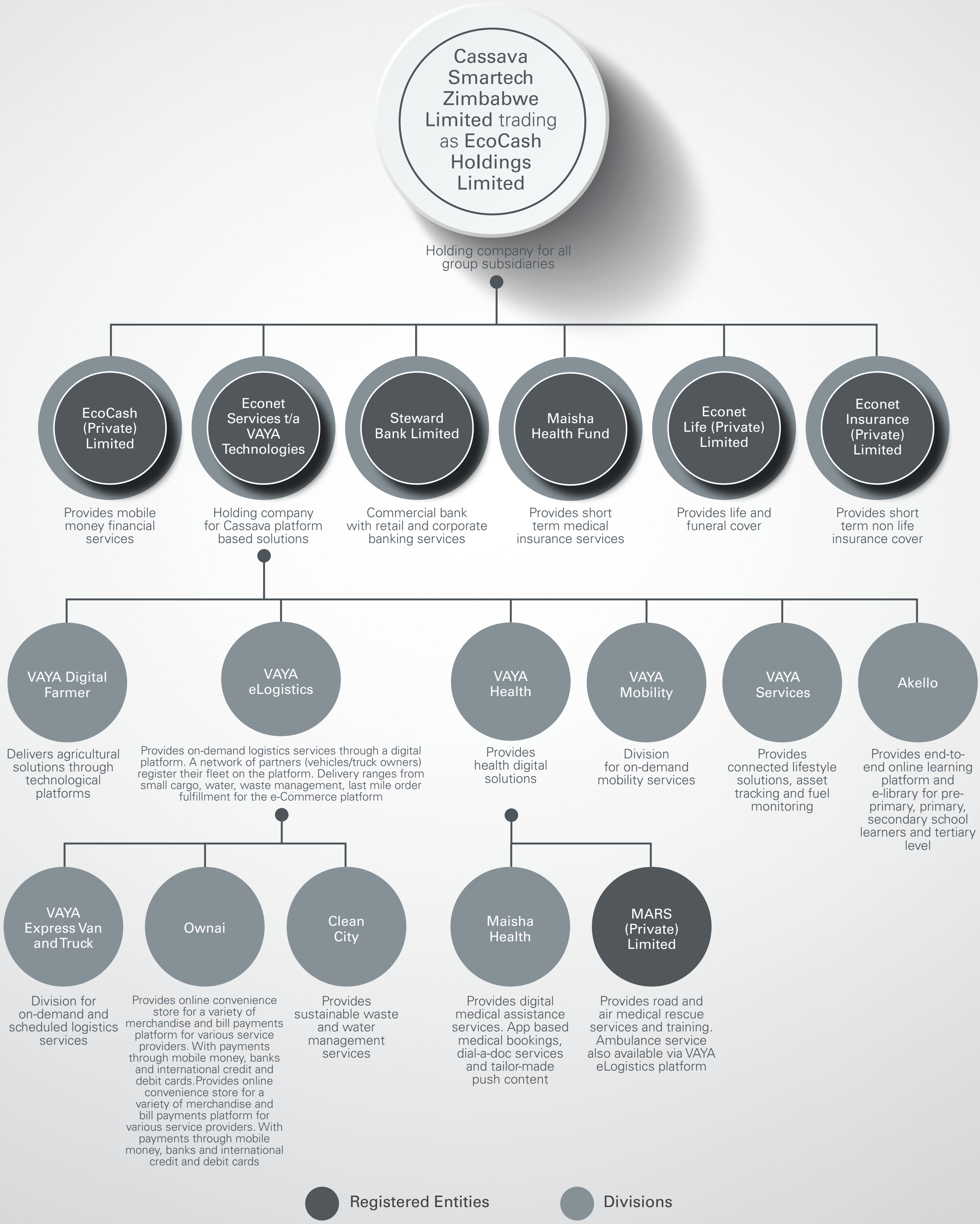
CAPEX

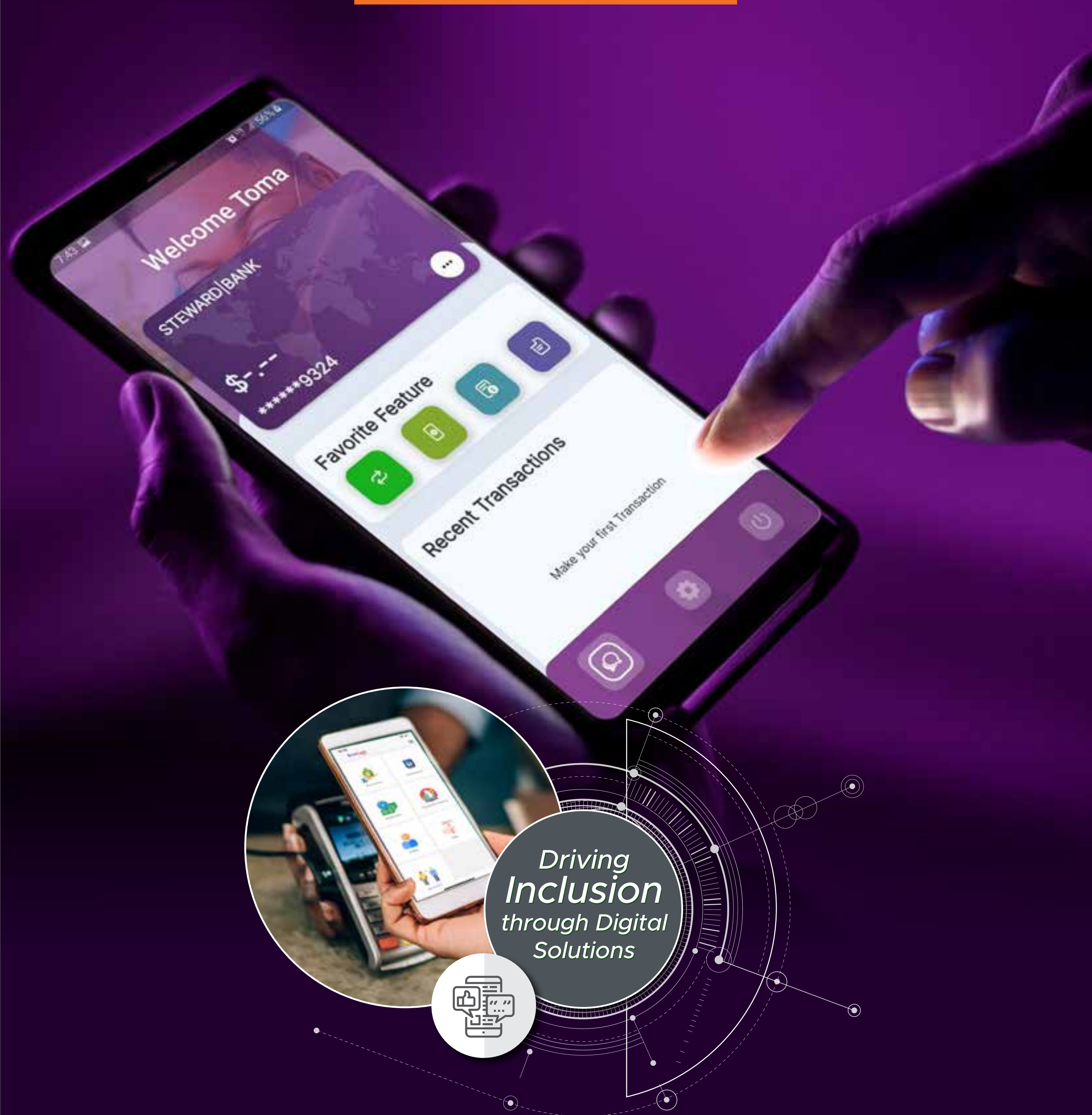
ZW$2.7 billion

ZW$5.3 billion in FY 2020

Corporate Profile

The Cassava corporate structure is detailed below





Liberalisation of the digital space and advancement in innovation has facilitated thousands of Zimbabweans with access to information, financial independence, better healthcare, work and leisure opportunities. As we lead the pack in providing digital solutions that transcend the needs of each individual in the community, their use is independent of each person's condition, showing our strong belief in a digital economy for all. We at Cassava Smartech believe in breaking the divide by giving everyone equal opportunities and access in the digital economy through our digitally driven diversified product offering. In the year under review, we launched a number of cutting-edge products that include Zimbabwe's first telemedicine service, mobile COVID-19 testing and social payments applications. These applications are breaking language barriers through in-built translations, while financial inclusion is being achieved through our low cost integrated social payments.

We envision a future where we are all digitally empowered and our solutions are the fundamental bricks to this future.

Business Model

Cassava at a Glance

The business is a balanced portfolio of distinct, yet synergetic businesses that translate into an integrated business model with the following business units:

Fintech: Through a unified digital transactions ecosystem that includes Mobile Money, Digital Banking, Payment Services, Social Payments and International Remittances, the Fintech services have been able to drive financial inclusion from under 10% to over 90% of the adult population in Zimbabwe. This has helped to create new jobs and business opportunities for many Zimbabweans equipping them with financial freedom.

Healthtech: Combining the power of mobile based technology and Artificial Intelligence (AI), Cassava offers an inclusive medical solution through the Maisha Medik brand. The application avails medical information through Health Tips, Symptom Checker, Dial-a-Doc and Tele-Health. A pivotal offering that helps in improving access to information as we combat the effects of the digital divide.

Insurtech: The innovative and inclusive life products, motor and non-motor asset classes leveraging on increased mobile phone access. Less than 10% of Zimbabweans are insured, providing untapped opportunities in micro-insurance. By offering inclusive digital solutions, we endeavour to close the gap and empower Zimbabweans. Our solutions are offered through an unconventional, innovative model, allowing us to provide the lowest premiums in the market, leveraging on strategic partnerships with the telecommunication services and mobile wallet providers.

Agritech: Our end-to-end mobile agriculture (m-Agric) solution for farmers offers a wide range of tailored services including financial services, information, a trading platform and on-demand logistics. The platform aggregates key value chain players and stakeholders, creating a powerful agricultural ecosystem designed to transform the sector and improve the livelihoods of farmers. Agriculture remains the backbone of African economies, and in most countries the sector provides employment to over 70% of the population. As a result, providing information, facilitating access to markets, and enhancing information flows provide a significant opportunity to improve the livelihoods of millions of people.

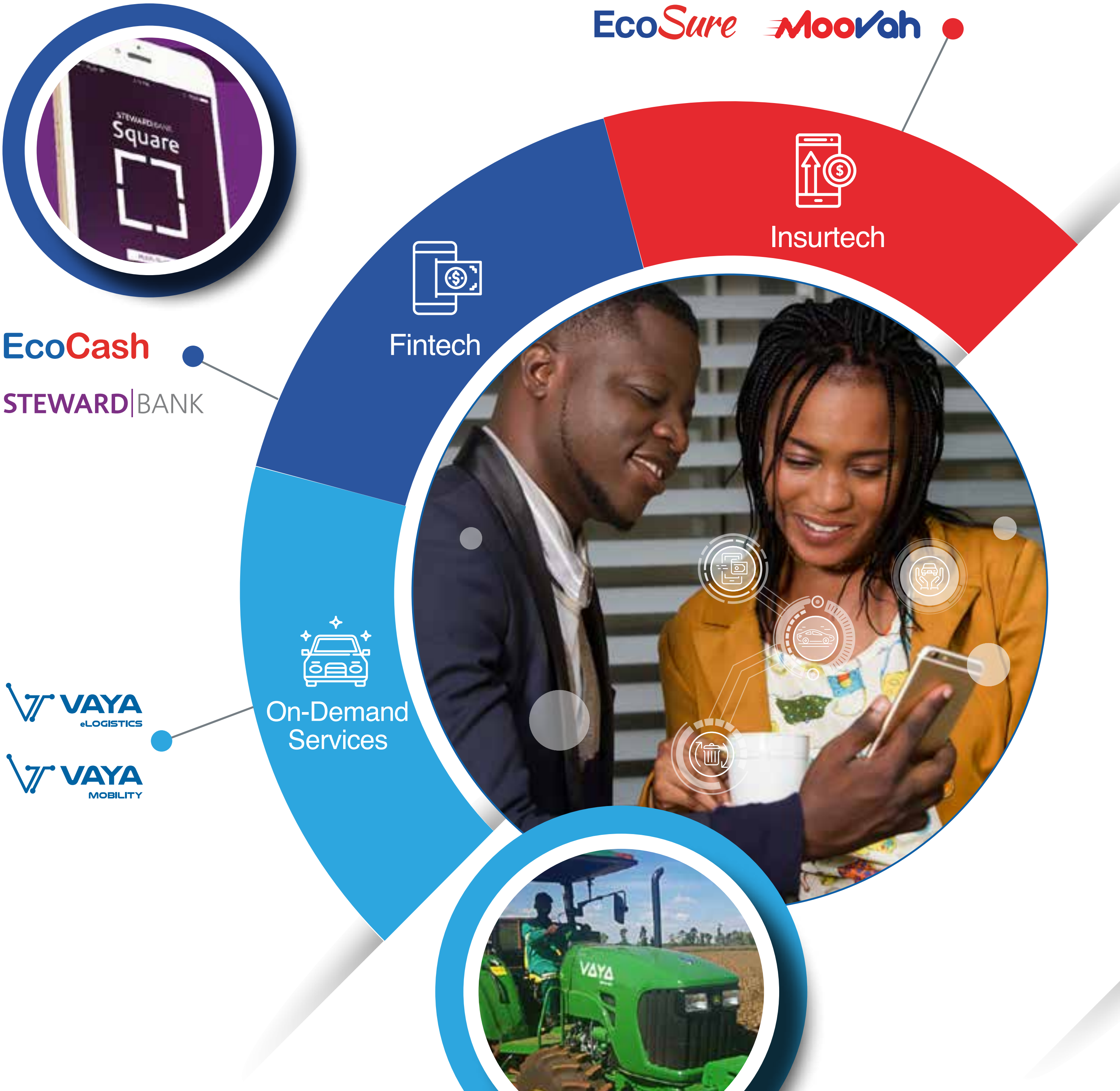
Business Model (continued)

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

Edutech: This aims to enable equitable access to quality education and skills development offered through Digital Platforms. Recognising the need to innovatively drive education access in Zimbabwe, we have developed end-to-end value propositions encompassing platforms, devices and internet access, and we leverage strategic partnerships with a wide range of value chain players. The digitally driven Edutech unit has helped in availing quality education to thousands of children during the COVID-19 lockdown in their safe home environment.

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

Our Products and Services



Your diversified digital solutions group

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Our Products and Services (continued)

New Products and Services Launched in FY2021

Cleancity
Disinfection Services
March 2020

VAYA Mobility
Electric Vehicles
May 2020

Akello
Akello elibrary and ebooks
May 2020

VAYA eLogistics
Express Shopper
May 2020

VAYA Express Medicine Delivery
June 2020

STEWARD BANK
Self-Service Machines
June 2020

1st QUARTER 2020

2nd QUARTER 2020

STEWARD BANK
Non-Resident Account Product – Services targeting the Zimbabwean Diaspora
April 2020

mars
COVID-19 Testing
June 2020

Dial-a-Doc Free Rapid Response COVID-19 Call Centre
June 2020

STEWARD BANK
Remittances to Visa Cards and Remittances to FCA accounts
July 2020

Akello
Akello Digital Classroom
July 2020

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New Products and Services Launched in FY2021 (continued)

3rd QUARTER 2020

VAYA DIGITAL FARMER

Soil Testing
August 2020

STEWARD BANK

AgroFuture - Loan Product to Finance the Agricultural Value Chain
August 2020

Maisha Health Fund

Virtual Pharmacy Launch – pharmaceutical medication retailing in partnership with a licenced pharmaceutical retailer
September 2020

EcoSure

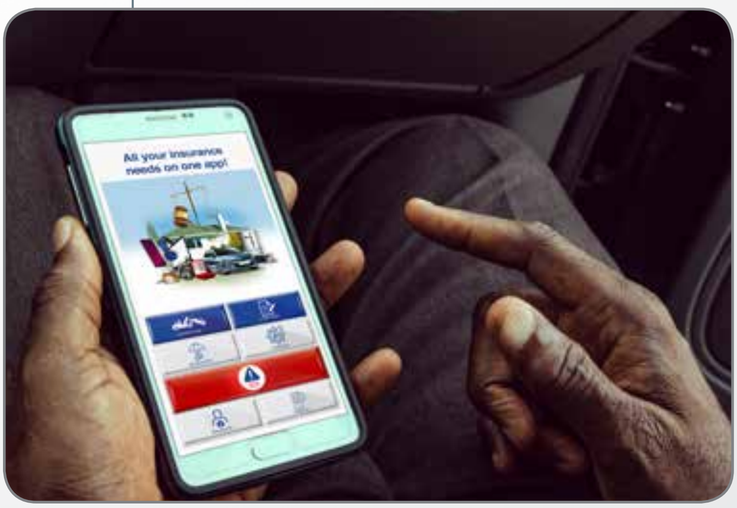
Senior Citizens Cover
September 2020

EcoCash

EcoCash Self Registration (*151#)
October 2020

MooVah

Agric Insurance
October 2020



4th QUARTER 2020/21

VAYA eLOGISTICS

Thumela Ekhaya
November 2020

cleancity

Borehole Drilling
November 2020

EcoCash

EcoCash Self-help (USSD)
December 2020

Maisha Health Fund

New Packages Launch - No Shortfalls- No Copayments USD & RTGS Medical aid cover
December 2020

STEWARD BANK

Visa Mobile Application and Visa Portal
January 2021

Online Banking Relaunch
January 2021

VAYA MOBILITY

VAYA ne Zupco
February 2021

EcoSure

EcoSure BancAssurance
February 2021

Maisha Health Fund

Telemedicine - facility for doctor's consultation on video at Telehealth Centers in partnership with MARS and Maisha Health
February 2021

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Mobile Money, Digital Banking, Payment Services, and International Remittances are all part of a unique digital transaction ecosystem. We have been able to increase financial inclusion in Zimbabwe from under 10% in 2011 to 90% of the adult population, resulting in thousands of new jobs and business prospects for a cross profile of entrepreneurs, thanks to our Fintech inclusive services.

Your diversified digital solutions group


LUSAKA
FRANCISTOWN
EcoCash Subscribers
EcoCash Channel Partners
Steward Bank Customers

Chairperson's Statement

"We continue to leverage our robust business model to innovate around on-demand technology platforms, creating customer convenience and maximising value for our shareholders."

INTRODUCTION

The year under review saw an acceleration in our digital transformation journey as we responded to the challenges that were brought about by the Covid-19 pandemic. The Group remains focused on providing innovative digital solutions that meet the demands of our customers. The business continues to leverage on digital solutions to increase operational and cost efficiencies. Whilst the year was challenging, the business responded with agility and proved to be resilient in the face of change. We therefore continue to be driven by our vision of providing a digitally connected future that leaves no Zimbabwean behind.

Business and Regulatory Environment

The business responded to several regulatory directives issued by the Reserve Bank of Zimbabwe that affected mainly the Fintech business. We complied with all directives while simultaneously driving growth and innovations in all our strategic areas to regain lost revenues.

Financial Performance Overview

The report of the Directors is based on inflation-adjusted financial statements, which are the primary financial statements. Historical financial statements have been presented as supplementary information. The Directors caution users of the financial statements on the usefulness of these reported inflation-adjusted financial results, in light of distortions that arise when reporting in a hyperinflationary economy.

The year saw a growth in the Insurtech contribution from 9% in the financial year ended 29 February 2020 (FY20) to 15% in the financial year ended 28 February 2021 (FY21), largely attributed to the growth of the short-term non-motor insurance business. The Vaya Technologies business also uplifted its performance contribution from 2% in FY20 to 7% in FY21. The Group's revenue diversification strategy is paying off, as evidenced by the exponential revenue growth in the Insurtech and the Vaya Technologies business units. As part of its revenue growth strategy, the Group will continue its focus on revenue diversification and innovation into the future.

Chairperson's Statement
(continued)

Mrs. Sherree SHERENI
CHAIRPERSON OF THE BOARD

Chairperson's Statement (continued)

EcoCash revenue contribution at 60% (2020:75%), declined as a result of our revenue diversification strategy that saw growth in the Insurtech and VAYA Technologies business. Steward Bank's contribution remained stable and is expected to continue on the upward trend, on the back of the system upgrade completed in April 2021.

Although Group revenues closed the year at ZW$14 billion compared to ZW$19 billion in the prior year, due to the impact of regulatory changes and the Covid-19 pandemic, this was mitigated by a rigorous cost-cutting drive. Foreign exchange losses decreased by 45%, to close the year at ZW$4.6 billion (2020: ZW$8.4 billion). Foreign exchange losses mainly relate to USD denominated debenture balances.

As a result, EBITDA margin closed the year at 15% (2020:26%). The focus, therefore, remains on innovatively driving growth, consolidating the gains of the cost-cutting measures, and further reducing operating costs in FY22.

The auditors issued an adverse audit opinion in respect to the valuation of property, equipment and intangible assets, the application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") on comparative information and the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Details of the modification are provided in Note 4. The basis of the opinion is common with what is prevalent in the market.

Social Investment

The Group continued to be involved in the community, in line with our ethos of doing well by doing good.

Through our partners such as Higher Life Foundation, we supported the national initiatives to combat the effects of the COVID-19 pandemic. We provided test kits and personal protective equipment for frontline workers. We further provided free water deliveries to council clinics as well as participated in handwashing and soap distribution campaigns. Through our partners, we supported a low cost, low input, climate-smart conservation farming approach called "Pfumvudza" in order to complement Government efforts towards a resurgence in agriculture and food security.

Our Future

The strength and agility of our business, combined with the professionalism, resilience, and innovative foresight of our teams, are expected to carry our business into the future, resplendent with digital opportunities. Our technology-driven platforms and processes offer significant advantages, and we continue to drive innovations and deploy them where the need is greatest. Consistent with that, the Group has continued to take advantage of this accelerated digital thrust to come up with new products and services that better respond to the evolving needs of our customers, guaranteeing a strong business that is transforming and is well placed to deliver sustainable growth into the future. We, therefore, continue to leverage our robust business model to innovate around on-demand technology platforms, creating customer convenience and maximising value for our shareholders.

Appreciation

On behalf of my fellow Board members, I would like to conclude by extending my heartfelt gratitude to all our customers, business partners, and to you our valued shareholders, for your unwavering support as we continue to chart our course through these most unusual times. I would also like to acknowledge management and employees within the Cassava Smartech Group for their remarkable commitment, adaptability, and resilience in a challenging environment.

On behalf of the Board

Mrs. Sherree Shereni
CHAIRPERSON OF THE BOARD

15 October 2021

Driving Inclusion through Digital Solutions

Live Life the EcoCash Way!

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

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

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

EcoCash

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

Your diversified digital solutions group

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Group Chief Executive Officer's Operations Review

> "Our promise is of a technology-driven product and customer experience, and we are confident in the direction and the steps we are taking to be a fully-fledged smart technology business."

INTRODUCTION

Our focus as we started FY21 was building on the success of our Fintech and Insurtech businesses, and driving the continued growth of our newer entities, following their foundational year of operation. While the COVID-19 pandemic brought about an undeniable host of challenges to performance, we identified available opportunities, even in these difficult circumstances. We are pleased with the role that we have played and continue to play in driving activity in the economy, particularly through our key pillars in fintech, insurtech, heathtech, agritech, on-demand services and the education space.

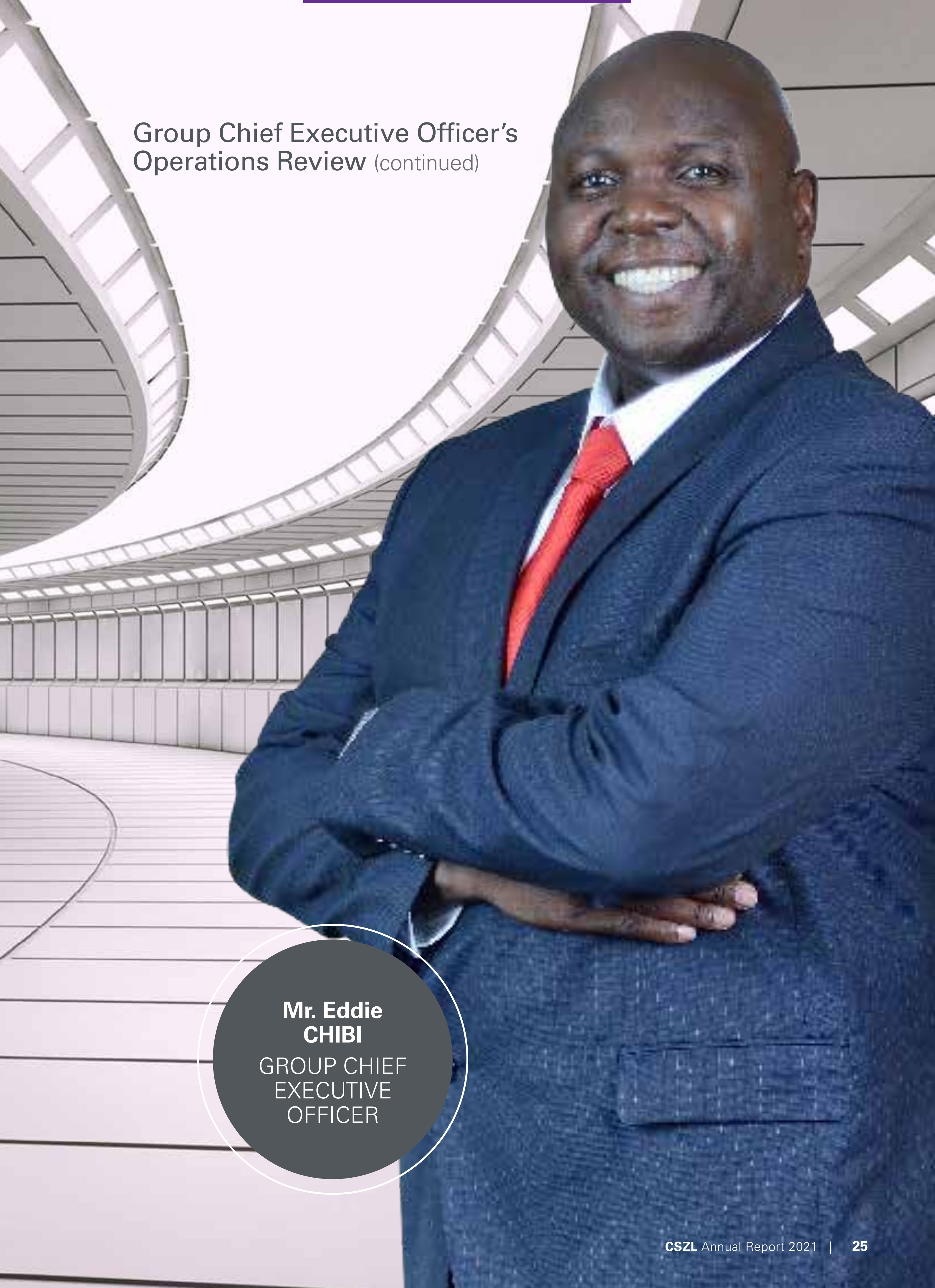
Operational Highlights

We persevered in the difficult business operating environment, compounded by the COVID-19 lockdown as the country, like others, acted to contain the spread of the virus. The economic impact of COVID-19 as well as the transactional limits imposed on EcoCash and suspension of key use cases which include, payroll processing, business to business transactions, cash-out, single wallet per customer and suspension of entire agent network affected key revenue, and activity lines. The compound effect of this was a drop of 22% in customer activity for the Mobile Money business. The digital bank was not spared from the impact of COVID-19 as we experienced a 49% decline in POS transactional volumes for the year, largely due to the lockdown, and restricted business operating hours. Mobile Banking volumes, however, increased by 3% as our customers adapted to the new norm.

While these factors had a huge impact on our performance, we continued to find opportunities to sustain our business and defend our market share. The growth in the Insurtech revenue contribution from 9% in 2020 to 15% in 2021, was largely attributed to the growth of short-term insurance. Claims ratios for short-term insurance, however, also increased to 15% in 2021 from 14% in 2020.

We grew our new platform businesses under the VAYA brand from a revenue contribution of 2% in FY20 to 7% in FY21. Growth was driven by the EcoFarmer business where we aggressively pushed to achieve a total hectarage of 115,500 on tillage, planting, and spraying, which was a more than 100% growth year-on-year from 2020. We remain resolute in the development and continued growth of our business to ensure all our stakeholders are proud of the story that we continue writing in the smart technology space.

Group Chief Executive Officer's Operations Review (continued)



Mr. Eddie CHIBI
GROUP CHIEF EXECUTIVE OFFICER

Group Chief Executive Officer's Operations Review (continued)

Driving Digital Solutions

Our mandate remains to improve the overall quality of life by deploying inclusive digital solutions that leave no Zimbabwean behind. In FY21, we continued building and fine-tuning our sustainable and inclusive digital platforms. Through our on-demand platform, we launched VAYA Express and, in response to the need for logistical services at the height of the COVID-19 lockdowns, we did deliveries for medicines, working with partner pharmacies. We also launched VAYA Electric Vehicle as a sustainable energy ride-hailing service. We believe in a digital future and we strive to transition from traditional ways of doing things to tap into the limitless opportunities of a digital world.

The Insurtech business enjoyed a successful year of innovations, bringing in the EcoSure Pamwepo/Sisonke cover, as well as growth in non-motor insurance business driven by the agri-sector, corporates, and educational institutions. Our micro-insurance entity, EcoSure, has an end-to-end digital onboarding, premium payment, and claims management, and claims disbursement process.

We launched My EcoCash Rewards, a guaranteed rewards promotion to our ever-loyal and supportive customers in the Fintech business. The promotion helped us achieve a 16% recovery in customer activity in Q4, after complying with the regulatory directives. We commissioned the Steward Bank Core Banking System upgrade, a significant investment in the digital bank. The upgrade, among many other benefits, will bring in superior service experience and huge capacity to implement vast innovations in the banking space.

Customer Focus

Operating in an extremely extraordinary environment, this year saw us focus on recalibrating our customer experience as we adapted to a new way of doing business. Riding on our digital infrastructure, and the upgrade of the Mobile Money Platform in FY20, we automated major customer query issues and deployed Do-It-Yourself (DIY) services, reducing traffic to our touchpoints. The deployments included the *150# which facilitates self-pin resets, statement downloads, and reversal of some transactions. We deployed complementary customer support channels like SMS and WhatsApp to augment the existing social media platforms and our toll-free line. We also deployed a toll-free line for fraud reporting. As a business, we believe in enhanced operational efficiencies, which was a key internal focus area. Our promise is of a technology-driven product and customer experience, and we are confident in the direction and the steps we are taking to be a fully-fledged smart technology business. As we move into the new year, we will strive to continue to delight our customers, offering the best-in-class end-to-end user journey experience.

Significant Change in the Business

In line with the notice issued on the 2nd of August 2021, the Company adopted the name Ecocash Holdings Zimbabwe effective 7 August 2021 as its trading name subject to compliance with the requirements of Section 29 of the Companies and Other Business Entities Act (Chapter 24:31)

Looking Ahead

Going into the new financial year, we are excited about the new opportunities that we have identified within the various sectors, among them agriculture, health, and insurance. The Fintech space given the customer base, the digital assets we have, and the investment in the platforms done under EcoCash and Steward Bank present huge opportunities for us to continue to innovate and profit from the critical mass we have. We believe in the importance of these sectors as key pillars in the livelihood of our people. The experience of this year's pandemic has opened our eyes to the need for continued innovation and investment in these critical pillars and we are excited about the journey ahead. As we move forward, we will continue implementing the various innovations in our pipeline for our established business, to offer high quality and differentiated product and service experience.

Eddie Chibi
GROUP CHIEF EXECUTIVE OFFICER

15 October 2021

Driving
Inclusion
through Digital Solutions

Funeral, Accident and Hospital Cover

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

Our funeral product has won several accolades for being innovative, digital and inclusive.

EcoSure

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

Your diversified digital solutions group

Message from the General Manager Sustainability

Mrs. F. Gandiya GENERAL MANAGER SUSTAINABILITY

With the prevalence of COVID-19, the challenges we face as humans and society have only been magnified. At Cassava we want to take responsibility and contribute meaningfully to a positive development for people and planet through supporting our environment and our societies, while contributing to business growth and the global Sustainable Development Goals (SDGs).

Cassava reports on the evolution and achievements of its ESG engagement and performance on an annual basis with the report prepared with reference to the Global Reporting Initiative (GRI) Protocols and forming an integral part of the Cassava Annual Report. Our ESG reporting also includes the Progress Report of the United Nations Global Compact. The report covers ESG activities, performance and approach for 2021. It focuses on topics we care most deeply about and deem material to Cassava and its shareholders.

We launched our ESG reporting in 2020 with the publication of our first annual report and we publicly commit to releasing an ESG report every year because we believe that regularly evaluating our impact is essential to holding ourselves accountable. As we continue evolving our ESG reporting, we will be embedding in more detail the impact of our work on the SDGs or sustainable development.

Sustainability

We believe that sustainable business practices are essential to the creation of long-term value, and that running our business in a responsible manner is intrinsically tied to achieving operational excellence. Through promoting our sustainability strategy in all aspects of our business, we are striving to make the world cleaner and better through our digital solutions. Accordingly, our Board exercises oversight on the company's performance with respect to ESG factors as a part of their duty to directly oversee Cassava's corporate strategy.

Looking ahead, we will continue to invest in driving a better environment and to support efforts to address social challenges.

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Materiality Matrix

Materiality Assessment

Step 1: ESG Diagnostic
We performed a robust ESG Diagnostics that involved reviewing leading ESG frameworks and collecting feedback regarding the views held by our Stakeholders. We utilized aspects of the Sustainability Accounting Standards Board (SASB), ZWS ISO 26000 standard for Social Responsibility and the SDGs to evaluate our practices. Based on this research, we identified the ESG topics that are most relevant to Cassava's business and that have greatest impact on our stakeholders.

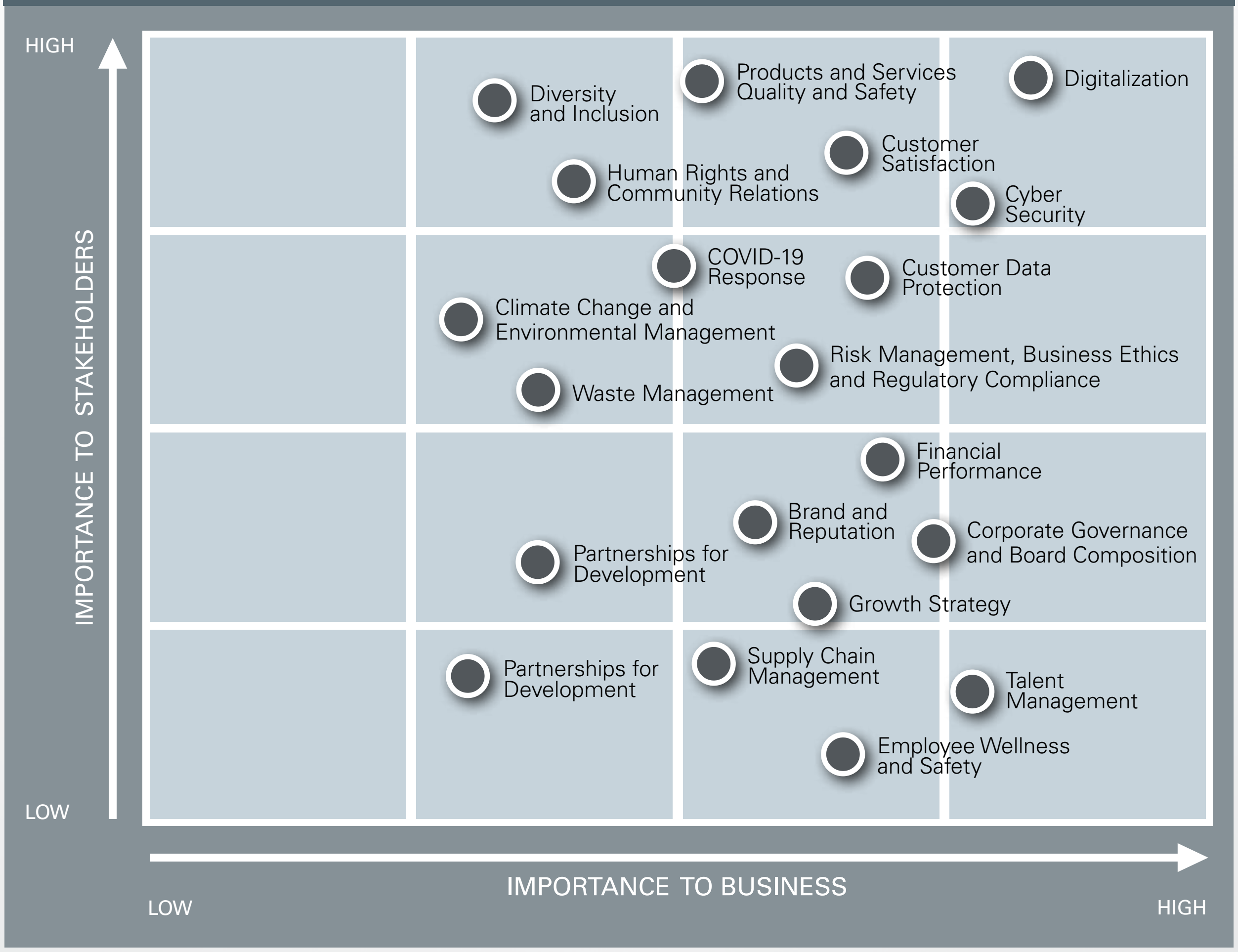
Step 2: ESG Framework Assessment
The following assessments were conducted:

- ESG Framework Analysis - Identified, analysed, and summarized the key factors identified by the ESG frameworks most utilized by our Stakeholders, including the SASB standards and the SDGs
- Investor Analysis - Analysed the current Cassava Stakeholder base to identify key ESG issues prioritized by our investors in their efforts to integrate ESG considerations into their investment decisions
- Best Disclosure Practices - Researched best practices being used by peer companies in order to determine how Cassava can best disclose, share, and communicate its ESG policies, principles, and practices
- Internal Feedback - Considered feedback from executives to help determine which topics have the greatest impact on our business

Step 3: ESG Materiality Matrix
To illustrate our findings, we plotted below the ESG issues identified by relative impact on our operations and relative importance to our stakeholders.

Our ESG materiality assessment identifies the most relevant or material issues from an ESG perspective.

ESG Materiality Matrix (Driving Inclusion Through Digital Solutions)



- These are the areas that the business will track and manage periodically in order to enhance and measure our sustainability footprint.
- Concentrating on these material issues will reduce overall business risk and improve the business' compliance.

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VAYA eLOGISTICS

cleancity

ownai

e-Logistics

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

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

Your diversified digital solutions group


VAYA
HOPPER

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EcoCash
HOLDINGS ZIMBABWE

Environmental Social Governance Framework

Our ESG Approach

Environmental, Social and Governance Management Approach

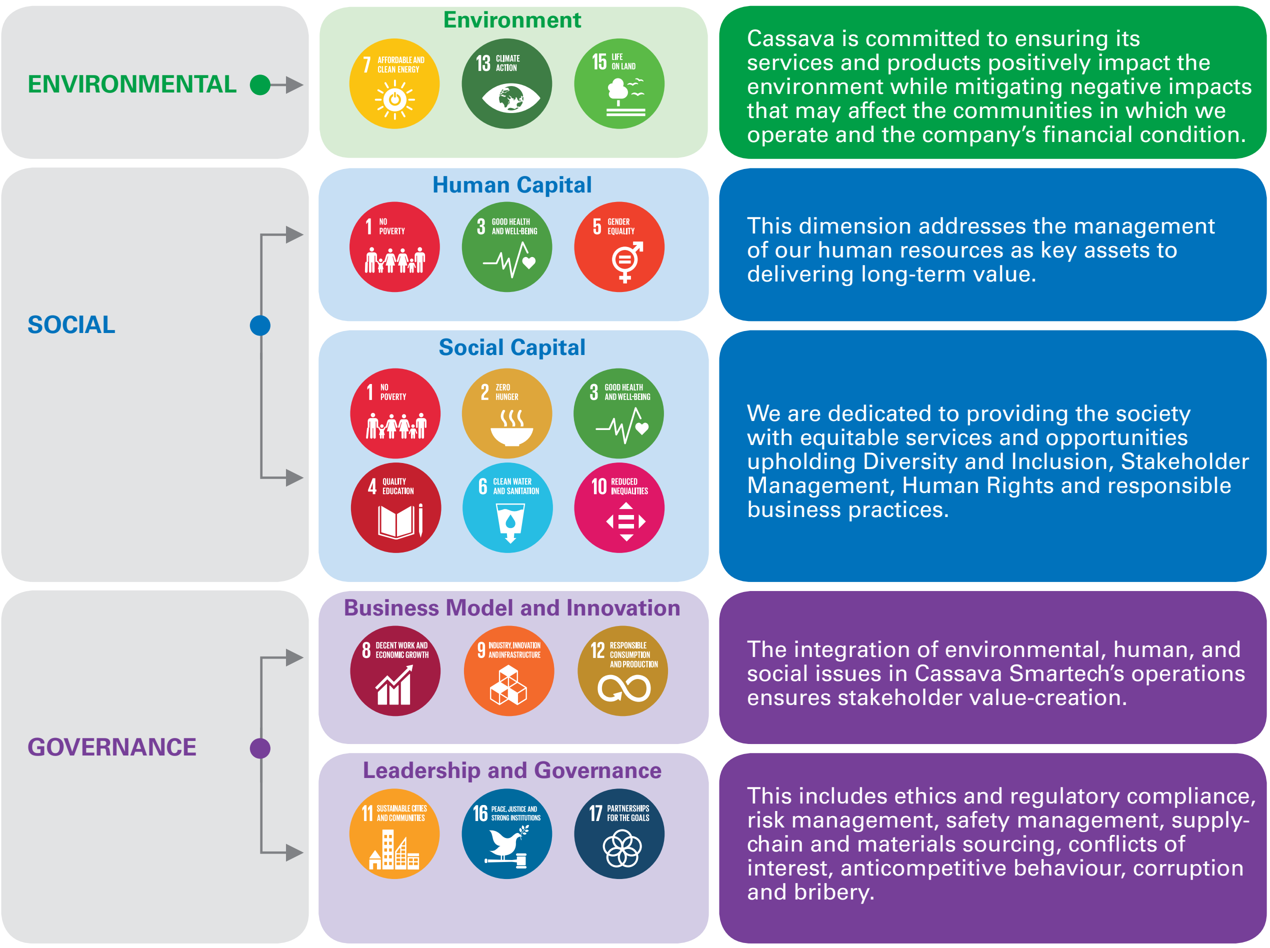
ESG is firmly embedded into the Cassava Smartech corporate strategy and organisation, hence driving operational risk management for long-term business success. Through integrating ESG into the operational decision making process and business strategy, the business has been able to minimise negative impacts and related costs, thereby resulting in a balanced effect on Environmental, Social and Governance aspects. Cassava's commitment to sustainability is anchored in adopting key industry standards and guidelines into its operations to ensure entrenchment of best industry practice. These include International Organisation for Standardisation (ISO) guidelines, the Sustainability Accounting Standards Board (SASB), Global Reporting Initiatives (GRI) Protocol and the UN guidelines like the Sustainable Development Goals and the UN Global Compact principles.

The guidelines adopted cover health and safety standards, environmental management standards and guidance on social responsibility. The business has put in place policies and procedures based on these standards and regulations to guide its significant aspects, which set the management framework of the operations. This covers management of corporate values, safety, health, environment, energy, ethics, human rights, transformation, sustainable procurement, human resources and financial management.

