ECONET WIRELESS ZIMBABWE LIMITED

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

Registered Office:
Econet Park, 2 Old Mutare Road, Msasa, Harare, Zimbabwe.
Email: investor@econet.co.zw
Website: www.econet.co.zw

NOTICE TO DEBENTURE HOLDERS OF ECONET WIRELESS ZIMBABWE LIMITED

Lead-Financial Advisors

Sponsoring Broker

(Members of the Zimbabwe Stock Exchange)

Transfer Secretaries

Debenture Trustees

CORPORATE AND ADVISORY INFORMATION

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

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

Group Company Secretary
Charles Alfred Banda
Econet Park, 2 Old Mutare Road, Msasa, 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

African Export-Import Bank Limited
72 (B) EL Maahad EL-Eshleraky Street, Opposite Merryland Park, Roxy, Heliopolis, Cairo 11341, Egypt

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

Steward Bank Limited
75 Livingstone Avenue, Harare, Zimbabwe

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

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

Principal legal advisors
Mtetwa and Nyambirai Legal Practitioners
2 Meredith Drive, Eastlea, Harare, Zimbabwe

Registrars and transfer secretaries
First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea, Harare, Zimbabwe

1 NOTICE TO HOLDERS OF 1 166 906 518, 5% UNSECURED DEBENTURES OF ECONET WIRELESS ZIMBABWE LIMITED

Notice is hereby given to the Debenture holders of Econet Wireless Zimbabwe Limited inviting them to offer their Debentures to the Company for early redemption in accordance with the provisions of the Debenture Trust Deed dated 18 January 2017 and the Circular under which these Debentures were issued dated 17 January 2017.

2 EXCHANGE CONTROL APPROVAL

Although the early redemption of the Debentures held by both local and foreign Debenture holders was pre- approved by the Reserve Bank of Zimbabwe upon the approval of the Circular issued on 17 January 2017, the Company has sought and obtained the further approval of the Reserve Bank of Zimbabwe for the early redemption of the Debentures in Zimbabwe Dollars calculated at the prevailing interbank rate. However, in view of the significance of the amount involved, the Reserve Bank of Zimbabwe stipulated that the early redemption must be done over an extended period of time, and has approved the period April 2021 to April 2023 for the early redemption of the Debentures.

3 PROPOSED EARLY REDEMPTION OF DEBENTURES

The Debentures were created under the Debenture Trust Deed that was executed by the Company and the Debenture Trustees on 18 January 2017 and registered with the Registrar of Deeds on 25 January 2017 as Number MA0000089/2017. Clause 2.2 of the Debenture Trust Deed provides that the Debentures shall be redeemable at the end of six years or earlier at the discretion of the Board.

The Circular issued to members by the Company on 17 January 2017, under which the Debentures were offered for subscription by the members, provides at page 17 that, the ***"Debentures shall be redeemable at the end of 6 years from the date of issue, or earlier at the discretion of the board. In the case of earlier redemption, the Debentures shall be redeemed at a price determined by adding the cumulative interest calculated at a coupon rate of 5% per annum and compounded annually on the subscription price up to date of redemption."***

4 RATIONALE OF THE EARLY REDEMPTION

The Board has exercised its discretion to give Debenture holders an opportunity to offer their debentures to the Company for early redemption. The following are the reasons why the Board has decided to exercise its discretion to give Debenture holders an opportunity to redeem their debentures early:

4.1 22% of the debentures are held by local debenture holders and the balance is held by foreign holders. If the Company waits for the maturity date, Debenture holders may at the time be prejudiced as they will all have to queue up for the scarce foreign currency at the same time. This could put pressure by increasing the demand for foreign currency on the foreign exchange auction. Thus, the opportunity for the early redemption of the debentures allows for the redemption of the debentures in smaller tranches over an extended period of time.

4.2 The opportunity gives those Debenture holders who wish to exit early, an opportunity to do so and to apply their funds to alternative investments.

4.3 Early redemption of the Debentures will give the Company an opportunity to strengthen its balance sheet by reducing the amount of its foreign currency exposure and to minimize any future exchange losses that might result from the weakening of the Zimbabwe Dollar against the United States Dollar.

4.4 Early redemption affords the Reserve Bank of Zimbabwe, which has insisted on an extended redemption period, the opportunity to manage liquidity in the market as the aggregate redemption value of the Debentures on maturity, of USD72,955,002, inclusive of interest, is significant in the context of our economy.

4.5 Early redemption over an extended period, in accordance with the requirements of the Reserve Bank of Zimbabwe, benefits the Company in that the cash outflows can be managed over an extended period of time.

5 PERIOD OF AVAILABILITY OF THE OPPORTUNITY

The opportunity to offer Debentures for early redemption shall be available to Debenture holders during the period commencing at 0900 hours on 19 July 2021 and ending at 1600 hours on 2 August 2021 ("the offer period").

