

EcoCash

HOLDINGS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)

ZSE Alpha Code: EHZL.zw ISIN ZW0009012437

TRADING UPDATE

For the first quarter ended 31 May 2023

OVERVIEW OF TRADING ENVIRONMENT

The quarter ended May 31, 2023 was characterised by significant changes in the macro economic environment which presented challenges to the business in terms of responding to the high inflation and exchange rate volatility. Despite the challenging economic conditions presented, the Group has continued to make steady progress across all our subsidiaries. We have navigated these challenges through the diversification of our product and service offering.

BUSINESS OPERATIONS REVIEW

Mobile Money

Adoption and use of our USD wallet on the EcoCash platform has grown steadily during the quarter, with an increase in the number of active users which has resulted in an eight-fold increase in transaction values, as customers took advantage of the convenience and reliability of our mobile money platform. Our local currency (ZWL) wallet has continued to support government efforts to promote ZWL transactions. We launched new features during the quarter, including 3D Secure Payments allowing secure and seamless USD payments for online internet transactions through the EcoCash MasterCard debit card, which has been well received by our customers.

Digital Banking

The bank has witnessed measurable gains in its FCA product portfolio consistent with market changes. There were notable gains in active FCA accounts which grew by 56% compared to the same quarter in the prior year. VISA Card volumes have also seen improvement by 59%. A growing loan book had a positive effect on interest income revenue contribution from 20% prior year to the current quarter's contribution of 29%. The bank remains compliant with its capital position.

Insurtech

The insurtech segment has been focused on preserving value for our customers while offering products that provide flexible and affordable coverage options to our customers. Our life insurance subsidiary performed well during the quarter with a growth in USD policies from 3% in Q1 2023 to 56% in the quarter under review. The short-term insurance business saw a 116% growth in total policy-holders at the end of May 2023 as compared to May prior year. The growth was evenly distributed through all revenue lines.

Digital Platforms

Our digital platforms continued to focus and drive the anchor businesses in Healthtech and On Demand Services. The quarter saw the launch of a smart solution called Asset Track, which allows businesses and individuals to remotely track their electronic assets. The Internet-of-Things (IoT)-enabled innovative solution shows a deliberate investment in improving our existing product offering, with the introduction of advanced features aimed at better user experiences. We are confident in the ability of these growing businesses to contribute to the broader EcoCash Holdings Group performance.

DEBENTURE SETTLEMENTS

As detailed in Cautionary Announcements dated 5 April 2023, 27 April 2023 and 30 May 2023, the Company intends to raise capital to settle debentures through a Renounceable Rights Offer issue of US\$30.3 million.

BUSINESS OUTLOOK

We are pleased with the progress we have made during the quarter, despite the challenging economic conditions. We remain committed to our mission of providing innovative and accessible financial services to our customers. Looking ahead, we will continue to invest in our people, technology, and partnerships to drive growth and deliver value to our customers and shareholders.

By order of the Board



Mrs C R Daniels

Group Company Secretary

12 July 2023

Registered Office:

1906 Liberation Legacy Way, Borrowdale,
Harare, Zimbabwe.

Email: investor@ecocashholdings.co.zw

Website: www.ecocashholdings.co.zw

Registrars and Transfer Secretaries:

First Transfer Secretaries (Private) Limited

1 Armagh Avenue, Eastlea,

Harare, Zimbabwe.

Email: info@fts-net.com

DIRECTORS:

Mr S.G. Shereni (Chairperson), Mr M.L. Bennett, Dr Z. Dillon, Miss E.T. Masiyiwa, Mr C. Maswi, Mr D. Musengi, Mr H. Pemhiwa, Mr D.T. Mandivenga, Mr E. Chibi*, Mrs T. Nyemba*. * Executive.