The business has defined key ESG performance measures which require us to identify, measure and manage our material impacts to ensure adaptation and mitigation measures are adequately implemented. Stakeholder engagement processes also assist in identifying potential issues and inform the relevant responses undertaken. Hence, stakeholder engagement is a critical component of our approach to sustainability, guiding our efforts, objective setting and ability to achieve measurable results on our performance

ESG Framework and Sustainable Development Goals Linkages

To ensure the business advances the sustainability agenda and identifies factors for long term resilience, we have organised our sustainability topics under five key sustainability dimensions. These dimensions inform the strategic development of our ESG framework and Key Performance Indicators.



Driving **Inclusion** *through Digital Solutions*

Enjoy a Ride on VAYA e-Vehicle

VAYA is one of the Cassava Group's strategic businesses, providing a unified platform for all On-Demand Services (ODS) in the mobility and logistics sectors.

The underlying requirement for unique solutions to minimize individual and corporate customer effort in their day-to-day contacts lies at the heart of the diverse sectors.

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

VAYA MOBILITY

Trading as
EcoCash
HOLDINGS ZIMBABWE

Non-Financial Performance Highlights

The key highlights for the year in review

Nano Loan Disbursements
ZW$62.3 million ▲
FY2020: ZW$36.4 million

Remittances Received
USD7.4 million ▲
FY2020: USD2.7 million

Mobile Money Transactions Value
ZW$258 billion ▲
FY2020: ZW$144 billion

Steward Bank Mobile App Registrations
+521,000 ▼
FY2020: +646,000

Steward Bank Account Holders
1.9 million ▲
FY2020: 1.58 million

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

Investment in Community Projects
ZW$292.1 million ▲
FY2020: ZW$59.5 million

Investment in Infrastructure – Prescribed Assets
ZW$57.9 million
FY2020: ZW$4.1 million

Cash-Aid Disbursements via Mobile Money Platform
ZW$382.7 million
FY2020: ZW$35.2 million

EcoSure Customer Reach
3.2 million
FY2020: 2.6 million

VAYA Clustering / Pooling Millage (km)
4.1 million
FY2020: 7.1 million

VAYA Shuttle Trips
185,990
FY2020: 83,242

Clean Water Supplied (litres)
34.4 million
FY2020: 10.2 million

VAYA Electric Vehicle Trips
5,032
FY2020: 428

Waste Recovery (tons)
260
FY2020: 84.1

ENVIRONMENTAL

Environmental Sustainability Goals

Environmental Management Approach

Cassava is committed to integrating sound environmental practices into its operations and it is of high priority that the business does not leave a negative footprint on the environment and the ecological ecosystems in which we operate. We play our part in ensuring that we minimise any negative impact that our operations may have on the environment, as well as take steps to encourage our stakeholders to positively impact our environment. We hold our staff members and contractors accountable for compliance with all statutory obligations and best practice conformance.

Environmental

Environment

Solar Powered Data Centres

Data centres are central to the digital services that Cassava provides. Power and cooling requirements continue to increase as the portfolio of services expands. It is therefore paramount that we increase the renewable energy share that is used in our operations. In 2021, 10% of our data centres used renewable energy and going forward this is set to grow as the company continues to collaborate with partners to expand renewable energy capacity.

Capacity Optimization

Short to mid-term interventions are required immediately to reduce power requirements in our operations. Leveraging the latest leading edge technology and architectures, Cassava has been on a drive to reimagine systems and the infrastructure that houses them. Cassava continues to embark on service consolidation, virtualisation and containerisation initiatives to maintain sustainable levels of power consumption. To date 95% of Cassava systems run on these principles and technology.

Remote Working

In 2020 and in the face of COVID-19, Cassava adopted a telecommuting policy to reduce staff movement and minimise the possibility of exposure to the virus. Leveraging collaborative technologies, 97% of Cassava staff are telecommuting. The reduced travel in the new normal will contribute to the reduction of CO2 emissions over the long term and the impact on our environment. Telecommuting also resulted in a reduction of technology office consumables and the company scaled down printing consumables by over 80%, further contributing to a cleaner environment.

Star Rated Equipment and Reuse

In 2020, Cassava formally adopted Star Rating as an important evaluation criterion for IT infrastructure investments. This will ensure that only the most energy efficient products are introduced to our data centres in a quest to reduce our carbon footprint as an organisation.

Environmental

Clean City offers a digital platform that allows the public to request for a waste collection service or water delivery. Through its provision of disposal services, Clean City has positively impacted the Sustainable Development Agenda through digitally enabling technology that has leveraged these capabilities to solve waste management problems.

132,000
Unique Households Serviced to Date

+500
Women and Youth Provided with Personal Protective Clothing and Training in Waste Recycling

260,000
Tonnes Recycled in Harare

+5,000
Directly employing people downstream via the Clean City ecosystem that empowers youths to re-use, reduce and recycle

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Environmental

Material Recovery Centre - Budiriro

Clean City Water Delivery

To compliment the efforts to provide quality water, Clean City came with a solution to enhance communities' access to clean water. Using the VAYA App, customers are able to request for bulk water delivery. Since its launch in February 2020, 49 million litres of water have been delivered to various customers.

More than 175,000 litres of water were delivered free of charge to City of Harare Council clinics.

Trading as
EcoCash
HOLDINGS ZIMBABWE

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

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

Your diversified digital solutions group

Environmental

VAYA
VAN AND TRUCK

VAYA e-Logistics believes in sustainability and fully supports global initiatives towards the attainment of the Sustainable Development Goals.

VAYA e-Logistics provides a digital platform which links customers who want cargo moved from one point to another with transporters. The cargo ranges from small parcels, medication, groceries, waste, water, and other goods. VAYA Logistics offers extensive fleet management services, whilst also placing emphasis on reverse logistics which reduces levels of carbon emissions in the atmosphere.

VAYA Mobility

VAYA Mobility introduced four Electric vehicles, building on the principle of "creating environmental friendly communities" and reducing our carbon footprint. The electric vehicles are meant to encourage investment in e-vehicles for our network of partners who are on the VAYA platform as well as individuals and corporates at large.

We also introduced the VAYA Shuttle to reduce the number of trips by small vehicles hence reducing emissions and congestion. Shuttle services is targeted at schools, corporates and Churches.

VAYA
DIGITAL FARMER

VAYA Digital Farmer (VDF) is a Pan African Platform that uses technology to provide digital agricultural solutions to farmers, governments, non-governmental organizations (NGOs), farmer unions, and other key stakeholders in the agriculture value chain. VAYA Tractor, information services, logistics, hay bailing, combine harvesting, soil testing, and many more services are available to improve farm production and livelihoods of millions of Zimbabweans. The flagship service is VAYA Tractor, where tractor and other farm equipment owners register their machinery onto the VAYA Digital Farmer platform for deployment to farmers who want to hire through a digital platform.

VDF leverages on shared economies model to offer its range of products across the country allowing all regions to contribute significantly to the economic growth of the nation as a whole. The partners are funded through a financing partnership with Steward Bank, a move which guarantees and secures the service provision from partners.

VDF is currently engaged in long term contracts thereby building its brand as the Agriculture partner of choice, and also securing the loyalty of its service provision partners who are assured of revenues, secure loan arrangements and also increase their investment appetite. The Agriculture unit has managed to capture the interest of farmers in Zimbabwe as it also works on securing markets for commodities largely through unstructured markets. In this way, VDF has also increased the number of farmers it works with whilst also assisting farmers to increase their production capacities.

Driving Inclusion through Digital Solutions

Hire and Pay for Farming Equipment on Your Phone

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

VAYA DIGITAL FARMER

SOCIAL

Social Sustainability Goals

Social Management Approach

As Cassava we are committed to ensuring that our products and services aid in capacity building and social development for the nation. Our social responsibility goes beyond just caring for our staff and customers. By taking into account our impact in the community we strive to ensure the protection of all people who interact with the business operations, products and services. The needs and concerns of our stakeholders are taken into consideration in our day to day operations and all social initiatives.

Social

Human Capital

Our People | Our Greatest Asset

We have created employee development programs that support diversity, inclusion, fairness and equality, to promote creativity and innovation through various leadership and talent management programs.

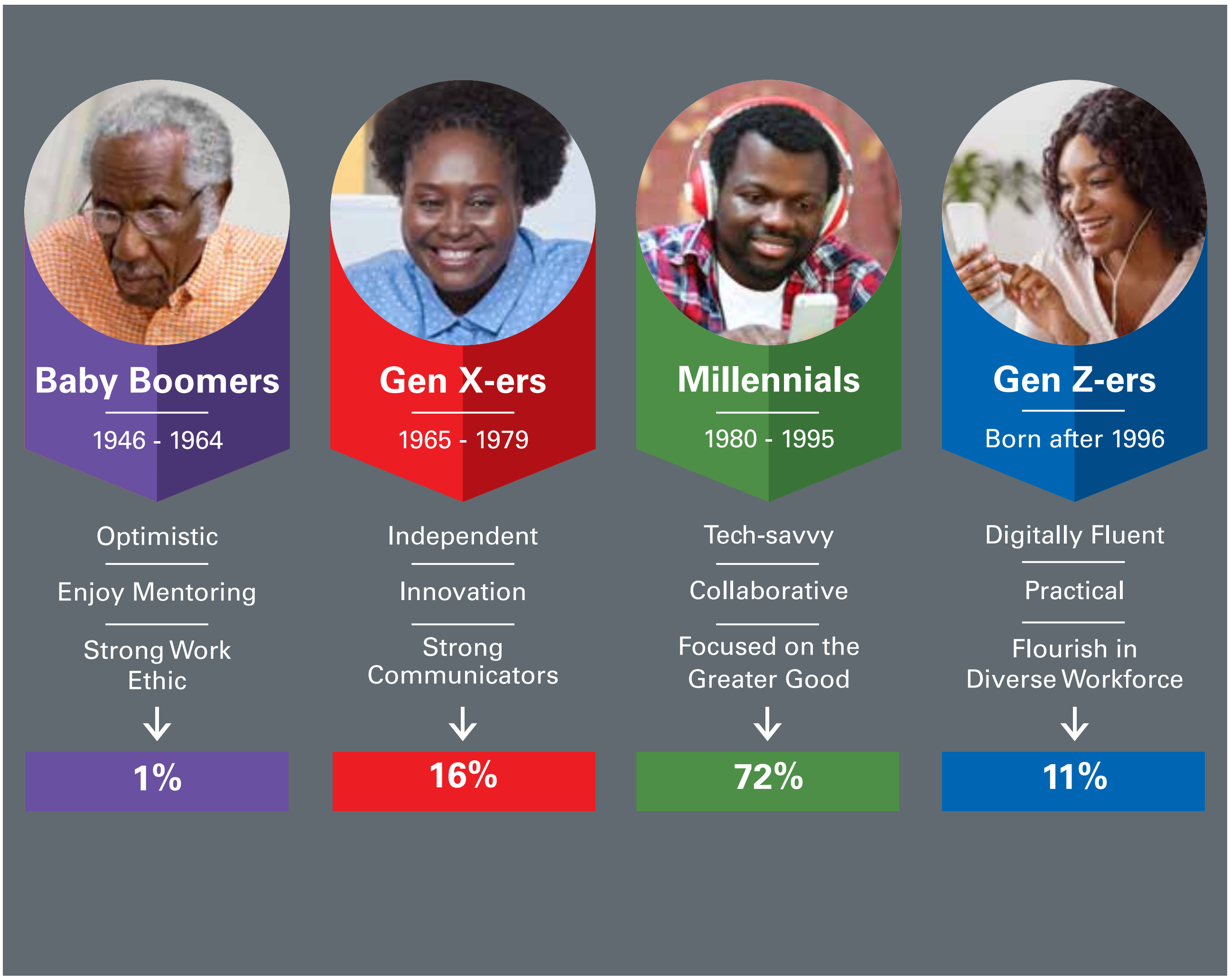
Talent and Capability

At Cassava, we view our employees as our most important partners in doing business. Over the year, we have implemented various strategies to reinforce our culture, foster people development while managing the external changes and adjusting to the newly implemented teleworking strategy. We aim to pursue business growth through the professional growth of our valued partners.

Diversity and Inclusion

Our Generational Mix

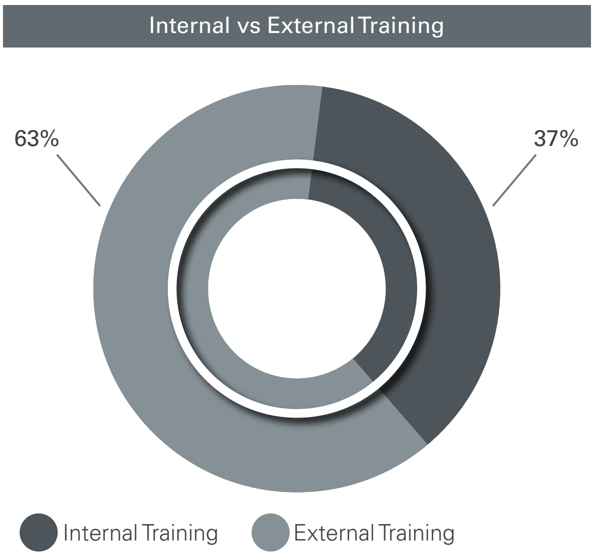
Age diversity within Cassava has supported our knowledge management strategy, enabling innovation, creative learning, driving employee performance, as well as promoting mentorship and skills transfer.



Social

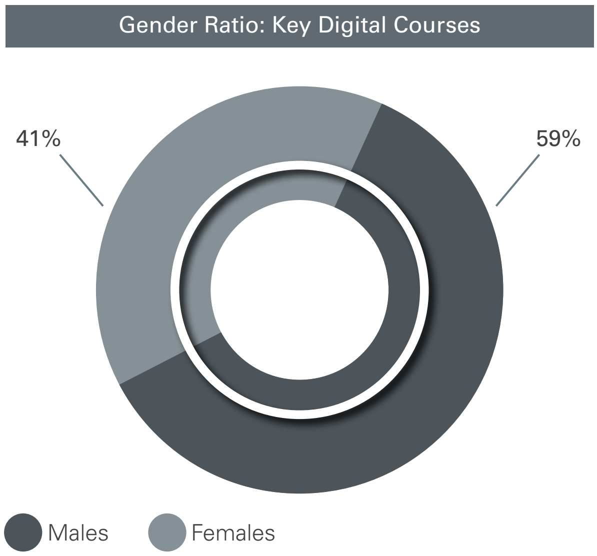
Our People | Our Greatest Asset (continued)

We leverage on the institutional memory, professionalism, skills transfer and skills enhancement. Our mix supports our learning and development strategy.



Gender Balance in Technology

Our aim is not just reaching a gender balance in the workplace, but to balance gender in the technology industry. 41% of the employees who trained in key technical courses, over the year, were women.



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Social

Our People | Our Greatest Asset (continued)

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

WOMEN IN MANAGEMENT

The percentage of women in management reached our target of 35% for the year. Ultimate should be 50:50

PROMOTIONS INTO SUPERVISORY ROLES

The percentage of females promoted into supervisory roles increased to **75%** up from 71% in the prior year

WOMEN HEADED DEPARTMENTS

26% of the business' departments are headed by women

WOMEN IN EXECUTIVE POSITIONS

The percentage of women in executive positions remained at **9%**

Employee Wellness

Our people strategies include the need to improve and support employee wellness. We believe employee wellness plays a pivotal role in creating an atmosphere that nurtures the inner well-being of our staff, which in return drives performance, innovation and creativity. The following initiatives were implemented in supporting the well-being of our employees

Overall Health Awareness
Impact: Coping and self management skills across various health issues such as breast cancer, gynecological issues, diabetes and hypertension

COVID-19 Awareness
Impact: Demystified misconceptions and conspiracy theories on COVID-19 origin and case management. Clarification on medicines and home remedies being used by people

Psychosocial Support
Impact: Coping strategies to handle issues that staff are facing in relation to COVID-19 and the lockdown; including stigma and how to counter it

Nutrition Coaching
Impact: Unpacked foods that boost the immune system. Tips on self-management and staying safe during the pandemic lockdown

Mental Health Wellness
Impact: Balancing mental fitness to support employee productive, reduce absentiseem and manage anxiety caused by the prevalent COVID-19 pandemic

Social

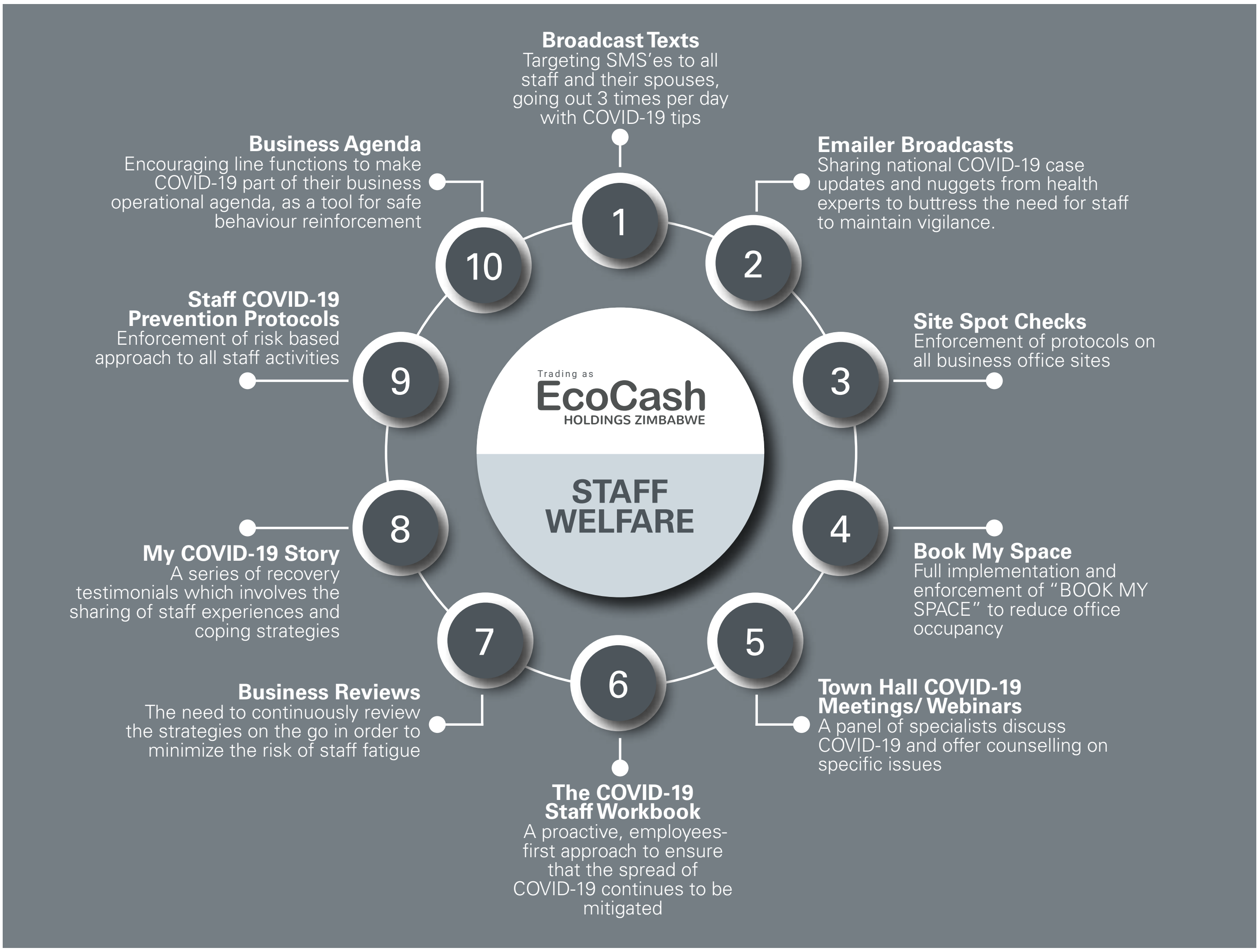
Our People | Our Greatest Asset (continued)

Occupational Safety and Health

The COVID-19 Pandemic demanded a restructuring of occupational health issues in the workplace. In line with our business continuity strategies as well as the World Health Organisation and Ministry of Health guidelines, we embarked on the following:

COVID-19 Testing

The business partnered with our subsidiary entity, MARS, to carry out COVID-19 tests. Testing is scheduled on an on-demand-basis as and when staff members develop symptoms or are exposed. In the case that an employee tests positive, staff can be admitted at St Noah (a group-run COVID-19 health facility). Staff can also opt for home isolation, with a dedicated wellness team and medical experts who do home visits for the affected staff members.



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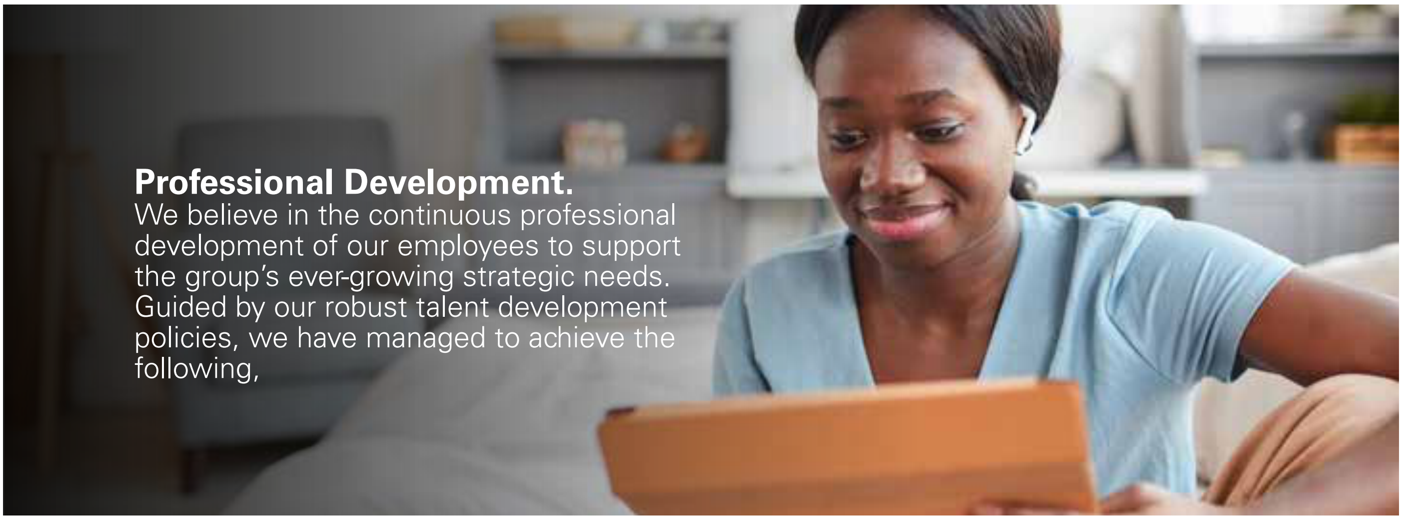
Social

Our People | Our Greatest Asset (continued)



Professional Development.
We believe in the continuous professional development of our employees to support the group's ever-growing strategic needs. Guided by our robust talent development policies, we have managed to achieve the following,

Employee Engagement
In December 2020, the business conducted an annual staff engagement survey, achieving an overall response rate of 95%, well above the Louis Allen Worldwide standard of 70%

Graduate Trainee (GT) Absorption
12 months into our 24 months graduate trainee program, we have reached 100% absorption rate of our Information System (IS) Technical GT program. This has been made possible by our robust hands on training program supported by our talent development policy

Succession Planning
In order to support our continuous growth, succession planning is a priority in our talent management strategy. We used the bench-strength method, achieving a ratio of 3:1 of each position across the business against a target of 2:1. At present for each position we have successors in the training pipeline to support both the succession strategy as well as business growth

Performance Ratio
We closed FY21 with the full year performance reviews across the business. Our performance ratio from the assessments was 80% of employees that had a satisfactory performance score and above. We achieved a higher talent density surpassing our target of 75%

Learning Activity Ratio
The Target Average Participant Training Days for the financial year was 10 and we reached an actual of 13. This includes virtual and physical training days

Corporate Membership to National Associations

Cassava is a member of various national associations and organisations that contribute towards business continuity, business improvement and sustainability.

Awards

Awarding Institution	Category	Brand
Top Companies Survey	Top Life Assurance Survey 2020	EcoSure
EMA	Winner – Environmental Stewardship Award 2020	cleancity
CSR Network	Top COVID-19 Fight Supporting Organisation Award 2020	cleancity
MAZ	Best Website for the year 2020	Cassava Smartech
MAZ	Super Brand Winner – Electronic Money Transfer Sector 2020	EcoCash
MAZ	2nd Runner Up for Best Product Innovation - 2020	EcoSure

Social

Social Capital

Stakeholder Management | Key Engagement Outcomes

Stakeholder Engagement Strategy

We are very aware that, our business success is dependent on the support of our various stakeholders. Understanding and addressing the needs of our stakeholders remains a key priority. As we continue to build towards a sustainable digital business, we take key learnings on our past engagements, striving to improve on the same in the coming year. Our commitment is to be proactive in our engagements and to ensure we remain impartial to all the feedback from our diverse stakeholder community.

Stakeholders	Why We Engaged	Mode of Engagement	Key Interests
Government and Regulators	• Reserve Bank of Zimbabwe (RBZ) engagements were done concerning EcoCash regulatory directives, transactional limits, tariff reviews, bank's capital requirements, informing of major system upgrades and prioritizing foreign currency payments to vendors amongst other matters • Approvals of new products and promotions e.g. Insurance and Pensions Commission (IPEC) approval on insurance products and promotions (motor insurance promotion, Essential Health Benefit Cover)	• Participation in in-person and online meetings. • Submissions of requested information through email communication • Telephone engagements and letters correspondence • Regulatory reports	• Compliance with all regulatory provisions • New product approvals • Tariff and limits review approvals in line with the changing economic environment.
Customers	• Quarterly surveys to profile customer satisfaction. • Solicit customer feedback and insights to inform decision making processes and provision of products that address the changing consumer needs • Product awareness for the various products and service offers and promotions across the business • Extensive COVID-19 updates and recommended protocols to curb spread	• Call centres and retail outlets • Independent Agency conducted customer survey and feedback • Random sampling of adult Zimbabwean citizens across the country	Measure customer satisfaction • Brand health checks • Value proposition to the consumer • Insights for service improvement • Develop programs to address customer issues
Shareholders	• Keeping shareholders aware of the business progress on strategic and operational objectives • Getting feedback to guide and inform management activities and performance. • To communicate business performance	• Quarterly Board and Board Committees meetings • Annual General Meeting with shareholders • Trading updates and ad hoc updates	• Providing transparency of all business activities including operational and financial performance • To provide confidence to investors and shareholders that we are a profitable going concern • Updating on key investment projects such as the Purple Ark project and shareholder support. • Shareholder buy in in company projects

Social

Stakeholder Management | Key Engagement Outcomes (continued)

Stakeholders	Why We Engaged	Mode of Engagement	Key Interests
Employees	• Informing staff on key group initiatives and strategic direction of the business. • To share relevant information timeously to all employees • Getting staff feedback, understand needs to inform staff related initiatives • To ensure that employees are aligned to the company's goals and vision	• Quarterly CEO's staff addresses • Virtual meetings and staff emailers • Louis Allen engagement survey • Training and strategy session	• Employee engagement & retention • Create organisational citizenship behaviour • Create employee buy-in for new projects and company policies. • Motivation to develop a positive company culture
Suppliers	• Supplier registration • Reinforce relationships with the various suppliers across the business • Payment plans for foreign currency obligations • Engagements to ensure delivery of products and services within the agreed Service Level Agreements. • Procurement of new products	• Engagements largely through virtual meetings, workshops, emails, phone calls and contracts	• Value preservation • Ensure quality of service • Compliance • Driving digital education • Hold suppliers accountable for work done according to SLA (e.g. The Purple Ark project). • To ensure work tools and supplies are optimum and adequate
Business Partners / Industry	• To ensure business continuity through forging lasting relationships and synergies with our business partners and the industry at large. • To keep business partners and industry aware of changes in the businesses regulatory environment e.g. on EcoCash, Steward Bank • Communicating expectations for continued quality service to e.g. Funeral Service providers for EcoSure, Vaya Partners Tractor Equipment providers on Vaya Digital Farmer, Brokers for Insurance. • To allow the business to collaborate and learn from others	• Channel partner forums and conferences • Physical and virtual meetings • Email Communications • Face-to-face Meetings, email, telephonic engagements.	• Business growth • Risk management • Compliance • Capacity building
Media	• To assist in the brand building strategy. • Keeping the media informed on new business activities, products, services, facts and impact of our business operations.	• Product launches • Email Communication, Social media, radio and other digital channels • Press releases	• Updates on key activities and offerings by the business • Brand equity building and reputation management • Release of public information e.g. Financial Reports
Communities and Local Authorities	• To obtain authority to roll out products in certain jurisdictions • Investment in communities. • Building relationships and increase brand awareness and visibility	• Face-to-face engagements and virtual meetings • Brand Ambassadors at local levels • Above the line communication, product innovations, social corporate responsibility	• Responsible roll-out of the groups products in the different markets across the country • Building brand equity and turning communities into advocates • Social Responsibility to invest and positively impact communities

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Social

Data Security and Customer Privacy

Cybersecurity: Protecting Our Customers' Vital Information

We work proactively to protect our customers from having their information compromised or suffering any other data integrity breach. Our primary data security risk relates to protecting the security and privacy of our customer data. During the reporting period the business took initiatives to manage risks related to the collection, retention, and use of sensitive, confidential and proprietary customer data.

External Security Assessment

In Q4 of 2019, the EcoCash Upgrade was completed. In Q1 of 2021, Cassava engaged reputable external auditors to validate the surety posture of this system. Findings and recommendations from this engagement enabled Cassava to further strengthen the environment at hardware and software levels, giving management and stakeholders the confidence that they are in safe hands

Security Talent and Training

With the ever growing product portfolio emerges greater risks of potential security threats to the organization. Management therefore made a deliberate effort to attract and retain the best Security Talent in the country. Further, with 97% of our staff telecommuting, we recognized that our staff had become the primary target for cyber crime. Cybersecurity training and awareness programs were rolled out and continue to be rolled out to ensure a best-in-class security posture is maintained

Security Technology

Corporate and customer data are key targets of cyber crime. Cassava has over the past year strengthened data protection security technology. The powerful technology has capabilities to prevent security threats and through machine learning, identify areas that need further strengthening and calibration. This will ensure we continue to be good stewards of our customers, partners and enterprise data going forward

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EcoCash
HOLDINGS ZIMBABWE

Edutech

akello Smart Learning

akello HUB

Digital platforms provide equal access to high-quality education and skills development. We understand the importance of promoting education access in Zimbabwe, through creative means. We have created end-to-end value propositions that include platforms, devices, digital libraries and internet access. We have forged strategic alliances with a variety of value chain partners.

Your diversified digital solutions group

Social

HIGHERLIFE FOUNDATION

#OneFightAgainstCorona mobilised funds to procure

2,400

personal protective equipment (PPE) kits for Zimbabwean health workers

Supporting Communities through the COVID-19 Pandemic

Through Higherlife Foundation (Higherlife), Cassava supports human capital and community development that contributes to the national 2030 vision of Zimbabwe becoming an upper-middle-income economy. The Foundation's work anchors on four key pillars to build thriving individuals and communities: Education, Health, Rural Transformation & Sustainable Livelihoods, and Disaster Relief & Preparedness.

In the face of the COVID-19 pandemic, Higherlife pivoted its strategy to ensure business continuity under lockdown. The foundation led programs to curtail the spread of the disease and alleviate the social and economic impact on the most vulnerable communities in Zimbabwe, Burundi and Lesotho.

The following are key highlights of Higherlife activities for the period under review:

Social

Higherlife Foundation (continued)

Education

In education, Higherlife provided learning opportunities to 13,288 orphaned and vulnerable children through scholarships across Early childhood development (ECD), primary, secondary, and tertiary levels. Additionally, 587 academically gifted scholars were supported with scholarships to local and international institutions.

As the pandemic disrupted traditional learning delivery models, the Zimbabwean Ministry of Primary and Secondary Education (MoPSE) endorsed Ruzivo Digital Learning as a key online tool for students to continue learning. During this period, a total of 94,214 learners accessed high-quality content on the platform.

To continue its value-based leadership and life skills training, the Foundation leveraged technology by moving its leadership and mentorship sessions online which were accessed by a total of 28,532 fellows and alumni from Zimbabwe, Lesotho, and Burundi.

Higherlife partnered with Simba Education - an African Edutech company in early years education in a bid to strengthen foundation phase learning. Through this partnership, literacy and numeracy training was provided to 406 ECD educators across the ten provinces of Zimbabwe, which will impact 16,240 students.

Health

In Health, Higherlife supported national efforts to tackle the COVID-19 pandemic and protect lives and livelihoods.

Higherlife participated in the **#LetsKeepCoronavirusOut** awareness campaign, which shared verified information and public health advice through social media, radio jingles and outdoor billboards. Additionally, the Group's crowdfunding campaign **#OneFightAgainstCorona** mobilised funds to procure 2,400 personal protective equipment (PPE) kits for Zimbabwean health workers, which were distributed through the Foundation to the country's major COVID-19 referral hospitals.

Together with Clean City, MARS and the Ministry of Health and Child Care, the Foundation also launched a National Handwashing and COVID-19 Education Campaign, which saw 1,000,000 people impacted through educational radio shows, community soap distributions, COVID-19 prevention training and deliveries of clean water.

Social

Higherlife Foundation (continued)

Health

Furthering its commitment to the bold goal of eliminating Neglected Tropical Diseases (NTDs) in Zimbabwe by 2025 through innovation and partnership, Higherlife facilitated the administration of 479,782 treatments for bilharzia and intestinal worms to at-risk populations in five (5) districts in the period under review.

The year 2020 also saw the Cholera Elimination Secretariat celebrate the launch of the ten (10) year National Cholera Elimination Roadmap, which will create impact for the 1,740,000 people living in cholera hotspots across Zimbabwe.

Through a donation from The ELMA Group of Foundations, Higherlife facilitated the distribution of 50,000 test kits to private and government-run laboratories to strengthen national PCR COVID-19 testing efforts.

Public Health and Social Security

Student support initiatives under COVID-19 included the distribution of 3,055 food packs in response to increasing food insecurity and health needs. During the nationwide lockdown, this intervention impacted 15,275 people within the targeted households.

Throughout the year, pandemic-related disruptions to the provision of essential maternal and neonatal health services threatened to severely erode the steady gains that Zimbabwe had made in reducing mortality rates. Through the ELMA Group of Foundations' generous support, the Foundation embarked on a journey to enhance essential health services to mothers and neonates in five (5) central and two (2) provincial hospitals. A total of 1,310 units of critical diagnostic, monitoring and treatment equipment,

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Social

Higherlife Foundation (continued)

as well as essential personal protective equipment (PPE), were delivered to seven (7) public hospitals to improve health outcomes and provide an efficient and safe working environment in maternity wards.

Rural Transformation and Sustainable Livelihoods (RTSL)

In Rural Transformation and Sustainable Livelihoods (RTSL), Higherlife worked to transform rural communities and ensure food security by catalysing the adoption of the climate-smart **"Pfumvudza"** farming approach.

In the FY2020/21 farming season, Higherlife piloted the approach - investing in 2,484 Pfumvudza plots covering 156 hectares. The pilot agricultural output is estimated to be 1,863 tonnes of maize grain and is projected to fund food provision initiatives for vulnerable Higherlife Fellows as well as contribute to school fees for the students.

In Disaster Relief and Preparedness, the Public Health Emergency Operations Centre (PHEOC) was timeously operationalised and became the base of operations for Zimbabwe's COVID-19 response, housing the national call centre. Additionally, Higherlife partnered with the Department of Civil Protection to train community champions with a total reach of 2,800,000 people on Community-Based Disaster Risk Reduction approaches ahead of the rainy season.

Social

Higherlife Foundation (continued)

Higherlife's advocacy for girl's empowerment was strengthened in 2020, through the identification and placement of 187 gender champions across the nation's ten (10) provinces whose mandate is to raise girls who can self-actualise and lead in the community and national development. Through its Faith and Development work, Higherlife continued to contribute to national spirituality and restoration through the 90 Days of National Prayer campaign which reached over 750,000 people.

Looking Ahead | Impacting Communities One Life at a Time

As collaboration is central to the achievement of Vision 2030, the Foundation brought together experts across its four key pillars: Education, Health, Rural Transformation & Sustainable Livelihoods, and Disaster Relief and Preparedness under the Catalysing Vision 2050 webinar series to unpack pathways towards the achievement of these set targets.

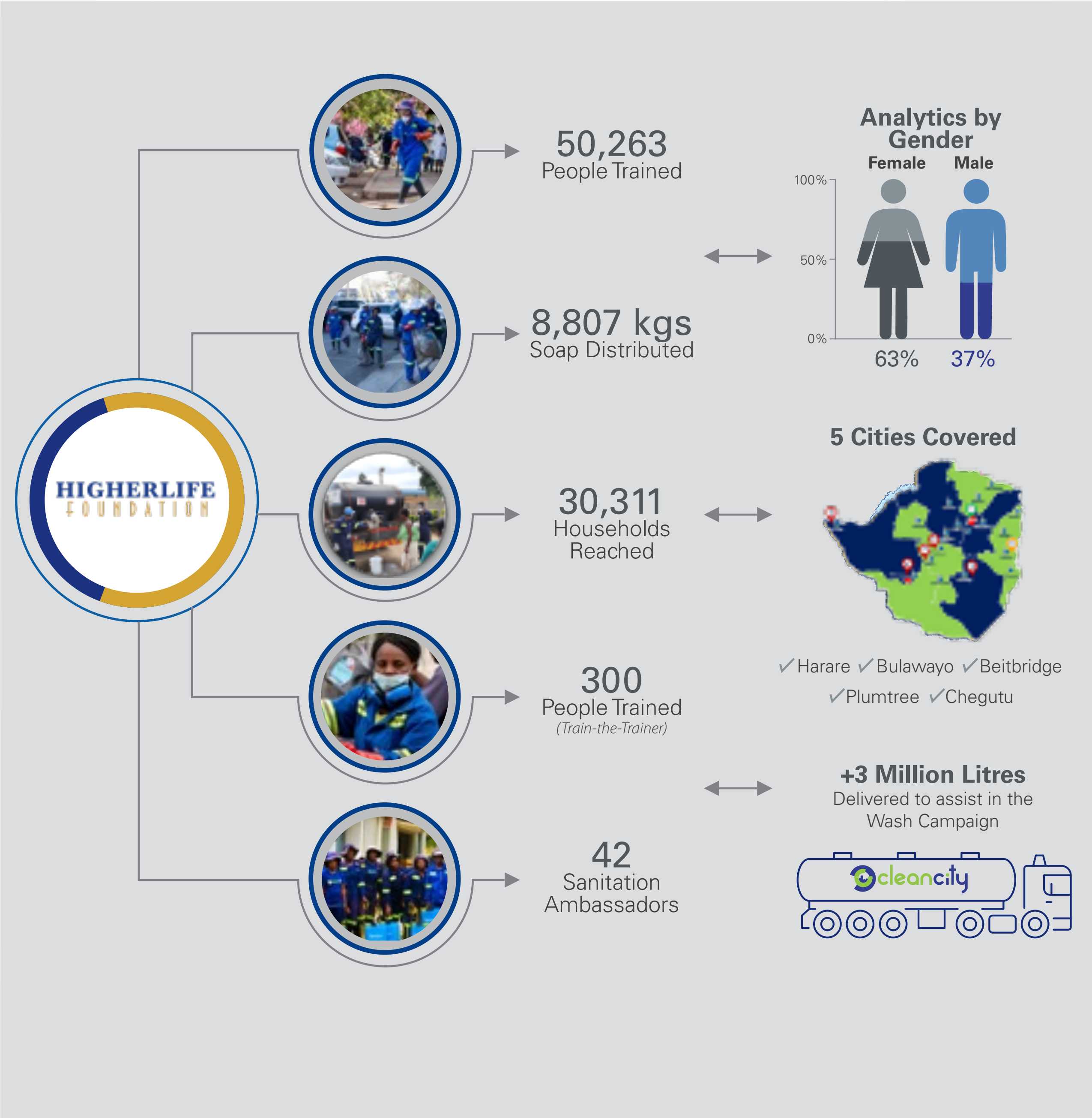
Looking ahead, there is an even greater need for collaboration as Higherlife Foundation celebrates 25 years of impacting lives and communities. The Foundation's 25-year journey will be shared across diverse platforms to stimulate the conversation and action that will drive our nation towards Upper Middle-Income Economy status.

Social

Higherlife Foundation (continued)

Supporting Communities through the COVID-19 Pandemic

Clean City in conjunction with Higherlife Foundation trained sanitisation ambassadors for the Handwashing and soap distribution campaign in the wake of COVID-19. With the support of a generous donor, Delta Philanthropies, Higherlife Foundation and Clean City piloted a Handwashing, Soap Distribution and COVID-19 Education Campaign in two high-density suburbs in Harare that are acutely affected by limited access to wash facilities. A cohort of 42 community volunteers trained as "**Sanitation Ambassadors**" reached over 30,000 people with soap, clean water, and training on handwashing and COVID-19 education.



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Social

MARS is an Emergency Medical Service (EMS) provider with a country wide network of 10 bases. Its medical services are offered via road and air, averaging just over 300 calls a month. Through our Toll-Free Econet short-code 182 and Call Center, people beyond our borders and country wide can request ambulance, fire or police assistance, contributing to the creation of sustainable cities and communities. Our ambulances are equipped with advanced life support level to ensure we offer the best care to our patients.

MARS Training School

MARS Training School offers theoretical, practical and online training to people from all walks of life, in the field of accident and emergency care, and pre-hospital patient management. It is our desire to train as many people as possible, and by so doing, strengthen the "Chain of Survival" within our homes, schools, work places, medical facilities, communities and our nation as a whole. Our courses are open to members of the public, commerce and industry, schools, defense forces and health care providers, such as doctors, nurses, ambulance crew persons, and those individuals targeted by communities to ensuring their health, safety and welfare. This covers medical and trauma related emergencies.

Our Impact During the Pandemic

The business introduced a Rapid Response Team to fully service COVID-19 patients for pre-hospital care, transfers and home based care. Partnerships have also been done with laboratories for COVID-19 testing, with Harare & Bulawayo Bases having laboratories on site. Tele-health centers at MARS bases have allowed virtual consultations with doctors for patients offering sound medical advice.

Driving Inclusion through Digital Solutions

Request Garbage and Waste Removal on App

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

cleancity

Econet Life

The year in focus, marked by what arguably is a black swan event, had a fair share of its downside and upsides. Successive lockdowns and confinement measures put in place by the government to curb the spread of COVID-19 saw the acceleration of the pace of digital transformation as information and communications technologies (ICTs) were used to sustain daily lives and support business continuity.

The EcoSure micro insurance product being a digital insurance solution accessible directly from the mobile phone could not have been better placed. With over three (3) million people cumulatively covered to date, this demonstrates how digital solutions are key in driving scale and reaching the previously unreached.

Econet Life Highlights

Driving **Inclusion** through Digital Solutions

Supporting Africa's Emerging Tech Talent

Akello Hub is a tech hub dedicated to developing and supporting an active and skilled community of tech enthusiasts and IT professionals. Their in-demand Digital Skills Training Program includes specialized e-learning courses in coding, as well as business & entrepreneurial skills training.

Social

Econet Life (continued)

Over **80,000** health workers in the country have a life and health insurance package

EcoSure announced to its policyholders that all **COVID-19** funeral claims were payable

In March 2020 EcoSure launched its support to the country's national health delivery system by capacitating doctors and nurses with an insurance package for medical practitioners who were on the frontline in the fight against COVID-19.

The cover extended to over 80,000 health workers in the country consisted of a life and health insurance package. This helped in providing confidence and comfort to the frontline workers who enjoyed the peace of mind that in the unfortunate event happening, they have insurance cover.

