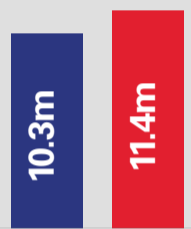


### Econet Wireless Zimbabwe Limited Audited Abridged Consolidated Financial Results for the year ended 28 February 2018

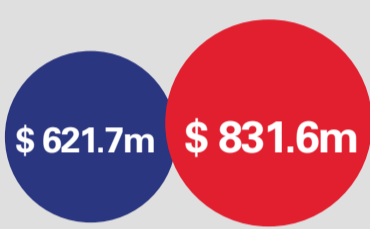
#### FINANCIAL HIGHLIGHTS

##### Subscribers



2017 2018

##### Revenue



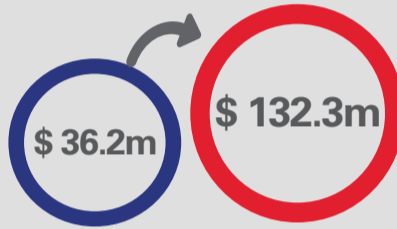
2017 2018

##### EBITDA



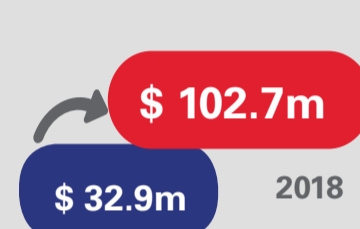
2018

##### PAT



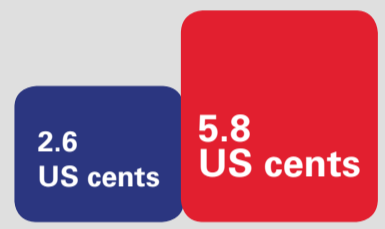
2017 2018

##### Capital expenditure



2017

##### EPS



2017 2018



# Audited Abridged Consolidated Financial Results for the year ended 28 February 2018

## Chairman's Statement to the Shareholders

### INTRODUCTION

Econet has maintained its position as the leader in mobile telecommunications in Zimbabwe, fulfilling the promise made 20 years ago to provide world-class telecommunications to all the people of Zimbabwe. We celebrate this significant milestone by presenting these results which show just how far we have come. This journey has seen us evolve from being a mobile voice telephony operator to become a fully-converged Telecommunications, Media and Technology ("TMT") business that touches the lives of all Zimbabweans.

### OUR CONTRIBUTION

Econet understood and rose to the challenge to transform Zimbabwe into a cash-light society in response to an impending national crisis. In collaboration with the monetary authorities, Econet played a critical role in averting the cash crisis through fostering the adoption of cashless payments using its mobile financial services solutions offered through EcoCash and Steward Bank. This has resulted in financial inclusion increasing to over 80% of the addressable population. This has transformed the Zimbabwean financial system into possibly the most digitised financial system in the world. In order to achieve this, the Company has made significant investments, which exceed US\$ 1.3 billion, since the adoption of the multi-currency regime in 2009. To "EcoCash" has become a verb in Zimbabwe synonymous with making a mobile payment.

Our contributions through fiscal and statutory payments have surpassed US\$ 1.5 billion in the period post the introduction of the multi-currency regime, in 2009. Local suppliers have received over US\$ 3.2 billion in payments from the business over the same period. The impact on employment creation and generation has been immense. We estimate that over 100,000 jobs have been created through direct and indirect activities of the Company.

### TMT OPERATING REVIEW

Anchored on its TMT strategy, the business has delivered a strong performance on all operating metrics in the year ended 28 February 2018. Econet has enhanced the lives of Zimbabweans by providing smart technology and media solutions. Our products and services span across the following segments; Financial Technology ("Fin-tech"), Insurance ("Insure-tech"), Agriculture ("Agri-tech"), Health ("Health-tech"), Education ("Edu-tech"), Media and E-Commerce. The response from our customers to our products and services is truly inspiring. Our business model is premised on an unwavering belief in innovation and creativity in order to solve relevant problems. We realise that wherever there are problems that need to be solved, opportunities arise to provide relevant solutions and create value.

### Telecommunications

Having transformed the business into a fully converged technology business, our voice and SMS services have declined to about 40% of total revenues. Using technology, we have been able to develop products and services that enrich the lives of our customers. Our operating model, in all the business segments that we operate, is premised on understanding the needs of customers and tailor making products and services to meet their needs and expectations. This strategy has been validated by the increase in the number of customers subscribing for our services and the overwhelming response to our customised product offerings. One of the key focus areas for the business is the youth customer segment. "Elevate", our youth-focused empowerment initiative, which provides products designed by the youth for the youth continues to grow. Econet has over 1.2 million subscribers signed up for youth specific product offerings. Our targeted approach to doing business has increased our Average Revenue Per User (ARPU) as more and more people require the use of our services.

