

EcoCash

HOLDINGS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)
ZSE Alpha Code: EHZN.zw ISIN ZW0009012437

TRADING UPDATE

For the third quarter ended 30 November 2023

OVERVIEW OF THE TRADING ENVIRONMENT

The EcoCash Holdings Group consolidated its gains during the third quarter ended November 30, 2023. The Group has continued to innovate, navigating various macro-economic changes and seizing opportunities to maintain its upturn in business performance.

GROUP FINANCIAL PERFORMANCE

The Group recorded revenue for the period of ZW\$182.9 billion, an 83% increase in inflation adjusted terms, compared to ZW\$99.8 billion in FY23.

BUSINESS UNIT PERFORMANCE

Mobile Money Business

EcoCash, the mobile money business, continues to sustain an upward trend in growth on its USD Wallet services. Customer activity surged significantly, compared to Q3, FY23 performance. Transaction volumes experienced a six-fold increase, on the back of increased wallet funding. The strategic emphasis on expanding the mobile money distribution network is proving successful and has resulted in improved accessibility for our customers as the footprint has increased by 29% since last quarter. Q3 revenue grew by 82% as compared to Q3, FY23.

Banking Services

The banking services division, Steward Bank, has observed considerable growth in the adoption of USD banking services. Notably, VISA transaction values, USD loans, and FCA accounts all recorded over 35% growth, compared to Q3 FY23 performance. During this quarter, the Bank introduced the VISA Globetrotter II card, an enhanced version of the existing VISA card. This upgraded card features contactless functionality, enabling faster payments and seamless compatibility with international payment platforms. Revenue for the quarter increased by 55% compared to prior year.

Steward Bank is compliant with Tier 1 capital requirements as prescribed by the Reserve Bank of Zimbabwe.

InsurTech

The InsurTech business focused on enhancing its overall customer experience. Moovah, the short-term insurance business held engagements and partnered with service providers to ensure swift resolution of insurance claims as well as maintain high service standards for customers' vehicles. EcoSure, the life insurance business, grew its presence in rural areas through strategic partnerships. Recognizing the potential and untapped market in rural communities, EcoSure increased its geographic footprint through extending services to these regions. This expansion is bringing insurance services and convenience closer to the people and will ensure enhanced service to our customers including those in marginalised communities. The synergies with the mobile money business also contributed to a rise in the USD denominated business, growing by 37% and 168% for the short-term and life business, respectively, when compared to Q3 FY23 performance. The Net Premium Written for the quarter increased by 116% compared to prior period.

Other Business Segments

The business recorded sustained growth in volumes across its other business segments, in particular On-Demand Services and HealthTech which resulted in a 166% growth in revenues. Leveraging Group synergies, the business offers bundled products and services in conjunction with other Group offerings, an approach that has helped to capitalize on the strengths and complementary nature of various business units, ultimately enhancing the overall value proposition for customers.

By embracing innovation and pursuing emerging trends in On-Demand Services and health technology, the Group has positioned itself to capture new opportunities and meet evolving customer demands. The ability to leverage Group synergies and offer bundled products and services not only strengthens the Group's growth strategy but also enhances its competitive advantage in the market. Moving forward, these initiatives are expected to continue driving growth and delivering positive results for the EcoCash Holdings Group.

OUTLOOK

We are pleased with the achievements we have accomplished during the quarter. We will continue to invest in our technology infrastructure and our people as we position ourselves to seize opportunities as they emerge in the market. We are optimistic about the future and remain dedicated to driving innovation and growth in the Digital Financial Services landscape.

By Order of the Board



Mrs C R Daniels
Group Company Secretary

15 January 2024

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DIRECTORS:

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