In addition, EcoSure partnered with several local authorities, universities and other institutions around the country to provide hand washing basins in public places to promote sanitation and cleanliness thereby helping to slow down the spread of the virus. This initiative saw hundreds of

Trading as
EcoCash
HOLDINGS ZIMBABWE

Social

Econet Life (continued)

foot-operated hand washing basins deployed in various cities i.e. Harare, Bulawayo, Mutare, and Masvingo etc. at several points during the year. EcoSure continues to command one of the most extensive distribution network of services providers including funeral service providers (FSPs), mobile money agents, Econet branded shops and brand ambassadors. Apart from the convenience this brings to its customers, EcoSure continues to create employment.

As a contribution to the national efforts in providing social security against COVID-19 economic hardships, EcoSure announced to its policyholders that all COVID-19 funeral claims were payable. Through EcoSure, millions of people in Zimbabwe have come to know what insurance is, hence this micro-insurance product has made it possible to reach the marginalised and covered millions who were previously financially excluded. With a population of over 16 million in Zimbabwe, EcoSure has increased the coverage ratio from as low as 5% to over 18% (3 million) insured.

Overall, the business continues to leverage on technology and human centred design to continuously develop innovative insurance solutions and disruptive approaches to ensure continued relevance and to provide for the needs of customers and the community at large – driving social and financial inclusion and improving their quality of life.

Driving ***Inclusion*** *through Digital Solutions*

Redefining Everyday Learning the Smart Way

Akello Smart Learning is a digital learning platform for primary and secondary students that is interactive online. All of our content is linked with national school curricula, and we are working with the Ministries of Education (Primary & Secondary and Higher & Tertiary) to provide various nations with alternative options.

akello Smart Learning

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Social

Econet Insurance

Econet Insurance is a fully licenced short-term insurer launched in July 2018, specialising in non-life insurance business. This includes motor and non-motor insurance covering, crop, livestock, fire, plant and equipment policies. Within the first two years of its formation, the business witnessed a tremendous growth and achieved top six ranking out of a total of 18 industry players. With an automation score of 88% Econet Insurance has managed to drive social inclusion through digital transformation.

Customer Reach Policies
89,103
FY2020: 78,352

Partnerships with Service Providers
ZW$999 million
FY2020: ZW$696 million

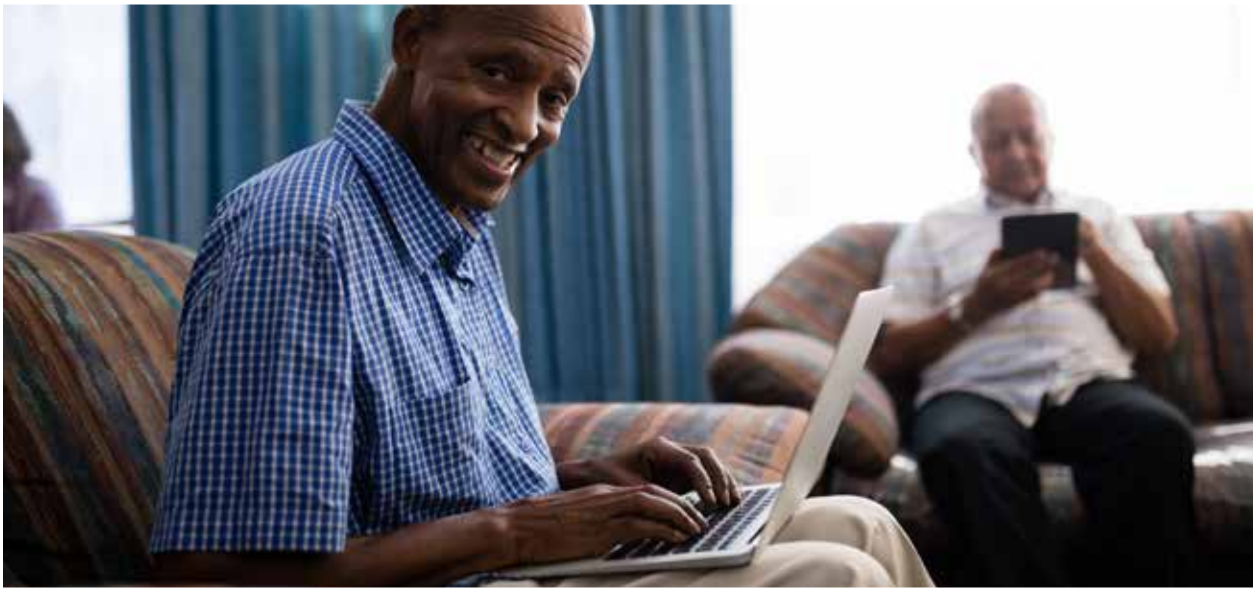
Amount Paid to Agents
ZW$131 million
FY2020: ZW$36 million

Automation Score
88%
FY2020: 81%

Amount of Claims Processed
ZW$207 million
FY2020: ZW$139 million

Social

Econet Insurance (continued)



Transforming Livelihoods and Creating Employment:
Econet Insurance has created +100 indirect jobs by recruiting Insurance Agents who earn commission on every sale they make. We have trained and equipped all agents who can easily sell insurance products through our USSD platform and Moovah Web Portal access. Insurance helps in reducing economic shocks by compensating lost or damaged property hence assisting in economic growth. Through the USSD platform the insurance accessibility has been made easy and hence gives convenience to customers.

Fighting Hunger and Alleviating Poverty:
Econet Insurance is de-risking agriculture by protecting families and households against risks through crop and livestock insurance. Farmers are guaranteed of compensation in the event of a loss, and through this service the business is promoting agriculture, reducing hunger and contributing to economic growth. Sustainable agriculture is anchored on healthy farmers, and we have taken it upon ourselves to provide farmers with essential health benefit insurance under the Moovah-Maisha bundle, field to floor cover offered by Moovah and Credit Life insurance offered under the Moovah-EcoSure bundle. A total of 1,000 farmers were registered in the year under review. Under a technical collaboration between Moovah and Nurture BX, 2,000 cattle were insured.

Experiencing the Life is Digital Mantra:
Econet Insurance launched its flagship Moovah Loyalty App, where customers are able to buy motor, home, legal and professional indemnity insurance and licencing for their vehicles on the mobile app. Interestingly, customers are also empowered to lodge their claims through the mobile app - A first of its kind in Zimbabwe. This has revolutionised the way insurance (motor vehicle) is handled in Zimbabwe.

Challenges and Mitigations:
A few challenges that Econet Insurance came across last year included currency instability, inflation and economic turbulences. However, despite these tough economic conditions, the business saw its revenues growing and consequently registered a profit. This excellent performance was pinned by innovative solutions such as the index-linked insurance product, and the launching of the pure foreign currency denominated products. Zimbabwe's economic hardships have also resulted in an increase in crime losses. To counter this scourge, Moovah deployed technology to fight crime losses. For example, the Usage Based Insurance tool enables real time tracking of assets and incident reporting, complete with accident scene data reconstruction.

Critical Skills and Managing a Knowledge Business:
In addition to being an Insurtech business, Moovah is also a knowledge business. Top skills in risk engineering, actuarial science, denotational mathematics, insurance and reinsurance remain key pillars in driving corporate sustainability.

Looking Ahead
Moovah intends to grow its revenue lines by utilising group synergies, technology and extensive agent's networks.

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Social

VAYA eLOGISTICS | Clean City

VAYA Logistics is a platform-based on-demand service, where customer requests for waste collection and cargo delivery are done.

1 NO POVERTY | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION | 8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES

Sustainability Goals Supported by Vaya Logistics

Trading as
EcoCash
HOLDINGS ZIMBABWE

Maisha

Maisha Health Fund

mars

Healthtech

Under Healthtech, Cassava offers Maisha Medik, Maisha Health Fund and MARS. They provide medical help and well-being services via mobile-based Health Tips, Symptom Checker, Dial-a-Doc, and Tele-Health. AI-powered apps and telehealth platforms for health counseling, diagnosis, treatment and monitoring are available. MARS whose Ambulance fleet is on VAYA platform provides Emergence Road and Air Evacuation Services.

Your diversified digital solutions group

Social

Maisha Health Fund

The financial year was an opportunity to show business fortitude as there were challenges on multiple fronts. With the coronavirus pandemic the way of doing business had to change and Maisha Health Fund was able to maintain a growth trajectory throughout the year and exhibited great resilience to the various changes occurring in the economy.

Over the year accessing medical services became a heavy burden with the depreciation of the Zimbabwean dollar which characterised the first half of the year as members bore increasing shortfalls as cost of services soared. Maisha Health Fund introduced packages with no copayments to ensure members continued to have access to medical services. Maisha Health Fund's payouts for member medical services increased by 700% while its revenue grew by 900% over the year.

Digitalisation
Business continuity was enabled during the lockdown with staff members capacitated to work from home as much as possible. Handling of paperwork was reduced and is being replaced with digital forms, and Maisha Health Fund expedited the use of an electronic claims submission switch. The move from paperwork increased operational efficiencies and curbed the spread of the coronavirus. The digitalisation drive will continue into the future.

Maisha Health Fund adopted a number of technological strategies to provide quality health cover to its members as detailed below:

Telemedicine: In partnership with Maisha Health, members were able to access consultation services with doctors through telemedicine devices deployed at MARS sites. The teleconsultation has both audio and video functionalities and an electronic prescription is also provided. By use of the Maisha Medik app, members were empowered to receive the teleconsultations from doctors in the comfort of their homes.

Virtual Pharmacy: This innovation allows members to purchase medication without having to visit a pharmacy. Following a consultation patients send a digital prescription to the virtual pharmacy and the drugs are delivered to the patient's location using VAYA Express services. This opened a new experience of healthcare, which brought not only relief from exposure to the coronavirus but also great convenience in accessing medical services.

VAYA MOBILITY

We focus on superior customer experience leveraging on cutting edge technology and digital transformation. The cumulative key highlights to date are as follows:

667,000
VAYA trips successfully completed

11.9 million
Kilometers traveled through VAYA

Zero
Accidents

+ZW$ 503 milion
Commission paid to VAYA drivers

Driving Inclusion through Digital Solutions

Get Medical Care from a Doctor via Live Video

Maisha Health Fund seeks to provide health cover and related services that are tailored to the needs of individuals, businesses, Small and Medium scale Enterprises (SME's), universities, and schools. Members have control over their health, thanks to affordable medical aid plans which provide them with access to a countrywide network of health care providers.

Maisha Health Fund

Trading as
EcoCash
HOLDINGS ZIMBABWE

GOVERNANCE

Governance Sustainability Goals

Governance Management Approach

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

Governance

Business Model and Innovation

Supply Chain Management

Our focus remains on our costs, processes, supplier performance and purchasing activities. At the beginning of the financial year 2021, we engaged our suppliers for a 20% discount on all running contracts, maintenance, support and license fees. The negotiations were also extended to all our new purchases. We thank our valued suppliers for the continued support and partnering Cassava during this difficult period.

During the past financial-year we also supported the business of our local contractors in constructing a COVID-19 centre for staff members.

We continue to engage our suppliers with the aim of encouraging them to adhere to our supplier code of conduct and uphold ESG requirements in their respective operations. Our business is committed to support local suppliers and small to medium enterprise. Supplier performance monitoring is an ongoing initiative to monitor supplier performance on all our contracts. We continuously monitor our suppliers to manage the risk of failure to deliver due to the difficult operating environment. The business has been engaging new suppliers from the SME sector encouraging them to be registered and compliant with all statutory requirements.

We are in the process of implementing the Environmental, Social and Governance assessment framework in Q1 FY22 and supplier audits will be carried out in Q2 FY22. We also expect all our suppliers to comply with Health and Safety standards at all times. We encourage our suppliers to embed diversity and inclusion in their operations. Through our supply chain we engage our suppliers and partners to commit to diversity and inclusion goals and invest in different programs and partnerships that build the diverse talent pipeline.

We supported the business of our local contractors in constructing a COVID-19 centre for staff members

Infrastructure Investment and Services

Cloud First

In 2021 Cassava adopted a CAPEX light model for infrastructure deployments. Apart from the cost optimization benefits, this model allowed us to be flexible as market forces changed during the COVID-19 induced lockdowns and the new normal it ushered in. The organization continues to invest in cloud solutions as it continues grow its portfolio in Zimbabwe and delivering services that change lives.

Advanced Analytics

Enterprise Business Intelligence, Artificial Intelligence (AI) and Machine Learning capabilities are key to the growth of businesses today and for the future. In 2021 the business invested in infrastructure specifically for Advanced Analytics. This capacity will improve our ability to identify and target impactful areas of our business and most importantly the communities we serve with tailored solutions born from leading edge Advanced Analytics.

Service Quality

Service quality is at the heart of Information System services. Monitoring and Performance management are therefore cornerstones of what we deliver to our stakeholders. We deployed, in 2021, various technologies and tools that improved our ability to proactively identify service bottlenecks before they impact our customers. Because of these investments we managed to improve service delivery and overall customer experience.

Driving **Inclusion** *through Digital Solutions*

Digital Health at your Fingertips

Maisha is a digital personal health assistant that provides a full suite of technology-enabled health services for diabetics and hypertensives, including health education, physician visits, electronic health records, telemedicine services, and remote patient monitoring. Maisha uses technology to make health care more accessible to everyone.

Maisha Medik

Governance

Fintech | EcoCash and Steward Bank

Introduction

The Fintech business is a uniquely integrated digital transactions ecosystem including Mobile Money, Digital Banking, Payment Services and International Remittances. Over the years, through our Fintech services we have been able to drive mobile payments to 88% of the volume of national payments transactions.

Trading as
EcoCash
HOLDINGS ZIMBABWE

Governance

EcoCash

EcoCash is more than a digital form of cash, it encapsulates an ecosystem of use cases which has revolutionised the way the financial sector operates in Zimbabwe. Its financial inclusion model has positively contributed to the reduction of poverty and inequalities in the country, providing financial solutions to the rural communities, women and youths of Zimbabwe. Our integrated platform offers multi-mobile financial services, which are tailored to suit a wide segment of target markets, and to include the banked, unbanked and under-banked customer segments. We offer a wide range of services from peer to peer transactions, merchant payments, Nano-credit, investments (bonds and equities), international remittances, card-to-wallet linked transactions, banking services, and micro-savings (for individuals or groups). The integrated platform has a dedicated Business-2-Business offering, the first dedicated mobile business wallet offering in Africa and a digital bureau de change. The EcoCash mobile money platform is Cassava's flagship service. It is an innovative award winning financial inclusion mobile payment solution that allows customers to perform simple financial transactions from their mobile devices. EcoCash, is a recipient of two GSMA GLOMO Awards for Best Mobile Money in the World (2017), and Best Mobile Innovation for Women in Emerging Markets (2018). It has many more awards to its name, and is widely considered one of the best mobile money services in the world.

An important pillar within the Sustainable Development Goals (SDGs) is the bridging of the digital divide to ensure inclusion and EcoCash serves this pillar as a platform where electronic payments are synonymously referred to as "EcoCash" in Zimbabwe. In terms of driving inclusion through digital solutions, EcoCash is enabling customers to safely transact in the middle of a pandemic through contactless transactions. EcoCash allows customers to transfer money and engage with other financial transactions with minimal physical contact, helping mitigate the spread of the novel coronavirus.

Financial Inclusion

Mobile Money can provide financially marginalised populations with a form of access to financial services which are not profitable for the current financial system to provide. The ubiquity of EcoCash allowed the Government, NGOs and the diaspora to reach the recipients of financial transmissions with the least transaction friction possible thus recording over 90,000 aid beneficiaries in FY2021.

Market Access

EcoCash does not only provide a tool to transact, but it also opens customers to a whole world of mobile commerce where they might not have had an opportunity to buy and sell on a large and transparent business platform. The business recorded over 1.4 billion transactions in FY2021, thus garnering a national volume share of 88% in the electronic payment space.

Spur Entrepreneurship

With a universally simple way to pay and with increased reach, EcoCash remained at the core of entrepreneurs' payment choice with over 100,000 registered channel partners on the platform.

Urban – Rural Remittance

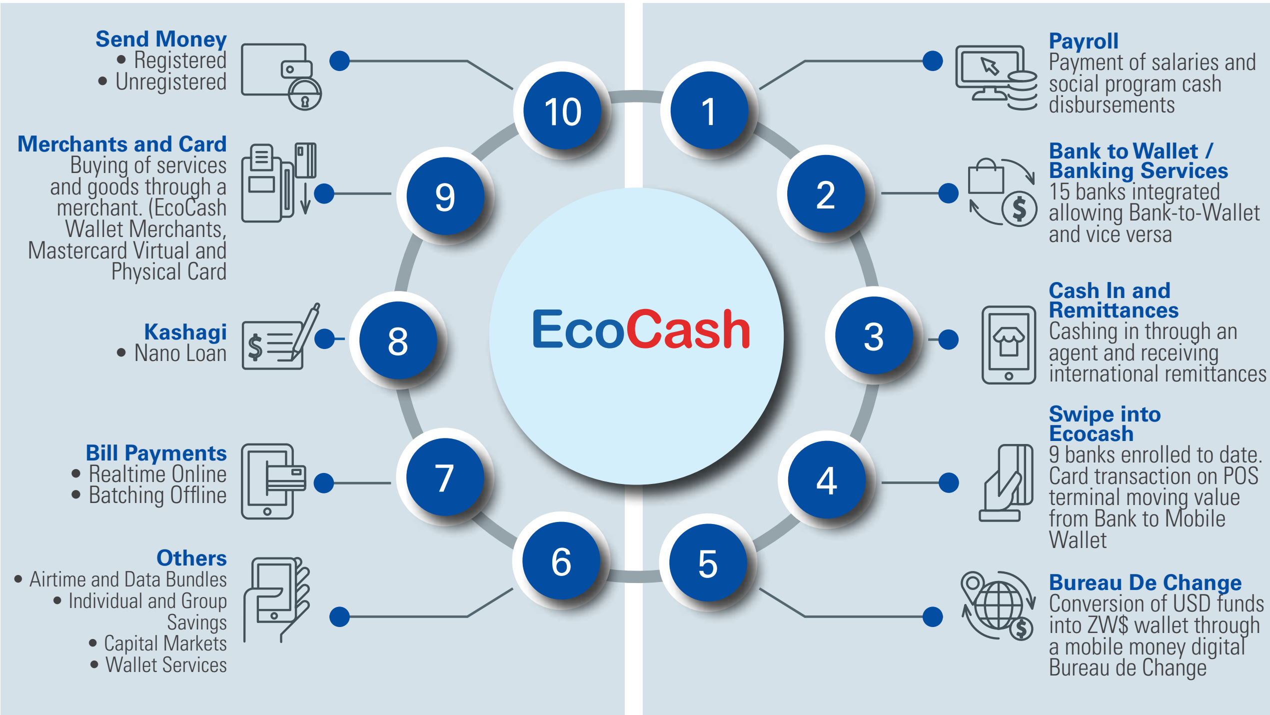
EcoCash has proven to be a novel product and a useful catalyst of urban-rural remittance, especially in Zimbabwe where the majority of people reside in rural areas. This has reduced the financial gap and increased financial literacy in both rural and urban areas in the wake of the global pandemic.

Customer Use Case

The only prerequisite for using EcoCash is a basic mobile phone. Users can carry out financial transactions including making peer-to-peer transfers, bill payments, in-store purchases, remittances and receiving social program benefits across mobile money accounts. The use cases are detailed as follows:

EcoCash (continued)

Summary of Customer Use Cases



Our Key Business Highlights

EcoCash has been driving financial and digital inclusion in the country. Through continuous innovation, EcoCash is set to become the backbone of payments in the digital economy.

- Over 80% of the adult population is registered on the EcoCash platform.
- Distribution network is firm across the country, with over 100,000 channel partners and 250 branded shops.

Our Commitment to Sustainability

In the period under review, EcoCash renewed its commitment with GSMA connected women. In the drive towards achieving a sustainable future where no one is left behind, EcoCash has committed to increase the proportion of women in our mobile money active customer base from 41% to 47.5% by 2023.

Driving Inclusion through Digital Solutions

Banking with a View

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

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

STEWARD | BANK

Governance

STEWARD|BANK

Driving Inclusion through Digital Solutions
The basic motto that says **'Everyday Banking for Everyday People'**, has been at the heart of Steward Bank over the past six (6) years. These words have been the motivation, guide and marker for the Bank to provide products and solutions that bring about financial inclusion to the Zimbabwean society.

Leveraging on the Group's vision of **'Envisioning a socially and financially inclusive future that leaves no Zimbabwean Behind'**, the Bank over the past year in FY2021 took strides in the various Sustainable Development Areas to ensure that the Economic, Social and Environmental pillars by which the Zimbabwean society is anchored on, are improved.

Go Digital and Touch Everyone
The financial inclusion agenda covers everyone and intends to include all peoples of different spheres of life, and as such, the Bank went on a 'Go Digital Campaign' in a bid to leverage on its digital channels which bring about scale, reach and convenience to customers. The campaign focused on the Bank's digital products that ranged from Cards, P.O.S machines, Mobile and USSD Banking.

With the advent of the COVID-19 pandemic and full lockdown, the Bank saw the Go digital campaign as a vehicle to not only ensure that Zimbabweans transact safely in a no-contact environment but also to ensure that financial systems that affect the youth, women, SME's and rural population remain afloat in a difficult environment.

Driving Digital through *236# and Square Mobile
In a bid to create equality, the Bank used its *236# digital platform to open accounts for customers across the nation. The Bank managed to surpass one (1) million new accounts opened in the year under review, bringing the total low cost accounts domiciled with the Bank to 1.9 million. More than 60,000 accounts were opened in rural areas, bringing the total number of banked rural population to 690,000 with 596,000 (80%) of them having opened their accounts through our digital platform. Tied to digital accounts opening, was the automated banking services solution also offered on the *236# platform which saw the rural population on boarding themselves automatically on the EcoCash Banking Services. At the close of the 2021 financial year, the Bank recorded 596,000 customers registered on the platform with values of ZW$1.1 billion having been transacted through the platform.

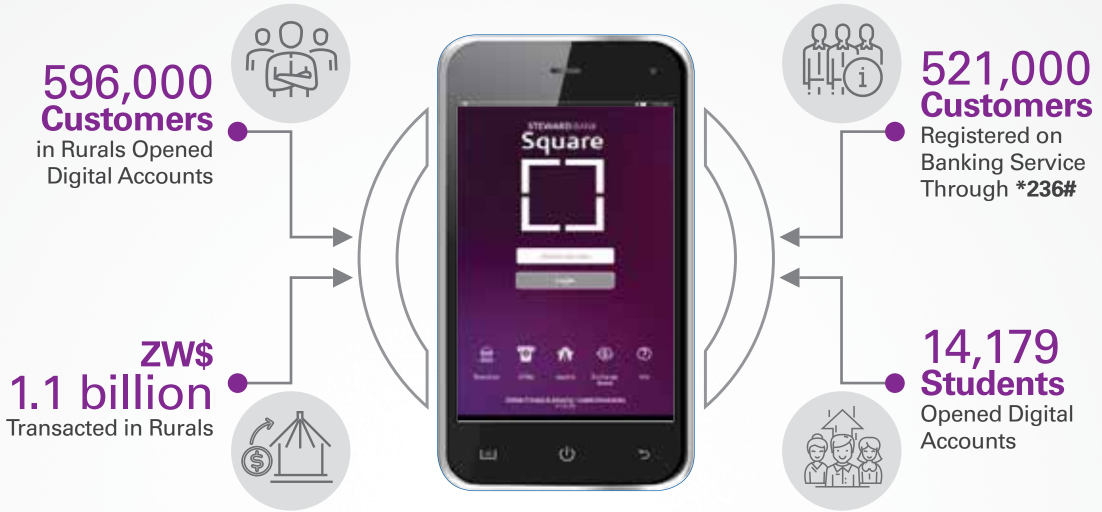
Traction was also noted in providing digital services to the youth, with the Bank closing the year having on boarded 14,179 students with more than 50% of the students on boarded digitally.

Trading as EcoCash HOLDINGS ZIMBABWE

Governance

Steward Bank (continued)

Square Mobile Application
During the lockdown, transacting on digital platforms was a pertinent issue as the Government was encouraging individuals to stay at home. The Bank continued to capitalize on this narrative and ensured that it on-boards its customers onto its mobile banking platform. Of these, more than 120, 000 individuals in the rural areas were on-boarded onto the platform.



Driving Digital Inclusion through Nano Loans
With the Pandemic lowering business activity, many business owners faced a slump in sales and revenue leading to diminishing working capital. The Bank sought to address this problem by leveraging on Digital Loans that could be availed to SME's needing financial assistance. Through the Kashagi Nano loans platform, the Bank managed to dispense digital loans via mobile. The platform enabled the marginalized population to access loans instantly within a minute upon application. More than 861,000 Kashagi loans were dispensed to individuals across the country with 25% of the loans being dispensed to women.

199,000 individuals accessed the Nano Loans in the rural areas with values of ZW$46 million having been disbursed to them. The Bank also had rural individuals borrowing more than once with the volumes for the year being 332,000. Narrowing it down to women that accessed nano loans, more than 113,000 accessed the loans digitally and transacted values worth ZW$38 million.

Total **Nano Loans** Dispensed
861,000

Number of Rural **Nano Loans**
119,000

Value of **Nano Loans**
ZW$62.3 million

Steward Bank (continued)

Driving Inclusion through POS Estate

The Bank maintained its aggression to ensure that its POS devices are also spread in rural areas. The availability of POS devices in the rural areas enabled small scale rural businesses to accept payments through the Bank's EMV cards which also have been adopted for use by a significant number of people in these communities. The year closed off with 1,604 POS machines located in rural areas, with one (1) million transactions having been done on the machines while ZW$1 billion was transacted.

The Kwenga device (m-POS) which is a low cost POS, was also a key lever for driving financial inclusion with 2,922 Kwenga machines being noted to be in the Rurals by the end of the year. Commendably, the activity ratio of the machines for the year was 50% ensuring that at least 1,450 POS machines were in use throughout the year. The values also transacted through the Kwenga were ZW$432 million, while the volumes were 799,000. The Bank's POS estate was also spread in more than 900 small rural shops ensuring that their daily transactions are done through the Kwenga and Traditional POS. In terms of employment, more than 500 indirect jobs were created through the availing of the POS devices to the rural merchants.

Narrowing it down to the SDG pillar of equality, more than 6,900 women had access to Kwenga POS machines while 2,436 women had access to the traditional POS machines, bringing the total to 9,336 women with access to POS machines. The values transacted through the POS machines were more than ZW$900 million.

500 Indirect Jobs Created

ZW$432 million Transacted in Rurals through Kwenga Machines

2,992 Kwenga Machines in the Rurals

Driving Digital Inclusion through the Cards

The year closed off with 900,000 cards issued across the country. 2,542 sole traders were issued with cards to transact and propel their business activities. Importantly, 20% (2,500) of the sole traders are based in rural areas. The availability of these cards ensured that small traders remain in business and this is evident as more than ZW$131 million was transacted through the cards during the year in review.

Efforts to capacitate marginalised women with access to bank cards were initiated during the year through targeted distribution by the Bank's brand ambassadors, and this resulted in more than 331,000 women getting to access cards.

Improving Livelihoods

Social Impact has been at the helm of the objectives that the Bank pursued under the financial inclusion pillar in FY2021. The Bank conducted virtual workshops in conjunction with the International Finance Corporation (IFC), which led to more than 200 SME's being trained on acquiring survival skills during the pandemic.

Environmental Impact

The Bank has been supporting the adoption of solar energy in Zimbabwe through asset financing for solar equipment. Under Commercial and Industrial initiatives, the Bank funded two plants with a capacity of 2.8Megawatt (MW) which were commissioned in 2020. Another plant with a capacity of 0.56MW is expected to be commissioned by the end of 2021. The business continues to offer the Purple Sun product, which is solar equipment asset financing for households.

Trading as
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HOLDINGS ZIMBABWE

Governance

Steward Bank (continued)

Below are some images of the solar plant installed in Beitbridge:

Solar panels installed at a plant in Beitbridge

The inverters which convert and regulate power generated by the solar panels

The regulator which regulates the power from the inverters and transfers it to the production plant

Looking Ahead

The Bank will continue to drive financial inclusion through its digital banking platforms with its main thrust being to assist the marginalised segments of the society. The Bank will also leverage on customer insights and business intelligence to better understand the specific needs of the marginalised segments. Aggressive green financing will be done in the following year with the Bank looking to provide financing for clean energy with its partnership with Distributed Power Africa.

Trading as
EcoCash
HOLDINGS ZIMBABWE

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

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

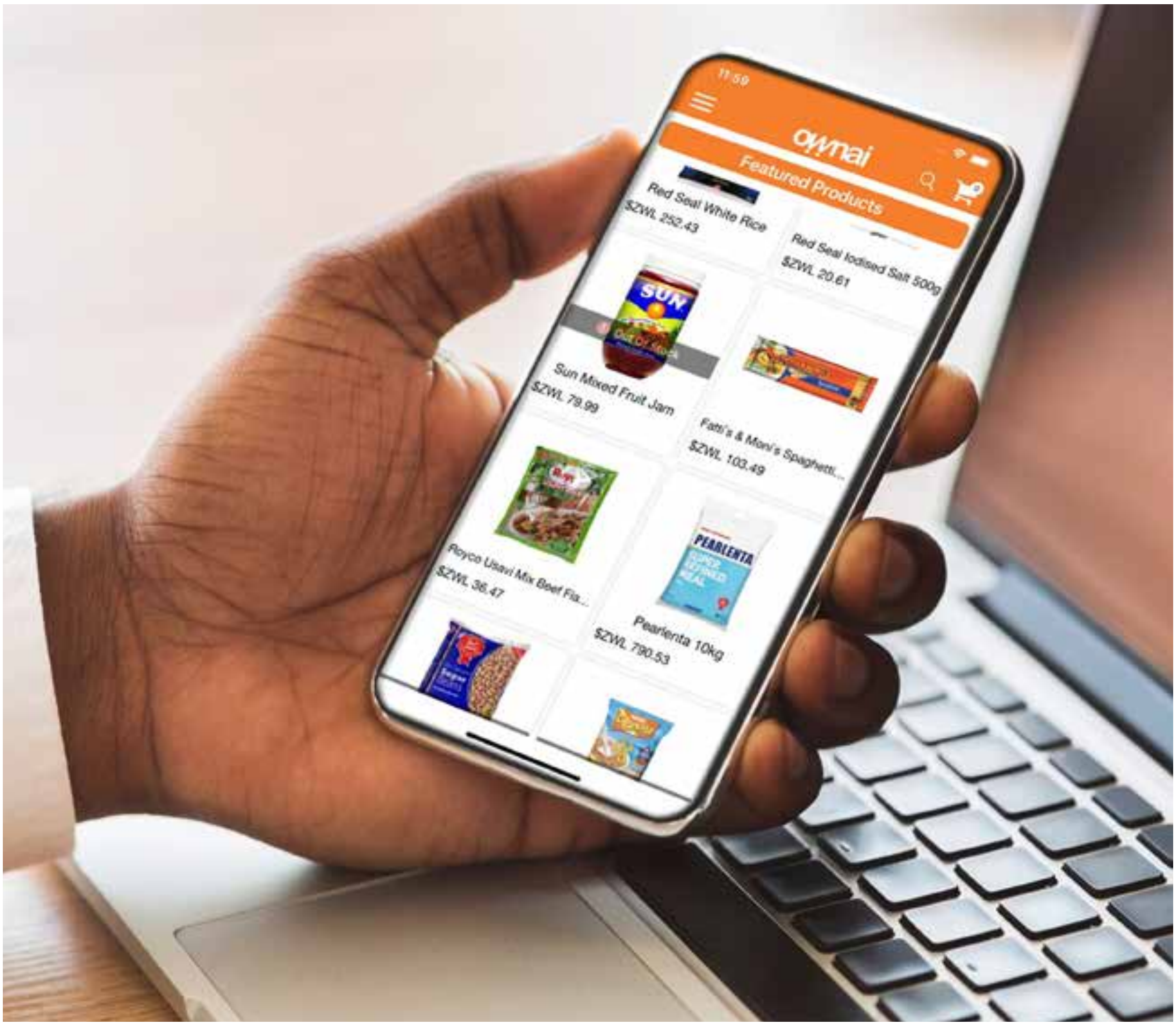
Your diversified digital solutions group

Governance

e-Commerce has shifted customer perspectives as the market now demands digital transacting, virtual shopping experience and generally the need for services that are not time or distance restricted. Ownai strives to continually address market needs of the present-day customer who is well informed and wants to make rational decisions based on the evidence and product reviews they come across on the internet.

Cashless transactions, coupled with environmentally friendly packaging, are gradually driving society towards a cleaner environment. Reduced movements and increased use of electric vehicles will eventually ensure less carbon emissions as ecommerce uptake increases. Ownai provides cashless payment options for its customers which include EcoCash (Local & FCA), Visa, MasterCard, American Express and ZimSwitch. Ownai anticipates being among the leading ecommerce service providers who place value on the environment.

We believe that the African market is ripe and ready for a robust e-commerce platform that is a one-stop-shop and Ownai is strategically positioning itself for this as it seeks to build on the initiatives of strategic partnerships to create a strong and attractive value proposition to its customers through providing depth and variety in its product offering. Ownai is working towards being the market leader by building the best place for people to work with a winning culture. The business is positioning itself as technologically centred and transformative platform with a long-term view on the market.



Governance

VAYA Services is a bouquet of mobile and web accessible products and services taking advantage of mobile technology and the Internet of Things (IoT) to Drive Inclusion Through Digital Solutions in both corporate and consumer lives and making them increasingly connected and secure.

The business unit takes advantage of the new wave of connectivity where everyone and everything around us that can benefit from a wireless connection is connected to promote social transformation across demographic divides.

Connected Car

Connected Car is a scalable vehicle tracking and fleet management solution that allows both corporates and individuals to effectively and efficiently monitor and locate their vehicles using digital platforms from anywhere in the world. The solution, which now goes beyond GPS tracking, brings an enhanced value proposition through a range of integrated technologies that include multiple driver identification, further enriching the safety and security value proposition for both corporate and individual customers.

Digital Inclusion through Connected Solutions

Connected Car provides real-time vehicle monitoring which enables our customers to reduce operating costs associated with incorrect operation of vehicles and machinery and minimise resources and processes associated with physical monitoring of vehicular assets in both localised and wide geographical spreads.

The digital solution provides timeous information that is critical for decision making to enable our customers to optimise operational efficiency of vehicles and improve driver safety and fleet security.

Connected Car Stopping Crime

Connected Car helped police combat crime by providing real-time location which assisted in recovery of stolen vehicles and enhancement of security in the year. The solution served over 7,000 Connected Vehicles in the year despite the effects of the COVID-19 induced lockdowns that led to some of our customers halting operations. Connected car employs +40 independent Agents nationwide.

Connected Home

Connected Home is an automated asset protection security solution which enables commercial, industrial and residential customers to remotely monitor and control their properties and valuables from anywhere using their mobile phones.

The solution comes with various sensors which improve security by detecting intrusion and other potential hazards like liquid petroleum gas leakage and smoke detection.

Digital Inclusion through Connected Solutions

Connected Home is an affordable and scalable security solution, which is transforming society and individual lives by giving them peace of mind as they are able to remotely arm and disarm the system using texts or the mobile application.

The security solution is linked to a rapid response team which monitors alarms around the clock and is always on standby to react whenever there is need. Users can make use of panic buttons when there is a threat and the rapid response team will immediately attend to them.

Connected Home Stopping Crime

Connected Home assisted in combating crime and improved community and family security with more than 1,000 active properties in the year. There are +40 independent Agents supporting the product countrywide.

Providing Security and Peace of Mind

The service allows customers to track their high value electronic assets in real time via web and mobile application platforms. It also helps in improving usage and security of valuable assets hence minimises costs associated with repairing or replacement of such assets.

Asset Track gives customers peace of mind as they can easily monitor the status and location of their valuable goods anytime, anywhere. In cases when the device is stolen or lost, the customer can easily check on the location of the asset using his or her mobile device.

The product will be scaled up commercially in the coming year to help provide security and peace of mind to families and communities. It will assist police in combating crime and recovery of stolen assets.

Tax

Management Approach

At Cassava, tax is central to our commitment to create superior, long-term value for our multiple stakeholders. Taxation provides the revenue that is needed to mobilize resources and reinforce the nations' infrastructure and is powerful in supporting the public sector and lifting our people out of poverty. Tax cash flows are a critical aspect of our financial decision making process. Through payment of direct and indirect taxes to the state, we contribute to the improvement of livelihoods for our people. During the year under review Cassava paid the following taxes: Income Tax, Value Added Tax, Intermediated Money Transfer Tax, Pay-As-You-Earn, Withholding taxes, Import Duties and License fees.

Our Approach to Tax
Cassava is a responsible taxpayer, who thrives to ensure that we are compliant with local and international tax laws and regulations. We act in harmony with tax laws and regulations, both in our general approach to tax and implementation of our tax strategy of using tax assets and applying tax incentives. Our tax compliance obligations are governed by various Acts, as well as Statutory Instruments regulated by the Zimbabwe Revenue Authority (ZIMRA). Given the importance of tax collection to the macro-economic stability of communities, we consider tax in the context of the broader society, inspired by our stakeholder dialogues, global initiatives of the OECD (Organization for Economic Cooperation and Development) and United Nations, human rights, international (tax) laws and regulations.

Tax Governance, Control, and Risk Management
We have an organised and experienced Group Tax Function which is in place under the charge of the Chief Financial Officer. This guides management and the subsidiaries on the tax implications of decisions, presents proper tax planning to support business objectives and ensures compliance with tax laws. These activities are carried out by tax specialists and tax business partners, as well as experts in specialised areas such as transfer pricing and indirect tax. An organised team of tax specialists is responsible for tax accounting and reporting at Group level.

The Audit Committee frequently checks controls and key tax-related issues, as part of the Annual Report process. Additionally, the company's external auditor offers assurance on our financials, tax positions, and taxes paid. Cassava's approach to risk management includes tax risks, as they could have a significant adverse financial impact. Ambiguity is inherent to tax positions, and consultations on the interpretation of tax laws are inevitable.

Driving Inclusion through Digital Solutions

Insurance Right at your Fingertips

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

MooVah

Leadership and Governance

ESG Governance

The Board, through the Environmental, Social and Governance Committee is responsible for and has oversight of the sustainability functions of the business. The Committee, through its mandate, gives full attention to sustainability considerations, policies, risks, opportunities, ethics, human rights issues, innovation and creation of stakeholder value within the business' operating context. This responsibility is formally laid out in the Committee's terms of reference. At its biannual meetings, ethics, sustainability, stakeholder, reputation management and corporate social investment (CSI) reports are presented and discussed in detail. Implementation of Group Sustainability is driven by ensuring the continuous involvement of management within all core business functions with the aim of integrating corporate responsibility and sustainability into our business strategies. The Stakeholder and Sustainability department maintains oversight of Stakeholder Management, Corporate Social Investment and Sustainability initiatives to ensure the coordination, monitoring and measuring of all sustainability initiatives, as well as periodic communication with stakeholders through sustainability reporting.

Business Ethics

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

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

Risk Management

Risk Management Approach

The business has adopted the ISO 31000 framework for management of risk across the business. The risk management guidelines are reviewed periodically to ensure alignment with changes in our operating environment. Our risk management practices are designed to be responsive to the volatile, uncertain, complex & ambiguous (VUCA) environment.

Risk is defined as the effect of uncertainty on objectives. Risk can be positive, negative or both, and can address, create or result in opportunities and threats, thereby directly impacting Cassava Smartech operations.

Emerging Risks Induced by COVID-19

Over the past year, the operating environment has become much more precarious due to protracted uncertainty and the outbreak of COVID-19, which saw most governments implementing a cocktail of measures to curb the spread. This affected our normal business operations and the business swiftly responded by implementing Agile Working to ensure we continue serving our customers with minimum disruptions. Below are some of the emerging risks that have materialised and/or worsened in FY21 due to COVID-19 pandemic.

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Governance

Risk Management (continued)

Emerging Risks Induced by:

Change in Customer Behavior

- Customer income and spending patterns were negatively affected by lockdowns.
- Loss of income at the peak closure of the informal sector resulting in depressed demand for the business' products.

Mitigations | Business transformation from traditional ways of serving customers to a more digital approach presenting new opportunities that may attract and retain customers.

Business Continuity Management and COVID-19

- The business had to close most of its shops and bank branches shifted to digital platforms for assisting customers thus limiting our interaction with customers
- The continuous outbreak of new strains of COVID-19 has put employees' well-being at risk as cases and deaths continued across the country.

Mitigations | The business deployed digital platforms to improve customers' accessibility to our services and support.

- Agile Working is in place to ensure minimum disruption to business operations to effectively serve our customers.

Cybersecurity and Fraud

- Heightened risk of cyber-security and theft of customer data or information which may expose them to frauds.
- Infrastructure vandalism and theft of physical infrastructure of the business thereby interrupting service provision.

Mitigations | Staff and Customer training and awareness campaigns.

- Robust systems into the overall data governance, data quality, consistency processes, and operating models are in place.

Supply Chain Disruptions

- Due to COVID-19 related lockdowns imposed by many countries, global logistics and movement of goods - both sea and freight - have been disrupted resulting in cost increase in charges.
- Geopolitical and global trade forces are disrupting network equipment supply chains as well.

Mitigations | Proactive and coordinated sourcing strategy.

- Increase of local supplier base.

Risk Management (continued)

Top Ten Risks

#	Risks	Inherent Risk - FY21	Mitigations / Interventions	Residual Risk - FY20	Residual Risk - FY21	Risk Direction
1	**Regulatory Compliance and Stakeholder Management** • Increased compliance costs due to continuous regulatory changes • Increased regulatory pronouncements within short space of time.	High	• Continuously monitoring the regulatory environment, impact assessment and holding Compliance Monitoring Programme. • Ensure compliance with all regulations through implementation of provided guidelines.	Medium	Medium	↔
2	**Business Continuity – Natural Disasters and Pandemics** • Continuous lockdowns resulted in depressed demand for our products due to limited mobility. • Customers failing to access business services.	High	• Adoption of agile working approach hence most back-end operations remain uninterrupted as most staff are telecommuting.	Medium	Medium	↔
3	**Cybersecurity and Fraud Risk** • Heightened risk of Cybersecurity and theft of customer data or information which may expose them to frauds. • Lack of customer knowledge on preserving confidentiality of Personal Identification Numbers resulted in some customers losing money.	High	• Fraud mitigating strategies and controls in place across all SBUs. • Robust Cybersecurity programme in place.	Medium	Medium	↔
4	**Credit Risk - High Amount of Debtors** • Tough economic environment result in increase in debtors.	High	• Follow-ups are being made on debtors. • Continuous review of Contracts between SBUs and major suppliers	N/A	Medium	↑
5	**Conduct and Reputational Risk** • The regulatory environment and the introduction of tightened policies has since increased the need for the business to enhance the customer experience.	High	• Quality monitoring tools have been activated to ensure customer support and experience is not compromised.	High	Medium	↓

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Governance

Risk Management (continued)

Top Ten Risks

#	Risks	Inherent Risk - FY21	Mitigations / Interventions	Residual Risk - FY20	Residual Risk - FY21	Risk Direction
6	**Economic Risk** • Business profits may be negatively impacted by the depreciation of local currency which increases operating costs. Furthermore devaluation of the local currency has a negative effect on our foreign exchange losses thereby impacting on our profit margins. • Value erosion to monetary assets due to high inflation and devaluation of local currency	High	• Business managed to benefit from the Foreign Exchange Auction System. • Value preservation initiatives continue to be implemented.	Medium	Medium	↔
7	**Business Risk** • New SBUs continue to face challenges to increase business level despite various initiatives and innovations.	High	• Value addition to products so as to increase competitive advantage. • Enhancing digital platforms to improve value proposition to customers.	Medium	Medium	↔
8	**Underwriting Risk** • Inaccurate assessment of the risks associated with writing an insurance policy or from uncontrollable factors may result in costs that may significantly exceed earned premiums.	High	• Business has robust underwriting procedures in place which includes comprehensive risk assessments before assuming any risk.	Medium	Medium	↔
9	**Market Risk** • Losses in positions arising from movements in market variables like prices and volatility. These include equity volatility, interest rate volatility, market concentration and property reinvestment.	High	• Diversification to handle concentration risk. • Hedging of the portfolio to mitigate currency volatility. • Adjusting portfolio to mitigate interest rate risk.	Medium	Medium	↔
10	**Staff Attrition and Disengagement** • High attrition rate for Cassava Group. • Loss of technical staff that are key to systems development.	High	• The business continues to review staff benefits and allowances in line with the economic environment.	Medium	Medium	↔

Governance

Board of Directors

Mrs. S. G. Shereni (Chairperson)

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

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

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

Mr. M. L. Bennett

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

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

Dr. Z. Dilion

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

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

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

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Governance

Board of Directors (continued)

Ms. E. T. Masiyiwa

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

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

Mr. C. Maswi

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

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

Mr. D. Musengi

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

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

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

Governance

Board of Directors (continued)

Mr. H. Pemhiwa

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

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

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Mr. D. T. Mandivenga

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

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

Mr. E. Chibi

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

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

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Governance

Board of Directors (continued)

Mrs. E. Chisango

Mrs. Chisango is a Chartered Accountant and is the Finance Director of Cassava Smartech Zimbabwe Limited.