### Media

Working with its majority shareholder Econet Global Limited, the Company successfully launched Kwese TV in Zimbabwe. Econet is now a successful player in the media space in Zimbabwe. The imminent arrival of mobile TV under the brand names Kwese iFlix and Kwese Play, using an exclusive right to Netflix content, further enhances Econet's presence in the media space. Our customers appreciate that we are able to enrich their lives with engaging content. This increased the demand for data services as customers see an opportunity to be connected anywhere and everywhere.

### Technology

The Fin-tech segment encompasses our mobile money, banking, remittances and payment solutions. Our robust investment in our telecommunications infrastructure to drive digital delivery has resulted in the formation of Zimbabwe's most digitally enabled bank, Steward Bank and the most integrated and versatile mobile money financial system, EcoCash. During the year, Steward Bank added more than 176,000 new customers, by providing easily accessible, low cost financial services and improving financial literacy. EcoCash increased its merchant footprint to over 50,000 merchants, resulting in a growth in merchant payments. The number of banks integrated to the EcoCash platform increased to 12. This increased the channels through which customers can fund their wallets, affording our customers a viable alternative to cash transfers bringing added convenience.

Through our EcoSure brand, we have increased accessibility to funeral services to the previously excluded. "Insure-tech" is our fastest growing segment with over 2.0 million beneficiaries. Its rapid adoption is testimony to the pioneering spirit of the Company in addressing the needs of our society. During the next 12 months we will be launching auto-insurance and education insurance, both of which are expected to trigger high take-up from our customers as they will provide valuable new services into market. This is a further validation of our business models that are highly customer focused.

Our Agri-tech services, offered under the EcoFarmer brand, allow farmers to receive information and advice on crop routines as well as market linkages. This offering has proved to be very successful with about 1 million farmers now in the EcoFarmer community. Health-tech services include health and wellness tips and health IoT devices. These services have increasing appeal to our customers as Zimbabweans are becoming evermore health conscious. As we continue to enhance our Edu-health offerings we will, over the next few weeks, introduce a new proprietary health platform licenced from a German Company called ADA. Using the Ownai brand, Econet has developed several platforms to attract entrepreneurs to the network. Entrepreneurs value the opportunity to create new businesses that are offered by this platform. Consequently, millions of people are buying and selling products using our platforms.

The Company and its partners provide an interactive online learning platform, Ruzivo Learning, which provides primary and secondary school students with curriculum-aligned reading material and learning exercises using internet enabled devices, for free. To-date over 1 million students have been registered on this edu-tech platform. The life changing opportunity presented to these learners is changing teaching methods and promoting discussions on the effectiveness of technology in enriching the learning experience.

### AWARDS AND RECOGNITION

One of the most prestigious awards that the company has received is the award for the best mobile money solution in the World at the Mobile World Congress in 2017. The Company was awarded the "Best Mobile Innovation for Women in Emerging Markets at Mobile World Congress (2018) in Barcelona. Women remain marginalised in many societies and the work we have done has helped to increase financial inclusion for women in Zimbabwe. In recognition of the Company's relentless pursuit for service excellence, the Customer Engagement Excellence Award for 2017 was awarded to Econet by the Marketers Association of Zimbabwe. Steward Bank received numerous accolades, which include Bank of the Year from the Zimbabwe Investment Authority and the Bank of the Year Innovation award from Megafest. Steward Bank continues to pioneer innovative solutions to address everyday problems in line with this promise to provide "Everyday banking for Everyday people". These awards are testimony to the quality and dedication of our staff, whose drive and commitment to the business is truly exceptional and world class.

### FINANCIAL REVIEW

We continued remodelling and optimising the business to enhance shareholder value. Austerity measures that we started implementing in 2015 have yielded exceptional results, resulting in the improvement of our margins. The EBITDA margin firmed to close the year at 41%, an increase from 36% in the previous year. Our revenue increased to US\$ 832 million, largely driven by strong performance across all subsidiaries. The debt to equity ratio of the Group is now 8% against a prior year comparative of 18%. The Company no longer has exposure to any foreign currency external US\$ denominated amortising debt, following the Rights Offer.

