

Cassava

Smartech

Life is digital

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)
ZSE alpha Code: CSZL ISIN ZW0009012361

TRADING UPDATE FOR THE NINE MONTHS TO NOVEMBER 2019

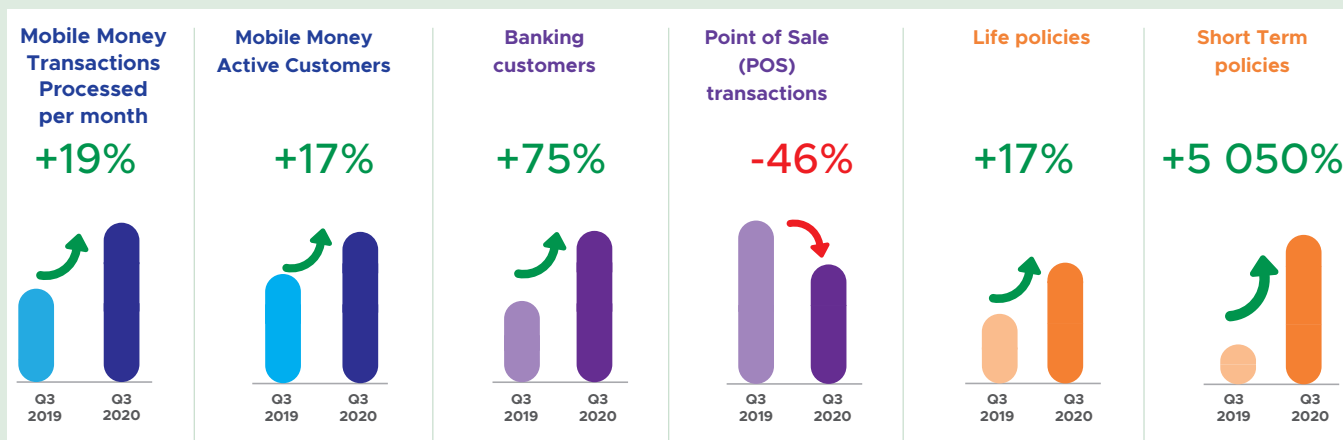
The Company is pleased to present its trading update for the nine months and third quarter ended 30 November 2019.

Trading Environment

The macroeconomic environment over the nine months under review has continued to be operationally challenging, characterised by subdued consumer demand as a result of the continued depreciation of the Zimbabwe Dollar, a re-emergence of hyperinflation, erosion of disposable incomes, high unemployment and chronic power outages.

Business performance

We continue leveraging on our robust business model to provide best-in-class service and create value for our shareholders despite the deteriorating macro-economic environment. The Group has continued to innovate and invest further in its technology platforms in order to provide our customers with relevant products and services whilst improving access and convenience. Consistent with the H1 FY20 performance, we continue to see an increase in volumes across almost all product and service lines, notwithstanding the erosion of tariffs in real terms that have not matched the inflation rate.



Transactions processed on our mobile money platform increased by an average 19% from Q3 FY19 to Q3 FY20, while the number of active customers has also increased by 17% in the same period.

Steward Bank grew its customer base by 75% from Q3 FY19 to Q3 FY20. The bank has, however recorded a decline in transactions on its Point of Sale terminals by an average of 46% from the Q3 FY19 to Q3 FY20, a trend which is commensurate with declining volumes in the retail sector as consumer disposable incomes fail to keep up with inflation.

The insurtech business has been recording positive results with a 17% growth recorded in life policies in the period under review. The business recorded significant growth in our short-term insurance business which grew by 5,050% compared to the same period prior year. The EcoSure and Moovah businesses have managed to maintain their claims ratios at a level lower than the industry average.

Outlook

The Zimbabwe operating environment remains challenging for businesses to operate in. The Board and management will continue to focus on identifying and developing opportunities in the market that are consistent with the changing customer demands without compromising on service excellence. The unique synergies inherent in the Group's businesses have given us an opportunity to bundle products and leverage on shared services to effectively launch and scale new services.

By Order of the Board



C.R. Daniels
Company Secretary

15 January 2020

DIRECTORS: Mrs S. G. Shereni, Mr M. L. Bennett, Dr Z. Dillon, Ms. E. T. Masiyiwa, Mr C. Maswi, Mr D. Musengi, Mr H. Pemhiwa, Mr D. T. Mandivenga, Mr E. Chibi*, Mrs E. Chisango*. * Executive.

REGISTERED OFFICE: 1906 Borrowdale Road, Borrowdale, Harare.