She joined the Econet Group in 2015, a position she held until September 2018.

Prior to joining Econet, Emilia spent 21 years at KPMG, 14 years of which were at Partner level. Emilia started off in KPMG's external audit Department. She later diversified into the Risk Advisory Unit, comprising Forensic audit, Internal and Compliance Audit and Anti Money Laundering services, a Department she headed at the time of her departure.

Mrs. T. Nyemba

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

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

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

BOARD COMMITTEES

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

Board Audit Committee

Composition

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

Board Risk Committee

Composition

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

Board Remuneration and Nominations Committee

Composition

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

Board Environment, Social and Governance (ESG) Committee

Composition

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

Driving **Inclusion** through Digital Solutions

Facilitating COVID-19 Testing

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

With +21,000 registered partners and +3,500 active partners on its platform, MARS has contributed to the push for social inclusion and job development aimed specifically at women and underprivileged groups in the community.

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Governance

Corporate Governance Statement

The Cassava Smartech Zimbabwe Limited ("CSZL") Board of Directors is committed to upholding the highest standards of corporate governance by ensuring that business is conducted in a transparent, responsible and accountable manner as enshrined in the international and local corporate governance frameworks. The Board has adopted the National Corporate Governance Code for Zimbabwe.

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

Board Responsibilities

The Board of Directors is responsible for the strategic direction and overall corporate governance of the Group, ensuring that appropriate controls, systems and policies are in place. The Board monitors the implementation of these policies through a structured approach to reporting and accountability. CSZL enhanced its strategy with a strong focus on digital technology. The Board held five (5) Board meetings during the period to assess risk, review performance and provide guidance to management.

Board Composition

The Board considers that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in core business activities and non-executive members who bring to the Board a broad range of general commercial expertise and experience.

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

The Board has a Charter that sets out its authority, duties, responsibilities and arrangements by which it operates. The Board Charter is also available to directors for reference regarding their duties and obligations. The Charter also clearly establishes the relationship between the Board of Directors and management. The Board will regularly review its structure and policies in line with international best practice.

The non-executive directors proactively engage with management to improve strategy implementation, test and challenge the implementation of controls, processes and policies which enable risk to be effectively assessed and managed.

The Board and the Remunerations and Nominations Committee work together to ensure that the Board continues to have the appropriate balance of skills, experience, diversity, independence and depth of working knowledge of the Group's business necessary to properly and effectively discharge its responsibilities.

Executive Management

The executive management team is led by the Chief Executive Officer. The main responsibilities of executive management include reporting to the Board on implementation of strategy, effectiveness of risk management and control systems, business and financial performance, preparation of financial statements and keeping the Board fully informed of any material developments affecting the business.

Board Changes

Mrs. Emilia Chisango resigned as Group Finance Director effective 28 February 2021 and Mrs. Theresa Nyemba was duly appointed as Group Finance Director with effect from 01 March 2021.

The Board extends its appreciation to Mrs. Chisango for her outstanding service and contribution to the Group.

Board Diversity

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

Transparency

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

Corporate Governance Statement (continued)

Conflict of Interest
Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests. Directors disclose their interests on joining the Board and at every meeting of the directors, they disclose any additional interests and confirm or update their declarations of interest accordingly. Directors are required to disclose any conflicts and abstain from participating in any discussion or voting on any matter in which they have a material interest.

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

Board Structure
As at 28 February 2021, the Board comprised of ten (10) directors. The majority of the Board members are independent non-Executive Directors. The Board has an appropriate balance of skills, experience and expertise.
The Board is comprised as follows:

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

** Mrs. E. Chisango resigned as an Executive Director effective 28 February 2021. Mrs. T. Nyemba was appointed as Finance Director effective 01 March 2021.*

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

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

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

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

The Board Committees are comprised as below:

Board Audit Committee
Composition:
Z. Dillon (Non-Executive Chairperson)
C. Maswi (Non-Executive Member)
D.T. Mandivenga (Non-Executive Member)

S. G. Shereni (Non-Executive Director – Attendance by Invitation)

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

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

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Governance

Corporate Governance Statement (continued)

The external auditors attend the committee meetings to present their report on key matters and any findings deemed necessary to bring attention to the Committee. Both internal and external auditors have a direct line of communication at any time to, either the Chairperson of the Committee, or the Board Chairperson. The Committee meets at least quarterly or as necessary.

Board Risk Committee
Composition:
C. Maswi (Non-Executive Chairperson)
Z. Dillon (Non-Executive Member)
D.T. Mandivenga (Non-Executive Member)

S. G. Shereni (Non-Executive Director – Attendance by Invitation)

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

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

The Committee has oversight on the overall compliance and management framework.

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

Board Remuneration and Nominations Committee
Composition:
H. Pemhiwa (Non-Executive Chairperson)
M. L. Bennett (Non-Executive Member)
E. Masiyiwa (Non-Executive Member)
D. Musengi (Non-Executive Member)

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

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

The Committee reviews the structure, size and composition of the Board and makes appropriate recommendations to the Board. The Committee also proposes and advises on suitably qualified candidates for selection and appointment as Directors to the Board. The Committee performs regular reviews of the performance and effectiveness of the Board and the Directors. The Committee meets at least twice a year, or as necessary.

Board Environment, Social and Governance (ESG) Committee *(formerly Social and Ethics Committee)*
Composition:
M. L. Bennett (Non-Executive Chairperson)
E. Masiyiwa (Non-Executive Member)
D. Musengi (Non-Executive Member)

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

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

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

Corporate Governance Statement (continued)

The Committee also oversees and monitors certain areas of market disclosure; it reviews the Group's compliance with market disclosure obligations and sets guidelines for the release of information. The Committee meets at least twice a year or as necessary.

Compliance
CSZL complied with the applicable laws and regulations governing its activities throughout the reporting period.

Board of Directors Attendance Register as at 28 February 2021
As at 28 February 2021, CSZL's Board of Directors held five (5) meetings and the attendance record of each director is depicted below:

Name of Director	Designation	Total Meetings Held	Total Present
S. G. Shereni	Independent Non-Executive Chairperson	5	5
Z. Dillon	Independent Non-Executive Deputy Chairperson	5	5
H. Pemhiwa	Non-Executive Director	5	5
M. L. Bennett	Independent Non-Executive Director	5	5
E. Masiyiwa	Non-Executive Director	5	5
D.T. Mandivenga	Non-Executive Director	5	5
C. Maswi	Independent Non-Executive Director	5	5
D. Musengi	Independent Non-Executive Director	5	5
E. Chibi	Executive Director	5	5
E. Chisango*	Executive Director	5	5

Notes
* *Mrs. E. Chisango resigned as an Executive Director with effect from 28 February 2021. Mrs. T. Nyemba was appointed as an Executive Director on 1 March 2021.*

BOARD COMMITTEES

The Board Committees were properly constituted as at 28 February 2021. The record of attendance is as follows:

Audit Committee

Name of Director	Designation	Meetings Held	Meetings Attended
Z. Dillon*	Non-Executive Chairperson	6	6
C. Maswi	Non-Executive Director	6	6
D. T. Mandivenga	Non-Executive Director	6	6

**Chairperson*

Risk Committee

Name of Director	Designation	Meetings Held	Meetings Attended
C. Maswi*	Non-Executive Chairman	4	4
Z. Dillon	Non-Executive Director	4	4
D. T. Mandivenga	Non-Executive Director	4	4

**Chairman*

Environmental, Social and Governance Committee

Name of Director	Designation	Meetings Held	Meetings Attended
M. Bennett*	Non-Executive Chairman	2	2
E. Masiyiwa	Non-Executive Director	2	2
D. Musengi	Non-Executive Director	2	2

**Chairman*

Remuneration and Nominations Committee

Name of Director	Designation	Meetings Held	Meetings Attended
H. Pemhiwa*	Non-Executive Chairman	2	2
E. Masiyiwa	Non-Executive Director	2	1
M. Bennett	Non-Executive Director	2	2
D. Musengi	Non-Executive Director	2	2

**Chairman*

Driving Inclusion through Digital Solutions

Reliable Business Logistics Partner

VAYA is one of the Cassava Group's strategic businesses, providing a unified platform for all on-demand services in the mobility and logistics sectors.

The underlying requirement for unique solutions to minimize individual and corporate customer effort in their day-to-day contacts lies at the heart of the diverse sectors.

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

VAYA eLOGISTICS

#OneFightAgainstCorona

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COMPLIANCE AND FINANCIAL REPORTING

Your diversified digital solutions group

COMPLIANCE AND FINANCIAL REPORTING

SHAREHOLDER AND OTHER INFORMATION

Certificate by the Group Company Secretary

Mrs. Charmaine Daniels
GROUP COMPANY SECRETARY

In my capacity as Group Company Secretary, I hereby confirm, in terms of the Companies and Other Business Entities Act [Chapter 24:31] that for the year ended 28 February 2021, Cassava Smartech Zimbabwe Limited has lodged with the Registrar of Companies all such returns as are required by a Public Company in terms of the Companies and Other Business Entities Act and that all such returns are, to the best of my knowledge, true and correct.

Mrs. Charmaine Daniels
GROUP COMPANY SECRETARY

15 October 2021

Trading as EcoCash HOLDINGS ZIMBABWE

Directors' Report

The Directors present their report and audited financial statements for the year ended 28 February 2021. In the report "Group" or "Company" refers to Cassava Smartech Zimbabwe Limited and its subsidiaries.

Principal Activities
The principal activities of Cassava Smartech Zimbabwe Limited (CSZL) and its associated companies include on-demand services, digital services, mobile money, banking and insurance services.

Financial Results
Details of the financial results are set out on pages 125 to 222 of the consolidated annual financial statements. The directors have approved the consolidated annual financial statements as reflected on page 115.

Dividend
During the year ended 28 February 2021 the Board resolved not to declare a dividend.

Share Capital and Share Buy-backs
Details of the Company's share capital and share buy-backs are set out in Note 21 of the financial statements. At the 2nd Cassava Smartech Annual General Meeting held on 5 March 2021, shareholders authorised the Company to make on-market purchases of up to 20% of its issued ordinary shares. Shareholders will be asked to approve this at the 2021 Annual General Meeting and to renew this authority.

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

Mrs. Sherree Shereni (Chairperson),
Dr. Zienzile Dillon (Deputy Chairperson),
Mr. Hardy Pemhiwa,
Mr. Darlington Mandivenga,
Ms. Elizabeth Masiyiwa,
Mr. Michael Bennett,
Mr. Christopher Maswi,
Mr. Dominic Musengi,
Mr. Eddie Chibi and
Mrs. Emilia Chisango (resigned from the Board on 28 February 2021).

Mrs. Theresa Nyemba was appointed to the Board as an Executive Director during the year.

In accordance with Article 89.2 of the Company's Articles of Association, Mrs. Theresa Nyemba will seek re-election as an Executive Director of the Company.

Article 89 of the Company's Articles of Association provides that at each annual general meeting at least one third of the directors must retire and seek re-election.
The following Directors shall retire by rotation at the next annual general meeting and, being eligible, shall seek re-election:

Ms. E. Masiyiwa
Mr. H. Pemhiwa
Mrs. S.G. Shereni

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

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

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

Borrowing Powers
The details of the Group's borrowings are set out in Note 34 to the financial statements.

Capital Commitments
Details of the Group's capital commitments are to be found in Note 36 to the financial statements.

Directors' Report (continued)

Donations to Political Parties
The Group does not, as a matter of policy, contribute to any political party.

Auditors
Following their re-appointment at the last annual general meeting, Deloitte & Touche continued in office as the Group's auditors. At the forthcoming annual general meeting shareholders will be requested to reappoint Deloitte as the Group's auditors and approve their remuneration for the year ended 28 February 2021.

By Order of the Board

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Mrs. C.R. Daniels
GROUP COMPANY SECRETARY

Trading as
EcoCash
HOLDINGS ZIMBABWE

Directors' responsibility for financial reporting

The Directors of Cassava Smartech Zimbabwe Limited ("the Company") and its subsidiaries (together, "the Group") are responsible for the maintenance of adequate accounting records, and the preparation, integrity and fair presentation of the consolidated and separate financial statements and related information. The Group's independent external auditors, Messrs Deloitte & Touche, have audited the consolidated financial statements and their report appear on pages 116 to 124.

The consolidated financial statements for the year ended 28 February 2021 presented from pages 125 to 222 have been prepared using International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The financial statements have also been prepared, to the extent legally possible, in accordance with the disclosure requirements of the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019, the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Insurance Act (Chapter 24:07), the Medical Services Act (Chapter 15:13), and related regulations. They are based on accounting policies which have been consistently applied and modified where necessary by the impact of new and revised IFRSs, unless otherwise stated. The application of these accounting policies is supported by reasonable and prudent judgments and estimates. Compliance with IFRSs and laws and regulations is intended to achieve consistency and comparability of financial statements.

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

In as much as all reasonable care and attention has been taken by the Directors to present information that is meaningful and relevant to the users of the financial statements, it is not always possible to present this information in a way that is not contradictory to International Financial Reporting Standards when reporting the multiple factors in the environment, including but not limited to the legislative framework and economic variables affecting companies operating in Zimbabwe. Due to factors that result from the prevailing economic environment, these financial statements have been qualified by the auditors. In their opinion, the Group has been unable to comply with the requirements of the International Financial Reporting Standards (IFRS) referenced in their audit report. These circumstances require care and attention by users of financial statements in their interpretation of financial information presented under such conditions.

The financial statements have been modified in the following respects; valuation of property and equipment and intangible assets; application of IAS 8 'Accounting policies - Changes in accounting policies, estimates and errors' - Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) on prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary 'Economies' prospective restatement in the current year of a prior period error on the closing balance of expected credit losses in respect of loans and advances, and prospective restatement in the current year of a prior period error on the amortisation charge on right-of-use assets as explained more fully in Note B.4.

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

The Directors have satisfied themselves, based on the assessment of the ability of the Group to continue in operational existence for the foreseeable future, that it is appropriate to adopt the going concern basis in preparing the financial statements. The assessment included consideration of the impact of COVID-19.

The consolidated financial statements were approved by the Board of Directors on 15 October 2021 and are signed on its behalf by:

Shereni

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

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

Nyemba

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

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Independent Auditor's Report to the Shareholders of Cassava Smartech Zimbabwe Limited

Report on the audit of the inflation-adjusted consolidated financial statements

Adverse Opinion

We have audited the inflation-adjusted consolidated financial statements of Cassava Smartech Zimbabwe Limited and its subsidiaries (the "Group") set out on pages 125 to 222, which comprise the inflation-adjusted consolidated statement of financial position as at 28 February 2021, and the inflation-adjusted consolidated statement of profit or loss and other comprehensive income, the inflation-adjusted consolidated statement of changes in equity and the inflation-adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation-adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying inflation-adjusted consolidated financial statements do not present fairly the inflation-adjusted consolidated financial position of the Group as at 28 February 2021, and its inflation-adjusted consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS"), and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Insurance Act (Chapter 24:07), the Medical Services Act (Chapter 15:13), and related regulations.

Basis for Adverse Opinion

1. Valuation of property and equipment, and intangible assets

As set out in notes 10 and 13 to the inflation-adjusted financial statements, the Group performed a revaluation of property and equipment and intangible assets as at 28 February 2021, valued at ZW$4.6 billion and ZW$1.3 billion, respectively (2020: ZW$5.3 billion and ZW$1.7 billion, respectively). The Group engaged professional valuers to determine fair values in United States Dollars ("USD"), which were subsequently translated to Zimbabwe Dollars ("ZW$") using the closing ZW$/USD auction exchange rate as at 28 February 2021. Whereas the determined USD values are reflective of fair value in that currency, the conversion to ZW$, for purposes of reporting in the Group's functional currency, is not in compliance with International Financial Reporting Standard 13 'Fair Value Measurement' ("IFRS 13"), for the reasons stated below.

IFRS 13 defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at a measurement date. While we found the assumptions and methods used by the professional valuers to determine the USD valuations reasonable and appropriate in determining fair value in USD, we were unable, however, to obtain sufficient appropriate evidence to support the appropriateness of the application of the ZW$/USD auction exchange rate in the determination of the final ZW$ fair valuations presented.

IFRS 13 requires:

- a fair value to be determined using the assumptions that market participants would use when pricing the asset, assuming market participants act in their economic best interests; and
- fair value to reflect the price that would be received to sell the asset in an orderly transaction in the principal market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

Report on the audit of the inflation-adjusted consolidated financial statements (continued)

Basis for Adverse Opinion (continued)

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

We were therefore unable to obtain sufficient appropriate evidence to support the appropriateness of simply applying the closing ZW$/USD auction exchange rate in determining the ZW$ fair value of property and equipment and intangible assets, without any further adjustments to reflect how the economic conditions within the country as at that measurement date would impact the assumptions that market participants would use in pricing the items of property and equipment and intangible assets in ZW$. Such matters include, but are not limited to:

- the correlation of the responsiveness of ZW$ valuations of property and equipment, and intangible assets to the auction exchange rate and related underlying USD values; and
- the extent to which supply and demand for the items of property and equipment, and intangible assets reflects the implications on market dynamics of the auction exchange rate.

Consequently, we were unable to obtain sufficient appropriate evidence to support the appropriateness of the valuation in ZW$ of the property and equipment and intangible asset balances, the revaluation reserve as well as deferred tax closing balances and their related movements for the year which were also impacted.

The 2020 year audit report included a qualification on the depreciation expense of property and equipment due to the misstatements on the valuations of the assets completed in the 2019 financial year. These valuation matters remained unresolved and therefore affected the depreciation, revaluation reserves, movement in revaluation reserves, monetary gain and retained income recorded in the 2020 year. Their continued impact on opening retained income and monetary gain in the current year remains material.

2. Inappropriate application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") on current year and comparative information: Prospective Corrections of Prior Period Errors

2.1 Prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' (IAS 29")

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

As disclosed in Note B.3 of the inflation-adjusted consolidated financial statements, the Group did not comply with IAS 21 in the prior year, as the Directors elected to comply with Statutory Instrument 33 of 2019 ("SI 33/19"). IAS 29 was therefore only applied from 22 February 2019, and not 1 October 2018, as required by IAS 21.

Management resolved to correct the inconsistencies arising due to the decision to apply the requirements of IAS 29 from 22 February 2019 as opposed to 1 October 2018, as would have been required to comply with International Financial Reporting Standards as described above. The impact of this correction was only effected as an amendment to the opening equity as a movement in the current year statement of changes in equity, for reasons explained in Note B.3. This is not in compliance with IAS 8 that would have required retrospective restatement, as the adjustments to line items, including movements in a number of note disclosures for the year ended 29 February 2020 have not been made,.

Furthermore, since this is presented as a current year movement in the inflation adjusted statement of changes in equity as well as the Property and equipment, intangible assets, deferred taxation and other assets notes, our opinion is modified in respect of the current year movements presented in the inflation adjusted statement of changes in equity as well as the movements recorded in the above mentioned notes.

IAS 1, 'Presentation of Financial Statements' ("IAS1") requires a third balance sheet to be presented should errors be material to the third balance sheet. A third balance sheet has not been presented in line with these requirements. Therefore our opinion is further modified on the presentation of the statement of financial position owing to the omission of the third balance sheet.

Report on the audit of the inflation-adjusted consolidated financial statements (continued)

Basis for Adverse Opinion (continued)

2. Inappropriate application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") on current year and comparative information: Prospective Corrections of Prior Period Errors (continued)

2.1 Prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' (IAS 29") (continued)

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

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

In the prior year, the Group's banking subsidiary calculated the loss given default ratio on its expected credit losses model on loans and advances using regulatory data. In addition, management applied post-model adjustments to determine the final expected credit losses whose assumptions could not be supported by internally or externally verifiable data. IFRS 9 'Financial Instruments' ("IFRS 9") would have required the banking subsidiary to derive the loss given default ratio from internally generated data. Moreover, IFRS 9 would have required that management's assumptions on post model adjustments be supported by internal or external verifiable information. Consequently, the prior year closing balance of expected credit losses on the banking subsidiary were overstated by ZW$102 million. The Group has prospectively adjusted the opening retained earnings as a movement in the current year inflation-adjusted consolidated statement of changes in equity by ZW$ 75.8 million (after tax) and the opening as a movement in the current year net loans and advances balances by ZW$ 102 million as explained on Note B.4 to the inflation-adjusted consolidated financial statements. This is not in compliance with IAS 8, which would have required retrospective restatement.

The inappropriate correction of the prior year error as a current year movement in the retained income, ECL and loan balances would also affect movements in related note disclosures.

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

In addition, in the prior year, the Group's banking subsidiary inflation-adjusted the amortisation on its right of use assets for the year ended 28 February 2019 using an incorrect inflation restatement factor. Consequently, the amortisation was overstated by ZW$39 million. The Group has prospectively adjusted the opening retained earnings as a movement in the current year inflation-adjusted consolidated statement of changes in equity and the opening right of use assets as explained on Note B.4 to the inflation-adjusted consolidated financial statements. This is not in compliance with IAS 8 which would have required retrospective restatement.

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

Our opinion on the current year's inflation-adjusted consolidated financial statements is further modified because of the possible effects on the comparability of the current year figures and the corresponding prior period figures in respect of the items above.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Report on the audit of the inflation-adjusted consolidated financial statements (continued)

Emphasis of Matter

We draw attention to the following:

- Note 37, which deals with the subsequent outcome and conclusion of the forensic audit undertaken by the Reserve Bank of Zimbabwe's Financial Intelligence Unit on the Group's subsidiary, EcoCash (Private) Limited.

Our opinion is not modified further in respect of this matter.

Key Audit Matters

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

Key audit matter	How the matter was addressed in the audit
Revenue recognition	
The Group's revenue streams are characterised by high volumes of transactional data. The revenue computation process is highly automated, complex in nature and dynamic, thus requiring the reliance on numerous information technology related controls, and any errors in placing interest rates or system failures may result in miscalculation of interest in the IT system. Due to the varying terms and conditions, the revenue recognition is determined to being complex. The following are specific areas of the complexities identified: • The recognition criteria for revenue: • Accounting treatment for agency relationships, treatment of discounts, incentives and commissions; and • The potential impact of seemingly small errors is significant due to the possibility of automated replication through the large volumes of transactions. As a result of the above matters, the related timing of revenue recognition, the volume of transactional data involved and some system challenges arising during the year, this was considered to be a key audit matter. Note N to the financial statements includes details on the revenue recognition accounting policies. Note 2 further provides detailed information around the different classes of revenue.	In addressing this matter, the following procedures were performed: • Performed walkthroughs of the revenue processes and evaluated the design and implementation of controls in this area. • Reviewed a sample of agency contracts and the related treatments. • Obtained an understanding of the process of updating and application of new tariff plans and the relevant controls in the billing process and tested the effectiveness thereof. • Analysed and verified transactional data on a monthly basis. • Engaged internal Data Analytics and IT specialists to independently to confirm that the automated aspects of the automated revenue calculations were configured correctly and have been operating effectively throughout the audit period. • Performed sensitivity analysis in relation to the key assumptions in order to assess the potential for management bias. • Performed detailed substantive testing of journal entries processed around revenue to ensure these were appropriately authorised, complete and accurate. • Assessed the appropriateness of the revenue recognition criteria used by management as per the IFRS 15 requirements. • Reviewed the revenue thresholds in line with the Group's pricing policies. • Reviewed the disclosures in the annual financial statements against the requirements of IFRS.

Report on the audit of the inflation-adjusted consolidated financial statements (continued)

Key Audit Matters (continued)

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Valuation of financial assets</td></tr>
<tr><td>
The Group is exposed to credit risk on its portfolio of loans and advances and debt instruments at amortised cost amounting to ZW$1.6 billion as disclosed in notes 20 to the inflation-adjusted financial statements.
Significant judgement is exercised by management in assessing the impairment of financial assets as disclosed in Note U.1 and AA.7 to the inflation-adjusted financial statements. Due to the complexity of IFRS 9 - and operating models and the uncertainty of the environment which may result in inappropriate forward-looking judgements and assumptions, the issue was considered to be a key audit matter.
Management applied judgments in the following areas:

Assumptions in the models, including forward looking information.
The assumptions relating to Probability of Default, Loss Given Default and Exposure at Default.
Evaluation of the borrower's financial situation expected recoveries discounted to present value and the net realisable value of collateral.
There is subjectivity involved in the determination of the amounts of loans and advances deemed uncollectable and requiring impairment by management. The determination of uncollectible amounts is on a portfolio basis.
The matter required significant interactions between the auditor and management, including the reliance on management's specialist.

As a result of the above matters, the related timing of revenue recognition, the volume of transactional data involved and some system challenges arising during the year, this was considered to be a key audit matter.
Note N to the financial statements includes details on the revenue recognition accounting policies. Note 2 further provides detailed information around the different classes of revenue.
</td><td>
In evaluating the adequacy of impairment of financial assets the following procedures were performed:

Engaged internal quantitative specialists to validate the appropriateness of the assumptions and inputs applied to the models and alignment to the principles set out in IFRS 9.
Reviewed and assessed the effect of recent changes in the economic environment and the business model on determining the appropriate forward looking macro-economic factors.
Reviewed and assessed the effect of recent changes in the economic environment and the business model on determining the appropriate forward looking macro-economic factors.
Obtained an understanding of the credit approval and loan on-boarding processes to confirm appropriateness of the loan information in the IT system.
Obtained an understanding of the related controls of the process followed in calculating the impairment allowance.
Reviewed the impairment allowance calculation for arithmetical accuracy. Reviewed the adequacy and valuation of security on loans and advances and assessed the implications thereof on the impairment assessment.
Selected a sample of loans and advances and analysed them for accuracy of the classification into various credit risk grades and credit quality portfolios as prescribed by the regulator and International Financial Reporting Standards, respectively.
Reviewed the annual financial statements for appropriate disclosure for the allowances for impairment losses.

</td></tr>
<tr><td colspan="2">Existence and valuation of suspense accounts</td></tr>
<tr><td>
Suspense accounts are high risk areas which are a feature of the Group's day to day operations. The matter is of significance to the audit due to the nature of the operations, the accounts' general susceptibility to fraud and the high volumes of transactions.
In addition, in the prior year, capacity constraints were noted for the core banking system that resulted in general ledger mismatches. The Group then engaged an accredited consultant to resolve the general ledger mismatches and imbalances.
Owing to the accounts' susceptibility to fraud, the large volume of the transactions within the suspense accounts and matters noted in prior year, this has been noted as a key audit matter.
We refer to notes 19 to the inflation-adjusted financial statements for suspense account related balances included in other receivables.
</td><td>
To address the risk on existence and valuation of suspense accounts, audit procedures included:

Obtaining an understanding and analysing the nature of the suspense accounts.
Testing the design and implementation of internal controls around the reconciliation of suspense accounts.
Performing detailed validation tests on a sample of transactions within suspense accounts.
Reviewing suspense account reconciliations at year end to confirm that outstanding elements at year end represented bona fide clearing items.
Evaluating how the suspense accounts were subsequently cleared.
Reviewing the annual financial statements for appropriate and applicable disclosures of the suspense accounts under other assets and other liabilities.

</td></tr>
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Report on the audit of the inflation-adjusted consolidated financial statements (continued)

Key Audit Matters (continued)

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Going concern</td></tr>
<tr><td>As at 28 February 2021, the Group incurred a loss of ZW$ 1.0 billion in inflation adjusted terms as a consequence of exchange losses being incurred of ZWL4.6 billion on foreign denominated liabilities.

As set out in Note 33, the Group is also in the process of capitalising the banking subsidiary in order to ensure compliance with minimum prescribed capital requirements for banks.

Due to the significant auditor attention and judgement involved in assessing management's use of the going concern assumption as a result of the foregoing matters, going concern was determined to be a key audit matter.</td><td>We reassessed the risk assessment on going concern and took into account the additional considerations in respect of the impact of developments in the Group's operating and trading conditions on future cash flow and judgements applied in reaching the Group's going concern conclusion, as well as capitalisation considerations for the banking subsidiary.

In evaluating the Director's judgements in determining whether there are any material uncertainties which may cast doubt on the Group's ability to continue as a going concern, the following procedures were performed:

• Tested the design and implementation of controls around the going concern assessment and the judgements applied;
• Assessed the cash flow forecasts and budgets for reasonableness, for at least twelve months after the expected date of sign-off of the financial statements. This involved challenging the key assumptions used in the forecasts and performing sensitivity analyses;
• Performed retrospective reviews by comparing historical projected cash flows and financial performance against actual historical performance to challenge the reasonableness and integrity of the budgeting process. This was also extended to consider the post year-end financial performance and position of the Group relative to its forecasts;
• Assessed management's plans to mitigate the negative impacts of the changes in the regulatory environment for reasonableness;
• Challenged the enforceability and feasibility of management's capitalisation plans for the banking subsidiary, including specific considerations of the financial health of the banking subsidiary and the holding company with which funding arrangements were being made;
• Performed a detailed review of subsequent events and assessed the potential impact of those events on the going concern assumption;
• Inspected minutes of Board meetings outlining their plans for the Group around the settlement of foreign denominated liabilities;
• Inspected the signed shareholder funding support arrangements for ZW$ 1.8 billion effective 8 October 2021; and
• Considered the adequacy and appropriateness of the going concern disclosure as set out in note 33.</td></tr>
</table>

Report on the audit of the inflation-adjusted consolidated financial statements (continued)

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Cassava Smartech Zimbabwe Limited Consolidated Financial Statements for the year ended 28 February 2021", which includes the 'Director's responsibility for financial reporting', which we obtained prior to the date of our auditor's report. The other information also comprises the information included in the document titled "Cassava Smartech Zimbabwe Limited Annual Report for the year ended 28 February 2021", which we had not yet received as at the date of issuing our auditor's report. The other information does not include the inflation-adjusted consolidated financial statements and our auditor's report thereon. The document titled "Cassava Smartech Zimbabwe Limited Annual Report for the year ended 28 February 2021" is expected to be made available to us after the date of this auditor's report.

Our opinion on the inflation-adjusted consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the inflation-adjusted consolidated statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation-adjusted consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, we have concluded that the other information is also materially misstated for the same reasons.

Responsibility of the Directors for the Inflation-adjusted Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the inflation-adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Insurance Act (Chapter 24:07), the Medical Services Act (Chapter 15:13), and related regulations. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of inflation-adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements

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

Auditor’s Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements (continued)

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

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the inflation-adjusted consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the inflation-adjusted consolidated financial statements (continued)

Report on other legal and regulatory matters

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)
As a result of the matters described in the Basis for Adverse Opinion section of our report, the inflation-adjusted consolidated financial statements of the Group are not properly drawn up in accordance with the Act and do not give a true and fair view of the state of the Group's affairs as at 28 February 2021.

Section 193(2)
We have no matters to report in respect of the Section 193(2) requirements of the Act.

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

DELOITTE & TOUCHE
Chartered Accountants (Zimbabwe)
Per Brian Mabiza
Partner
PAAB Practice Certificate 0447
Harare, Zimbabwe

18 October 2021

Trading as
EcoCash
HOLDINGS ZIMBABWE

Consolidated statement of profit or loss and other Comprehensive income

For the year ended 28 February 2021

	Notes	INFLATION ADJUSTED		HISTORICAL*	
		2021 ZW$ '000	2020 Restated** ZW$ '000	2021 ZW$ '000	2020 Restated** ZW$ '000
Revenue	**2**	**14,298,135**	**19,287,970**	**10,146,386**	**2,163,431**
Cost of sales and external services rendered		(4,429,760)	(5,780,677)	(3,276,720)	(678,372)
Impairment on financial assets charge: expected credit loss allowances on loans and advances to bank customers	**20.4**	(131,164)	(197,041)	(79,516)	(46,737)
Gross profit		**9,737,211**	**13,310,252**	**6,790,150**	**1,438,322**
Other income	**7.1**	686,919	120,201	1,765,018	192,637
Other expenses	**7.2**	(91,078)	(694,973)	(64,787)	-
General administrative and other expenses:		(10,449,325)	(10,265,582)	(5,814,443)	(1,160,297)
- Administration and other expenses		(7,075,096)	(6,452,875)	(5,220,465)	(972,108)
- Impairment on financial assets charge: expected credit loss allowances on items other than loans and advances to bank customers		(159,676)	(102,642)	(99,827)	(23,403)
- Depreciation, amortisation and impairment	**10,11,13**	(2,407,508)	(860,718)	(345,431)	(61,682)
- Foreign exchange losses arising from trade related and other payables		(807,045)	(2,849,347)	(148,720)	(103,104)
Marketing and sales expenses		(937,498)	(1,043,799)	(663,577)	(114,660)
Foreign exchange losses arising from debenture related liabilities		(3,796,483)	(5,543,750)	(2,050,580)	(458,159)
Gain on net monetary position (IAS 29)		4,369,219	5,298,291	-	-
(Loss) / profit before net finance costs		**(481,035)**	**1,180,640**	**(38,219)**	**(102,157)**
Finance income	**4**	11,154	12,285	9,100	1,173
Finance costs	**5**	(255,283)	(365,159)	(190,506)	(41,797)
(Loss) / profit before taxation	**3**	**(725,164)**	**827,766**	**(219,625)**	**(142,781)**
Income tax (expense) / credit	**8**	(317,267)	(2,090,625)	93,280	(100,612)
Loss for the year		**(1,042,431)**	**(1,262,859)**	**(126,345)**	**(243,393)**
Loss for the year attributable to:		**(1,042,431)**	**(1,262,859)**	**(126,345)**	**(243,393)**
Equity holders of Cassava Smartech Zimbabwe Limited		(896,186)	(1,179,881)	(227,977)	(259,047)
Non-controlling interest		(146,245)	(82,978)	101,632	15,654
Items that may not to be reclassified to profit or loss:					
Gain arising on revaluation of property and equipment and intangible assets		212,819	2,131,963	3,033,510	880,809
Taxation effect of other comprehensive income		(49,671)	(524,830)	(729,159)	(211,223)
		163,148	**1,607,133**	**2,304,351**	**669,586**
Total comprehensive (loss) / income for the year		**(879,283)**	**344,274**	**2,178,006**	**426,193**
Other comprehensive income attributable to:					
Equity holders of Cassava Smartech Zimbabwe Limited		160,554	1,576,099	2,281,953	660,718
Non-controlling interest		2,594	31,034	22,398	8,868
		163,148	**1,607,133**	**2,304,351**	**669,586**
Total comprehensive (loss) / income attributable to:					
Equity holders of Cassava Smartech Zimbabwe Limited		(735,632)	396,218	2,053,976	401,671
Non-controlling interest		(143,651)	(51,944)	124,030	24,522
		(879,283)	**344,274**	**2,178,006**	**426,193**
Basic and diluted loss per share (ZW$)	**9**	**(0.346)**	**(0.455)**	**(0.088)**	**(0.100)**
Headline earnings / (loss) per share (ZW$)	**9**	**0.146**	**(0.455)**	**(0.079)**	**(0.100)**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

** *The classification and presentation of expenses was changed in the current year. Refer to note 39.*

Consolidated statement of financial position

As at 28 February 2021

		INFLATION ADJUSTED		HISTORICAL*	
	Notes	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
ASSETS					
Intangible assets	**13**	1,339,268	1,664,415	639,883	246,191
Property and equipment	**10**	4,585,373	5,306,548	3,966,786	1,019,287
Right-of-use asset	**11**	221,325	215,147	37,162	13,070
Investment properties	**12**	1,095,410	569,211	1,095,410	135,014
Other assets	**18**	903,740	180,758	372,613	7,295
Current tax assets	**24.2**	65,276	-	65,276	-
Amounts owed by related party companies	**28**	82,640	216,902	82,640	51,448
Trade and other receivables	**19**	3,887,954	3,977,487	3,174,773	591,172
Loans and advances to bank customers	**20**	1,597,458	926,883	1,597,458	219,852
Treasury bills and government bonds	**15.1**	1,003,136	4,032,007	1,003,136	956,372
Financial assets at fair value through profit or loss	**16**	1,085,379	575,117	1,085,379	136,415
Assets held for sale	**17**	1,471	-	1,471	-
Mobile money trust bank balances - restricted balances	**27.4**	4,234,169	7,258,431	4,234,169	1,721,664
Cash and cash equivalents	**27.4**	5,671,323	2,224,216	5,671,323	527,573
Total assets		**25,773,922**	**27,147,122**	**23,027,479**	**5,625,353**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and share premium	**21**	85,839	69,930	2,591	2,591
(Accumulated losses) / retained earnings		(3,076,126)	507,907	(465,081)	(251,127)
Other reserves	**23**	8,041,609	4,987,953	3,116,902	839,591
Equity attributable to owners of Cassava Smartech Zimbabwe Limited		**5,051,322**	**5,565,790**	**2,654,412**	**591,055**
Non-controlling interest		(144,047)	(396)	150,462	26,432
Total equity		**4,907,275**	**5,565,394**	**2,804,874**	**617,487**
Liabilities					
Lease liabilities	**32**	44,515	63,543	44,515	15,072
Provisions	**24.1**	302,542	133,860	299,492	30,212
Current tax liability	**24.2**	-	231,746	-	54,969
Deferred tax liabilities	**14.3**	695,257	773,127	458,672	128,874
Amounts owed to related party companies	**28**	5,215,998	3,679,913	5,215,998	872,857
Trade and other payables	**24**	3,171,380	4,758,434	2,766,973	1,073,511
Mobile money trust liabilities	**27.5**	4,234,169	7,258,431	4,234,169	1,721,664
Deposits due to banks and customers	**26**	7,202,786	4,682,674	7,202,786	1,110,707
Total liabilities		**20,866,647**	**21,581,728**	**20,222,605**	**5,007,866**
Total equity and liabilities		**25,773,922**	**27,147,122**	**23,027,479**	**5,625,353**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Mrs. T. Nyemba
FINANCE DIRECTOR

15 October 2021

Trading as
EcoCash
HOLDINGS ZIMBABWE

Consolidated statement of changes in equity

For the year ended 28 February 2021

	INFLATION ADJUSTED					
	Share capital and share premium (Note 21) ZW$ '000	Retained earnings / (accumulated losses) ZW$ '000	Other reserves (Note 23) ZW$ '000	Attributable to equity holders of the entity ZW$ '000	Non-controlling interest ZW$ '000	Total ZW$ '000
Balance at 1 March 2019	**69,930**	**207,462**	**4,952,059**	**5,229,451**	**51,548**	**5,280,999**
Loss for the year	-	(1,179,881)	-	**(1,179,881)**	(82,978)	**(1,262,859)**
Other comprehensive income:	**-**	**-**	**1,576,099**	**1,576,099**	**31,034**	**1,607,133**
Revaluation of property and equipment and intangible assets	-	-	2,100,929	**2,100,929**	31,034	**2,131,963**
Taxation effect of other comprehensive income	-	-	(524,830)	**(524,830)**	-	**(524,830)**
Total comprehensive (loss) / income for the year	**-**	**(1,179,881)**	**1,576,099**	**396,218**	**(51,944)**	**344,274**
Transfers within and out of reserves	-	1,480,326	(1,540,205)	**(59,879)**	-	**(59,879)**
Balance at 29 February 2020	**69,930**	**507,907**	**4,987,953**	**5,565,790**	**(396)**	**5,565,394**
Loss for the year	-	(896,186)	-	**(896,186)**	(146,245)	**(1,042,431)**
Other comprehensive income:	**-**	**-**	**160,554**	**160,554**	**2,594**	**163,148**
Revaluation of property and equipment and intangible assets	-	-	210,225	**210,225**	2,594	**212,819**
Taxation effect of other comprehensive income	-	-	(49,671)	**(49,671)**	-	**(49,671)**
Total comprehensive (loss) / income for the year	**-**	**(896,186)**	**160,554**	**(735,632)**	**(143,651)**	**(879,283)**
Purchase of treasury shares	-	-	(4,330)	**(4,330)**	-	**(4,330)**
Reclassification	-	-	(8,510)	**(8,510)**	-	**(8,510)**
Impact of prospective restatement of expected credit loss allowance & right-of-use asset opening balances (Note B.4)	-	102,965	-	**102,965**	-	**102,965**
Impact of prospective change in IAS 29 applicable start date (Note B.3)	15,909	(2,790,812)	2,905,942	**131,039**	-	**131,039**
Balance at 28 February 2021	**85,839**	**(3,076,126)**	**8,041,609**	**5,051,322**	**(144,047)**	**4,907,275**

Consolidated statement of changes in equity (continued)

For the year ended 28 February 2021

	HISTORICAL*					
	Share capital and share premium (Note 21) ZW$ '000	Retained earnings / (accumulated losses) ZW$ '000	Other reserves (Note 23) ZW$ '000	Attributable to equity holders of the entity ZW$ '000	Non-controlling interest ZW$ '000	Total ZW$ '000
Balance at 1 March 2019	**2,591**	**7,687**	**183,486**	**193,764**	**1,910**	**195,674**
(Loss) / profit for the year	-	(259,047)	-	**(259,047)**	15,654	**(243,393)**
Other comprehensive income:	**-**	**-**	**660,718**	**660,718**	**8,868**	**669,586**
Revaluation of property and equipment and intangible assets	-	-	871,941	**871,941**	8,868	**880,809**
Taxation effect of other comprehensive income	-	-	(211,223)	**(211,223)**	-	**(211,223)**
Total comprehensive (loss) / income for the year	**-**	**(259,047)**	**660,718**	**401,671**	**24,522**	**426,193**
Transfers within and out of reserves	-	233	(4,613)	**(4,380)**	-	**(4,380)**
Balance at 29 February 2020	**2,591**	**(251,127)**	**839,591**	**591,055**	**26,432**	**617,487**
(Loss) / profit for the year	-	(227,977)	-	**(227,977)**	101,632	**(126,345)**
Other comprehensive income:	**-**	**-**	**2,281,953**	**2,281,953**	**22,398**	**2,304,351**
Revaluation of property and equipment and intangible assets	-	-	3,011,112	**3,011,112**	22,398	**3,033,510**
Taxation effect of other comprehensive income	-	-	(729,159)	**(729,159)**	-	**(729,159)**
Total comprehensive (loss) / income for the year	**-**	**(227,977)**	**2,281,953**	**2,053,976**	**124,030**	**2,178,006**
Purchase of treasury shares	-	-	(3,856)	**(3,856)**	-	**(3,856)**
Reclassification	-	(1,021)	(786)	**(1,807)**	-	**(1,807)**
Impact of prospective restatement of expected credit loss allowance opening balances (Note B.4)	-	15,044	-	**15,044**	-	**15,044**
Balance at 28 February 2021	**2,591**	**(465,081)**	**3,116,902**	**2,654,412**	**150,462**	**2,804,874**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Trading as
EcoCash
HOLDINGS ZIMBABWE

Consolidated statement of cash flows

For the year ended 28 February 2021

	Notes	INFLATION ADJUSTED 2021 ZW$ '000	INFLATION ADJUSTED 2020 ZW$ '000	HISTORICAL* 2021 ZW$ '000	HISTORICAL* 2020 ZW$ '000
Operating activities					
Cash generated from / (utilised in) operations	**27.2**	702,668	(507,068)	9,148,088	2,569,981
Income tax paid	**27.3**	(468,665)	(486,503)	(434,015)	(115,396)
Net cash flows generated from / (utilised in) operating activities		**234,003**	**(993,571)**	**8,714,073**	**2,454,585**
Investing activities					
Acquisition of intangible assets	**13**	(43,113)	(591,125)	(147,797)	(120,263)
Net acquisition of financial assets at fair value through profit or loss	**16**	(264,523)	(184,616)	(165,977)	(28,478)
Net disposal / (acquisition) of held-to-maturity investments	**15.1**	1,275,192	(4,706,637)	(64,704)	(484,353)
Proceeds from disposal of assets held for sale		6,065	-	2,610	-
Purchase of property and equipment	**10**	(529,411)	(1,607,378)	(489,468)	(284,129)
Proceeds on disposal of property and equipment		218	453,896	162	107,662
Net cash generated from / (used in) investing activities		**444,428**	**(6,635,860)**	**(865,174)**	**(809,561)**
Financing activities					
Net finance costs paid	**4, 5, 15.1**	(251,256)	(352,874)	(188,790)	(40,624)
Repayments of borrowings	**25**	-	(60,726)	-	(2,250)
Purchase of treasury shares		(4,330)	(11,404)	(3,854)	(2,705)
Net cashflows used in financing activities		**(255,586)**	**(425,004)**	**(192,644)**	**(45,579)**
Net increase / (decrease) in cash and cash equivalents		**422,845**	**(8,054,435)**	**7,656,255**	**1,599,445**
Cash and cash equivalents at the beginning of the year		9,482,647	17,537,082	2,249,237	649,792
Cash and cash equivalents at the end of the year	**27.4**	**9,905,492**	**9,482,647**	**9,905,492**	**2,249,237**
Comprising					
Cash and bank balances - restricted		4,234,169	7,258,431	4,234,169	1,721,664
Cash and bank balances - unrestricted		5,671,323	2,224,216	5,671,323	527,573
Total		**9,905,492**	**9,482,647**	**9,905,492**	**2,249,237**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements

For the year ended 28 February 2021

Policy note	IFRS/IAS reference	Content
A	IAS 1	General information
B	IAS 1	Basis of preparation
C	IAS 8	Adoption of new and revised standards and interpretations
D	IAS 21	Foreign currency transactions and balances
E	IFRS 3, 10	Business combinations and goodwill
F	IAS 28	Investments in associates
G	IAS 38	Intangible assets
H	IAS 23	Borrowing costs
I	IAS 16	Property and equipment
J	IAS 40	Investment properties
K	IAS 36	Impairment of non-financial assets
L	IFRS 16	Leases
M	IAS 2	Inventories
N	IFRS 15	Revenue recognition
O		Other income
P	IAS 12	Taxation
Q	IAS 19	Employee benefits
R	IAS 1	Current and non-current classification
S	IFRS 13	Fair value measurement
T	IFRIC 17	Cash dividend and non-cash distribution to equity holders of the parent
U	IFRS 9, IFRS 7	Financial instruments
V	IAS 7	Cash and short term-deposits
W	IAS 32	Treasury shares
X	IAS 37	Provisions
Y	IAS 27	Fiduciary assets
Z	IFRS 8	Operating segment information
AA	IAS 1 (Revised)	Significant accounting judgements, assumptions and key sources of estimation uncertainty

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

A. GENERAL INFORMATION

A.1 Corporate information

Cassava Smartech Zimbabwe Limited ("CSZL" or "the Company") and its subsidiaries were demerged from Econet Wireless Zimbabwe Limited ("EWZL"), effective 1 November 2018.

