

Cassava Smartech Zimbabwe Limited Trading Update First Quarter Ended 31 May 2021

Operating Environment

Despite continued uncertainty due to the Covid-19 pandemic during the first quarter, the market showed resilience with expectation that the government led national vaccination programme will result in a sustained re-opening of the economy and reduce the effects of the pandemic on business.

Business Performance

The Group's inflation adjusted revenues for the three months ended 31 May 2021 more than doubled, compared to the same period last year. We remain cautiously optimistic that this trend will be sustained but are very conscious that a third wave of the pandemic could lead to additional restrictions on people movement and businesses in order to manage the spread of the virus.

Mobile Money Services

The mobile money business experienced steady growth over the period recording a 60% increase in transaction values. The increase in transaction values was largely driven by an increase in wallet funding. Active customers also continued to recover during the period.

Banking Services

Steward Bank's revenue contribution has remained stable in the quarter and is expected to increase going forward following the successful implementation of a core banking system upgrade finalized in April 2021. The Bank's performance was driven by higher transaction values as well as growth in interest earning assets. The bank's loan book is growing in line with our growth strategy on interest earning assets. The bank expects an increase in transaction volumes post the implementation of the system upgrade.

Insurtech Services

The Insurtech business continues on a positive trajectory, writing new short term and life insurance policies as it grows the customer base for all insurance products. New products and alternative payment channels were introduced leading to a doubling of our short-term insurance customers.

Vaya Technology Limited

Performance of the Vaya Agritech business was suppressed during the period due to weather conditions that resulted in a delay in servicing land preparation work for winter cropping. The Healthtech business experienced significant growth on the back of increased demand for health services as a result of the Covid-19 pandemic.



Business Outlook

The Group continues to focus on providing convenient digital solutions to the increasing customer demands. The drive towards continued service excellence will remain a focus area in the coming period. The relatively stable macro-economic outlook will augment the revenue growth strategies in the future. The Group has put in adequate measures to minimize the impact of Covid-19 on its operations. The good agricultural season presents opportunities for the group's agritech unit, short-term insurance, mobile money and the bank.

Publication Of Financial Results

The Group has sought an extension from the ZSE for the publication of the full year financial results for the year ended 28 February 2021 due to Covid-19 induced circumstances. The financial statements will be published on or before the 31st of August 2021.

By Order of the Board

C.R. Daniels
Company Secretary

30 July 2021

DIRECTORS:

Mrs S. G. Shereni (Chairperson), 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 T Nyemba*

*Executive

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