The capital expenditure to revenue ratio increased to 12% against a prior year comparative of 5% mainly driven by critical network acquisitions to improve service delivery. The increased expenditure was partly to address the under-investment from the previous period. We continue to seek solutions to address the investment gap so that we consistently provide world-class services to our customers.

### CORPORATE SOCIAL INVESTMENT

Econet has impacted thousands of lives through various corporate social responsibility initiatives over the past twenty years. Scholarships and education support initiatives undertaken by the Company through its implementation partners, Higher Life Foundation, have benefited over 250 000 direct and indirect beneficiaries.

The business invested in an opportunity for youth to earn income of about \$ 600 per month as virtual call centre agents through "Elevate", its youth focused segment specific offering. The business has directly and indirectly empowered over 5 000 youths and over 400 small to medium enterprises through product distributorship opportunities during the course of the year. The Company also provides opportunities to youth to become application developers through its "Muzinda Learning Hub" initiative, which was launched in 2014. Since launch, over 2 500 application developers have been trained, 25% of them being women.

Our young engineers collaborated in working with local communities on the rehabilitation of access roads. This was solidly in line with the Company's approach to solving problems by empowering communities in the process. In line with the green revolution, the Company started key investments in power technology based on sustainable clean energy. Our call centre is now powered by solar energy and most of the Company's key facilities will be powered by solar energy in the near future.

### OUTLOOK

We are pioneering, we are innovative. We continue to seek value creating opportunities for our stakeholders. Our TMT model will continue to be underpinned by our robust infrastructure, exceptional human capital, diverse product offerings and our innovative culture. We affirm our dedication to uncompromised quality and service excellence, as well as to delivering pioneering innovations that will transform our society.

20 years later, we now have a resilient business anchored on our robust business model. A business model which we have replicated across different industry sectors with remarkable results. Our customers have validated the strength of this business model by their increasing confidence in our products and services and this is demonstrated in these results. It takes time and patient effort to build businesses that are founded on strong foundations. As we continue to refocus our business, and develop solid foundations for our new businesses, we are confident that our technology driven approach to agriculture, health, education, commerce, media and insurance will yield increasing value for our shareholders.

As a significant investor in the economy, we welcome the approach ushered in by the Government to focus on driving investment in the economy as an enabler to economic growth and job creation. We are more than ready to play our part in working towards a more prosperous Zimbabwe.

### DIVIDEND DECLARATION

The Company has declared a final dividend of 0.3927 US cents per share amounting to US\$ 10 million for the year ended 28 February 2018. The total dividends declared for the year amounts to US\$ 60 million, equivalent to 2.3562 US cents per share.

ACTION	DATE
Last Date to Trade – cum dividend	Tuesday, 12 June 2018
Share Trade Ex-Dividend	Wednesday, 13 June 2018
Record Date	Friday, 15 June 2018
Payment Date (on/about)	Thursday, 21 June 2018

Withholding tax will be deducted at a rate of 10%, where applicable. Payments to foreign shareholders will be subject to exchange control approval and payment guidelines for foreign remittances. Foreign

## Chairman's Statement to the Shareholders (Continued)

shareholders should appoint or make their own arrangements with a local bank of their choice to receive their dividend on their behalf and to facilitate remittance to them.

### APPRECIATION

I would like to take this opportunity to extend my profound appreciation to our customers, who have believed in the Company for the last 20 years. Our staff have made exceptional sacrifices to support the business and their contribution, passion and commitment to the business is impressive. Our business partners have been extremely supportive, we would like to express our appreciation to them. Our appreciation also extends to our regulators for their support and continued direction. To my fellow Board members, allow me to extend my sincere appreciation for your guidance and continued support.

**DR J. MYERS**  
**CHAIRMAN OF THE BOARD**

**30 MAY 2018**

## Abridged Consolidated Statement of Comprehensive Income

For the year ended 28 February 2018

(All figures in US\$ 000)	Audited 28 February 2018	Audited 28 February 2017
<b>Revenue</b>	<b>831,597</b>	<b>621,705</b>
Earnings before interest, taxation, depreciation and amortisation	339,699	223,953
Depreciation, amortisation and impairment	(140,506)	(138,150)
<b>Profit from operations</b>	<b>199,193</b>	<b>85,803</b>
Finance income	675	673
Finance costs	(7,116)	(26,730)
<b>Profit before taxation</b>	<b>192,752</b>	<b>59,746</b>
Taxation	(60,461)	(23,558)
<b>Profit for the year</b>	<b>132,291</b>	<b>36,188</b>