These consolidated financial statements comprise the Company and its subsidiaries (collectively "the Group" and individually the "Group companies"). The Group's subsidiaries and main activities are as follows:

- EcoCash (Private) Limited - (mobile money transfer and payments services);
- Steward Bank Limited - (digital commercial bank);
- Econet Life (Private) Limited - (mobile based funeral and life assurance company)
- Econet Insurance (Private) Limited - (short-term insurance company);
- Econet Services (Private) Limited - (On-demand services, e-commerce, farming technology and digital education services);
- Steward Health (Private) Limited - (medical aid service provider); and
- MARS (Private) Limited - (medical air and road rescue services).

CSZL and its subsidiaries are incorporated in Zimbabwe. CSZL's registered office is 1906 Borrowdale Road, Harare. The ultimate holding company for the Group is Econet Global Limited, which is registered in Mauritius.

A.2 Currency of account

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

B. BASIS OF PREPARATION

B.1 Statement of compliance

The Group prepares consolidated financial statements with the aim to fully comply with International Financial Reporting Standards ("IFRSs"), which comprise standards issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Standards Interpretations Committee ("IFRS IC"). Compliance with IFRSs is intended to achieve consistency and comparability of financial statements.

Only partial compliance has been achieved for the year ended 28 February 2021, as a result of the carryover impact of non-compliances in the prior period with IAS 21 and IAS 16, and current year non-compliances with IAS 29. Only partial compliance was also achieved for the year ended 29 February 2020. Consequently, the Directors advise users of these abridged consolidated financial statements to exercise caution.

The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous period unless otherwise stated and except for the adoption of new standards and amendments that became effective for the year ended 28 February 2021. In the previous year, the Group applied the requirements of International Accounting Standard ("IAS") 29 'Financial Reporting in Hyperinflationary Economies'. These have had a material impact on the Group's reporting for the prior year.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

B. BASIS OF PREPARATION (CONTINUED)

B.1 Statement of compliance (continued)

Compliance with International Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates
After the introduction of the RTGS dollar (now currently called the Zimbabwe dollar) as currency in Zimbabwe on 22 February 2019, for the period ended 28 February 2019, the Group's entities applied the legislated change in functional currency translation guidelines set out in SI 33/2019. The guidelines prescribed parity between the RTGS dollar and the US dollar for certain balances as at 22 February 2019. In our opinion and based on the guidance issued by the Public Accountants and Auditors Board ("PAAB"), the impact of the change in functional currency translation guidelines prescribed by SI 33/2019 on the preparation of the consolidated financial statements resulted in a non-compliance with IAS 21 for the four months ended 28 February 2019. This non-compliance has continued to impact the consolidated financial statements for the year ended 28 February 2021. Consequently, the accounting treatments adopted for the comparative amounts are different from those that would have been reported if the Group had been able to fully comply with IAS 21. As a result of the pervasive impact of the non-compliance with IAS 21 on the comparative period reported amounts, the Directors advise users of the financial results to exercise due caution.

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

The year-on-year inflation as measured by the consumer price index closed February 2021 at 2,698.89% [2020: 640.16%]. The high year-on-year inflation, amongst other indicators outlined in IAS 29, resulted in a broad market consensus within the accounting and auditing professions that the Zimbabwe economy had met the characteristics of a hyperinflationary economy. The Public Accountants and Auditors Board (PAAB) confirmed this market consensus and issued a pronouncement in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019. The consolidated financial statements have, however been prepared in accordance with IAS 29 as if the economy had been hyperinflationary from 1 March 2019, which was the commencement date of the previous financial year and the immediate date after the adoption of the Zimbabwe dollar as the functional and reporting currency by the Group. Strict application of IAS 29 together with IAS 21 would, however, have required IAS 29 to be applied from 1 October 2018.

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

The Group adopted the Zimbabwe consumer price index (CPI) as the general price index to restate transactions and balances as appropriate. Non-monetary assets and liabilities carried at historic cost have been restated to reflect the change in the general price index from 1 March 2020 to the end of the reporting period. Monetary assets and liabilities and non-monetary assets and liabilities carried at fair value have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially incurred, unless they relate to items already accounted for at fair value, with the corresponding adjustment presented in the income statement. A net monetary gain or loss is recognised in the statement of profit or loss. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

Comparative amounts in these consolidated financial statements have been restated to reflect the change in the general price index from 1 March 2020 to the end of the reporting period.

The financial statements were restated using the indices below:

	Index	Conversion Factor
28 February 2021	2,698.89	1.00
29 February 2020	640.16	4.22
1 March 2020 to 28 February 2021 Average	1,921.05	1.40
1 March 2019 to 29 February 2020 Average	324.08	8.33

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

B. BASIS OF PREPARATION (CONTINUED)

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

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

Interpretation of financial statements prepared under hyperinflationary conditions

In as much as all reasonable care and attention has been taken by the Directors to present information that is meaningful and relevant to the users of the financial statements, it is not always possible to present this information in a way that is not contradictory to International Financial Reporting Standards when reporting the multiple factors in the environment, including but not limited to the legislative framework and economic variables affecting companies operating in Zimbabwe. This has resulted in certain qualifications to these financial statements. Economic variables changed at an extremely fast pace during the period under audit. These circumstances require care and attention by users of financial statements in their interpretation of financial information presented under such conditions.

B.3 Change in application date of IAS 29 – Financial Reporting in Hyperinflationary Economies

In February 2019, the Government of Zimbabwe issued Statutory Instrument (S.I.) 33 of 2019, which among other things, prescribed parity between the US dollar and local mediums of exchange as at and up to the effective date of 22 February 2019 for accounting and other purposes. S.I. 33 also prescribed the manner in which certain balances were to be treated as a consequence of the recognition of the RTGS dollar / ZW dollar as currency in Zimbabwe. In our opinion and based on the guidance issued by the Public Accountants and Auditors Board (PAAB), the change in functional currency translation guidelines prescribed by S.I. 33 and adopted in preparing the consolidated financial statements for prior years to comply with statutory requirements were contrary to the provisions of IAS 21 – The Effects of Changes in Foreign Exchange Rates.

In prior year, the factors and characteristics to apply IAS 29 - Financial Reporting in Hyperinflationary Economies were met in Zimbabwe. As a result, the Public Accountants and Auditors Board (PAAB) pronounced that entities reporting in Zimbabwe were required to apply the requirements of IAS 29 for reporting periods ended on or after 1 July 2019. Consequently, prior year consolidated financial statements were prepared in accordance with IAS 29 as if the economy had been hyperinflationary from 1 March 2019. The Group adopted 1 March 2019 to apply IAS 29 as it was the commencement date of the prior year financial year and the immediate date after the adoption of the Zimbabwe dollar as the functional and reporting currency by the Group in accordance with S.I. 33. However, there was a general consensus amongst market participants that the date of change in functional currency should have been 1 October 2018. Based on the consensus, the changes in the general pricing power of the functional currency ought to apply from 1 October 2018. The Directors however chose to strictly comply with S.I. 33.

As reported in prior year, the Directors were unable to determine an appropriate and fair exchange rate to apply as required by IAS 21 when the Group changed its functional currency in 2019 which inherently impacted the application of IAS 29.

The Directors have in current year assessed that the cumulative effects of non-compliance with IAS 21 and its consequent impact on IAS 29 which all could not be accurately ascertained in prior years have now in material respects been recycled to retained earnings. As a result of the inability to accurately determine the prior year aforementioned specific effects, the cumulative effect arising from applying 1 March 2019 instead of 1 October 2018 as the IAS 29 application date have been adjusted against opening equity components as disclosed on the statement of changes in equity.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

B. BASIS OF PREPARATION (CONTINUED)

B.4 Opening balances restatements

Expected Credit Loss Allowances Opening Balances Restatement
In the current year, the Group's banking subsidiary redeveloped a new model to calculate the estimated credit losses on loans and advances. The previous model used regulatory data and had shortcomings which would be supplemented through applying post-model adjustments to come up with the final expected credit losses. IFRS 9- Financial instruments, would have required the Group's banking subsidiary to derive the loss given default ratio from internally generated data. Consequently, expected credit losses were overstated by ZW$ 102 million (expressed in the measuring unit current at the beginning of the reporting period). The Bank prospectively adjusted the opening Retained Earnings in the current year's statement of changes in equity and the opening net loans and balances to the financial statements. The misstatement has no impact in the current year.

Right-of-use asset opening balance restatement
During the current period, the Bank discovered that the inflation adjusted depreciation charge for right-of-use assets for financial year ended 29 February 2020 had been erroneously miscalculated. As a consequence, the opening accumulated depreciation for right-of-use assets at the Group's banking subsidiary had been overstated by an inflation adjusted amount of ZW$ 39 million. The error has been corrected prospectively by restating the opening balances of the affected right-of-use assets, deferred tax at 24.72% and retained earnings.

B.5 Compliance with legal and regulatory requirements

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

B.6 Use of estimates and judgements

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

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

B.7 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 28 February 2021. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee if, and only if, the Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Company voting rights and potential voting rights; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

B. BASIS OF PREPARATION (CONTINUED)

B.7 Basis of consolidation (continued)

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

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

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

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

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

C.1 New and amended IFRSs that are effective for the current year and applicable to the Group

Amendments to references to the conceptual framework
The Group has adopted amendments to standards' references to the conceptual framework as contained in Amendments to References to the Conceptual Framework in IFRS Standards in the current year. The amended standards are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32.

The amendments include consequential amendments to affected standards so that they refer to the new Framework. However, not all amendments update those pronouncements with regards to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to or to indicate that definitions in the Standard have not been updated with the new definitions developed in the new Conceptual Framework. The amendments did not have a material impact on the current year financial statements.

Amendments to IFRS 3 Definition of a business
The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendment had no impact on the Group in the current year.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

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

C.1 New and amended IFRSs that are effective for the current year and applicable to the Group (continued)

Amendments to IAS 1 and IAS 8 Definition of material

The Group has adopted the amendments to the definition of materiality which are effective for periods beginning on or after 1 January 2020. The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

C.2 New and revised IFRSs in issue but not yet effective

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

IFRS 17	Insurance Contracts
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of liabilities as current or non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before intended use
Amendments to IAS 37	Onerous Contracts – Cost of fulfilling a contract
Annual improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IFRS 16 Leases
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards

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

IFRS 17 Insurance Contracts

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

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

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

Trading as
EcoCash
HOLDINGS ZIMBABWE

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

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

C.2 New and revised IFRSs in issue but not yet effective (continued)

IFRS 17 Insurance Contracts (continued)

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. An exposure draft Amendments to IFRS 17 addresses concerns and implementation challenges that were identified after IFRS 17 was published. One of the main changes proposed is the deferral of the date of initial application of IFRS 17 by one year to annual periods beginning on or after 1 January 2022.

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

IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

Amendments to IFRS 3 Reference to the Conceptual Framework

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

Amendments to IAS 16 Proceeds before intended use

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

The amendments also clarify the meaning of 'testing whether an asset is functioning properly. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

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

C.2 New and revised IFRSs in issue but not yet effective (continued)

Amendments to IAS 16 Proceeds before intended use (continued)

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

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

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

Amendments to IAS 37 Onerous contracts – Cost of fulfilling a contract

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

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

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

Annual improvements to IFRS Standards 2018-2020 Cycle

IFRS 1 *First-time Adoption of International Financial Reporting Standards*
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS1: D16(a). The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 *Financial Instruments*
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

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

C.2 New and revised IFRSs in issue but not yet effective (continued)

Annual improvements to IFRS Standards 2018-2020 Cycle (continued)

IFRS 16 *Leases*
The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

D. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

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

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

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

E. BUSINESS COMBINATIONS AND GOODWILL

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

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

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

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

E. BUSINESS COMBINATIONS AND GOODWILL (CONTINUED)

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

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

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

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

F INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of comprehensive income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

G. INTANGIBLE ASSETS

The Group has three classes of intangible assets comprising goodwill, operating licenses and computer software. Goodwill is measured at cost and tested for impairment annually. The operating licenses and computer software are measured using the fair value model. There was no change in these accounting policies in the current period.

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

Revaluation
After initial recognition, intangible assets excluding goodwill, are carried at revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

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

If an intangible asset in a class of revalued intangible assets cannot be revalued because there is no active market for the asset, the asset is carried at its cost less any accumulated amortisation and impairment losses.

If the fair value of a revalued intangible asset can no longer be measured by reference to an active market, the carrying amount of the asset shall be its revalued amount at the date of the last revaluation by reference to the active market less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. The fact that an active market no longer exists for a revalued intangible asset may indicate that the asset may be impaired and that it needs to be tested in accordance with IAS 36 Impairment of Assets.

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

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

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

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

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

G. INTANGIBLE ASSETS (CONTINUED)

G.1 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate;

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- the intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of resources to complete the asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during development; and
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

Subsequent to initial recognition of the development expenditure as an asset, the asset is carried at cost or revaluation as applicable less accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. The intangible is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

G.2 License and software

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

The software and licenses are amortised as follows:

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

H. BORROWING COSTS

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

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

I. PROPERTY AND EQUIPMENT

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

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

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

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

Depreciation is recognised so as to write off the valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the same basis as described under the cost model above.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

J. INVESTMENT PROPERTIES

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

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

J. INVESTMENT PROPERTIES (CONTINUED)

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

K. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

L. LEASES

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less and without any renewal option) and leases of low value assets (such as small items of office equipment). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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

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

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

The Group did not make any such adjustments during the periods presented.

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

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

L. LEASES (CONTINUED)

(a) The Group as lessee (continued)

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

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

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

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other operating expenses" in profit or loss (see Note 3).

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

(b) The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the Group.

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

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

M. INVENTORIES

Measurement

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

Impairment

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

N. REVENUE RECOGNITION

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

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

The Group recognises revenue from the following major sources;

N1.1 Mobile money transaction fees

Mobile money transaction allows customers to transfer and pay for goods and services using a mobile phone. Revenue is largely earned from transfer fees, cash out fees and payment to merchant fees, based on a graduated tariff structures.

N1.2 Interest income

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

The carrying amount of the financial asset or financial liability is adjusted if estimates of payments or receipts are revised. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest income' for financial assets and 'Interest expense' for financial liabilities. However, for a reclassified financial asset for which the Group subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

N1.2 Interest income

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

N. REVENUE RECOGNITION (CONTINUED)

N1.3 Banking fee and commission income

Banking fee and commission income is earned from a diverse range of services offered to customers. Fee income can be divided into the following two categories:

- Fee income earned from services that are provided over a certain period of time; and
- Fees earned for the provision of services over a period of time are accrued over that period.

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

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

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

N1.4 Medical aid income

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

Fees
Fees are recognised as revenue in the accounting period in which the services were rendered, by reference to the completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

N1.5 Insurance income

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

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

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

O. OTHER INCOME

O.1 Net trading income from financial instruments

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

O. OTHER INCOME (CONTINUED)

O.2 Dividend income

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

O.3 Rental income

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

P. TAXATION

P.1 Current income tax

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

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

P.2 Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

P. TAXATION (CONTINUED)

P.1 Current income tax (continued)

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

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

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

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

P.3 Current and deferred tax for the period

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

P.4 Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except;

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

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

Q. EMPLOYEE BENEFITS

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

a) Short-term employee benefits

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

b) Post-employment benefits

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

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

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

c) Termination benefits

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

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

R. CURRENT AND NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the statement of financial position based on current or non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- held primarily for the purpose of trading; or
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets that do not meet the definition above as non-current.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

R. CURRENT AND NON-CURRENT CLASSIFICATION (CONTINUED)

A liability is current when:

- it is expected to be settled in the normal operating cycle; or
- it is held primarily for the purpose of trading; or
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities that do not meet the definition above as non-current. Deferred tax assets and liabilities are classified as non- current assets and liabilities respectively.

S. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

S. FAIR VALUE MEASUREMENT (CONTINUED)

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

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

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

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

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

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

U. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

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

U.1 Financial assets

Classification of financial assets

The Group classifies financial assets at initial recognition as financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

(i) Amortised cost and effective interest method

A financial asset that meets both the following condition is classified as a financial asset measured at amortised cost.

- the financial asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Classification of financial assets (continued)

(i) Amortised cost and effective interest method (continued)

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at fair value through other comprehensive income (FVTOCI). For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss.

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Classification of financial assets (continued)

(ii) Debt instruments classified as at FVTOCI

A debt instrument that meets both the following condition is classified as a financial asset measured at fair value through other comprehensive income.

- the financial asset is held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Classification of financial assets (continued)

(ii) *Debt instruments classified as at FVTOCI (continued)*
Subsequent to initial recognition, changes in the carrying amount of debt instruments at FVTOCI as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if the instruments bonds had been measured at amortised cost. All other changes in the carrying amount of the instruments are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) *Equity instruments designated as at FVTOCI*
On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9 (see Note 15).

(iv) *Financial assets at FVTPL*
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:
- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition. debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Classification of financial assets (continued)

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

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost, exchange differences are recognised in profit or loss;
- for debt instruments measured at FVTOCI, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

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

Trading as EcoCash HOLDINGS ZIMBABWE

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

a) the financial instrument has a low risk of default;
b) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to the Group, in full (without taking into account any collateral held by the Group).

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

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Impairment of financial assets (continued)

(iii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) *Write-off policy*

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

(v) *Measurement and recognition of expected credit losses*

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

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

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

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

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

Trading as EcoCash HOLDINGS ZIMBABWE

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses (continued)

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

U.2 Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.2 Financial liabilities and equity (continued)

Financial liabilities (continued)

(i) Financial liabilities at FVTPL (continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

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

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

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss. Fair value is determined in the manner described in Note S.

(ii) Financial liabilities measured subsequently at amortised cost

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

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

(iii) Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.2 Financial liabilities and equity (continued)

Financial liabilities (continued)

(iii) Financial guarantee contract liabilities (continued)

Foreign exchange gains and losses

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

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

V. CASH AND SHORT-TERM DEPOSITS

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short- term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

W. TREASURY SHARES

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

X. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Y. FIDUCIARY ASSETS

To the extent that the Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients, the assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of the Group.

Z. OPERATING SEGMENT INFORMATION

The Group identifies segments as components of the Group that engage in business activities from which revenues are earned and expenses incurred (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The chief operating decision-maker has been identified as the Group Chief Executive Officer.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment information has been reconciled to the consolidated financial statements to take account of inter-segment transactions and transactions and balances that are not allocated to reporting segments.

AA. SIGNIFICANT ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:
- Note 30, Capital management
- Note 30, Financial risk management and policies
- Note 30, Sensitivity analysis disclosures

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

AA. SIGNIFICANT ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

AA. 1 Property and equipment - IAS 16

Property and equipment represent 18% (2020: 20%) of the Group's total assets at the respective reporting date.

Residual values of property and equipment
During the year management assessed the residual values of property and equipment. Residual values of each asset category have been assessed by considering the fair value of the assets after taking into account age, usage and obsolescence. These residual values are reassessed each year and adjustments are made where appropriate. The valuation methods adopted in this process involve significant judgment and estimation.

Useful lives of property and equipment
Management performed a review of the useful life of property and equipment based on the outcome of valuation reports from the engaged professional valuers, the age of the equipment, technological advancements and current use of the equipment. The determination of the remaining estimated useful lives of the items of property equipment requires significant judgement.

Revaluation of property and equipment
Property and equipment were revalued to their fair value based on the valuation performed by third party professional valuers with reference to recent market transactions on arm's length terms for similar properties. Changes in fair value net of deferred tax were recognised in other comprehensive income.

AA.2 Intangible assets - IAS 38

Intangible assets include goodwill, operating licenses, and computer software. Goodwill was recognised from the acquisition of Steward Bank (Private) Limited and MARS (Private) Limited.

The annual goodwill impairment test was conducted together with a sensitivity analysis of the value in use to changes in the key assumptions used to determine its present value. The Directors believe that the changes in key assumptions used in this analysis were within reasonable and likely outcome ranges and would not cause excess of the carrying amount over the respective value in use of the investments.

Operating licenses and computer software were measured using the fair value model based on the valuation of Bard Real Estate, an independent professional valuer at 28 February 2021. The Group uses the expected usage of the assets to determine their useful life; and they had an average remaining useful life of 3 years at year end.

Useful lives of operating licenses and computer software
The useful life used to amortise intangible assets relates to the future performance of the assets acquired and management's judgment of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the intangible assets is as follows:

AA.2.1 Operating Licenses
The estimated useful life is, generally, the term of the license, unless there is a presumption of renewal at negligible cost. The license term reflects the period over which the Group will receive economic benefits from its use. For technology specific licenses with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Group's expectation of the period over which the Group will continue to receive economic benefit from the license. The economic lives are periodically reviewed, taking into consideration such factors as changes in technology.

AA.2.2 Computer software
The useful life is determined by management at the time the software is acquired and brought into use and is regularly reviewed for appropriateness. For computer software licenses, the useful life represents management's view of the period over which the Group will receive benefits from the software, but not exceeding the license term.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

AA. SIGNIFICANT ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

AA.3 Impairment reviews - IAS 36

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cashflow ("DCF") model applying a discount rate of 21.36%.

The cash flows are derived from approved budgets for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance or the Cash Generating Unit (CGU) being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

AA.4 Provisions

Provision for unpaid claims

The Group engaged actuaries to estimate the provision for unpaid claims on the insurance business. The incurred but not reported (IBNR) provision is calculated as an estimate of all claims incurred before the reporting date but only reported subsequent to year end.

AA.5 Deferred revenue

Only revenue relating to the expired portion of an insurance contract is earned during that period. The unearned premium reserve (UPR), is an estimate of the amounts of premiums received in respect of insurance cover but that have not yet been earned as at the end of the reporting period, due to the unexpired portion of the insurance contract. The Company engages an actuary to determine the estimate of the amount of the UPR at the end of each reporting period. The model, assumptions and inputs to this determination involve elements of subjectivity that give rise to the possibility that actual outcomes could differ from those expected.

AA.6 Valuation of investment property – IAS 40

The Group engages third party independent valuers to determine fair value. Consistent with the prior year, the valuers made use of level 2 inputs by using comparable market evidence based on lease and purchase transactions of similar buildings and residential stands to determine the fair value estimate of investment property. Where the fair values of investment property cannot be derived from an active market, they are determined using a variety of valuation techniques. Determining the valuation technique to use and the inputs requires significant judgment. Refer Note 12 for more detail on valuation of investment property.

AA.7 Impairment losses on loans and advances to bank customers – IFRS 9

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. For the banking subsidiary expected credit losses (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- the bank's internal credit grading model, which assigns probability of defaults (PDs) to the individual grades;
- the criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit loss basis and the qualitative assessment;

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

AA. SIGNIFICANT ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

AA.7 Impairment losses on loans and advances to bank customers – IFRS 9 (continued)

- the segmentation of financial assets when their ECL is assessed on a collective basis;
  development of ECL models, including the various formulas and the choice of inputs;
- determination of associations between macroeconomic scenarios and economic inputs, such as inflation levels and collateral values; and
- selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

Refer to Note 20 for the carrying amount of loans and advances to customers and more information on the impairment of loans and advances to customers.

AA.8 Taxation – IAS 12

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. Further details on taxes are disclosed in Note 14.

AA.9 Functional and presentation currency – IAS 21

The Group changed its functional and reporting currency with effect from 28 February 2019 following the promulgation of Statutory Instrument 33 of 2019 (“SI 33 of 2019”) which came into effect on 22 February 2019. As a consequence of the legal requirements prescribed by SI 33 of 2019, the Group reported the statement of profit or loss and other comprehensive income using an exchange rate of 1 to 1 between the RTGS dollar and the US dollar despite the varied exchange rates that were imputed in commercial transactions during that period.

AA.10 Analysis of expenses recognised in profit or loss using a classification based on function

The Group analyses expenses recognized in profit or loss based on their function within the entity. This analysis is presented directly in the statement of profit or loss and other comprehensive income.

Additional line items are also included in the statement of profit or loss and other comprehensive income where the group believes such presentation is relevant to an understanding of the Group’s financial performance.

The Group earns revenue mainly from mobile money transfer services, digital banking services and insurance services, that are all done over mobile and internet networks. The cost of sales and external services rendered therefore comprises principally only those expenses that can be directly attributable to the revenue generated. These include costs such as SMS notification costs, mobile network usage costs, commissions on mobile money transfers, reinsurance premiums and insurance claims, among others.

The principal business of the Group’s banking subsidiary is to provide loans and advances to its customers. Interest income on loans and advances is included within revenue. The process of lending has inherent risks related to defaults on repayments that are recognized through expected credit losses. Because of the inherent risk, the Group includes the expected credit losses attributable to loans and advances in the determination of gross profit.

Impairment losses related to financial instruments measured at amortised cost, other than loans and advances, are presented as a component of general administration and other expenses.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

AB DIRECTORS' EXPLANATORY NOTE ON THE ADVERSE AUDIT OPINION

In as much as all reasonable care and attention has been taken by the Directors to present information that is meaningful and relevant to the users of the financial statements, it is not always possible to present this information in a way that is not contradictory to International Financial Reporting Standards when reporting the multiple factors in the environment, including but not limited to the legislative framework and economic variables affecting companies operating in Zimbabwe. This has resulted in certain qualifications to these financial statements. Economic variables changed at an extremely fast pace during the period under audit. These circumstances require care and attention by users of financial statements in their interpretation of financial information presented under such conditions. The opinion on the financial statements has been modified in the following respects;

Valuation of property and equipment and intangible assets

The Directors engaged the services of independent professional valuers to determine the United States dollar (USD) value of the all the property and equipment and intangible assets. Whilst the USD value of the properties is not in question, the auditors have qualified these financial statements in respect of the conversion of these USD values to Zimbabwe dollars (ZW$). The basis is that there is multiplicity of exchange rates that one could have applied to determine the appropriate Zimbabwe dollar values.

The Directors have selected to apply the Reserve Bank of Zimbabwe Auction Rate, at the closing date, as this is the only recognised legal rate of exchange in the country. In the disclosures to these financial statements the Directors have provided the appropriate information as well as sensitivity analysis that allows users of these financial statements to perform adjustments they may deem relevant if they have a different view to that taken by the Directors in the conversion of the United States dollars to Zimbabwe dollar values.

Application of International Accounting Standard 8 - Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) on comparative information: Prospective Corrections of Prior Period Errors

The Group has prospectively adjusted the current year inflation-adjusted consolidated financial statement opening balances with respect to the matters listed below and this is explained on Note B.3 and B.4.

- Prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'.
- Prospective restatement in the current year of a prior period error on the closing balance of expected credit losses in respect of loans and advances.
- Prospective restatement in the current year of a prior period error on the amortisation charge on right of use assets.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

1. OPERATING SEGMENTS

The principal activities set out below are the basis on which the Group reports its primary segment information.

For management purposes, the Group is organised into business units based on their products and services and has the following reportable segments:

Mobile Money Services
EcoCash (Private) Limited provides mobile money transfer and payment services.

Digital Banking Services
Steward Bank Limited provides retail, corporate, and investment banking services in the key economic centres of Zimbabwe.

InsurTech Services
Included in this segment is Ecosure (Private) Limited which is engaged in the business of providing funeral assurance cover, group life cover and credit and medical insurance cover, Econet Insurance (Private) Limited which provides short-term insurance cover as well as Steward Health (Private) Limited which provides medical aid cover to corporates and individuals as well as administration services for closed medical schemes.

Investments and Projects (Other)
Included in this segment is Econet Services (Private) Limited which is a special purpose vehicle for nascent projects and Cassava Holdings (Private) Limited, the Group's holding company.

Reporting

Management monitors the operating results of its business units separately for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit and is measured consistently with operating profit or loss in the consolidated financial statements.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

1. OPERATING SEGMENTS (CONTINUED)

Segment information for the year ended 28 February 2021

	INFLATION ADJUSTED					
	Mobile Money services ZW$ '000	Digital Banking services ZW$ '000	InsurTech services ZW$ '000	Other segments ZW$ '000	Adjustment Journal and Eliminations ZW$ '000	Total ZW$ '000
For the year ended 28 February 2021						
Revenue	8,597,647	2,497,433	2,208,653	1,027,022	(547,896)	**13,782,859**
Interest income from banking operations	-	515,276	-	-	-	**515,276**
Depreciation, amortisation and impairment	(365,386)	(1,696,042)	(144,340)	(201,740)	-	**(2,407,508)**
Segment profit / (loss)	583,185	(903,349)	(1,330,439)	608,172	-	**(1,042,431)**
Segment assets	10,012,516	13,772,688	2,593,837	11,725,875	(12,330,994)	**25,773,922**
Segment liabilities	7,397,663	11,464,235	1,463,694	3,994,824	(3,453,769)	**20,866,647**
For the year ended 29 February 2020						
Revenue	14,529,064	3,027,483	1,660,671	448,719	(1,007,310)	**18,658,627**
Interest income from banking operations	-	629,343	-	-	-	**629,343**
Depreciation, amortisation and impairment	(114,872)	(532,937)	(55,524)	(157,385)	-	**(860,718)**
Segment profit / (loss)	2,160,736	(1,088,707)	(1,184,755)	157,162	(1,307,295)	**(1,262,859)**
Segment assets	15,042,670	15,426,089	1,776,437	9,181,001	(14,279,075)	**27,147,122**
Segment liabilities	11,717,694	12,724,178	975,518	3,777,887	(7,613,549)	**21,581,728**
	HISTORICAL*					
For the year ended 28 February 2021						
Revenue	5,886,788	1,835,170	1,649,673	758,881	(370,827)	**9,759,685**
Interest income from banking operations	-	386,701	-	-	-	**386,701**
Depreciation, amortisation and impairment	(87,392)	(187,686)	(38,522)	(31,831)	-	**(345,431)**
Segment profit / (loss)	583,185	386,423	884,372	(1,980,325)	-	**(126,345)**
Segment assets	9,452,375	12,688,621	2,390,587	2,283,217	(3,787,321)	**23,027,479**
Segment liabilities	7,321,041	11,348,555	1,076,252	3,930,524	(3,453,767)	**20,222,605**
For the year ended 29 February 2020						
Revenue	1,613,165	330,640	199,465	63,580	(110,181)	**2,096,669**
Interest income from banking operations	-	66,762	-	-	-	**66,762**
Depreciation, amortisation and impairment	(18,602)	(27,574)	(9,555)	(5,951)	-	**(61,682)**
Segment profit / (loss)	117,217	56,739	105,385	(425,165)	(97,569)	**(243,393)**
Segment assets	3,234,540	3,298,875	403,847	755,122	(2,067,031)	**5,625,353**
Segment liabilities	2,805,036	2,951,845	164,251	889,906	(1,803,172)	**5,007,866**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

~ *The elimination amount on revenue relates to Steward Bank License Fees to the Mobile Money Platform.*

~~ *The elimination amount on segment profit relates to dividends declared by subsidiaries to the holding company.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

2. REVENUE

The group derives revenue from transfer of goods and services over time and at a point in time in the following major product lines;

	INFLATION ADJUSTED					
	Mobile Money Fees ZW$ '000	Interest income ZW$ '000	Bank commission income ZW$ '000	Insurance revenue ZW$ '000	Other ZW$ '000	Group total ZW$ '000
Year ended 28 February 2021						
Segment revenue	8,597,647	515,276	2,497,433	2,208,653	1,027,022	**14,846,031**
Inter-segment revenue	-	-	(547,896)	-	-	**(547,896)**
Revenue from external customers	**8,597,647**	**515,276**	**1,949,537**	**2,208,653**	**1,027,022**	**14,298,135**
Timing of revenue recognition						
At a point in time	8,597,647	-	1,949,537	-	1,027,022	**11,574,206**
Over time	-	515,276	-	2,208,653	-	**2,723,929**
Total revenue	**8,597,647**	**515,276**	**1,949,537**	**2,208,653**	**1,027,022**	**14,298,135**
Year ended 29 February 2020						
Segment revenue	14,529,064	629,343	3,027,483	1,660,671	448,719	**20,295,280**
Inter-segment revenue	-	-	(1,007,310)	-	-	**(1,007,310)**
Revenue from external customers	**14,529,064**	**629,343**	**2,020,173**	**1,660,671**	**448,719**	**19,287,970**
Timing of revenue recognition						
At a point in time	14,529,064	-	2,020,173	-	448,719	**16,997,956**
Over time	-	629,343	-	1,660,671	-	**2,290,014**
Total revenue	**14,529,064**	**629,343**	**2,020,173**	**1,660,671**	**448,719**	**19,287,970**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

2. REVENUE (CONTINUED)

The group derives revenue from transfer of goods and services over time and at a point in time in the following major product lines;

	HISTORICAL*					
	Mobile Money Fees ZW$ '000	Interest income ZW$ '000	Bank commission income ZW$ '000	Insurance revenue ZW$ '000	Other ZW$ '000	Group total ZW$ '000
Year ended 28 February 2021						
Segment revenue	5,886,788	386,701	1,835,170	1,649,673	758,881	**10,517,213**
Inter-segment revenue	-	-	(370,827)	-	-	**(370,827)**
Revenue from external customers	**5,886,788**	**386,701**	**1,464,343**	**1,649,673**	**758,881**	**10,146,386**
Timing of revenue recognition						
At a point in time	5,886,788	-	1,464,343	-	758,881	**8,110,012**
Over time	-	386,701	-	1,649,673	-	**2,036,374**
Total revenue	**5,886,788**	**386,701**	**1,464,343**	**1,649,673**	**758,881**	**10,146,386**
Year ended 29 February 2020						
Segment revenue	1,613,165	66,762	330,640	199,465	63,580	**2,273,612**
Inter-segment revenue	-	-	(110,181)	-	-	**(110,181)**
Revenue from external customers	**1,613,165**	**66,762**	**220,459**	**199,465**	**63,580**	**2,163,431**
Timing of revenue recognition						
At a point in time	1,613,165	-	220,459	-	63,580	**1,897,204**
Over time	-	66,762	-	199,465	-	**266,227**
Total revenue	**1,613,165**	**66,762**	**220,459**	**199,465**	**63,580**	**2,163,431**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

3. (LOSS) / PROFIT BEFORE TAXATION

(Loss) / profit before taxation is arrived at after taking the following income / (expenditure) into account:

	Notes	INFLATION ADJUSTED 2021 ZW$ '000	INFLATION ADJUSTED 2020 ZW$ '000	HISTORICAL* 2021 ZW$ '000	HISTORICAL* 2020 ZW$ '000
Movement in expected credit loss allowance - trade and other receivables	19	(33,242)	(7,340)	(33,242)	(1,741)
Banking unit		2,230	913	2,926	(472)
Other Group units		(35,472)	(8,253)	(36,168)	(1,269)
Movement in expected credit loss allowance – loans and advances to bank customers	20.4	131,164	197,042	79,516	46,738
Movement in expected credit loss allowance - cash and cash equivalents		107,509	-	107,509	-
Movement in expected credit loss allowance - held to maturity investments		49,937	101,729	(10,608)	23,875
Office expenses		(2,631,354)	(3,203,933)	(1,936,309)	(482,242)
Computer expenses		(894,772)	(857,754)	(752,570)	(125,980)
Other operating expenses**		(1,319,296)	(1,291,287)	(963,808)	(281,223)
Auditor's remuneration		(117,177)	(89,117)	(83,560)	(15,323)
Inventory write-offs		(4,108)	(350)	-	(83)
Impairment of sundry debtors		-	(818)	-	(194)
Loss on disposal of property and equipment and assets held for sale		(6)	(4,262)	(2,860)	(995)
Employee benefits		(1,973,645)	(1,336,014)	(1,396,584)	(169,910)
- short-term benefits		(1,939,230)	(967,604)	(1,370,667)	(123,057)
- termination benefits		(7,113)	(34,360)	(6,355)	(4,369)
- post-employment benefits		(27,302)	(334,050)	(19,562)	(42,484)

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

** *Included in other expenses are call centre costs, consultancy fees, penalties, legal costs, motor vehicles, rent and related costs, professional costs, research and development costs and travelling costs.*

4. FINANCE INCOME

	INFLATION ADJUSTED 2021 ZW$ '000	INFLATION ADJUSTED 2020 ZW$ '000	HISTORICAL* 2021 ZW$ '000	HISTORICAL* 2020 ZW$ '000
Interest earned from bank deposits	10,249	5,898	8,546	662
Interest earned from other receivables	905	6,387	554	511
	11,154	**12,285**	**9,100**	**1,173**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

5. FINANCE COSTS

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Interest on loans and bank overdrafts**	(791)	(66,270)	(5,159)	(7,908)
Interest to related parties	(245,619)	(277,548)	(184,648)	(31,875)
Finance lease charges	(8,873)	(21,341)	(699)	(2,014)
	(255,283)	**(365,159)**	**(190,506)**	**(41,797)**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

** *The interest rate applied is based on an effective interest rate calculated using the cash flow obligations arising under the terms of the loans.*

6. DISCLOSURE OF TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME

	INFLATION ADJUSTED			HISTORICAL*		
	Gross amount ZW$ '000	Tax effect ZW$ '000	Net Amount ZW$ '000	Gross amount ZW$ '000	Tax effect ZW$ '000	Net Amount ZW$ '000
28 February 2021						
Items that will not be reclassified subsequently to profit or loss						
Gain arising on revaluation of property and equipment and intangible assets	212,819	(49,671)	163,148	3,033,510	(729,159)	2,304,351
Other comprehensive income, net of tax	**212,819**	**(49,671)**	**163,148**	**3,033,510**	**(729,159)**	**2,304,351**
29 February 2020						
Items that will not be reclassified subsequently to profit or loss						
Gain arising on revaluation of property and equipment and intangible assets	2,131,963	(524,830)	1,607,133	880,809	(211,223)	669,586
Other comprehensive income, net of tax	**2,131,963**	**(524,830)**	**1,607,133**	**880,809**	**(211,223)**	**669,586**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

7. OTHER INCOME / (EXPENSES)

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
7.1 Other income				
Sundry income	81,550	66,313	57,827	6,231
Fair value adjustment on financial assets (Note 16)	549,475	-	782,987	70,486
Fair value adjustment on investment property (Note 12)	55,894	53,888	924,204	115,920
	686,919	**120,201**	**1,765,018**	**192,637**
7.2 Other expenses				
Fair value adjustment on financial assets (Note 16)	-	(694,973)	-	-
Fair value adjustment on assets held for sale	(958)	-	-	-
Management fees	(90,120)	-	(64,787)	-
	(91,078)	**(694,973)**	**(64,787)**	**-**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

8. INCOME TAX (EXPENSE) / CREDIT

		INFLATION ADJUSTED		HISTORICAL*	
	Note	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Current income tax		(584,929)	(1,855,393)	(316,910)	(177,684)
Deferred tax	**14.3**	267,697	(235,009)	410,225	76,905
Withholding tax		(35)	(223)	(35)	167
Income tax (expense) / credit		**(317,267)**	**(2,090,625)**	**93,280**	**(100,612)**
Tax rate reconciliation					
(Loss) / profit before taxation		(725,164)	827,766	(219,625)	(142,781)
Reconciliation of tax charge:					
Normal tax credit / (expense) at 24.72%		179,261	(204,624)	54,291	35,295
Net disallowable expenses		(496,528)	(1,886,001)	38,989	(135,907)
Income tax (expense) / credit		**(317,267)**	**(2,090,625)**	**93,280**	**(100,612)**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

9. EARNINGS PER SHARE

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Loss for the year attributable to ordinary shareholders	(896,186)	(1,179,881)	(227,977)	(259,047)
Adjustment for capital items:				
Loss on disposal of property and equipment (Note 3)	6	4,262	2,860	995
Impairment of property and equipment	629,557	46,539	15,236	-
Impairment of intangible assets	643,743	120,116	4,451	35
Headline earnings / (loss) attributable to ordinary shareholders	**377,120**	**(1,008,964)**	**(205,430)**	**(258,017)**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Basic earnings per share basis

The calculation is based on the profit attributable to ordinary shareholders and the weighted average number of shares in issue for the year which participated in the profit of the Group.

Diluted earnings per share basis

The calculation is based on the profit attributable to ordinary shareholders and the weighted average number of shares in issue after adjusting for conversion of share options not yet exercised and convertible instruments (as applicable). There were no instruments with a dilutive effect at the end of the financial year.