6 RECORD DATE FOR PARTICIPATING IN THE OPPORTUNITY

The Record Date for determining who is entitled to participate in the opportunity to offer their Debentures for early redemption shall be the close of business on **16 July 2021.** All Debenture holders that are recorded in the Register of Debenture holders at close of business on the Record Date shall be entitled to offer their Debentures for early redemption. All the 1,166,906,618 Debentures in issue shall be eligible for early redemption. Debenture holders who choose not to offer some or all of their debentures for early redemption will retain those Debentures on the terms and conditions on which they were issued.

7 EARLY REDEMPTION PRICE AND CURRENCY

The Debentures shall be redeemed at the face value of 4.665 US Cents each plus interest thereon calculated at a coupon rate of 5% per annum and compounded annually from the date of issue up to the date of payment, to be converted to Zimbabwe Dollars at the prevailing interbank rate as at the date of payment. The date of payment shall be deemed to be the date of redemption, notwithstanding that the Debenture holder's offer of redemption may have been accepted by the Company on an earlier date.

8 TAXATION

In terms of paragraph 2.3 of the Debenture Trust Deed, any taxes on the interest on the Debentures shall be to the account of the Company. The interest on the Debentures of 5% per annum compounded annually shall be net of any taxes. However, Debenture holders are advised to consult their own tax advisers if they are in any doubt about their respective tax positions. The early redemption of the Debentures does not require any prior approvals of the Zimbabwe Revenue Authority.

9 EARLY REDEMPTION MECHANISMS/ STEPS TO BE FOLLOWED

9.1 Debenture holders shall be entitled, during the offer period, to offer some, or all of their Debentures to the Company for redemption, subject to the terms and conditions hereof, by completing the Debenture Early Redemption Offer Form that is accompanying this Notice and returning it no later than 1600hrs on **2 August 2021** to First Transfer Secretaries of 1 Armagh Avenue, Eastlea Harare, Zimbabwe, together with the Debenture Certificate.

9.2 The Offer made by debenture holders shall be *final and irrevocable* and may not be withdrawn once communicated to the Company. The Company will have the discretion to reject all or some of the debentures offered.

9.3 If any documents of title of Debenture holding have been lost or destroyed and the Debenture holder concerned produces evidence to this effect to the satisfaction of the Transfer Secretaries, the Transfer Secretaries, may, subject to obtaining the Company's consent, dispense with the requirement to surrender such existing Document of Title against provision of an acceptable indemnity.

9.4 Receipts of the Surrender of Documents of Title for Debenture holding will be issued only upon request.

9.5 Nominee companies will be treated as a single Debenture holder for the purpose of this redemption.

9.6 Where the Company elects to accept some only, and not all the Debentures held on one Certificate, the Company shall split the Certificate and return to the Debenture holder the balance Certificate relating to those Debentures not accepted for early redemption.

9.7 The Company shall fix the settlement dates for the Debentures accepted for early redemption at its discretion, and subject to its cashflows.

9.8 The settlement dates for the Debentures accepted for early redemption shall be sent to the Debenture holders on 16 August 2021, provided that, before such dates, the Company shall be entitled to change such dates and send communication of new dates at its absolute discretion.

9.9 Any notice may be given by the Company to any debenture holder by publishing the same on the Company's website https://www.econet.co.zw and any notice so posted shall be deemed to have been received on the day of posting, or by sending the same through the post in a pre-paid letter addressed to such holder at his registered place of business, or by email to the email address of the debenture holder validly given to the Company, and any notice so given shall be deemed to have reached the holder on the day following that on which it is posted or sent by email. When the Company considers it expedient, any notice, instead of being served as aforesaid, may be given by it to the debenture holders or any of them by advertising in the Herald and the Chronicle, and a notice so advertised shall be deemed to be served on the debenture holders on the day following that on which it is advertised.

9.10 The Company reserves the right, at its absolute discretion, to accept, or reject any offer for the early redemption of Debentures without any obligation to give reasons for its decision.

9.11 The Company shall use its own free cashflows to redeem the Debentures and shall not borrow for the purpose of early redemption of the Debentures.

10 PRIORITISATION OF REDEMPTION

The money that the Company makes available for the early redemption of the debentures shall be distributed equally towards the redemption of debentures held by all the debenture holders whose offers would have been accepted by the Company and whose debentures would be outstanding and available for early redemption on the date that the money is made available.

11 IMPORTANT DATES AND TIMES

Event	Date
Publication of this Notice	13 July 2021
Opening of the period for the Debenture holders to offer their Debentures	0900hrs on 19 July 2021
Closure of the period for the Debenture holders to offer their Debentures	1600hrs on 2 August 2021
Sending of Communication of acceptance or rejection of offers to the debenture holders	16 August 2021
Payment Dates	Dates falling within the period 31 August 2021 to 30 April 2023, to be communicated by the Company from time to time.

By order of the Board
Econet Wireless Zimbabwe Limited



C.A. Banda
Group Company Secretary

13 July 2021

Registered Office:
Econet Park, 2 Old Mutare Road, Msasa, Harare, Zimbabwe.
Email: investor@econet.co.zw
Website: www.econet.co.zw