### Other comprehensive income

Other comprehensive income net of tax	-	1,064
<b>Total comprehensive income for the year</b>	<b>132,291</b>	<b>37,252</b>

### Profit for the year attributable to:

Equity holders of the parent	140,786	36,978
Non-controlling interest	(8,495)	(790)
<b>Profit for the year</b>	<b>132,291</b>	<b>36,188</b>

### Total comprehensive income for the year attributable to:

Equity holders of the parent	140,786	38,042
Non-controlling interest	(8,495)	(790)
<b>Total comprehensive income for the year</b>	<b>132,291</b>	<b>37,252</b>

### Earnings per share

Basic and diluted earnings per share (US cents)	5.8	2.6
Number of shares in issue	2,590,576,832	1,640,021,430
Weighted average number of shares in issue	2,409,583,931	1,416,218,537

## Abridged Consolidated Statement of Financial Position

As at 28 February 2018

(All figures in US\$ 000)	Audited 28 February 2018	Audited 28 February 2017
<b>ASSETS</b>		
Property, plant and equipment, intangible assets and goodwill	688,508	728,803
Other non-current assets	72,982	52,603
Deferred taxation	2,334	8,640
Financial instruments - long term	206,275	71,727
Financial instruments - short term	385,375	250,532
Financial instruments - short term (MMT)	173,202	91,698
Other current assets	9,387	20,721
<b>Total assets</b>	<b>1,538,063</b>	<b>1,224,724</b>

### EQUITY AND LIABILITIES

#### EQUITY

Share capital and share premium	96,371	40,764
Retained earnings	661,684	638,066
Other reserves	8,862	14,922
Attributable to equity holders of the parent	766,917	693,752
Non-controlling interests	(4,923)	3,572
<b>Total equity</b>	<b>761,994</b>	<b>697,324</b>

#### LIABILITIES

Deferred taxation	80,089	96,794
Other non current liabilities	9,219	4,713
Financial Instruments;		
- Long-term interest-bearing debt	55,128	55,137
- Short-term interest-bearing debt	3,677	72,627
- Other financial instruments - short term	417,213	179,015
- Other financial instruments - short term (MMT)	173,202	91,698
Other current liabilities	37,541	27,416
<b>Total liabilities</b>	<b>776,069</b>	<b>527,400</b>

<b>Total equity and liabilities</b>	<b>1,538,063</b>	<b>1,224,724</b>
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## Abridged Consolidated Statement of Cashflows

For the year ended 28 February 2018

(All figures in US\$ 000)	Audited 28 February 2018	Audited 28 February 2017
<b>Cash generated from operations</b>	<b>421,744</b>	<b>211,744</b>
Income taxes paid	(60,392)	(38,081)
<b>Net cash generated from operations</b>	<b>361,352</b>	<b>173,663</b>
<b>Investing activities</b>		
Net acquisition of property, plant and equipment and intangible assets	(102,678)	(32,929)
Net investment in consolidated entities	-	5,472
Net acquisition of other investments	(153,453)	(24,185)
<b>Net cash used in investing activities</b>	<b>(256,131)</b>	<b>(51,642)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(124,209)	(126,899)
Share buy-back	(55,788)	-
Financing costs paid	(3,949)	(22,549)
Dividend paid	(36,511)	(10,977)
Increase in deposits due to banks and customers	177,180	91,626
Net proceeds from borrowings	52,083	27,404
Net proceeds from issue of shares	50,301	5,522
<b>Net cash flows from / (used in) financing activities</b>	<b>59,107</b>	<b>(35,873)</b>
Net increase in cash and cash equivalents	164,328	86,148
Cash and cash equivalents at beginning of year	185,863	99,715
<b>Cash and cash equivalents at end of year</b>	<b>350,191</b>	<b>185,863</b>
<b>Comprising:</b>		
Cash and cash equivalents restricted	173,202	91,698
Cash and cash equivalents non-restricted	176,989	94,165
	<b>350,191</b>	<b>185,863</b>