Headline earnings per share basis

Headline earnings comprise basic earnings attributable to ordinary shareholders adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects.

	INFLATION ADJUSTED		HISTORICAL*	
	2021	2020	2021	2020
Weighted average number of ordinary shares for the purposes of basic, diluted and headline earnings per share	2,590,577,241	2,590,577,241	2,590,577,241	2,590,577,241
Basic loss per share (ZW$)	**(0.346)**	**(0.455)**	**(0.088)**	**(0.100)**
Headline earnings / (loss) per share (ZW$)	**0.146**	**(0.455)**	**(0.079)**	**(0.100)**
Diluted loss per share (ZW$)	**(0.346)**	**(0.455)**	**(0.088)**	**(0.100)**
Diluted headline earnings / (loss) per share (ZW$)	**0.146**	**(0.455)**	**(0.079)**	**(0.100)**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

10. PROPERTY AND EQUIPMENT

	INFLATION ADJUSTED						
	Land and Buildings ZW$ '000	Switching and Network Equipment ZW$ '000	Office Equipment ZW$ '000	Furniture and Fittings ZW$ '000	Vehicles ZW$ '000	Work-in-Progress ZW$ '000	Total ZW$ '000
At Cost / Valuation							
At 1 March 2019	**91,465**	**1,500,735**	**965,336**	**663,787**	**129,493**	**1,001,931**	**4,352,747**
Acquisition of subsidiaries	9,697	-	374	257	4,815	42	**15,185**
Additions	-	165,931	37,270	39,739	194,414	1,170,024	**1,607,378**
Disposals	(911)	(34,841)	(4,406)	(3,048)	-	(452,956)	**(496,162)**
Reclassification	-	-	12,732	-	-	(12,732)	**-**
Transfer to intangible assets	-	-	(5,337)	-	-	-	**(5,337)**
Impairment	-	(84)	(1,648)	(4,557)	(40,250)	-	**(46,539)**
Revaluation of property and equipment	180,000	666,536	(89,791)	(332,484)	299,193	-	**723,454**
At 29 February 2020	**280,251**	**2,298,277**	**914,530**	**363,694**	**587,665**	**1,706,309**	**6,150,726**
Additions	80,174	430	20,939	38,573	43,644	345,651	**529,411**
Disposals	-	-	-	-	(290)	-	**(290)**
Transfer to intangible assets	-	-	-	-	-	(129,059)	**(129,059)**
Impairment	-	-	(550)	(12)	(2,412)	(40)	**(3,014)**
Revaluation of property and equipment	(28,197)	1,948,875	1,264,096	124,223	(34,939)	-	**3,274,058**
Transfer from work in progress	171,275	-	833,848	56,839	3,516	(1,065,478)	**-**
Impact of change in IAS 29 applicable start date	-	-	-	-	-	158,347	**158,347**
Transfers to assets held for sale	-	-	-	(8,494)	-	-	**(8,494)**
Transfers from inventory	-	-	34,215	-	-	-	**34,215**
At 28 February 2021	**503,503**	**4,247,582**	**3,067,078**	**574,823**	**597,184**	**1,015,730**	**10,005,900**
Accumulated depreciation & impairment							
At 1 March 2019	**(8,419)**	**(706,216)**	**(539,965)**	**(449,229)**	**(78,185)**	**-**	**(1,782,014)**
Acquisition of subsidiaries	-	-	(21)	(13)	(160)	-	**(194)**
Charge for the year	(28,824)	(75,642)	(252,434)	(44,146)	(41,738)	-	**(442,784)**
Revaluation of property and equipment	26,025	319,636	540,901	393,322	49,681	-	**1,329,565**
Disposals	911	34,841	7,205	1,003	7,289	-	**51,249**
At 29 February 2020	**(10,307)**	**(427,381)**	**(244,314)**	**(99,063)**	**(63,113)**	**-**	**(844,178)**
Charge for the year	(22,511)	(279,654)	(401,167)	(47,953)	(83,676)	-	**(834,961)**
Impairment	-	-	(441,826)	(177,856)	(6,861)	-	**(626,543)**
Revaluation of property and equipment	(16,775)	(1,833,563)	(1,207,606)	(56,855)	(112)	-	**(3,114,911)**
Disposals	-	-	-	-	66	-	**66**
At 28 February 2021	**(49,593)**	**(2,540,598)**	**(2,294,913)**	**(381,727)**	**(153,696)**	**-**	**(5,420,527)**
CARRYING AMOUNT							
At 28 February 2021 (Revalued)	**453,910**	**1,706,984**	**772,165**	**193,096**	**443,488**	**1,015,730**	**4,585,373**
At 29 February 2020 (Revalued)	**269,944**	**1,870,896**	**670,216**	**264,631**	**524,552**	**1,706,309**	**5,306,548**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

10. PROPERTY AND EQUIPMENT (CONTINUED)

	HISTORICAL*						
	Land and Buildings ZW$ '000	Switching and Network Equipment ZW$ '000	Office Equipment ZW$ '000	Furniture and Fittings ZW$ '000	Vehicles ZW$ '000	Work-in-Progress ZW$ '000	Total ZW$ '000
At Cost / Valuation							
At 1 March 2019	**3,389**	**55,606**	**35,768**	**24,595**	**4,798**	**37,124**	**161,280**
Acquisition of subsidiaries	2,300	-	89	61	1,142	10	**3,602**
Additions	-	13,887	3,813	5,058	22,213	239,158	**284,129**
Disposals	(929)	(35,504)	(2,937)	(3,107)	-	(107,669)	**(150,146)**
Reclassification	-	-	3,020	-	-	(3,020)	**-**
Transfer to intangible assets	-	-	(1,267)	-	-	-	**(1,267)**
Revaluation of property and equipment	61,713	511,151	178,436	59,660	110,963	-	**921,923**
At 29 February 2020	**66,473**	**545,140**	**216,922**	**86,267**	**139,116**	**165,603**	**1,219,521**
Additions	65,510	252	19,629	18,643	25,137	360,297	**489,468**
Disposals	-	-	-	-	(211)	-	**(211)**
Impairment	(113)	-	-	(15,110)	-	(13)	**(15,236)**
Revaluation of property and equipment	342,180	3,751,189	2,027,551	240,539	403,225	-	**6,764,684**
Transfers from work in progress	48,301	177,283	80,760	11,600	10,991	(328,935)	**-**
Transfers to intangible assets	-	-	-	-	-	(47,858)	**(47,858)**
Transfers to assets held for sale	-	-	-	(6,941)	-	-	**(6,941)**
Transfers from inventory	-	-	10,274	-	-	-	**10,274**
At 28 February 2021	**522,351**	**4,473,864**	**2,355,136**	**334,998**	**578,258**	**149,094**	**8,413,701**
Accumulated depreciation and impairment							
At 1 March 2019	**(312)**	**(26,167)**	**(20,007)**	**(16,645)**	**(2,897)**	**-**	**(66,028)**
Acquisition of subsidiaries	-	-	(5)	(3)	(38)	-	**(46)**
Charge for the year	(2,116)	(14,862)	(20,741)	(4,486)	(4,127)	-	**(46,332)**
Revaluation of property and equipment	(945)	(95,847)	(19,999)	(4,617)	(7,908)	-	**(129,316)**
Disposals	929	35,503	2,802	2,254	-	-	**41,488**
At 29 February 2020	**(2,444)**	**(101,373)**	**(57,950)**	**(23,497)**	**(14,970)**	**-**	**(200,234)**
Charge for the year	(47,403)	(68,863)	(124,502)	(17,160)	(21,224)	-	**(279,152)**
Write-offs	-	-	2	70	-	-	**72**
Revaluation of property and equipment	(18,596)	(2,370,363)	(1,389,267)	(99,222)	(90,202)	-	**(3,967,650)**
Disposals	-	-	-	-	49	-	**49**
At 28 February 2021	**(68,443)**	**(2,540,599)**	**(1,571,717)**	**(139,809)**	**(126,347)**	**-**	**(4,446,915)**
CARRYING AMOUNT							
At 28 February 2021 (Revalued)	**453,908**	**1,933,265**	**783,419**	**195,189**	**451,911**	**149,094**	**3,966,786**
At 29 February 2020 (Revalued)	**64,029**	**443,767**	**158,972**	**62,770**	**124,146**	**165,603**	**1,019,287**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

10. PROPERTY AND EQUIPMENT (CONTINUED)

10.1 Values of property and equipment under historic cost convention

Had the Group's property and equipment been measured on a historic cost basis, the related carrying amounts at year-end would have been as follows;

	INFLATION ADJUSTED						
	Land and Buildings ZW$ '000	Switching and Network Equipment ZW$ '000	Office Equipment ZW$ '000	Furniture and Fittings ZW$ '000	Vehicles ZW$ '000	Work-in-Progress ZW$ '000	Total ZW$ '000
At 28 February 2021	498,882	1,591,672	715,675	125,728	478,539	1,015,730	4,426,226
At 29 February 2020	63,919	884,724	219,106	203,793	175,678	1,706,309	3,253,529

	HISTORICAL*						
	Land and Buildings ZW$ '000	Switching and Network Equipment ZW$ '000	Office Equipment ZW$ '000	Furniture and Fittings ZW$ '000	Vehicles ZW$ '000	Work-in-Progress ZW$ '000	Total ZW$ '000
At 28 February 2021	130,324	552,439	145,135	53,872	138,888	149,094	1,169,752
At 29 February 2020	3,261	28,463	535	7,727	21,091	165,603	226,680

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10.2 Fair values of property and equipment

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

The Group's property and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's property and equipment as at 28 February 2021 were performed by Bard Real Estate, independent valuers not related to the Group. Bard Real Estate are members of the Royal Institute of Chartered Surveyors, and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The fair values were determined using the gross replacement cost approach that reflects the cost to a market participant to construct or purchase an asset of comparable utility and age, adjusted for obsolescence and physical deterioration. There has been no change to the valuation technique during the year.

Fair value hierarchy

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

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

The following table shows an analysis of the fair values of property and equipment recognised in the statement of financial position by level of the fair value hierarchy.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

10. PROPERTY AND EQUIPMENT (CONTINUED)

10.2 Fair values of property and equipment (continued)

	Total ZW$ '000	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000
At 28 February 2021				
Land and Buildings	453,910	-	453,910	-
Switching and Network Equipment	1,706,984	-	-	1,706,984
Office Equipment	772,165	-	-	772,165
Furniture and Fittings	193,096	-	-	193,096
Vehicles	443,488	-	-	443,488
Work-in- Progress	1,015,730	-	-	1,015,730
	4,585,373	**-**	**453,910**	**4,131,463**

10.3 Debt collateralisation and borrowing costs

Property and equipment is unencumbered. No borrowing costs were capitalised during the year and in the prior year.

10.4 Sensitivity of property and equipment values to changes in the exchange rate

The valuations basis of the Group's property and equipment was determined using US$ inputs by the external valuer. A rate of ZW$83.89 to the US dollar was used to translate the US dollar values determined by the professional valuer at year end.

The sensitivity analysis below shows the impact of various exchange rates at 28 February 2021 on the carrying amount of property and equipment.

	SENSITIVITY ANALYSIS (IMPACT ON CARRYING AMOUNT)	
	Rate of 100 ZW$ '000	Rate of 120 ZW$ '000
Carrying amount	5,270,877	6,121,907
Increase in property and equipment revaluation reserve	30,562	68,504
Increase in deferred tax liabilities	7,221	16,186

11. RIGHT-OF-USE ASSETS

	INFLATION ADJUSTED ZW$ '000	HISTORICAL* ZW$ '000
COST		
At 1 March 2019	**-**	**-**
Additions	319,395	18,335
At 29 February 2020	**319,395**	**18,335**
Additions	36,150	34,341
Write-offs	(20,655)	(1,782)
Reclassification	4,920	(1,894)
At 28 February 2021	**339,810**	**49,000**
ACCUMULATED DEPRECIATION		
At 1 March 2019	**-**	**-**
Charge for the year	(104,248)	(5,265)
At 29 February 2020	**(104,248)**	**(5,265)**
Charge for the year	(59,702)	(12,604)
Restatement	39,427	-
Write-offs	4,530	4,338
Reclassification	1,508	1,693
At 28 February 2021	**(118,485)**	**(11,838)**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

11. RIGHT-OF-USE ASSETS (CONTINUED)

	INFLATION ADJUSTED ZW$ '000	HISTORICAL* ZW$ '000
CARRYING AMOUNT		
At 28 February 2021	**221,325**	**37,162**
At 29 February 2020	**215,147**	**13,070**

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As a lessee, the Group recognised right-of-use assets, representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate at 1 March 2020. Generally, the Group uses the weighted average incremental borrowing rate for discounting purposes. Right-of-use assets were initially measured at the amount equal to the lease liability, adjusted by prepaid or accrued lease payments and initial direct costs, if any, relating to that lease recognised on the balance sheet at 28 February 2021. Lessor accounting remains similar to previous accounting policies.

11.1 Lease occupied property

land and buildings

The Group leases land and buildings. The average lease term is 3 years. The Group has no options to purchase certain land and buildings for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases. Approximately one fifth of the leases for Land and buildings expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of ZW$35.6million in the period ended 28 February 2021. The maturity analysis of lease liabilities is presented in Note 32.

At 28 February 2021, the Group is committed to ZW$2.8million for short-term leases and ZW$41.7million for long term leases. Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to changes in exchange rates.

In determining the lease tenure, consideration is given to all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Management applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the Group's business planning cycle and past history of terminating/not renewing leases.

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Amounts recognised in profit and loss				
Depreciation expense on right-of-use assets	59,702	104,248	12,604	5,265
Interest expense on lease liabilities (Note 5)	8,873	21,341	699	2,014
Total cash outflow for leases	13,483	267,080	28,044	7,874

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

12. INVESTMENT PROPERTIES

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Opening balance	**569,211**	**515,323**	**135,014**	**19,094**
Transfers from inventory	470,305	-	36,192	-
Gain on fair value of investment property (Note 7)	55,894	53,888	924,204	115,920
Closing balance	**1,095,410**	**569,211**	**1,095,410**	**135,014**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Investment property contains commercial buildings and residential properties leased to third parties and undeveloped residential land. The Group holds investment properties for long term rental yields and capital appreciation. The investment properties were measured using the fair value model based on the valuation of Integrated Property Consultants, an independent professional valuer at 28 February 2021. Integrated Property Consultants has experience in property transactions in the real estate market the Group's investment property falls under. The valuation was prepared in accordance with requirements of the Valuers Act 1996, the Real Estate Institute of Zimbabwe Standards, the RICS – Professional Standards 2011 which are in conformity with the International Valuation Standards (IVS) 2011 and the International Financial Reporting Standards (IFRS).

During the period; the majority of the Group's investment property did not attract any rental income. Rental income recognised in the statement of profit or loss and other comprehensive income in respect of investment property amounted to ZW$1,086,536 (2020: ZW$42,000).

In determining fair value; the valuers made use of level 2 inputs by using comparable market evidence based on lease and purchase transactions of similar buildings and residential stands to determine the fair value estimate of investment property.

The fair value techniques applied in determining the fair values of these assets are categorised in the following hierarchy

Level 1: fair value is determined from quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2: fair value is determined using techniques that maximise use of observable market data as inputs, with little reliance on entity specific estimates.

Level 3: fair value is determined using techniques whose inputs are not observable market data.

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	INFLATION ADJUSTED			
	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000	Total ZW$ '000
Commercial Buildings	-	236,156	-	**236,156**
Residential Properties	-	859,254	-	**859,254**
Fair Value as at 28 February 2021	**-**	**1,095,410**	**-**	**1,095,410**
Commercial Buildings	-	218,086	-	**218,086**
Residential Properties	-	351,125	-	**351,125**
Fair Value as at 29 February 2020	**-**	**569,211**	**-**	**569,211**

	HISTORICAL*			
	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000	Total ZW$ '000
Commercial Buildings	-	236,156	-	**236,156**
Residential Properties	-	859,254	-	**859,254**
Fair Value as at 28 February 2021	**-**	**1,095,410**	**-**	**1,095,410**
Commercial Buildings	-	51,729	-	**51,729**
Residential Properties	-	83,285	-	**83,285**
Fair Value as at 29 February 2020	**-**	**135,014**	**-**	**135,014**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

13. INTANGIBLE ASSETS

	INFLATION ADJUSTED				
	Goodwill ZW$ '000	Operating Licence ZW$ '000	Computer Software and other ZW$ '000	Work-in-progress ZW$ '000	Total ZW$ '000
COST					
At 1 March 2019:	**164,388**	**293,737**	**928,590**	**208,419**	**1,595,134**
Acquisition of subsidiaries	47,763	-	-	-	**47,763**
Additions	-	826	58,247	532,052	**591,125**
Revaluation of intangible assets	-	48,475	5,266	-	**53,741**
Transfer from property and equipment	-	-	5,337	-	**5,337**
At 29 February 2020:	**212,151**	**343,038**	**997,440**	**740,471**	**2,293,100**
Reclassification	-	4,249	(4,249)	-	**-**
Transfer from work in progress	-	-	781,336	(781,336)	**-**
Additions	-	5,231	-	37,882	**43,113**
Transfer from property and equipment	-	-	-	129,059	**129,059**
Revaluation of intangible assets	-	81,570	(18,932)	-	**62,638**
Impact of change in IAS 29 applicable start date	90,218	-	-	242,079	**332,297**
At 28 February 2021:	**302,369**	**434,088**	**1,755,595**	**368,155**	**2,860,207**
ACCUMULATED AMORTISATION AND IMPAIRMENT					
At 1 March 2019	**-**	**(19,537)**	**(366,125)**	**(1,079)**	**(386,741)**
Amortisation	-	(58,998)	(88,033)	-	**(147,031)**
Impairment	-	-	(120,116)	-	**(120,116)**
Revaluation of intangible assets	-	9,920	15,283	-	**25,203**
At 29 February 2020	**-**	**(68,615)**	**(558,991)**	**(1,079)**	**(628,685)**
Amortisation	-	(99,534)	(140,011)	-	**(239,545)**
Impairment	-	-	(644,823)	1,080	**(643,743)**
Reclassification	-	-	-	-	**-**
Revaluation of intangible assets	-	397	(9,363)	-	**(8,966)**
At 28 February 2021	**-**	**(167,752)**	**(1,353,188)**	**1**	**(1,520,939)**
REVALUED CARRYING AMOUNT					
At 28 February 2021:	**302,369**	**266,336**	**402,407**	**368,156**	**1,339,268**
At 29 February 2020:	**212,151**	**274,423**	**438,449**	**739,392**	**1,664,415**

Had the Group's intangible assets been measured on a historic cost basis, the related carrying amounts at year-end would have been as follows;

At 28 February 2021:	**302,369**	**184,369**	**430,702**	**368,156**	**1,285,596**
At 29 February 2020:	**212,151**	**216,028**	**417,900**	**739,392**	**1,585,471**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

13. INTANGIBLE ASSETS (CONTINUED)

	HISTORICAL*				
	Goodwill ZW$ '000	Operating Licence ZW$ '000	Computer Software and other ZW$ '000	Work-in-progress ZW$ '000	Total ZW$ '000
COST					
At 1 March 2019:	**6,091**	**10,906**	**34,395**	**7,734**	**59,126**
Acquisition of subsidiaries	1,770	-	-	-	**1,770**
Additions	-	86	16,154	104,023	**120,263**
Revaluation of intangible assets	-	70,374	32,823	28	**103,225**
Transfer from property and equipment	-	-	1,267	-	**1,267**
At 29 February 2020:	**7,861**	**81,366**	**84,639**	**111,785**	**285,651**
Reclassification	-	4,249	(4,249)	(40)	**(40)**
Transfer from work in progress	-	-	130,953	(130,953)	**-**
Additions	-	3,083	(1,508)	146,222	**147,797**
Transfer from property and equipment	-	-	-	47,858	**47,858**
Revaluation of intangible assets	-	330,037	(2,323)	-	**327,714**
Impact of change in IAS 29 applicable start date	-	-	-	-	**-**
At 28 February 2021:	**7,861**	**418,735**	**207,512**	**174,872**	**808,980**
ACCUMULATED AMORTISATION AND IMPAIRMENT					
At 1 March 2019	**-**	**(732)**	**(13,580)**	**(40)**	**(14,352)**
Amortisation	-	(2,196)	(7,854)	-	**(10,050)**
Impairment	-	-	(35)	-	**(35)**
Revaluation of intangible assets	-	(13,347)	(1,676)	-	**(15,023)**
At 29 February 2020	**-**	**(16,275)**	**(23,145)**	**(40)**	**(39,460)**
Amortisation	-	(17,741)	(16,247)	-	**(33,988)**
Impairment	-	-	(4,451)		**(4,451)**
Reclassification	-	-	-	40	**40**
Revaluation of intangible assets	-	(87,371)	(3,867)	-	**(91,238)**
At 28 February 2021	**-**	**(121,387)**	**(47,710)**	**-**	**(169,097)**
REVALUED CARRYING AMOUNT					
At 28 February 2021:	**7,861**	**297,348**	**159,802**	**174,872**	**639,883**
At 29 February 2020:	**7,861**	**65,091**	**61,494**	**111,745**	**246,191**

Had the Group's intangible assets been measured on a historic cost basis, the related carrying amounts at year-end would have been as follows;

	Goodwill ZW$ '000	Operating Licence ZW$ '000	Computer Software and other ZW$ '000	Work-in-progress ZW$ '000	Total ZW$ '000
At 28 February 2021:	**7,861**	**54,682**	**165,992**	**174,872**	**403,407**
At 29 February 2020:	**7,861**	**8,064**	**30,347**	**111,717**	**157,989**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Intangible assets pertain to goodwill, licences and computer software held by EcoCash (Private) Limited and Steward Bank Limited. The Group uses the expected usage of the asset to determine the useful life of intangible assets. At 28 February 2021 the computer software had an average remaining useful life of 3 years. Software integral to an item of hardware equipment is classified as property and equipment (refer to Note 10).

Goodwill

The goodwill relates to the investment in Steward Bank and MARS. The Group performed its annual impairment test as at 28 February 2021. The Group considers the relationship between the investment in subsidiary and its value in use, among other factors, when reviewing for indicators of impairment. The pre-tax discount rate applied to cash flow projections used in calculating the value in use is 21%. Based on the results of this analysis, management did not identify any indicators of impairment of goodwill.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

13. INTANGIBLE ASSETS (CONTINUED)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

Pursuant to the annual impairment test, the Group performed a sensitivity analysis of the impairment to changes in the key assumptions used to determine the value in use for the investment in Steward Bank and MARS. The Directors believe that the changes in key assumptions used in this analysis were within reasonable and likely outcome ranges and would not cause excess of the carrying amount over the respective value in use of the investments. The analysis revealed that the value in use is most sensitive to changes in the discount rate.

Discount rate

The discount rate represents the current market assessment of the risks specific to the Group, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in pre-tax discount rate to 23% (i.e., +2%) would not result in the carrying amount of either investments being in excess of their value in use.

Operating Licenses and Computer Software

Operating Licenses comprise of rights to use software held by the Group's subsidiaries. Computer software integral to an item of hardware equipment is classified as property and equipment (refer to Note 10).

The intangible assets were measured using the fair value model based on the valuation of Bard Real Estate, an independent professional valuer at 28 February 2021. The Group uses the expected usage of the asset to determine the useful life of intangible assets. At 28 February 2021 the computer software had an average remaining useful life of 3 years.

Had the revalued intangible assets been measured at cost, their carrying amounts would have been as follows:

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Operating License	184,369	216,028	54,682	8,064
Computer Software and Other	430,702	417,900	165,992	30,347

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

13.1 Sensitivity of intangible assets values to changes in the exchange rate

The valuations of the Group's intangible assets were performed by Bard Real Estate using US$ inputs. A rate of ZW$83.89 to the US dollar was used to translate the US dollar values determined by the valuer at year end.

The sensitivity analysis below shows the impact of various exchange rates at 28 February 2021 on the carrying amount of intangible assets.

	SENSITIVITY ANALYSIS (IMPACT ON CARRYING AMOUNT)	
	Rate of 100 ZW$ '000	Rate of 120 ZW$ '000
Carrying amount	1,525,758	1,757,278
Increase in intangible assets revaluation reserve	10,307	23,563
Increase in deferred tax liabilities	2,435	5,567

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

13. INTANGIBLE ASSETS (CONTINUED)

13.2 Acquisition of subsidiaries

On 1 March 2019, the Group acquired 100 per cent of the issued share capital of MARS (Private) Limited ('MARS'), obtaining full control of the subsidiary. MARS is predominantly an ambulance services provider and qualifies as a business as defined in IFRS 3. MARS was acquired for business diversification purposes. The at-acquisition amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	INFLATION ADJUSTED 2020 ZW$ '000	HISTORICAL* 2020 ZW$ '000
Financial assets	11,622	1,816
Property and equipment	22,764	3,556
Financial liabilities	(45,715)	(7,142)
Total identifiable assets acquired and liabilities assumed	**(11,329)**	**(1,770)**
Goodwill	11,329	1,770
Total consideration	-	-
Satisfied by:		
Cash	-	-
Total	**-**	**-**
Net cash Inflow arising on acquisition:		
Cash consideration	-	-
Less: cash and cash equivalent balances acquired	(369)	(58)
	(369)	**(58)**

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The fair value of the financial assets includes trade receivables and prepayments with a fair value of ZW$1.8million and a gross contractual value of ZW$1.8million.

14. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon.

	INFLATION ADJUSTED				
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Provisions and Other ZW$ '000	Total ZW$ '000
14.1 Deferred tax asset					
At 1 March 2019	**78,079**	**-**	**-**	**136,913**	**214,992**
Charge to profit for the year	22,101	-	-	158,955	181,056
Charge to other comprehensive income	-	-	-	(14,615)	(14,615)
Monetary (loss) / gain	-	-	-	7,077	7,077
Reallocation	5,219	-	-	(5,219)	-
At 29 February 2020	**105,399**	**-**	**-**	**283,111**	**388,510**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

14. DEFERRED TAX (CONTINUED)

	INFLATION ADJUSTED				
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Provisions and Other ZW$ '000	Total ZW$ '000
14.1 Deferred tax asset (continued)					
Effect of prospective restatement of expected credit loss allowance (Note B.4)	(26,291)	-	-	-	(26,291)
Charge to profit for the year	131,438	-	(188)	186,301	317,551
Charge to other comprehensive income	(20,902)	-	(21)	(36,619)	(57,542)
Reclassification	(221)	(14,745)	-	-	(14,966)
Effect of change in IAS 29 applicable start date (Note B.3)	-	-	-	16,204	16,204
Reallocation	-	-	(2,563)	(23,176)	(25,739)
At 28 February 2021	**189,423**	**(14,745)**	**(2,772)**	**425,821**	**597,727**

	HISTORICAL*				
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Provisions and Other ZW$ '000	Total ZW$ '000
14.1 Deferred tax asset					
At 1 March 2019	**2,893**	**-**	**-**	**5,073**	**7,966**
Charge to profit for the year	7,995	-	-	61,418	69,413
Charge to other comprehensive income	-	-	-	(3,989)	(3,989)
At 29 February 2020	**10,888**	**-**	**-**	**62,502**	**73,390**
Effect of prospective restatement of expected credit loss allowance (Note B.4)	(6,236)	-	-	-	(6,236)
Charge to profit for the year	123,825	-	54	113,447	237,326
Charge to other comprehensive income	(61,612)	-	-	(5,058)	(66,670)
Reclassification	(7,228)	-	-	-	(7,228)
Reallocation	242	-	(2,563)	-	(2,321)
At 28 February 2021	**59,879**	**-**	**(2,509)**	**170,891**	**228,261**

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The Group has accounted for a deferred tax asset pertaining to deferred revenue since the temporary difference is expected to reverse in the foreseeable future. Further, the Group has also accounted for a deferred tax asset arising from losses incurred by Steward Bank Limited in anticipation of the bank's return to profitability.

The unrecognised deferred tax assets arising from unused tax losses for subsidiaries of the Group amount to ZW$8,926,061.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

14. DEFERRED TAX (CONTINUED)

	INFLATION ADJUSTED				
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Provisions and Other ZW$ '000	Total ZW$ '000
14.2 Deferred tax liability					
At 1 March 2019	**-**	**86,068**	**18,027**	**-**	**104,095**
Charge to profit for the year	-	370,559	45,506	-	416,065
Charge to other comprehensive income	-	510,215	-	-	510,215
Inflation (IAS 29) adjustment	-	159,316	7,975	-	167,291
Prior year over statement	-	(36,029)	-	-	(36,029)
At 29 February 2020	**-**	**1,090,129**	**71,508**	**-**	**1,161,637**
Charge to profit for the year	-	(42,648)	159,024	(66,522)	49,854
Charge to other comprehensive income	-	11,987	1,760	47	13,794
Reclassification	(221)	(14,745)	-	-	(14,966)
Effect of change in IAS 29 applicable start date (Note B.3)	-	30,269	-	42,781	73,050
Effect of prospective restatement of right-of-use asset accumulated depreciation (Note B.4)	-	-	-	9,748	9,748
Reallocation	-	-	23,043	(23,176)	(133)
At 28 February 2021	**(221)**	**1,074,992**	**255,335**	**(37,122)**	**1,292,984**

	HISTORICAL*				
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Provisions and Other ZW$ '000	Total ZW$ '000
14.2 Deferred tax liability					
At 1 March 2019	**-**	**3,189**	**668**	**-**	**3,857**
Charge to profit for the year	-	1,567	(9,060)	-	(7,493)
Charge to other comprehensive income	-	152,167	55,068	-	207,235
Prior year over statement	-	(1,335)	-	-	(1,335)
At 29 February 2020	**-**	**155,588**	**46,676**	**-**	**202,264**
Charge to profit for the year	-	18,872	49,931	(241,702)	(172,899)
Charge to other comprehensive income	-	582,960	44,587	34,942	662,489
Reclassification	716	(12,762)	1,238	-	(10,808)
Reallocation	-	-	(349)	6,236	5,887
At 28 February 2021	**716**	**744,658**	**142,083**	**(200,524)**	**686,933**

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Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

14. DEFERRED TAX (CONTINUED)

The deferred tax liability arises mainly from the difference between accounting and tax treatment of depreciation.

	INFLATION ADJUSTED				
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Provisions and Other ZW$ '000	Total ZW$ '000
14.3 Net deferred tax asset / (liability)					
At 1 March 2019	**78,079**	**(86,068)**	**(18,027)**	**136,913**	**110,897**
Charge to profit for the period	22,101	(370,559)	(45,506)	158,955	(235,009)
Charge to other comprehensive income	-	(510,215)	-	(14,615)	(524,830)
Monetary (loss) / gain	-	(159,316)	(7,975)	7,077	(160,214)
Reallocation	5,219	-	-	(5,219)	-
Prior year over statement	-	36,029	-	-	36,029
At 29 February 2020	**105,399**	**(1,090,129)**	**(71,508)**	**283,111**	**(773,127)**
Effect of prospective restatement of expected credit loss allowance (Note B.4)	(26,291)	-	-	-	(26,291)
Charge to profit for the period	131,438	42,648	(159,212)	252,823	267,697
Charge to other comprehensive income	(20,902)	(11,987)	(1,781)	(36,666)	(71,336)
Effect of change in IAS 29 applicable start date (Note B.3)	-	(30,269)	-	(26,577)	(56,846)
Effect of prospective restatement of right-of-use asset accumulated depreciation (Note B.4)	-	-	-	(9,748)	(9,748)
Reallocation	-	-	(25,606)	-	(25,606)
At 28 February 2021	**189,644**	**(1,089,737)**	**(258,107)**	**462,943**	**(695,257)**

	HISTORICAL*				
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Provisions and Other ZW$ '000	Total ZW$ '000
14.3 Net deferred tax asset / (liability)					
At 1 March 2019	**2,893**	**(3,189)**	**(668)**	**5,073**	**4,109**
Charge to profit for the period	7,995	(1,567)	9,060	61,417	76,905
Charge to other comprehensive income	-	(152,167)	(55,068)	(3,988)	(211,223)
Prior year over statement	-	1,335	-	-	1,335
At 29 February 2020	**10,888**	**(155,588)**	**(46,676)**	**62,502**	**(128,874)**
Effect of prospective restatement of expected credit loss allowance (Note B.4)	(6,236)	-	-	-	(6,236)
Charge to profit for the period	123,825	(18,871)	(49,877)	355,148	410,225
Charge to other comprehensive income	(61,612)	(582,960)	(44,587)	(40,000)	(729,159)
Reclassification	(7,944)	12,762	(1,238)	-	3,580
Reallocation	242	-	(2,214)	(6,236)	(8,208)
At 28 February 2021	**59,163**	**(744,657)**	**(144,592)**	**371,415**	**(458,672)**

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Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

15. FINANCIAL INSTRUMENTS

	Notes	INFLATION ADJUSTED 2021 ZW$ '000	INFLATION ADJUSTED 2020 ZW$ '000	HISTORICAL* 2021 ZW$ '000	HISTORICAL* 2020 ZW$ '000
Financial Assets					
Financial assets at amortised cost					
Trade receivables	**19**	1,282,108	1,779,063	1,282,108	421,985
Treasury bills and government bonds	**15.1**	1,003,136	4,032,007	1,003,136	956,372
Loans and advances to bank customers	**20**	1,597,458	926,883	1,597,458	219,852
Amounts owed by related party companies	**28**	82,640	216,902	82,640	51,448
Financial Assets at Fair Value through profit and loss					
Listed equity securities	**16**	1,085,379	575,117	1,085,379	136,415
Cash and cash equivalents	**27.4**	9,905,492	9,482,647	9,905,492	2,249,237
Total financial assets		**14,956,213**	**17,012,619**	**14,956,213**	**4,035,309**
Financial Liabilities					
Liabilities at amortised cost					
Trade and other payables	**24**	3,171,380	4,758,434	2,766,973	1,073,511
Amounts owed to related party companies	**28**	5,215,998	3,679,913	5,215,998	872,857
Mobile money trust liabilities	**27.5**	4,234,169	7,258,431	4,234,169	1,721,664
Deposits due to banks and customers	**26**	7,202,786	4,682,674	7,202,786	1,110,707
Total financial liabilities		**19,824,333**	**20,379,452**	**19,419,926**	**4,778,739**

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15.1 Treasury Bills And Government Bonds

	INFLATION ADJUSTED 2021 ZW$ '000	INFLATION ADJUSTED 2020 ZW$ '000	HISTORICAL* 2021 ZW$ '000	HISTORICAL* 2020 ZW$ '000
Opening Balance	**4,032,007**	**12,650,656**	**956,372**	**468,738**
Additions	558,802	4,706,637	135,374	484,353
Reclassification	-	13,832	-	3,281
Repayments on maturity	(1,833,994)	-	(70,670)	-
Interest	7,127	-	7,384	-
Monetary loss	(1,735,482)	(13,339,118)	-	-
	1,028,460	**4,032,007**	**1,028,460**	**956,372**
Less expected credit loss allowance	(25,324)	-	(25,324)	-
Closing Balance	**1,003,136**	**4,032,007**	**1,003,136**	**956,372**

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The average tenor of the treasury bills is 1 year, with an average rate of 8.1%. The treasury bills are held at amortized cost. There were no treasury bills that were pledged as collateral as at 28 February 2021.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Opening Balance	**575,117**	**1,099,306**	**136,415**	**40,732**
Additions	281,027	184,616	170,647	28,478
Gain / (loss) on fair value of financial assets	549,475	(694,973)	782,987	70,486
Disposals	(16,504)	-	(4,670)	-
Reclassification to financial assets held at amortised cost	-	(13,832)	-	(3,281)
Monetary loss	(303,736)	-	-	-
Closing Balance	**1,085,379**	**575,117**	**1,085,379**	**136,415**

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The financial assets measured at fair value through profit or loss comprise equity investments listed on the Zimbabwe Stock Exchange. The fair value of the equity investments is based on the Zimbabwe Stock Exchange published share prices.

16.1. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments are disclosed in the consolidated statement of financial position at their carrying amount which approximates their respective fair value.

Fair value hierarchy

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

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

	INFLATION ADJUSTED			
	Total ZW$ '000	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000
At 28 February 2021				
Financial assets designated at fair value through profit or loss	1,085,379	1,085,379	-	-
	1,085,379	**1,085,379**	**-**	**-**
At 29 February 2020				
Financial assets designated at fair value through profit or loss	575,117	575,117	-	-
	575,117	**575,117**	**-**	**-**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

16.1. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

	HISTORICAL*			
	Total ZW$ '000	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000
At 28 February 2021				
Financial assets designated at fair value through profit or loss	1,085,379	1,085,379	-	-
	1,085,379	**1,085,379**	**-**	**-**
At 29 February 2020				
Financial assets designated at fair value through profit or loss	136,415	136,415	-	-
	136,415	**136,415**	**-**	**-**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

During the reporting periods presented, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

17. ASSETS HELD FOR SALE

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Opening balance	**-**	**-**	**-**	**-**
Transfer from property and equipment	8,494	-	6,941	-
Disposals	(6,065)	-	(5,470)	-
Fair value adjustments	(958)	-	-	-
Closing balance	**1,471**	**-**	**1,471**	**-**

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The Group relocated one of its offices with effect from 1 October 2020, whereby office space available for occupation at the new premises is approximately one third of the space that was occupied at the former location. This decision is in line with the agile working strategy that the Group has adopted, which has allowed for the majority of staff to work from home, whilst a smaller number of staff are accommodated at the new office premises.

As a result of this move, a significant amount of office furniture that could not be accommodated in the new site became excess to the Group's operational requirements. The Board considered the furniture items to meet the criteria to be classified as held for sale at the closing date for the following reasons:

- The furniture is available for immediate sale and can be sold to the buyer in its current condition;
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

18. OTHER ASSETS

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Inventory	903,740	180,758	372,613	7,295
	903,740	**180,758**	**372,613**	**7,295**

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The directors are of the opinion that the inventory amounts are recorded at values that are not in excess of their recoverable amounts. All inventories are expected to be recovered within twelve (12) months. The cost of included items of inventory are determined using weighted average cost. The cost of inventories recognised as an expense during the period amounted to ZW$122,045. Housing units amounting to ZW$470 million under the banking unit were transferred to investment properties. No inventories were pledged as security for both 2020 and 2021.

19. TRADE AND OTHER RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Trade receivables	1,317,075	1,786,403	1,317,075	423,726
Other receivables	1,567,104	345,304	1,564,681	80,640
Prepayments to suppliers for services provided	1,038,742	1,853,120	327,984	88,547
Expected credit loss allowances	(34,967)	(7,340)	(34,967)	(1,741)
	3,887,954	**3,977,487**	**3,174,773**	**591,172**

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	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
Provision for Expected Credit Loss Allowances				
Balance at the beginning of the year	**(7,340)**	**(1,214)**	**(1,741)**	**(45)**
Increase in expected credit loss allowances recognised in profit or loss	(33,242)	(7,340)	(33,242)	(1,741)
Reversal of expected credit loss allowances	16	190	16	45
Monetary gain	5,599	1,024	-	-
	(34,967)	**(7,340)**	**(34,967)**	**(1,741)**
Monetary assets	1,317,075	1,786,403	1,317,075	423,726
Non-monetary assets	2,605,846	2,198,424	1,892,665	169,187
Expected credit loss allowances	(34,967)	(7,340)	(34,967)	(1,741)
Total	**3,887,954**	**3,977,487**	**3,174,773**	**591,172**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Before accepting any new individual customer, the Group conducts trade reference checks to establish the credit history of the applicant. The Group also conducts due diligence assessments on individuals, companies and their directors.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Below is an analysis of trade receivables as at 28 February 2021:

	INFLATION ADJUSTED					
	Current ZW$ '000	31-60 ZW$ '000	61-90 ZW$ '000	91-120 ZW$ '000	>120 ZW$ '000	Total ZW$ '000
Trade Receivables Days Past Due						
Trade receivables external	645,329	174,862	218,900	26,653	-	1,065,744
Other receivables	558,142	553,648	339,499	381,397	1,024,491	2,857,177
Expected credit loss allowances	(15,155)	(1,091)	(1,107)	(10,103)	(7,511)	(34,967)
Closing Balance	**1,188,316**	**727,419**	**557,292**	**397,947**	**1,016,980**	**3,887,954**

	HISTORICAL*					
	Current ZW$ '000	31-60 ZW$ '000	61-90 ZW$ '000	91-120 ZW$ '000	>120 ZW$ '000	Total ZW$ '000
Trade Receivables Days Past Due						
Trade receivables external	645,329	174,862	218,900	26,653	-	1,065,744
Other receivables	400,062	425,351	209,425	251,526	857,632	2,143,996
Expected credit loss allowances	(15,155)	(1,091)	(1,107)	(10,103)	(7,511)	(34,967)
Closing Balance	**1,030,236**	**599,122**	**427,218**	**268,076**	**850,121**	**3,174,773**

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20. LOANS AND ADVANCES TO BANK CUSTOMERS

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
20.1 Total loans and advances to bank customers				
Corporate loans	716,617	530,977	716,617	125,945
Small-to-medium enterprise lending	188,224	162,718	188,224	38,596
Consumer lending	796,904	446,169	796,904	105,829
	1,701,745	**1,139,864**	**1,701,745**	**270,370**
Less: Allowance for impairment losses	(104,287)	(212,981)	(104,287)	(50,518)
	1,597,458	**926,883**	**1,597,458**	**219,852**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

20. LOANS AND ADVANCES TO BANK CUSTOMERS (CONTINUED)

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$ '000	2020 ZW$ '000	2021 ZW$ '000	2020 ZW$ '000
20.2 Maturity analysis				
Due within 1 year				
Less than one month	696,684	953	696,684	226
1 to 3 months	15,580	14,246	15,580	3,379
3 to 6 months	55,729	4,136	55,729	981
6 months to 1 year	170,303	136,854	170,303	32,461
1 to 5 years	496,463	574,928	496,463	136,370
Over 5 years	266,986	408,747	266,986	96,953
Gross loans and advances	**1,701,745**	**1,139,864**	**1,701,745**	**270,370**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

	INFLATION ADJUSTED			
	2021		2020	
	ZW$ '000	Percentage	ZW$ '000	Percentage
20.3 Sectorial analysis of utilisations				
Mining	537	0.0%	9,043	0.8%
Manufacturing	242,499	14.4%	192,846	16.9%
Agriculture	298,440	17.5%	231,072	20.3%
Distribution	113,064	6.6%	131,917	11.6%
Services	263,815	15.5%	96,776	8.5%
Individuals	783,390	46.0%	478,210	42.0%
	1,701,745	**100%**	**1,139,864**	**100%**

**The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

There is a material concentration of loans and advances in the Individuals category constituting 46% (2020 : 42%) of gross loss and advances.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

20. LOANS AND ADVANCES TO BANK CUSTOMERS (CONTINUED)

20.4 ECL Allowance for impairment of loans and advances

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances is, as follows:

	INFLATION ADJUSTED			
	Stage 1 ZW$'000	Stage 2 ZW$'000	Stage 3 ZW$'000	Total ZW$'000
Gross carrying amounts				
Gross carrying amounts as at 1 March 2019	**228,048**	**16,392**	**3,570**	**248,010**
New loans and advances originated	1,082,633	113,156	23,398	**1,219,187**
Loans and advances derecognised or repaid (excluding write offs)	(307,809)	(14,253)	(5,271)	**(327,333)**
Transfers to stage 1	11	-	(11)	**-**
Transfers to stage 2	(305)	305	-	**-**
Transfers to stage 3	(6,212)	-	6,212	**-**
Monetary adjustment	-	-	-	**-**
Gross carrying amounts as at 29 February 2020	**996,366**	**115,600**	**27,898**	**1,139,864**
New loans and advances originated	1,937,925	122,052	478,567	**2,538,544**
Loans and advances derecognised or repaid (excluding write offs)	(153,546)	(7,493)	(16,397)	**(177,436)**
Transfers to stage 1	5,555	(4,398)	(1,157)	**-**
Transfers to stage 2	(4,982)	4,982	-	**-**
Transfers to stage 3	(5,463)	(99)	5,562	**-**
Monetary adjustment	(1,462,666)	(133,290)	(203,271)	**(1,799,227)**
Gross carrying amount as at 28 February 2021	**1,313,189**	**97,354**	**291,202**	**1,701,745**
ECL Allowance				
ECL allowance as at 1 March 2019	**7,895**	**1,499**	**6,546**	**15,940**
New loans and advances originated	136,675	51,766	11,992	**200,433**
Loans and advances derecognised or repaid (excluding write offs)	(652)	(1,059)	(1,681)	**(3,392)**
Transfers to stage 1	4	-	(4)	**-**
Transfers to stage 2	(188)	188	-	**-**
Transfers to stage 3	(4,402)	-	4,402	**-**
ECL allowance as at 29 February 2020	**139,332**	**52,394**	**21,255**	**212,981**
ECL restatement	(108,546)	-	-	**(108,546)**
Restated balance	**30,786**	**52,394**	**21,255**	**104,435**
New loans and advances originated	21,991	-	118,618	**140,609**
Loans and advances derecognised or repaid (excluding write offs)	(8,003)	-	(1,442)	**(9,445)**
Transfers to stage 1	935	-	(935)	**-**
Transfers to stage 2	(124)	124	-	**-**
Transfers to stage 3	(322)	(17)	339	**-**
Amounts written off	(29,184)	(40,009)	(62,119)	**(131,312)**
ECL allowance as at 28 February 2021	**16,079**	**12,492**	**75,716**	**104,287**

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Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

20. LOANS AND ADVANCES TO BANK CUSTOMERS (CONTINUED)

20.4 ECL Allowance for impairment of loans and advances (continued)

	HISTORICAL*			
	Stage 1 ZW$'000	Stage 2 ZW$'000	Stage 3 ZW$'000	Total ZW$'000
Gross carrying amounts				
Gross carrying amounts as at 1 March 2019	**54,092**	**3,888**	**847**	**58,827**
New loans and advances originated	256,794	26,840	5,550	**289,184**
Loans and advances derecognised or repaid (excluding write offs)	(73,011)	(3,381)	(1,249)	**(77,641)**
Transfers to stage 1	3	-	(3)	**-**
Transfers to stage 2	(73)	73	-	**-**
Transfers to stage 3	(1,473)	-	1,473	**-**
Gross carrying amounts as at 29 February 2020	**236,332**	**27,420**	**6,618**	**270,370**
New loans and advances originated	1,174,832	73,992	290,122	**1,538,946**
Loans and advances derecognised or repaid (excluding write offs)	(93,084)	(4,542)	(9,945)	**(107,571)**
Transfers to stage 1	5,555	(4,398)	(1,157)	**-**
Transfers to stage 2	(4,982)	4,982	-	**-**
Transfers to stage 3	(5,463)	(99)	5,562	**-**
Gross carrying amount as at 28 February 2021	**1,313,190**	**97,355**	**291,200**	**1,701,745**
ECL Allowance				
ECL allowance as at 1 March 2019	**1,873**	**355**	**1,553**	**3,781**
New loans and advances originated	32,419	12,278	2,845	**47,542**
Loans and advances derecognised or repaid (excluding write offs)	(156)	(250)	(399)	**(805)**
Transfers to Stage 1	1	-	(1)	**-**
Transfers to Stage 2	(45)	45	-	**-**
Transfers to Stage 3	(1,044)	-	1,044	**-**
ECL allowance as at 29 February 2020	**33,048**	**12,428**	**5,042**	**50,518**
ECL restatement	(25,747)	-	-	**(25,747)**
Restated ECL allowance	**7,301**	**12,428**	**5,042**	**24,771**
New loans and advances originated	13,332	-	71,910	**85,242**
Loans and advances derecognised or repaid (excluding write offs)	(4,851)	-	(875)	**(5,726)**
Transfers to Stage 1	567	-	(567)	**-**
Transfers to Stage 2	(75)	75	-	**-**
Transfers to Stage 3	(195)	(10)	205	**-**
ECL allowance as at 28 February 2021	**16,079**	**12,493**	**75,715**	**104,287**

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Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

21. SHARE CAPITAL AND OTHER RESERVES

21.1 Group and Company

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
(a) Authorised share capital				
4 200 000 000 Shares consisting of:				
4 200 000 000 Ordinary shares of ZW$0.001 each	113,354	113,354	4,200	4,200
	113,354	**113,354**	**4,200**	**4,200**
(b) Issued and fully paid share capital				
2 590 577 241 Shares consisting of:				
2 590 577 241 Ordinary shares of ZW$0.001 each	85,839	69,930	2,591	2,591
Balance at end of the year	**85,839**	**69,930**	**2,591**	**2,591**

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Unissued shares are under the control of Directors, subject to the Companies and Other Business Entities Act (Chapter 24:31) and the Memorandum and Articles of Association.

(c) Share premium
Share premium reflects additional funds received by the company on issued share capital in excess of the par value of the shares

(d) Revaluation reserve
Revaluation reserve is an accumulation of gains arising on the revaluation of property and equipment.

(e) Retained earnings
Retained earnings are an accumulation of profits and losses realised by the company from operating and investing activities.

21.2 Capital and Reserves

Movement in share capital and share premium

		INFLATION ADJUSTED			HISTORICAL*		
	Number of shares	Share capital ZW$ '000	Share premium ZW$ '000	Total ZW$ '000	Share capital ZW$ '000	Share premium ZW$ '000	Total ZW$ '000
Balance at 28 February 2021	**2,590,577,241**	85,839	-	**85,839**	2,591	-	**2,591**
Balance at 29 February 2020	**2,590,577,241**	69,930	-	**69,930**	2,591	-	**2,591**

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No share capital movements occurred in both the current and prior period.

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Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

22. DIRECTORS' SHAREHOLDING

	Number of shares 2021	Number of shares 2020
S. G. Shereni	16,694	1,694
E. T. Masiyiwa	-	786,925
E. Chibi	4,358	4,358
T. Nyemba	1,695	-
T. P. Mpofu	-	88,312
E. Chisango	-	770
S. Masiyiwa*	-	8,637
Total	**22,747**	**890,696**

With the exception of the Directors listed above, other Directors had no direct or indirect shareholding in the Company.

23. OTHER RESERVES

	INFLATION ADJUSTED			HISTORICAL*		
	Revaluation ZW$ '000	Unbundling Reserve ZW$ '000	Total ZW$ '000	Revaluation ZW$ '000	Unbundling Reserve ZW$ '000	Total ZW$ '000
Balance at 1 March 2019	**1,889**	**4,950,171**	**4,952,060**	**70**	**183,416**	**183,486**
Restatement	207	(40,158)	**(39,951)**	8,533	(9,455)	**(922)**
Purchase of treasury shares	-	(11,404)	**(11,404)**	-	(2,705)	**(2,705)**
Revaluation gain on property and equipment and intangible assets	2,100,929	-	**2,100,929**	871,941	-	**871,941**
Deferred tax arising out of reserves	(524,830)	-	**(524,830)**	(211,223)	-	**(211,223)**
Transfer to retained earnings	(1,488,851)	-	**(1,488,851)**	(986)	-	**(986)**
Balance at 29 February 2020	**89,344**	**4,898,609**	**4,987,953**	**668,335**	**171,256**	**839,591**
Restatement	-	-	**-**	219	(219)	**-**
Reclassification	-	(8,510)	**(8,510)**	-	(786)	**(786)**
Purchase of treasury shares	-	(4,330)	**(4,330)**	-	(3,856)	**(3,856)**
Revaluation gain on property and equipment and intangible assets	210,225	-	**210,225**	3,011,112	-	**3,011,112**
Deferred tax arising out of reserves	(49,671)	-	**(49,671)**	(729,159)	-	**(729,159)**
Impact of change in IAS 29 applicable start date (Note B.3)	1,163,686	1,742,256	**2,905,942**	-	-	**-**
Balance at 28 February 2021	**1,413,584**	**6,628,025**	**8,041,609**	**2,950,507**	**166,395**	**3,116,902**

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Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

23. OTHER RESERVES (CONTINUED)

Property revaluation reserve
The property revaluation reserve arises on the revaluation of property and equipment and intangible assets. When revalued properties are sold, the portion of the property revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the property revaluation reserve will not be reclassified subsequently to profit or loss.

Unbundling reserve
The unbundling reserve arises from the acquisition of net assets of certain EWZL subsidiaries on the effective demerger date.

The transaction was accounted for as a common control transaction by recognizing the assets, liabilities and reserves with corresponding adjustment recognised in the unbundling reserve.

24. TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
Local trade payables	663,809	220,304	663,809	52,255
Foreign trade payables	759,429	930,192	759,429	220,637
Other payables	729,141	2,083,416	324,734	432,074
Accruals	1,019,001	1,524,522	1,019,001	368,545
Closing balance	**3,171,380**	**4,758,434**	**2,766,973**	**1,073,511**
Analysed As:				
Monetary liabilities	1,425,046	2,021,636	1,425,046	479,521
Non-Monetary liabilities	1,746,334	2,736,798	1,341,927	593,990
Closing balance	**3,171,380**	**4,758,434**	**2,766,973**	**1,073,511**

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Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs together with credit granted on equipment purchases. The average credit period on purchases is between 7 and 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the agreed credit timeframe.

Other payables comprise of the accruals of certain operational expenses.

24.1 Provisions

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
Provision for claims	143,619	66,287	140,569	13,466
Other	158,923	67,573	158,923	16,746
	302,542	**133,860**	**299,492**	**30,212**
Current	**302,542**	**133,860**	**299,492**	**30,212**
Non-Current	**-**	**-**	**-**	**-**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

24. TRADE AND OTHER PAYABLES (CONTINUED)

24.1 Provisions (continued)

Reconciliation for the year ended 28 February 2021

	INFLATION ADJUSTED		HISTORICAL*	
	Provision for claims ZW$'000	Other ZW$ '000	Provision for claims ZW$'000	Other ZW$ '000
Balance as at 1 March 2019	**52,113**	**15,755**	**1,931**	**584**
Additional	54,449	65,119	12,915	16,162
Utilised	(40,275)	(13,301)	(1,380)	-
Balance as at 29 February 2020	**66,287**	**67,573**	**13,466**	**16,746**
Additional	120,558	276,053	127,103	219,775
Utilised	-	(133,068)	-	(77,598)
Monetary adjustment	(43,226)	(51,635)	-	-
Balance as at 28 February 2021	**143,619**	**158,923**	**140,569**	**158,923**

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- The provision for claims represents management's best estimate for the insurance claims incurred but not yet reported.
- Other provisions relate mainly to network costs, bonus and call centre costs.

24.2 CURRENT TAXATION

		INFLATION ADJUSTED		HISTORICAL*	
		2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
24.2.1	**Tax Liability Reconciliation**				
	Opening Balance	**257,492**	**-**	**61,076**	**-**
	Current tax charge	543,066	1,869,883	442,789	175,578
	Tax paid	(522,108)	(482,734)	(393,000)	(114,502)
	VAT liability	(1,621)	-	(1,621)	-
	Reclassification to deferred tax	-	-	(1,634)	-
	Monetary adjustment	(170,197)	(1,129,657)	-	-
	Closing balance	**106,632**	**257,492**	**107,610**	**61,076**
24.2.2	**Tax Asset Reconciliation**				
	Opening balance	**25,746**	**344,240**	**6,107**	**12,755**
	Current tax charge	(41,898)	14,490	125,844	(2,106)
	Tax (reversed) / paid	(53,443)	3,769	41,015	894
	Monetary adjustment	241,583	(314,851)	-	-
	VAT liability	(80)	-	(80)	-
	Reclassification to deferred tax	-	(21,902)	-	(5,436)
	Closing balance	**171,908**	**25,746**	**172,886**	**6,107**
	Current tax asset / (liability)	**65,276**	**(231,746)**	**65,276**	**(54,969)**

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Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

25. LOANS AND BORROWINGS

Lines of credit

	INFLATION ADJUSTED ZW$ '000	HISTORICAL* ZW$ '000
Balance at 1 March 2019	**60,726**	**2,250**
Repayments	(60,726)	(2,250)
Balance at 29 February 2020	**-**	**-**
Movements	-	-
Balance at 28 February 2021	**-**	**-**

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Summary of borrowing covenants

Foreign Line of Credit

Lines of credit were advanced to the Bank for disbursement to entities in the agriculture value chain. The facility was priced at 8% per annum and payable over a tenor of 12 months. These were settled during the course of the year ended 29 February 2020.

26. DEPOSITS DUE TO BANKS AND CUSTOMERS

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
Current accounts	7,193,505	4,664,465	7,193,505	1,106,388
Term deposits	9,281	18,209	9,281	4,319
	7,202,786	**4,682,674**	**7,202,786**	**1,110,707**

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The amounts due to customers as at 28 February 2021 is shown after elimination of Inter-group deposits amounting to ZW$2.06 billion.

A concentration of risk therefore exists in the event that the business of the counterparty is adversely affected by changes in economic or other conditions. However, at 28 February 2021 the Group's management was not aware of any economic or other conditions that may adversely affect the business of the counterparty.

26.1 Maturity analysis of deposits

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
Less than 1 month	7,197,567	4,665,816	7,197,567	1,106,709
1 to 3 months	5,219	16,858	5,219	3,998
	7,202,786	**4,682,674**	**7,202,786**	**1,110,707**

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Notes to the consolidated financial statements (continued)

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26. DEPOSITS DUE TO BANKS AND CUSTOMERS (CONTINUED)

26.2 Sectorial analysis of deposits

	INFLATION ADJUSTED			
	2021		2020	
	ZW$ '000	%	ZW$ '000	%
Financial	2,804,541	38.9%	1,631,307	34.8%
Transport and telecommunications	2,549,834	35.4%	1,999,213	42.7%
Mining	49,246	0.7%	6,110	0.1%
Manufacturing	38,387	0.5%	33,167	0.7%
Agriculture	13,548	0.2%	5,987	0.1%
Distribution	42,047	0.6%	24,410	0.5%
Services	13,887	0.2%	58,523	1.2%
Government and parastatals	2,723	0.0%	34	0.0%
Individuals	1,578	0.0%	8,971	0.2%
Other	1,686,995	23.4%	914,952	19.5%
	7,202,786	**100%**	**4,682,674**	**100%**

27. CASH FLOW INFORMATION

	Notes	INFLATION ADJUSTED		HISTORICAL*	
		2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
27.1 Cash generated from operations					
(Loss) / profit before tax and net finance charges		**(481,035)**	**1,180,640**	**(38,219)**	**(102,157)**
Adjustments for:					
Depreciation and impairment of property and equipment	**10**	1,464,518	489,323	294,388	46,332
Amortisation and impairment of intangible assets	**13**	883,288	267,147	38,439	10,085
Right-of-use asset depreciation	**11**	59,702	104,248	12,604	5,265
Impairment of trade and other receivables	**19**	33,242	7,340	33,242	1,741
Movement in expected credit loss allowance	**3**	(131,164)	111,663	(79,516)	46,764
Loss on disposal of property and equipment	**3**	6	4,262	2,860	995
Fair value (gains) / losses on financial assets	**16**	(549,475)	694,973	(782,987)	(70,486)
Gain on fair value of investment property	**12**	(55,894)	(53,888)	(924,204)	(115,920)
Increase in provisions	**24.1**	168,682	65,992	269,280	27,697
Net foreign exchange losses		4,603,528	8,393,097	2,199,300	561,263
Other non-cash items		1,307,278	12,338,322	(8,156)	(2,579)
Cash generated from operations before working capital changes		**7,302,676**	**23,603,119**	**1,017,031**	**409,000**

Notes to the consolidated financial statements (continued)

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27. CASH FLOW INFORMATION (CONTINUED)

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
27.2 Adjustments for working capital changes				
(Increase) / decrease in other assets	(1,227,502)	134,332	(411,783)	4,380
Decrease / (increase) in trade and other receivables	260,276	(914,581)	(2,666,233)	(524,184)
(Decrease) / increase in trade and other payables	(4,589,221)	(10,277,950)	3,902,579	1,002,605
(Increase) / decrease in financial instruments	(3,024,262)	(4,662,504)	2,512,505	1,279,964
(Increase) / decrease in loans and advances to bank customers	(539,411)	312,890	(1,298,090)	(216,542)
Increase / (decrease) in deposits due to banks and customers	2,520,112	(8,702,374)	6,092,079	614,758
Cash generated / (utilised) from operations	**702,668**	**(507,068)**	**9,148,088**	**2,569,981**
27.3 Income tax paid				
Opening balance	(231,746)	344,240	(54,969)	12,755
Add: current taxation charge for the period (Note 8)	(584,964)	(1,855,393)	(316,945)	(177,684)
VAT liability	1,541	-	1,541	-
Reclassification to deferred tax	-	(21,902)	1,634	(5,436)
Monetary adjustment	411,780	814,806	-	-
Less: closing balance of asset / (liability)	65,276	(231,746)	65,276	(54,969)
Tax paid	**468,665**	**486,503**	**434,015**	**115,396**
27.4 Cash and cash equivalents				
Cash and cash equivalents comprise of:				
Balances and cash – unrestricted	5,671,323	2,224,216	5,671,323	527,573
Gross Balances and Cash - unrestricted	5,778,832	2,224,216	5,778,832	527,573
Less expected credit loss allowance	(107,509)	-	(107,509)	-
Balances and cash - restricted (Note 27.5)	4,234,169	7,258,431	4,234,169	1,721,664
	9,905,492	**9,482,647**	**9,905,492**	**2,249,237**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Restricted Cash balances represent amounts held in trust for the EcoCash customers.

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
27.5 Mobile money trust liabilities				
Opening Balance	**7,258,431**	**11,920,936**	**1,721,664**	**441,700**
Deposits	2,512,505	8,094,376	2,512,505	1,919,946
Withdrawals	-	(2,698,125)	-	(639,982)
Monetary adjustment	(5,536,767)	(10,058,756)	-	-
Closing Balance	**4,234,169**	**7,258,431**	**4,234,169**	**1,721,664**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

28. RELATED PARTY TRANSACTIONS

		INFLATION ADJUSTED		HISTORICAL*	
		2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
28.1	**Transactions**				
	Transactions with members of Econet Wireless Global Limited (EWGL) Group				
	Sales of goods and services to fellow subsidiaries	1,107,327	502,030	826,252	119,079
	Purchases of goods and services from fellow subsidiaries	(2,070,591)	(1,032,142)	(1,538,573)	(244,819)
28.2	**Balances**				
	Amounts owed to fellow EWGL subsidiaries	(5,215,998)	(3,679,913)	(5,215,998)	(872,857)
	Amounts owed by fellow EWGL subsidiaries	82,640	216,902	82,640	51,448
	Bank balances due to fellow EWGL subsidiaries	(2,060,094)	(2,054,406)	(2,060,094)	(487,295)
	Net amount payable	**(7,193,452)**	**(5,517,417)**	**(7,193,452)**	**(1,308,704)**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

28.3 Compensation of Directors and key management

The remuneration of Directors and other members of key management during the year was as follows:

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
For services as directors	72,591	17,994	45,815	2,755
Short-term – benefits for management services	64,312	31,771	40,590	4,870
Short term – post employment benefits	1,949	10,451	1,230	1,602
	138,852	**60,216**	**87,635**	**9,227**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Terms of balances with fellow subsidiaries

Included in amounts receivable from members of the Cassava Smartech Zimbabwe Limited Group are balances accruing interest at 8%.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the period ended 28 February 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related parties and the market in which the related parties operate.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

29. GROUP EMPLOYEE BENEFITS

Econet Wireless Group Pension Fund

Contributions are made to the defined contribution scheme through monthly deduction by the Group on members' salaries and remitted to the Fund.

National Social Security Authority Scheme

This is a defined contribution scheme promulgated under the National Social Security Act of 1989. The Group's obligation under the scheme are limited to specific contributions legislated from time to time.

30. FINANCIAL RISK MANAGEMENT

30.1 Capital risk management

The objective of the Group's capital management is to ensure that it complies with the Reserve Bank of Zimbabwe (RBZ) and Insurance and Pensions Commissions (IPEC) requirements. In implementing the current capital requirements, the RBZ and IPEC require the Group companies to maintain a prescribed ratio of total capital to total risk weighted assets. Risk weighted assets are arrived at by applying the appropriate risk factor as determined by the RBZ to the monetary value of the various assets as they appear on the Bank's statement of financial position.

Regulatory capital for Steward Bank Limited consists of:

- Tier 1 Capital ("the core capital"), which comprises share capital, share premium, retained earnings (including the current period profit or loss), the statutory reserve and other equity reserves.
- Tier 2 Capital ("supplementary capital"), which includes subordinated term debt, revaluation reserves and portfolio provisions.

The core capital shall comprise not less than 50% of the capital base and portfolio provisions are limited to 1.25% of total risk weighted assets.

- Tier 3 Capital ("tertiary capital") relates to an allocation of capital to meet market and operational risks.

	2021 ZW$'000	2020 ZW$'000
Steward Bank Limited Regulatory Capital		
Share capital	4	4
Share premium	106,318	106,318
Retained earnings	458,261	53,854
	564,583	**160,176**
Less: Capital allocated for market and operational risk	(35,089)	(27,902)
Advances to insiders	(161,088)	(67,993)
Guarantees to insiders	-	-
Tier 1 capital	**368,406**	**64,281**
Tier 2 capital	**775,485**	**186,855**
Other reserves	775,485	186,855
Portfolio provisions	-	-
Total Tier 1 and 2 capital	**1,143,891**	**251,136**
Tier 3 capital (sum of market and operational risk capital)	35,089	27,902
Total Capital Base	**1,178,980**	**279,038**
Total risk weighted assets	**1,436,092**	**1,436,092**
Tier 1 ratio	26%	4%
Tier 2 ratio	54%	13%
Tier 3 ratio	82%	19%
Total capital adequacy ratio	**20%**	**20%**
RBZ minimum requirement	12%	12%

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.1 Capital risk management (continued)

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period.

The following subsidiaries have their capital regulated by the respective regulatory authorities:

	Regulatory authority	Minimum capital required	Computed Regulatory capital	Total equity
Company				
Steward Bank Limited	RBZ	USD 30.0 million	ZW$ 365.41 million	ZW$ 1.45 billion
Econet Life (Private) Limited	IPEC	ZW$ 75.0 million	ZW$ 436.2 million	ZW$ 914.9 million
Econet Insurance (Private) Limited	IPEC	ZW$ 37.5 million	ZW$ 280.2 million	ZW$ 511.6 million

30.2 Financial risk management objectives

The Group's Corporate Treasury function (embedded in the Group Finance function) provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's Audit Committee, consisting of executive and non-executive directors, meet on a regular basis to analyse, amongst other matters, currency and interest rate exposures and re-evaluate treasury management strategies against revised economic forecasts. Compliance with Group policies and exposure limits is reviewed at quarterly Board meetings.

The Group has a dedicated committee of the Board which reviews the loan exposures on a regular basis and monitors repayment plans. The Group has been able to meet its obligations in the current financial period and the Directors believe that appropriate measures have been implemented to ensure that the Group has the ongoing capacity to meet its obligations arising from these exposures.

30.3 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group invests in money market instruments which are subject to changes in interest rates on the local money markets. The Group's policy is to adopt a non-speculative approach to managing interest rate risk. Approved funding instruments include; bankers acceptances, call loans, overdrafts, foreign loans and where appropriate, long-term loans.

The Group has borrowings that are subject to both fixed interest rates and floating interest rates. Details of the Group's borrowings are described in Note 30. The Board of Directors has a committee that is dedicated to reviewing the loan exposures and repayment plans for the Group's external borrowings. The Committee that reviews the loan exposures meets on a regular basis and uses various models to project the Group's risk exposures and proposes methods to deal with the risk arising in an appropriate manner. This committee also approves the term sheets for such borrowings, and ensures that the interest rate exposure of the Group is appropriately managed.

The sensitivity of the Group's statement of comprehensive income to the changes in interest rates on its material exposures is disclosed in Note 30.3.1 below. The Directors, at the reporting date, were not aware of any information or events that may have a significant impact on the reported profit and loss of the Group or that would result in material changes in the structure of the Group's statement of comprehensive income.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.3 Interest rate risk management (continued)

30.3.1 Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's statement of comprehensive income.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the profit or loss for a period, based on the variable and fixed rate financial assets and financial liabilities held.

	INFLATION ADJUSTED	HISTORICAL*
	2021 ZW$ '000	2021 ZW$ '000
Change in interest rates %	**Sensitivity of profit or loss**	
6	29,181	22,560
4	19,454	15,040
2	9,727	7,520
-2	(9,727)	(7,520)
-4	(19,454)	(15,040)
-6	(29,181)	(22,560)

30.3.2 Interest rate repricing gap analysis

The table below analyses the Group's interest rate risk exposure on assets and liabilities. The financial assets and liabilities are categorised by the earlier of contractual repricing or maturity dates. Amounts presented reflect both inflation adjusted and historical figures, as they relate to monetary items as at 28 February 2021.

	Up to 1 Month ZW$'000	1 month to 3 months ZW$'000	3 months to 1 year ZW$'000	1 to 5 years ZW$'000	Non-interest bearing ZW$'000	Total ZW$'000
TOTAL POSITION						
At 28 February 2021						
Assets:						
Cash and cash equivalents	-	-	-	-	6,917,089	6,917,089
Loans and advances to customers	653,989	14,626	212,180	716,663	-	1,597,458
Debt instruments measured at amortised cost	725,617	64,776	26,831	53,011	-	870,235
Other receivables	-	-	-	-	956,851	956,851
Taxation receivable	-	-	-	-	2,970	2,970
Inventories	-	-	-	-	481,486	481,486
Investment property	-	-	-	-	916,297	916,297
Property and equipment	-	-	-	-	1,265,713	1,265,713
Intangible	-	-	-	-	579,078	579,078
Right-of-use asset	-	-	-	-	184,050	184,050
Non-current assets held for sale	-	-	-	-	1,471	1,471
	1,379,606	**79,402**	**239,011**	**769,674**	**11,305,005**	**13,772,698**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.3 Interest rate risk management (continued)

30.3.2 Interest rate repricing gap analysis (continued)

	Up to 1 Month ZW$'000	1 month to 3 months ZW$'000	3 months to 1 years ZW$'000	1 to 5 years ZW$'000	Non-interest bearing ZW$'000	Total ZW$'000
Liabilities and equity:						
Deposits due to banks and customers	9,257,662	5,219	-	-	-	9,262,881
Provisions	-	-	-	-	49,647	49,647
Other liabilities	-	-	-	-	1,746,578	1,746,578
Deferred tax liabilities	-	-	-	-	365,805	365,805
Lease liabilities	-	-	-	-	39,329	39,329
Equity	-	-	-	-	2,308,458	2,308,458
	9,257,662	**5,219**	**-**	**-**	**4,509,817**	**11,092,299**
Interest rate repricing gap	**(7,878,056)**	**74,183**	**239,011**	**769,674**	**6,795,188**	**-**
Cumulative gap	**(7,878,056)**	**(7,803,873)**	**(7,564,862)**	**(6,795,188)**	**-**	**-**

* *Amounts presented reflect both inflation adjusted and historic figures, as they relate to monetary items as at 28 February 2021.*

30.4 Other price risks

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk) whether those changes are caused by factors specific to the individual financial instrument or to its issuer or factors affecting all similar financial instruments traded in that market.

The Group invests in tradable securities that are quoted on the Zimbabwe Stock Exchange and maintains two portfolios for these investments, a trading portfolio and a long-term investment portfolio.

At the reporting date, the exposure to listed equity securities at fair value was ZW$ 40 732 177. A decrease of 5% on the share price could have an impact of approximately ZW$ 2 036 609 on the income or equity attributable to the Group, depending on whether the decline is significant or prolonged. An increase of 5% in the value of the listed securities would only impact equity but would not have an effect on profit or loss.

30.5 Credit risk management

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. This risk arises principally from the Bank's loans and advances to customers and placements with Government and other banks. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of bank balances, loans and advances and trade receivables. The Group's cash equivalents are placed with high quality financial institutions. Loans and advances are presented net of the allowance for impairment losses. Credit risk with respect to debtors is limited due to the widespread customer base and ongoing credit evaluations to maintain credit worthiness of the customers.

The Board of Directors have delegated responsibility for the oversight of credit risk to the Bank Credit Committee. A separate Credit department, reporting to the Bank Credit Committee, is responsible for managing the Bank's credit risk including the following:

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business Credit Officers. Larger facilities require approval by the Head of Credit, the Bank Credit Committee or the Board of Directors as appropriate.
- Reviewing and assessing credit risk: The Credit department assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposures to counterparties, geographies and industries (for loans and advances, financial guarantees and similar exposures), and by issuer, credit rating band, market and liquidity.
- Developing and maintaining the Bank's risk grading to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of ten grades reflecting various degrees of risk default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive committee, as appropriate. Risk grades are subject to regular reviews by the Risk and Capital Management Committee.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the Credit department, which may require appropriate corrective action to be taken.
- Providing advice, guidance and specialist skills to business units to promote best practise throughout the Bank in the management of credit risk.

Regular audits of business units and the Credit department processes are undertaken by Internal Audit.

30.5.1 Impairment assessments

Definition of default and cure

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Bank considers treasury and interbank balances defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

As a part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Internal rating of the borrower indicating default or near-default
- The borrower requesting emergency funding from the Bank
- The borrower having past due liabilities to public creditors or employees
- The borrower is deceased
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A material decrease in the borrower's turnover or the loss of a major customer
- A covenant breach not waived by the Bank
- The debtor (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Debtor's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties.

Trading as EcoCash HOLDINGS ZIMBABWE

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.1 Impairment assessments (continued)

Definition of default and cure (continued)

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition. The Bank's criterion for 'cure' for ECL purposes is less stringent than the 24 months requirement for forbearance.

30.5.2 The Bank's internal rating and PD estimation process

The Bank's Credit Risk function operates its internal rating models. The Bank runs separate models for its key portfolios in which its customers are rated from 1 to 10 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Where practical, they also build on information from Global Credit Ratings (GCR) Agency. These information sources are first used to determine the PDs within the Bank's Basel framework.

The internal credit grades are assigned based on these Based grades. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information and the IFRS 9 Stage classification of the exposure. This is repeated for each economic scenarios as appropriate.

30.5.3 Treasury, trading and interbank relationships

The Group's treasury, trading and interbank relationships and counterparties comprise financial services institutions, banks, broker-dealers, exchanges and clearing-houses. For these relationships, the Bank's Credit Risk section analyses publicly available information such as financial information and other external data, e.g., the rating of Global Credit Ratings (GCR) Agency, and assigns the internal rating.

30.5.4 Corporate and small business lending

For corporate and investment banking loans, the borrowers are assessed by specialised credit risk employees of the Group. The credit risk assessment is based on a credit scoring model that takes into account various historical, current and forward-looking information such as:

- Historical financial information together with forecasts and budgets prepared by the client. This financial information includes realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance. Some of these indicators are captured in covenants with the clients and are, therefore, measured with greater attention.
- Any publicly available information on the clients from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, or press releases and articles.
- Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.4 Corporate and small business lending (continued)

The complexity and granularity of the rating techniques varies based on the exposure of the Bank and the complexity and size of the customer. Some of the less complex small business loans are rated within the Group's models for retail products.

30.5.5 Consumer lending and retail mortgages

Consumer lending comprises unsecured personal loans, credit cards and overdrafts. These products along with retail mortgages and some of the less complex small business lending are rated by an automated scorecard tool primarily driven by days past due. Other key inputs into the models are:

- Consumer lending products: use of limits and volatility thereof, GDP growth, unemployment rates, changes in personal income/salary levels based on records of current accounts, personal indebtedness and expected interest repricing
- Retail mortgages: GDP growth, unemployment rates, changes in personal income/salary levels based on records of current accounts, personal indebtedness and expected interest repricing.

30.5.6 Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12mECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Bank's models.

30.5.7 Loss given default

For corporate and investment banking financial instruments, LGD values are assessed at least every three months by account managers and reviewed and approved by the Bank's specialised credit risk department.

The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Group segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property prices for mortgages, commodity prices, payment status or other factors that are indicative of losses in the group. The Bank estimates regulatory and IFRS 9 LGDs on a different basis. Under IFRS 9, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.8 Significant increase in credit risk

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

The Group applies a qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

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

30.5.9 Grouping of financial assets measured on a collective basis

Dependent on the factors below, the Group calculates ECLs either on a collective or an individual basis.

30.5.10 Asset classes where the Group calculates ECL on an individual basis include:

- All Stage 3 assets, regardless of the class of financial assets The Corporate lending portfolio
- The large and unique exposures of the Small business lending portfolio
- The treasury, trading and interbank relationships (such as Due from Banks, Cash collateral on securities borrowed and reverse repurchase agreements and debt instruments at amortised cost/ FVOCI
- Exposures that have been classified as POCI when the original loan was de-recognised and a new loan was recognised as a result of a credit driven debt restructuring
- The smaller and more generic balances of the Bank's Small business lending
- Stage 1 and 2 Retail mortgages and Consumer lending
- Purchased POCI exposures managed on a collective basis

30.5.11 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

30.5.12 The main types of collateral obtained are, as follows:

- For securities lending and reverse repurchase transactions, cash or securities
- For corporate and small business lending, charges over real estate properties, inventory and trade receivables and, in special circumstances, government guarantees for retail lending, mortgages over residential properties.

The Group also obtains guarantees from parent companies for loans to their subsidiaries. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale. Disclosure of credit quality and the maximum exposure for credit risk per categories based on the Bank's internal credit rating system and period-end stage classification are further disclosed in Note 30.5.14.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.13 Credit related commitment risks:

The Bank makes available to its customers guarantees that may require that the Bank makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act. Such commitments expose the Bank to similar risks to loans and are mitigated by the same control processes and policies.

30.5.14 Analysis of maximum exposure to credit risk and collateral or other credit enhancements held

	Fair Value of Collateral and Credit Enhancements Held					
	Maximum exposure to credit risk ZW$'000	Listed securities ZW$'000	Letters of credit/ guarantees ZW$'000	Property ZW$'000	Other ZW$'000	Net exposure to credit Risk ZW$'000
At 28 February 2021:						
Financial assets:						
Cash and cash equivalents	7,024,598	-	-	-	-	7,024,598
Loans and advances to customers	1,701,745	-	-	1,446,114	116,574	139,057
Debt instruments at amortised cost	895,559	-	-	-	-	895,559
Other receivables	161,088	-	-	-	-	161,088
Total credit risk exposure	**9,782,990**	**-**	**-**	**1,446,114**	**116,574**	**8,220,302**

* *Amounts presented reflect both inflation adjusted and historic figures, as they relate to monetary items as at 28 February 2021.*

30.5.15 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The Bank also obtains guarantees from parent companies for loans to their subsidiaries.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

30.5.16 Credit quality analysis

The table in the following page shows the credit quality of the Group's financial instruments and the maximum exposure to credit risk, based on the Group's internal credit rating system and period end stage classification.

30.5.17 Commitments and guarantees

To meet the financial needs of customers, the Group enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank.

The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Group could have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to a loan commitment is the full amount of the commitment. In both cases, the maximum risk exposure is significantly greater than the amount recognised as a liability in the statement of financial position.

Foreign currency risk is the risk that the Group may be affected adversely as a result of foreign currency fluctuations on the various currencies that the entity holds.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.17 Commitments and guarantees (continued)

The following table details the Group's sensitivity to a 20% depreciation of the RTGS Dollar against the United States Dollar, South African Rand, Euro, Great British Pound and Botswana Pula, respectively. The 20% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a percentage change in foreign currency rates.

30.5.18 Foreign currency exchange rate risk

A positive number below indicates an increase in profit where the RTGS Dollar strengthens or weakens in a favourable manner against the net exposure.

	BWP ZW$ '000	EURO ZW$ '000	ZAR ZW$ '000	USD ZW$ '000	GBP ZW$ '000	CNY ZW$ '000	AED ZW$ '000	AUD ZW$ '000
At 28 February 2021								
Profit or (loss)	705	11,230	(38,795)	41,950	762	15	(2,395)	64
At 29 February 2020								
Profit or (loss)	227	63,893	(7,466)	(18,515)	(7,298)	-	-	-

30.6 Liquidity risk management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Bank has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding if required.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Bank maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. The Bank places emphasis on lines of credit that it can access to meet liquidity needs. In accordance with the Bank's policy, the liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Bank. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities, to reflect market conditions.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.6 Liquidity risk management (continued)

The key ratios during the period were, as follows:

	At year end	Maximum during period	Minimum during period
28 February 2021			
Loans to deposits ratio	17%	22%	11%
Net liquid assets to customer liabilities ratio	80%	89%	62%
29 February 2020			
Loans to deposits ratio	7%	9%	7%
Net liquid assets to customer liabilities ratio	75%	82%	49%

The Bank stresses the importance of current accounts and savings accounts as sources of funds to finance lending to customers. They are monitored using the advances to deposit ratio, which compares loans and advances to customers as a percentage of core customer current and savings accounts, together with term funding with a remaining term to maturity in excess of one period. Loans to customers that are part of reverse repurchase arrangements, and where the Bank receives securities which are deemed to be liquid, are excluded from the advances to deposits ratio.

The Bank defines liquid assets for the purposes of the liquidity ratio as cash balances, short–term interbank deposits and highly-rated debt securities available for immediate sale and for which a liquid market exists.

Analysis of financial assets and liabilities by remaining contractual maturities.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand ZW$'000	Less than 3 months ZW$'000	3 months to 1 period ZW$'000	1 to 5 periods ZW$'000	Over 5 periods ZW$'000	Total ZW$'000
At 28 February 2021:						
Financial assets:						
Cash and cash equivalents	7,060,632	-	-	-	-	7,060,632
Loans and advances to customers	696,684	15,580	226,031	496,463	266,986	1,701,745
Debt instruments at amortised cost	788,909	64,776	26,831	15,043	-	895,559
Amounts owing from Group companies	160,899	-	-	-	-	160,899
Trade and other receivables	792,926	-	-	-	-	792,926
Total undiscounted financial assets	**9,500,050**	**80,356**	**252,862**	**511,506**	**266,986**	**10,611,761**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.6 Liquidity risk management (continued)

	On demand ZW$'000	Less than 3 months ZW$'000	3 months to 1 period ZW$'000	1 to 5 periods ZW$'000	Over 5 periods ZW$'000	Total ZW$'000
Financial liabilities:						
Trade and other payables	1,396,170	-	-	-	-	1,396,170
Amounts owing to Group companies	433,248	-	-	-	-	433,248
Deposits due to banks and customers	9,257,662	5,218	-	-	-	9,262,880
Mobile money trust balances	-	-	-	-	-	-
Loans and borrowings	-	-	-	-	-	-
Total undiscounted financial liabilities	**11,087,080**	**5,218**	**-**	**-**	**-**	**11,092,299**
Net undiscounted financial assets / (liabilities)	**(1,587,031)**	**75,138**	**252,862**	**511,506**	**266,986**	**(480,538)**
Cumulative gap	**(1,587,031)**	**(1,511,893)**	**(1,259,030)**	**(747,524)**	**(480,538)**	**(961,076)**

* *Amounts presented reflect both inflation adjusted and historic figures, as they relate to monetary items as at 28 February 2021*

The disclosed financial instruments in the above table are the gross undiscounted cash flows.

The table below shows the contractual expiry by maturity of the bank's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

	On demand ZW$'000	Less than 3 months to 3 months ZW$'000	1 period ZW$'000	1 to 5 periods ZW$'000	Total ZW$'000
At 28 February 2021:					
Financial guarantees	-	-	-	-	-
Commitments to lend	-	-	-	-	-
Total commitments and guarantees	**-**	**-**	**-**	**-**	**-**

* *Amounts presented reflect both inflation adjusted and historic figures, as they relate to monetary items as at 28 February 2021*

The Group expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.

30.7 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

31 RISK MANAGEMENT

31.1 Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

31.2 Compliance Risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with, law, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. This risk exposes the institution to fines and payment of damages. Compliance risk can lead to diminished reputation, limited business opportunities, reduced expansion potential, and an inability to enforce contracts. The Internal Audit and the Risk Department ensure that the Group fully complies with all relevant laws and regulations.

Reputational risk is the current and prospective impact on earnings and capital arising from negative public opinion. This affects the institution's ability to establish new relationships or services or continue servicing existing relationships. This risk may expose the institution to litigation, financial loss, or a decline in its customer base. The Group has a Business Development department whose mandate is to manage this risk.

32. LEASE LIABILITIES

The Group adopted IFRS 16 in current year as a replacement of IAS 17. As permitted by IFRS 16 transitional provisions, the Group elected not to restate its comparative financial statements.

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
32.1 Reconciliation of lease liability				
Opening balance	**63,543**	**221,648**	**15,072**	**-**
Transitional adjustment at cost	-	12,944	-	8,572
Additions	24,982	34,449	23,953	7,071
Modification – remeasurement of lease liability	23,222	(37,992)	10,797	2,199
Exchange loss	(11,843)	-	15,128	-
Interest expense	8,873	21,341	699	2,014
Repayments	(29,205)	(188,847)	(20,811)	(4,784)
Write-offs	(3,771)	-	(323)	-
Monetary adjustments	(31,286)	-	-	-
Closing balance	**44,515**	**63,543**	**44,515**	**15,072**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

32. LEASE LIABILITIES (CONTINUED)

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
32.2 Maturity analysis				
Not later than one year	2,790	5,014	2,790	1,189
Later than one year and not later than five years	41,725	58,529	41,725	13,883
Later than five years	-	-		-
	44,515	**63,543**	**44,515**	**15,072**
Analysed as:				
Non-current	41,725	58,529	41,725	13,883
Current	2,790	5,014	2,790	1,189
	44,515	**63,543**	**44,515**	**15,072**
Maturity analysis				
Year 1	24,356	31,527	24,356	7,478
Year 2	13,469	21,695	13,469	5,146
Year 3	2,047	10,321	2,047	2,448
Year 4 onwards	4,643	-	4,643	-

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion*

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function. All lease obligations are denominated in ZW$.

33. GOING CONCERN

The Board regularly considers and records the facts and assumptions on which it relies to conclude that Cassava will continue in operational existence into the foreseeable future at each reporting date.

The Board is concerned about the challenging operating environment as indicated by hyperinflationary pressures in the economy, global and local uncertainties created by the impact of COVID-19 and the strict criteria to be met in order to access foreign currency. The Group will continue to adopt mitigatory measures, within the bounds of the country's laws, to minimise the adverse impacts of the challenging operating environment.

The services provided by the Group entities are recognised as essential services during this COVID 19 crisis which allowed our businesses to continue to operate throughout any set restrictions. We continually evaluate the impact of the pandemic on our business over the short to medium term. The going concern assessment has been extended for the 12-month period commencing from the date of approval of these consolidated financial statements for issue and incorporated all available information on the operating environment and future risks and uncertainties on which sensitivity analysis were also made.

The fintech business unit which is the Group's largest operating unit, constitutes about 80% of the total Group revenue. Within the fintech business unit, 80% of the revenue comes from the mobile money business unit, Ecocash and an analysis has been made on both the ability of the Group and the biggest cash generating unit, Ecocash, to continue as going concerns. Business performance for the period 1 March 2021 to the date of authorisation of the financial statements has been in line with business forecasts at the beginning of the year, after taking into consideration the negative impact of the COVID-19 induced restrictions on business performance. Management is confident that the 12-month forecasts used in arriving at the going concern assessment are attainable.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

33. GOING CONCERN (CONTINUED)

The Group has ZW$2.7 billion of related party payables which relate to debentures which were assumed pursuant to the demerger of the Group from Econet Wireless Zimbabwe Limited on 1 November 2018. The Group's 50% share of the 1 166 906 618 unsecured redeemable debentures with an annual compounding coupon rate of 5% were issued at a subscription price of 4.665 US cents per debenture and these are accounted for as a long-term related party payable. The obligation is denominated in United States dollar and as such subject to exchange rate revaluation. The economy experienced significant exchange rate movements during the financial year and as at 28 February 2021 the Group recorded exchange losses amounting to ZW$3.8 billion (2020: ZW$5.5 billion) arising from debenture related liabilities. The related party payable together with the accrued interest will mature in April 2023. Given the impact of the exchange rate fluctuations on the business performance, subsequent to year end, a call was made to debenture holders for early redemption and 24% of debenture holders accepted. The Group will continue to implement measures to mitigate against exchange risk and strengthen performance.