## Consolidated Statement of Changes in Equity

For the year ended 28 February 2018

(All figures in US\$ 000)	Share capital and share premium	Retained earnings	Other reserves	Attributable to Equity holders of the parent	Non-controlling interest	Total
<b>Balance at 29 February 2016</b>	<b>40,764</b>	<b>614,225</b>	<b>2,546</b>	<b>657,535</b>	<b>4,362</b>	<b>661,897</b>
Profit for the year	-	36,978	-	36,978	(790)	36,188
Other comprehensive income for the year	-	-	1,064	1,064	-	1,064
Dividend paid	-	(12,820)	-	(12,820)	-	(12,820)
Other	-	(317)	11,312	10,995	-	10,995
<b>Balance at 28 February 2017</b>	<b>40,764</b>	<b>638,066</b>	<b>14,922</b>	<b>693,752</b>	<b>3,572</b>	<b>697,324</b>
Profit for the year	-	140,786	-	140,786	(8,495)	132,291
Cancellation of shares	(216)	-	-	(216)	-	(216)
Purchase of treasury shares	-	(55,788)	-	(55,788)	-	(55,788)
Dividend paid	-	(61,380)	-	(61,380)	-	(61,380)
Issue of shares	58,345	-	(5,522)	52,823	-	52,823
Share issue costs	(2,522)	-	-	(2,522)	-	(2,522)
Other movements	-	-	(538)	(538)	-	(538)
<b>Balance at 28 February 2018</b>	<b>96,371</b>	<b>661,684</b>	<b>8,862</b>	<b>766,917</b>	<b>(4,923)</b>	<b>761,994</b>

## Abridged summarised segment information

(All figures in US\$ 000)	28 February 2018				28 February 2017			
	Cellular Network Operations	Other segments	Net Eliminations	Total	Cellular Network Operations	Other segments	Net Eliminations	Total
Revenue & net interest income (from external customers)	578,613	254,581	(1,597)	831,597	495,112	127,704	(1,111)	621,705
Depreciation, amortisation and impairment	(128,321)	(12,185)	-	(140,506)	(124,269)	(13,881)	-	(138,150)
Segment profit	64,433	66,534	1,324	132,291	21,521	9,416	5,251	36,188
Segment assets	970,520	1,040,111	(472,568)	1,538,063	1,112,108	620,869	(508,253)	1,224,724
Segment liabilities	373,341	770,193	(367,465)	776,069	387,096	541,657	(401,353)	527,400

This is a summarised segment report showing the Group's major segment, Cellular network operations and other segments. Included in "Other" are the results of the following segments: Financial Services, Insurance, Beverages, Investments and Administration.

## Notes to the abridged consolidated financial statements

For the year ended 28 February 2018

- General information**  
The main business of Econet Wireless Zimbabwe Limited ("the Company") is mobile telecommunications and related value added services. The abridged consolidated financial results incorporate the Company's subsidiaries and associates ("the Group"). These abridged financial results are presented in United States dollars being the currency of the primary economic environment in which the Group operates.
- Accounting policies**  
The Group reports in terms of International Financial Reporting Standards (IFRS). The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous year with no significant impact arising from new and revised IFRS applicable for the year ended 28 February 2018.
- Audit opinion**  
These financial results should be read in conjunction with the complete set of financial statements for the year ended 28 February 2018, which have been audited by Deloitte & Touche in accordance with International Standards on Auditing. An unmodified audit opinion has been issued thereon.
- Statement of compliance**  
The Group financial results which are summarised by these abridged consolidated financial results have been prepared in compliance with IFRS promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as the Standing Interpretations Committee (SIC).

The abridged consolidated financial results do not include all of the information and disclosures required to fully comply with IFRS and should be read in conjunction with the Group's annual consolidated financial statements as at 28 February 2018 which will be distributed at the Company's annual general meeting and is available for inspection at the Company's registered office.

(All figures in US\$ 000)	28 February 2018	28 February 2017
<b>5. Depreciation and amortisation of property, plant and equipment and intangible assets</b>	140,506	138,150
<b>Commitments for capital expenditure</b>		
Authorised by Directors and contracted	98,773	40,800
Authorised by Directors but not contracted	19,019	33,400
	117,792	74,200
The capital expenditure is to be financed out of the Group's own resources and existing facilities.		
<b>Earnings per share</b>		
Profit for the year attributable to equity holders of the parent	140,786	36,978
<b>Number of shares</b>	<b>2018</b>	<b>2017</b>
<b>Number of shares</b>		
Weighted number of ordinary shares for the purposes of basic and diluted earnings per share calculation	2,409,583,931	1,416,218,537
Basic and diluted earnings per share (US cents)	5.8	2.6

- Contingent liabilities**  
There are no material changes to contingencies from those that were communicated in the last annual consolidated financial statements.
- Events after reporting date**  
There have been no significant events after the reporting date. We continue to monitor the impact of the changing economic conditions on the business.
-