The Reserve Bank of Zimbabwe announced new capital requirements for banking institutions to comply with minimum capital thresholds set at US$30 million in ZW$ equivalent by the 31st of December 2021. As of 28 February 2021, the bank's capitalisation level was at ZW$600 million and based on the Bank forecast at that point, the bank did not appear to be able to achieve the revised minimum capital by 31 December 2021 through organic growth. The Group and the Bank communicated to the Reserve Bank of Zimbabwe in relation to the capitalisation plan to enable the Bank to comply with the capital threshold by the set deadline. The Directors are satisfied that the Bank remains a going concern based on the capitalisation plans that are in place as well as the letters of commitment that have been provided by the Group Company. Refer to Note 38 for measures implemented subsequent to year end in respect of the Bank's going concern.

As at 28 February 2021, and subsequently as at the date of authorisation of the consolidated financial statements, the Directors have assessed the ability of the Group to continue operating as a going concern for the 12 months period subsequent to the date of authorisation of the financial statements and believe that the preparation of these consolidated financial statements on a going concern basis remains appropriate.

34. BORROWING POWERS

In terms of the Company's Articles of Association, the Directors may exercise the powers of the Company to borrow up to 200% of the aggregate of:

- the issued share capital and share premium or stated capital of the Company; and
- the distributable and non-distributable reserves, including unappropriated profits of the Company reduced by any adverse amount reflected in the statement of comprehensive income, excluding; goodwill, revaluation reserves arising prior to 28 February of each year, and provision for taxation, deferred tax, and any balance standing to the credit of the tax equalisation account.

The current borrowings are within the limit

35. FORENSIC AUDIT

In July 2020, the Reserve Bank of Zimbabwe's Financial Intelligence Unit ("the FIU") instituted a forensic investigation into the transactions being handled through mobile money operators' systems. The transactions and systems of the Group's mobile money operator, Ecocash, also fell within the scope of this investigation. The major concern of the regulator was the validity of the transactions as well as compliance with rules and regulations. Based on publicly available information the Group's current understanding is that the general objectives of the forensic audit were broadly,

- To investigate the integrity of mobile money operators' systems and electronic monetary values created thereon over a period of time.
- Assess general compliance with country relevant banking, money laundering and know your customer laws and regulations that are applicable to mobile money operators.

Following the audit, administrative deficiencies were communicated to the business for remedy.

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Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

36. CAPITAL COMMITMENTS

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

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
Authorised and contracted for	2,686,671	5,345,504	637,265	198,064
Authorised and not contracted for	4,060,295	26,677,125	963,082	988,453
	6,746,966	**32,022,629**	**1,600,347**	**1,186,517**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

37. ADMINISTRATIVE PENALTY

On the 29th of January 2021, the Reserve Bank of Zimbabwe's Financial Intelligence Unit, ("the FIU") levied administrative penalties on Ecocash of ZW$$100 million, based on the onsite inspection that was done from the 24th of October to the 22nd of November 2018. The onsite inspection report noted certain administrative deficiencies. The FIU took note of the progress that the business had made to address the administrative deficiencies that had been noted. The $100 million administrative penalty was paid and has been included in the expenses of the audited Financial Statements.

38. EVENTS AFTER THE REPORTING DATE

Subsequent to year-end the Company issued a letter of commitment of up to USD 20 million in favour of Steward Bank Limited to enable the Banking subsidiary to comply with the Reserve Bank of Zimbabwe capital requirement currently set at a minimum of USD30 million or the ZW$ local equivalency. The commitment is to invest a sufficient amount required to meet the Bank's capital shortfall by 31 December 2021.

The Company is exploring various funding options for the capitalization of its banking subsidiary to meet the Reserve Bank of Zimbabwe's capitalization requirements by 31 December 2021. In the meantime the Company has put in place a standby loan facility of ZW$1.8 billion from a major Zimbabwean shareholder. The standby arrangement will only be activated if the Company is unable to conclude the capitalisation of its banking subsidiary by the deadline set by the Regulatory Authorities.

The Company early settled 24% of payables which relate to debentures with an original maturity date of 2023. The debentures were assumed following the demerger of Cassava Smartech Zimbabwe Limited from Econet Wireless Zimbabwe Limited.

The shares of Cassava Smartech Zimbabwe Limited were suspended from trading on the Zimbabwe Stock Exchange from the 1st of October 2021. The suspension was due to a delay in the publication of the Group audited financial statements for 2021 financial year.

The Group continues to monitor and implement measures to mitigate the continuing impact of Covid-19 on the business and all its stakeholders.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

39. CORRECTION OF PRIOR PERIOD ERROR ON ANALYSIS OF EXPENSES CLASSIFICATION AND PRESENTATION

As set out in note AA.10, the Group analyses expenses recognized in profit or loss using the functional analysis method. In the current year, the Group reassessed the relevance and reliability of the classifications in its analysis and determined that they were no longer reliable and appropriate for inter-period comparability, nor strictly in compliance with the presentation requirements of IFRSs.

Nature of the reclassifications

The Group has made reclassifications of amounts of the following items of expenses into their functional expense classifications

- expected credit loss allowances on loans and advances to bank customers;
- expected credit loss allowances on items other than loans and advances to customers;
- depreciation, amortization and impairment;
- foreign exchange losses arising from trade related and other payables; and
- foreign exchange losses arising from debenture related liabilities.

Amounts of Reclassifications

Classifications as previously presented:

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
Revenue	**14,298,135**	**19,287,970**	**10,146,386**	**2,163,431**
Cost of sales and external services rendered	(4,429,760)	(5,780,677)	(3,276,720)	(678,372)
Impairment on financial assets charge: expected credit loss allowances	(290,840)	(299,683)	(179,343)	(70,140)
Gross profit	**9,577,535**	**13,207,610**	**6,690,323**	**1,414,919**
Other income / (expenses)	595,841	(574,772)	1,700,231	192,637
General administrative and other expenses	(7,075,096)	(6,452,875)	(5,220,465)	(972,108)
Marketing and sales expenses	(937,498)	(1,043,799)	(663,577)	(114,660)
Profit before interest, taxation, depreciation, amortisation and impairment	**2,160,782**	**5,136,164**	**2,506,512**	**520,788**
Depreciation, amortisation and impairment	(2,407,508)	(860,718)	(345,431)	(61,682)
Foreign exchange losses	(4,603,528)	(8,393,097)	(2,199,300)	(561,263)
Gain on net monetary position (IAS 29)	4,369,219	5,298,291	-	-
(Loss) / profit before net finance costs	**(481,035)**	**1,180,640**	**(38,219)**	**(102,157)**

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Notes to the consolidated financial statements (continued)

For the year ended 28 February 2021

39. CORRECTION OF PRIOR PERIOD ERROR ON ANALYSIS OF EXPENSES CLASSIFICATION AND PRESENTATION (CONTINUED)

Amounts of Reclassifications (continued)

Classifications as per revised presentation

		INFLATION ADJUSTED		HISTORICAL*	
	Notes	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
Revenue	**2**	**14,298,135**	**19,287,970**	**10,146,386**	**2,163,431**
Cost of sales and external services rendered		(4,429,760)	(5,780,677)	(3,276,720)	(678,372)
Impairment on financial assets charge: expected credit loss allowances on loans and advances to bank customers	**20.4**	(131,164)	(197,041)	(79,516)	(46,737)
Gross profit		**9,737,211**	**13,310,252**	**6,790,150**	**1,438,322**
Other income	**7.1**	686,919	120,201	1,765,018	192,637
Other expenses	**7.2**	(91,078)	(694,973)	(64,787)	-
General administrative and other expenses:		(10,449,325)	(10,265,582)	(5,814,443)	(1,160,297)
Administration and other expenses		(7,075,096)	(6,452,875)	(5,220,465)	(972,108)
Impairment on financial assets charge: expected credit loss allowances on items other than loans and advances to bank customers		(159,676)	(102,642)	(99,827)	(23,403)
Depreciation, amortisation and impairment	**10,11,13**	(2,407,508)	(860,718)	(345,431)	(61,682)
Foreign exchange losses arising from trade related and other payables		(807,045)	(2,849,347)	(148,720)	(103,104)
Marketing and sales expenses		(937,498)	(1,043,799)	(663,577)	(114,660)
Foreign exchange losses arising from debenture related liabilities		(3,796,483)	(5,543,750)	(2,050,580)	(458,159)
Gain on net monetary position (IAS 29)		4,369,219	5,298,291	-	-
(Loss) / profit before net finance costs		**(481,035)**	**1,180,640**	**(38,219)**	**(102,157)**

Notes to the consolidated financial statements (continued)

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39. CORRECTION OF PRIOR PERIOD ERROR ON ANALYSIS OF EXPENSES CLASSIFICATION AND PRESENTATION (CONTINUED)

Amounts of Reclassifications (continued)

Impact of Changes in the Classifications Arising from the Revised Presentation

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
Revenue [no change]	**-**	**-**	**-**	**-**
Cost of sales and external services rendered [no change]	-	-	-	-
Impairment on financial assets charge: expected credit loss allowances [decrease]	159,676	102,642	99,827	23,403
Gross profit [increase]	**159,676**	**102,642**	**99,827**	**23,403**
Other income / (expenses) [decrease]	595,841	574,772	1,700,231	192,637
Other income [increase]	686,919	120,201	1,765,018	192,637
Other expenses [increase]	91,078	694,973	64,787	-
General administrative and other expenses [increase]	3,374,229	3,812,707	593,978	188,189
Marketing and sales expenses [no change]				
Profit before interest, taxation, depreciation, amortisation and impairment [decrease]	**2,160,782**	**5,136,164**	**2,506,512**	**520,788**
Depreciation, amortisation and impairment [decrease]	2,407,508	860,718	345,431	61,682
Foreign exchange losses [decrease]	4,603,528	8,393,097	2,199,300	561,263
Foreign exchange losses arising from debenture related liabilities [increase]	3,796,483	5,543,750	2,050,580	458,159
Gain on net monetary position (IAS 29) [no change]	-	-	-	-
(Loss) / profit before net finance costs [no change]	**-**	**-**	**-**	**-**

The changes in the classifications and presentation have no impact on income taxes or basic and diluted earnings per share.

40. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 15 October 2021.

Trading as EcoCash HOLDINGS ZIMBABWE

Directors' responsibility for financial reporting

The Directors of Cassava Smartech Zimbabwe Limited ("the Company") are responsible for the maintenance of adequate accounting records, and the preparation, integrity and fair presentation of the financial statement and related information. The Company's independent external auditors, Messrs Deloitte & Touche, have audited the financial statement and their report appears on pages 224 to 227.

The financial statement for the year ended 28 February 2021 presented from pages 228 to 230 have been prepared using International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The financial statement has also been prepared, to the extent legally possible, in accordance with the Companies and Other Business Entities Act (Chapter 24:31) and related regulations. It is based on accounting policies which have been consistently applied and modified where necessary by the impact of new and revised IFRSs, unless otherwise stated. The application of these accounting policies is supported by reasonable and prudent judgments and estimates. Compliance with IFRSs and laws and regulations is intended to achieve consistency and comparability of financial statement.

The Public Accountants and Auditors Board (PAAB) issued a pronouncement in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019. Consequently, the Company adopted International Accounting Standard (IAS) 29 - Financial Reporting in Hyperinflationary Economies and prepared the financial statement as if the economy had been hyperinflationary from 1 October 2018.

In as much as all reasonable care and attention has been taken by the directors to present information that is meaningful and relevant to the users of the financial statement, it is not always possible to present this information in a way that is not contradictory to International Financial Reporting Standards when reporting the multiple factors in the environment, including but not limited to the legislative framework and economic variables affecting companies operating in Zimbabwe. Due to factors that result from the prevailing economic environment, this financial statement has been qualified by the auditors. In their opinion, the Company has been unable to comply with the requirements of the International Financial Reporting Standards (IFRS) referenced in their audit report. These circumstances require care and attention by users of financial statement in their interpretation of financial information presented under such conditions.

The financial statement has been qualified in the following respects: Inappropriate application of International Accounting Standard 8 - Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) on current year and comparative information through the prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies as explained more fully in Note AB to the Company's consolidated financial statements.

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

The directors have satisfied themselves, based on the assessment of the ability of the Company to continue in operational existence for the foreseeable future, that it is appropriate to adopt the going concern basis in preparing the financial statement. The assessment included consideration of the impact of COVID-19.

The financial statement was approved by the Board of Directors on 15 October 2021 and is signed on its behalf by:

Shereni

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Preparer of the financial statement
The financial statement has been prepared under the supervision of Theresa Nyemba.

Nyemba

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

P O Box 267
Harare
Zimbabwe

Deloitte & Touche
Registered Auditors
West Block
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Independent Auditor's Report to the Shareholders of Cassava Smartech Zimbabwe Limited

Report on the audit of the inflation-adjusted statement of financial position

Adverse Opinion

We have audited the inflation-adjusted statement of financial position of Cassava Smartech Zimbabwe Limited (the "Company") set out on pages 227 to 229, which comprises the inflation-adjusted statement of financial position as at 28 February 2021, and the notes to the inflation-adjusted statement of financial position, including a summary of significant accounting policies (together "the financial statement").

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statement does not present fairly the inflation-adjusted financial position of the Company as at 28 February 2021 in accordance with International Financial Reporting Standards ("IFRS"), and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and related regulations.

Basis for Adverse Opinion

Inappropriate application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") on current year and comparative information: Prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' (IAS 29")

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

As disclosed in Note B.3 to the Company's inflation-adjusted consolidated financial statements, which is indirectly referenced from Note (ii) of the inflation-adjusted statement of financial position, the Company did not comply with IAS 21 in the prior year, as the Directors elected to comply with Statutory Instrument 33 of 2019 ("SI 33/19"). IAS 29 was therefore only applied from 22 February 2019, and not 1 October 2018, as required by IAS 21.

Management resolved to correct the inconsistencies arising due to the decision to apply the requirements of IAS 29 from 22 February 2019 as opposed to 1 October 2018, as would have been required to comply with International Financial Reporting Standards as described above. The impact of this correction was only effected as an amendment to the opening equity as a movement in the current year changes in equity, for reasons explained in Note B.3. This is not in compliance with IAS 8 that would have required retrospective restatement, as the adjustments to line items, including movements in a number of note disclosures for the year ended 29 February 2020 have not been made.

Report on the audit of the inflation-adjusted statement of financial position (continued)

Basis for Adverse Opinion (continued)

Inappropriate application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") on current year and comparative information: Prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' (IAS 29") (continued)

IAS 1, 'Presentation of Financial Statements' ("IAS1") requires a third statement of financial position to be presented should errors be material to the third statement of financial position. A third statement of financial position has not been presented in line with these requirements. Therefore, our opinion is further modified on the presentation of the statement of financial position owing to the omission of a third statement of financial position.

As a consequence of the incorrect start date for application of IAS 29 used in the prior year, the restated prior year closing values of share capital and reserves were materially misstated. Our opinion is therefore further modified in respect of the comparability of the current year figures and the corresponding prior period figures in respect of these items.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Cassava Smartech Zimbabwe Limited Annual Report for the year ended 28 February 2021", which we had not yet received as at the date of issuing our auditor's report. The other information does not include the inflation-adjusted consolidated financial statements of the Company and our auditor's report thereon. The document titled "Cassava Smartech Zimbabwe Limited Annual Report for the year ended 28 February 2021" was made available to us after the date of this auditor's report.

Our opinion on the financial statement does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the matters described in the Basis for Adverse Opinion section above, we have concluded that the other information is also materially misstated for the same reasons.

Report on the audit of the inflation-adjusted statement of financial position (continued)

Responsibility of the Directors for the Financial Statement

The Directors are responsible for the preparation and fair presentation of the financial statement in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and related regulations. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

Report on the audit of the inflation-adjusted statement of financial position (continued)

Auditor's Responsibilities for the Audit of the Financial Statement (continued)

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory matters

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)
As a result of the matters described in the Basis for Adverse Opinion section of our report, the financial statement of the Company is not properly drawn up in accordance with the Act and does not give a true and fair view of the state of the Company's affairs as at 28 February 2021.

Section 193(2)
We have no matters to report in respect of the Section 193(2) requirements of the Act.

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

DELOITTE & TOUCHE
Chartered Accountants (Zimbabwe)
Per Brian Mabiza
Partner
PAAB Practice Certificate 0447
Harare, Zimbabwe

18 October 2021

Company statement of financial position

As at 28 February 2021

	Notes	INFLATION ADJUSTED 2021 ZW$ '000	INFLATION ADJUSTED 2020 ZW$ '000	HISTORICAL* 2021 ZW$ '000	HISTORICAL* 2020 ZW$ '000
ASSETS					
Deferred income tax		870	868	206	206
Investment in subsidiaries	(iii)	9,091,196	6,828,583	253,016	253,016
Amounts owed by related party companies	(iv)	78,314	655,962	78,314	155,591
Trade and other receivables		322,564	7,177	232,384	1,702
Treasury bills and government bonds		45,220	153,717	45,220	36,461
Financial assets at fair value through profit or loss		-	17,028	-	4,039
Cash and cash equivalents		5,547	54,225	5,547	12,862
Total Assets		**9,543,711**	**7,717,560**	**614,687**	**463,877**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and reserves		6,521,353	4,908,138	(2,407,671)	(202,214)
Equity attributable to equity holders of Cassava Smartech Zimbabwe Limited		**6,521,353**	**4,908,138**	**(2,407,671)**	**(202,214)**
Liabilities					
Amounts owed to related party companies	(iv)	2,966,769	2,804,915	2,966,769	665,312
Trade and other payables		55,589	4,507	55,589	779
Total Liabilities		**3,022,358**	**2,809,422**	**3,022,358**	**666,091**
Total equity and liabilities		**9,543,711**	**7,717,560**	**614,687**	**463,877**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Mrs. T. Nyemba
FINANCE DIRECTOR

15 October 2021

Trading as
EcoCash
HOLDINGS ZIMBABWE

Notes to the company statement of financial position

For the year ended 28 February 2021

(i) BASIS OF PREPARATION

The Company statement of financial position has been prepared with the aim to fully comply with International Financial Reporting Standards (IFRS).

The accounting policies are similar to those applied in the Group's consolidated financial statements. Refer to Notes B to AB of the notes to the consolidated financial statements in this annual report. The Company statement of financial position has been prepared for inclusion in the Group's annual report, wherein the Group's consolidated financial statements have been presented, in order that it may be presented together with those consolidated financial statements at the Company's annual general meeting as required by Section 144 (1) of the Companies and Other Business Entities Act (Chapter 24:31). As a result, the Company statement of financial position may not be suitable for any other purpose if read in isolation.

(ii) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

The summary of significant accounting policies and other explanatory notes relevant to the Company statement of financial position are similar in all material respects to those applicable to the Group's consolidated financial statements.

(iii) INVESTMENTS AND LOANS IN SUBSIDIARIES

		INFLATION ADJUSTED		HISTORICAL*	
	Percentage	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
EcoCash (Private) Limited (Mobile money service provider in Zimbabwe)	**100%**	1,974,928	1,473,102	54,582	54,582
Steward Bank Limited (Banking Operations in Zimbabwe)	**100%**	4,987,562	3,720,183	137,842	137,842
Econet Life (Private) Limited (Funeral Assurance company in Zimbabwe)	**85%**	864,547	644,870	23,894	23,894
Econet Insurance (Private) Limited (Short term insurance company in Zimbabwe)	**90%**	1,295,035	965,956	35,791	35,791
MARS (Private) Limited (Medical Air rescue services)	**100%**	159,457	166,433	6,167	6,167
Steward Health (Private) Limited (Medical aid company in Zimbabwe)	**100%**	(24,942)	(18,595)	(689)	(689)
Econet Services (Private) Limited (On-Demand Services, e-commerce, farming technology and digital Education services provider in Zimbabwe)	**100%**	(165,391)	(123,366)	(4,571)	(4,571)
Total Investments in Subsidiaries		**9,091,196**	**6,828,583**	**253,016**	**253,016**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the company statement of financial position (continued)

For the year ended 28 February 2021

(iv) RELATED PARTY BALANCES

The Company statement of financial position has been prepared with the aim to fully comply with International Financial Reporting Standards (IFRS).

	INFLATION ADJUSTED		HISTORICAL*	
	2021 ZW$'000	2020 ZW$ '000	2021 ZW$'000	2020 ZW$ '000
Amounts owed to subsidiaries**	(2,966,769)	(2,804,915)	(2,966,769)	(665,312)
Amounts owed by subsidiaries	78,314	655,962	78,314	155,591
	(2,888,455)	**(2,148,953)**	**(2,888,455)**	**(509,721)**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

** *Included in amounts owed to subsidiaries is an amount of ZW$ 2,709,356 (2020: ZW$ 548,378) which relates to the balances that are attributable to debentures.*

(v) PARTIES RELATED TO THE COMPANY

The parent company of Cassava Smartech Zimbabwe Limited is Econet Global Limited which is domiciled in Mauritius.

Fellow Members of Econet Wireless Global Group:
Data Control & Systems (1996) (Private) Limited (trading as LTZ Company)
Econet Global Limited - Company
Econet Leo
Econet Media Zimbabwe (Private) Limited
Econet Projects Company
Econet Wireless Private Limited
Econet Wireless Zimbabwe Holding
Mutare Bottling Company (Private) Limited**
Transaction Payment Solutions (Private) Limited
Transaction Payment Solutions International Limited - Company
Zimbabwe On-Line Private Limited – Company

Fellow Associate
Cumii Zimbabwe (Private) Limited

** Mutare Bottling Company (Private) Limited's operating assets were disposed on 31 March 2021.

(vi) GOING CONCERN

The Board regularly considers and records the facts and assumptions on which it relies to conclude that Cassava will continue in operational existence into the foreseeable future at each reporting date.

The Board is concerned about the challenging operating environment as indicated by hyperinflationary pressures in the economy, global and local uncertainties created by the impact of COVID-19 and the strict criteria to be met in order to access foreign currency. The Company will continue to adopt mitigatory measures, within the bounds of the country's laws, to minimise the adverse impacts of the challenging operating environment.

The Company has ZW$2.7 billion in related party payables which relate to its share of the liability arising from debentures issued out by Econet Wireless Zimbabwe Limited (EWZL) pursuant to the demerger of the Cassava Group from EWZL on 1 November 2018. The Group's 50% share in the liability arising on the 1 166 906 618 unsecured redeemable debentures, with an annual compounding coupon rate of 5%, that were issued at a subscription price of 4.665 US cents per debenture, is accounted for as a long-term related party payable. The obligation is denominated in United States dollar and therefore subject to revaluation for changes in the exchange rate.

The economy experienced significant exchange rate movements during the financial year and as at 28 February 2021 the Group recorded exchange losses amounting to ZW$3.8 billion (2020: ZW$5.5 billion) arising from debenture related liabilities. The underlying debentures to the related party payable, together with the accrued interest, will mature in April 2023. Given the impact of the exchange rate fluctuations on the business' performance, subsequent to year end, a call was made to debenture holders for early redemption and 24% of debenture holders accepted. The Company will continue to implement measures to mitigate against exchange risk and strengthen performance.

As at 28 February 2021, and subsequently as at the date of authorisation of the financial statements, the Directors have assessed the ability of the Company to continue operating as a going concern for the 12 months period subsequent to the date of authorisation of the financial statement and believe that the preparation of this financial statement on a going concern basis remains appropriate.

Trading as
EcoCash
HOLDINGS ZIMBABWE

Shareholder analysis

For the year ended 28 February 2021

Consolidated Top 10

For the year ended 28 February 2021

Rank	Shareholder Name	Total Shares	Percentage
1	ECONET GLOBAL LIMITED	783,882,701	30.26
2	ECONET WIRELESS ZIMBABWE LIMITED	518,115,366	20.00
3	STANBIC NOMINEES (PRIVATE) LIMITED (NNR)	302,331,472	12.67
4	STANBIC NOMINEES (PRIVATE) LIMITED	185,935,629	7.18
5	OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	152,789,983	5.903
6	ECONET WIRELESS ZIMBABWE SPV LIMITED	103,623,090	4.00
7	ECONET EMPLOYEES BENEFICIARY TRUST	77,717,305	3.00
8	NEW ARX TRUST (NNR)	71,455,342	2.76
9	AUSTIN ECO HOLDINGS LIMITED - NNR	41,521,077	1.60
10	NATIONAL SOCIAL SECURITY AUTHORITY	23,199,981	0.90
	Total	**2,260,571,946**	**88.27**
	Other	**330,005,295**	**11.73**
	TOTAL NUMBER OF SHARES IN CONSOLIDATED REGISTER	**2,590,577,241**	**100**

Consolidated Top 10

For the year ended 28 February 2021

Range	Holders	% of Holders	Shares	% of Shares
- 100	2833	28.69	97,748	0.00
101 - 200	825	8.36	123,127	0.00
201 - 500	1,392	14.09	468,678	0.02
501 - 1,000	1,337	13.54	1,005,791	0.04
1,001 - 5,000	1,948	19.72	4,466,051	0.17
5,001 - 10,000	467	4.73	3,347,575	0.13
10,001 - 50,000	554	5.61	12,509,161	0.48
50,001 - 100,000	146	1.48	10,535,675	0.41
100,001 - 500,000	195	1.97	47,024,590	1.82
500,001 - 1,000,000	70	0.71	49,976,576	1.93
1,000,001 - 10,000,000	92	0.93	262,343,427	10.13
10,000,001 -	17	0.17	2,198,678,842	84.87
Total	**9,876**	**100.00**	**2,590,577,241**	**100.00**

Corporate and advisory information

REGISTERED OFFICE
Incorporated in the Republic of Zimbabwe
Company registration number 2487/2012
Cassava Smartech Zimbabwe Limited,
1906 Borrowdale Road, Harare, Zimbabwe

Telephone: +263 242 486121/6, +263 772 023 000,
Fax:+263 4 486120/486867
E-mail: investor@cassavasmartech.co.zw,
Website: www.cassavasmartech.co.zw

GROUP COMPANY SECRETARY

Charmaine Daniels
Cassava Smartech Zimbabwe Limited,
1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe

INDEPENDENT AUDITORS

Deloitte & Touche (Zimbabwe)
Registered Public Auditors
West Block, Borrowdale Office Park, Borrowdale Road, Borrowdale, P.O. Box 267, Harare, Zimbabwe

PRINCIPAL BANKERS

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

Steward Bank Limited
2nd Floor, 101 Union Avenue Building, 101 Kwame Nkrumah Avenue, Harare, Zimbabwe

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

Ecobank Zimbabwe Limited
Block A, Sam Levy's Office Park, Borrowdale, Harare, Zimbabwe

PRINCIPAL LEGAL ADVISORS

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

REGISTRARS AND TRANSFER SECRETARIES

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

Financial diary

For the year ended 28 February 2021

November 2021	Third Annual General Meeting of Shareholders, 1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe
November 2021	Interim abridged consolidated financial results publication
28 February 2022	Financial year end
May 2022	Publication of audited abridged consolidated financial results for the year ended 28 February 2022
August 2022	FY2023 Half year end
September 2022	Fourth Annual General Meeting of Shareholders, 1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe

Trading as
EcoCash
HOLDINGS ZIMBABWE

Notice to members

Notice is hereby given that the Third Annual General Meeting ("AGM") of the members of Cassava Smartech Zimbabwe Limited, trading as Ecocash Holdings Zimbabwe, will be held at the registered office of the Company at Cassava Park, 1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe on **Tuesday 30 November 2021 at 10.00am.**

Owing to COVID-19 restrictions, the Chairman has determined, in accordance with Article 55 of the Company's Articles of Association, that the meeting place referred to above will be inadequate to accommodate all members entitled to and wishing to attend the meeting as the law restricts the maximum number of people allowed to meet in one place. Those members to be accommodated at the meeting shall be expected to bring negative COVID-19 certificates that are not more than 48 hours old and their masks and shall have their temperatures taken and hands sanitized before they are allowed into the meeting place. For the members who cannot be accommodated at the meeting place, the Company has put in place an audio-visual communication facility that will enable them to be heard and seen by all other persons so present whether physically or virtually, by logging into a site, details of which will be communicated to shareholders in due course. The Chairman is satisfied that the measures for an audio-visual virtual communication system set up by the Company meets the requirements of Article 55 and enables all members to participate in the meeting as effectively as if they were present physically.

Take Notice that this AGM with not be considering any proposals for the Change of Name of the Company. Proposals for the Change of Name of the Company will be contained in a Circular to be issued in due course in compliance with sections 296 and 372 of the Listing Rules.

The AGM shall transact the following business:

Ordinary Business

To consider and adopt, with or without amendment, the following resolutions:

1. Financial Statements
To receive and adopt the financial statements for the year ended 28 February 2021 together with the reports of the Directors and auditors thereon.

2. Election of Directors
To note the resignation of Mrs Emilia Chisango as an Executive Director.

To re-elect Mrs Theresa Nyemba as an Executive Director of the Company in accordance with Article 89.2 of the Company's Articles of Association.

To re-elect Ms E Masiyiwa, Mr H Pemhiwa and Mrs S G Shereni as Directors of the Company.

In accordance with Article 81 of the Company's Articles of Association they retire by rotation at the Company's Annual General Meeting and, being eligible, offer themselves for re-election.

Each Director shall be re-elected through a separate resolution.

3. Directors' Remuneration
To approve the remuneration of the Directors for the year ended 28 February 2021.

4. Auditors

4.1 To approve the auditors' fees in respect of the audit of the year ended 28 February 2021.

4.2 To consider the re-appointment of Deloitte & Touche as auditors of the Company for the ensuing year. Deloitte & Touche have served as auditors of the Company for 3 years.

Notice to members (continued)

5. Special Business
To approve the following amendments to the Company's Memorandum and Articles of Association:

5.1 Substitution of reference to "the Companies Act" with "The Companies and Other Business Entities Act"
To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution:

That the Company's Memorandum and Articles of Association be amended as follows: All references to the Companies Act shall mean "the Companies and Other Business Entities Act (Chapter 24:31)" ("COBE").

5.2 Amendment to Article 9 of the Articles of Association
To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution:

That the words "Subject to confirmation by the court" be inserted at the beginning of Article 9.

5.3 Amendment to Article 45 of the Articles of Association
To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution:

That pursuant to Section 167(2) of COBE the first sentence in the Article be replaced by the following "The annual general meeting of the Company shall be held once in every period of twelve (12) months".

5.4 Amendment to the Articles of Association to allow for the holding of virtual meetings of Members
To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution:

That as permissible under Section 170(10) of COBE, the Company's Articles of Association be amended by the addition at the end of Article 47.4 of the following:

"The Company may hold virtual meetings of members through the use of any electronic communication media including video or telephone conferencing. Resolutions passed at the virtual meetings shall be binding as if they were passed at physical meetings".

5.5 Amendment to Article 50 of the Articles of Association
To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution:

That the last sentence in the Article be deleted and be substituted by the following: "A majority of the total number of votes entitled to vote on a matter shall constitute a quorum".

5.6 Amendment to Article 51 of the Articles of Association
To consider, and if deemed fit, to pass with or without amendment, the following Special Resolution:

That the last sentence in the Article be deleted and the following substituted therefor:

"Such meeting shall be reconvened not later than twenty-one (21) days from the date of the adjournment. At a reconvened meeting, following an adjournment for a lack of a quorum, at least twenty-five percent (25%) of the votes of the shares entitled to vote shall constitute a quorum".

5.7 Amendment to Article 68.1 of the Articles of Association
To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution:

That in line with Section 195 (1) of the Companies and Other Business Entities Act (Chapter 24.31) Article 68.1 be amended to provide as follows:

"Subject as hereinafter provided the number of Directors shall not exceed fifteen and shall not be less than seven. Not less than three of the directors shall be independent non-executive directors".

Notice to members (continued)

5.8 Amendment to Article 70 of the Articles of Association
To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution:

By the addition at the end of the Article of the following:
"The fees payable to the Directors must be approved by Shareholders at the Company's annual general meeting".

5.9 Amendment to Article 73 of the Articles of Association
To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution:

5.9.1 By the addition in the heading of the Article the word "Executive" so that it reads "Executive Directors' pension and other benefits".

5.9.2 By the addition at the beginning of the Article of the following: "Subject to shareholder approval at the Company's general meeting" and the deletion in the sixth line of the Article of the words "were at any time Executive Directors" and the substitution therefor of the words "any person who has held the position of an Executive Director".

5.10 Amendment to Article 92 of the Articles of Association
To consider, and if deemed fit, to pass with or without amendment, the following Special Resolution:

That the first sentence of Article 92 be deleted in its entirety and the following substituted therefor:

"A majority of the total number of Directors fixed in the Company's Articles of Association shall constitute a quorum".

5.11 Amendment to Article 96 of the Articles of Association
To consider, and if deemed fit, to pass with or without amendment, the following Special Resolution:

By adding at the end of the Article the following:

"The Director holding the position of Chief Executive Officer of the Company shall not be Chairman or Deputy Chairman of the Board nor shall such person be appointed Chairman or Deputy Chairman of the board within two years of leaving the position of Chief Executive Officer".

5.12 Amendment to Article 136 of the Articles of Association
To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution:

That the Article be deleted in its entirety and the following substituted therefor:

"The decision to present a petition to the Court for the winding up of the Company shall be by Special Resolution passed at a general meeting".

6. Renewal of Share Buy-back authority
To consider, and if thought fit, to adopt with or without amendment, the following resolution:

As an Ordinary Resolution: "That the Company, as duly authorised by Article 10 of its Articles of Association, may undertake the purchase of its own ordinary shares in such manner and on such terms as the Directors may from time to time determine, provided that the repurchases are not made at a price greater than 5% above the weighted average of the market value for the securities for the five business days immediately preceding the date of the repurchase and also provided that the maximum number of shares authorised to be acquired shall not exceed 10% (ten percent) of the Company's issued ordinary share capital.

That this authority shall expire at the next Annual General Meeting and shall not exceed beyond 15 months from the date of the resolution."

Notice to members (continued)

After considering the effect of the maximum repurchase of the shares, the Directors are confident that:

a) The Company will be able to pay its debts for a period of 12 months after the date of the Annual General Meeting.
b) The assets of the Company will be in excess of liabilities.
c) The share capital and reserves of the Company are adequate for a period of 12 months after the date of the notice of the Annual General Meeting.
d) The Company will have adequate working capital for a period of 12 months after the date of the notice of the Annual General Meeting.

NOTES:
A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to speak and, on poll, vote in his/her stead.
A proxy need not be a member of the Company.
Proxy forms should be forwarded to reach the office of the Transfer Secretaries or the Group Company Secretary, at least 48 hours before the commencement of the meeting.

By Order of the Board

Mrs. C.R. Daniels
Group Company Secretary

8 November 2021

Registered Office:
1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe
Email: info@cassava.co.zw
website: www.cassavasmartech.co.zw

Registrars and Transfer Secretaries:
First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea, Harare, Zimbabwe

Cassava Smartech Trading as **EcoCash HOLDINGS ZIMBABWE**

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

PROXY FORM – ANNUAL GENERAL MEETING

PROXY FORM for the Third Annual General Meeting (AGM) of the members of Cassava Smartech Zimbabwe Limited trading as Ecocash Holdings Zimbabwe ("the Company") which will be held at the Registered Office of the Company at Cassava Park, 1906 Borrowdale Road, Borrowdale, Harare on **Tuesday 30 November 2021 at 10.00 am.**

However, owing to COVID–19 restrictions, the Chairman has determined in accordance with Article 55, that the shareholders connect virtually. The Company has put in place an audio visual communication facility that will enable members to be heard and seen by all other persons so present whether physically or virtually, by logging onto https://cassava.escrowagm.com/

I/We .... being the registered holders of

registered holders of .... **Ordinary shares / Class A Share**s in Cassava Smartech Zimbabwe Limited

hereby appoint: 1. .... or failing him/her,

2. ...., as my proxy to act for me/us at the Annual General Meeting of the Company to be held at Cassava Park 1906 Borrowdale Road, Borrowdale at 10.00 am on **Tuesday 30 November 2021** and at any adjournment thereof, and vote for me/us on my/our behalf or to abstain from voting.

Do hereby record my votes for the resolutions to be submitted as follows:	Tick "√" or place and "X" inside the BOX. Please note that alterations made to your initial response should be signed for.		
	IN FAVOUR	**AGAINST**	**ABSTAIN**
ORDINARY BUSINESS To consider and adopt, with or without amendment, the following resolutions:			
1. Adoption of Financial Statements for the year ended 28 February 2021 To receive and adopt the financial statements for the year ended 28 February 2021 together with the reports of the Directors and auditors thereon.			
2 Election of Directors To re-elect Mrs Theresa Nyemba as an Executive Director of the Company in accordance with Article 89.2 of the Company's Articles of Association. To re-elect Ms E Masiyiwa, Mr. H Pemhiwa and Mrs. S G Shereni as Directors of the Company. In accordance with Article 81 of the Company's Articles of Association they retire by rotation at the Company's Annual General Meeting and, being eligible, offer themselves for re-election. Each Director shall be re-elected through a separate resolution.			
2.1 Mrs. T Nyemba			
2.2 Ms E Masiyiwa			
2.3 Mr H Pemhiwa			
2.4 Mrs S G Shereni			
3. Directors' Remuneration To approve the remuneration of the Directors for the year ended 28 February 2021.			
4. Auditors			
4.1 To approve the auditors' fees for the previous year.			
4.2 To consider the re-appointment of Deloitte & Touche as auditors of the Company for the ensuing year. Deloitte & Touche have served as auditors of the Company for six years.			
SPECIAL BUSINESS **5. Amendments to the Company's Articles of Association** To approve the following amendments to the Company's Articles of Association:			
5.1 Substitution of reference to "the Companies Act" with "The Companies and Other Business Entities Act" To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution: That the Company's Articles of Association be amended as follows: All references to the Companies Act shall mean "the Companies and Other Business Entities Act (Chapter 24:31)" ("COBE").			
5.2 Amendment to Article 9 of the Articles of Association To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution: That the words "Subject to confirmation by the court" be inserted at the beginning of Article 9.			
5.3 Amendment to Article 45 of the Articles of Association To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution: That pursuant to Section 167(2) of COBE the first sentence in the article be replaced by the following "The annual general meeting of the Company shall be held once in every period of twelve (12) months".			
5.4 Amendment to the Articles of Association to allow for the holding of virtual meetings of Members To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution: That as permissible under Section 170(10) of COBE, the Company's Articles of Association be amended by the addition at the end of Article 47.4 of the following: "The Company may hold virtual meetings of members through the use of any electronic communication media including video or telephone conferencing. Resolutions passed at the virtual meetings shall be binding as if they were passed at physical meetings".			
5.5 Amendment to Article 50 of the Articles of Association To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution: That the last sentence in the Article be deleted and be substituted by the following: "A majority of the total number of votes entitled to vote on a matter shall constitute a quorum".			

PROXY FORM – ANNUAL GENERAL MEETING (CONTINUED)

Do hereby record my votes for the resolutions to be submitted as follows:	Tick "√" or place and "X" inside the BOX. Please note that alterations made to your initial response should be signed for.		
	IN FAVOUR	AGAINST	ABSTAIN
SPECIAL BUSINESS (CONTINUED) **6. Amendments to the Company's Articles of Association (continued)**			
5.6 Amendment to Article 51 of the Articles of Association To consider, and if deemed fit, to pass with or without amendment, the following Special Resolution: That the last sentence in the Article be deleted and the following substituted therefor: "Such meeting shall be reconvened not later than twenty-one (21) days from the date of the adjournment. At a reconvened meeting, following an adjournment for a lack of a quorum, at least twenty-five percent (25%) of the votes of the shares entitled to vote shall constitute a quorum".			
5.7 Amendment to Article 68.1 of the Articles of Association To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution: That in line with Section 195 (1) of the Companies and Other Business Entities Act (Chapter 24.31) Article 68.1 be amended to provide as follows: "Subject as hereinafter provided the number of Directors shall not exceed fifteen and shall not be less than seven. Not less than three of the directors shall be independent non-executive directors".			
5.8 Amendment to Article 70 of the Articles of Association To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution: By the addition at the end of the Article of the following: "The fees payable to the Directors must be approved by Shareholders at the Company's annual general meeting".			
5.9 Amendment to Article 73 of the Articles of Association To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution:			
5.9.1 By the addition in the heading of the Article the word "Executive" so that it reads "Executive Directors' pension and other benefits".			
5.9.2 By the addition at the beginning of the Article of the following: "Subject to shareholder approval at the Company's general meeting" and the deletion in the sixth line of the Article of the words "were at any time Executive Directors" and the substitution therefor of the words "any person who has held the position of an Executive Director".			
5.10 Amendment to Article 92 of the Articles of Association To consider, and if deemed fit, to pass with or without amendment, the following Special Resolution: That the first sentence of Article 92 be deleted in its entirety and the following substituted therefor: "A majority of the total number of Directors fixed in the Company's Articles of Association shall constitute a quorum".			
5.11 Amendment to Article 96 of the Articles of Association To consider, and if deemed fit, to pass with or without amendment, the following Special Resolution: By adding at the end of the Article the following: "The Director holding the position of Executive Director of the Company shall not be chairman or deputy chairman of the Board nor shall such person be appointed chairman or deputy chairman of the Board within two years of leaving the position".			
5.12 Amendment to Article 136 of the Articles of Association To consider, and if deemed appropriate, to pass with or without amendment, the following Special Resolution: That the Article be deleted in its entirety and the following substituted therefor: "The decision to present a petition to the Court for the winding up of the Company shall be by Special Resolution passed at a general meeting".			
6. Renewal of Share Buy-back Authority To consider, and if thought fit, to adopt with or without amendment, the following resolution: As an Ordinary Resolution: "That the Company, as duly authorised by Article 10 of its Articles of Association, may undertake the purchase of its own ordinary shares in such manner and on such terms as the Directors may from time to time determine, provided that the repurchases are not made at a price greater than 5% above the weighted average of the market value for the securities for the five business days immediately preceding the date of the repurchase and also provided that the maximum number of shares authorised to be acquired shall not exceed 10% (ten percent) of the Company's issued ordinary share capital.			

Signature of Shareholder ....

PLEASE NOTE
Please fill in the correct details below and return to the Company Secretary.

Name ....

Postal Address ....

Email Address.. Contact telephone number ....

Please read the notes below:
NOTE:

1) Shareholders may insert the name of a proxy or the name of two alternative proxies of the shareholder's choice in the space provided. The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.
2) The authority of the person signing a proxy or representing an institutional shareholder should be attached to the proxy form in the form of a Board resolution confirming that the proxy has been appointed to represent the shareholder at the Company's Extraordinary General Meeting.
3) The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof should the shareholder wish to do so.
4) The Chairman of the Annual General Meeting may accept a proxy form which is completed and /or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
5) Any alteration or correction to this form must be initialed by the signatory/signatories.
6) Forms of proxy must be submitted electronically, or lodged at or posted to be received at the registered office of the Company Secretary not less than 48 hours before the time of the meeting.

The Group Company Secretary
Registered Office:
1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe.
Email: companysecretary@cassavasmartech.co.zw
Website: www.cassavasmartech.co.zw

Registrars and Transfer Secretaries:
First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea, Harare, Zimbabwe.
Email: info@fts-net.com

Cassava Smartech

Trading as

EcoCash

HOLDINGS ZIMBABWE