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# CONSOLIDATED TRADING UPDATE – Q1 2025

## OPERATING ENVIRONMENT

The economy experienced an increase in inflation during Q1 2025 as the enforcement of duties and taxes by the Zimbabwe Revenue Authority at the country’s border posts in January 2025 saw monthly USD inflation jumping to 11.5% before receding to 0.2% in February and 0.1% in March 2025. Resultantly USD inflation was 11.9% for the quarter whilst a tight monetary policy regime stabilised the ZWG: USD exchange rate in Q1 2025 and ZWG inflation was contained at 10.9% for the quarter. The high base effect of the inflation jump in January is expected to see USD inflation for Zimbabwe maintaining double digits for the balance of the year despite month-on-month inflation normalizing.

Despite the current short-term stability, businesses continue to lose ground to the expanding informal sector due to the high cost of compliance and excessive regulatory burdens. In response, the Government through the Ministry of Finance, has announced plans for a comprehensive review of existing taxes, business fees, and licensing requirements. The proposed reforms aim to reduce tax costs, streamline business requirements by 50%, and eliminate certain fees and regulations within the next six months.

A stable macroeconomic environment—characterised by optimal liquidity, controlled inflation, and a stable exchange rate—will be crucial in supporting the Group’s objective of providing financial dignity to its clients and driving innovations tailored to customer needs. The Group will maintain a real asset bias to hedge against potential exchange rate fluctuations and inflationary pressures. Furthermore, the Group will actively engage with policymakers to advocate for regulatory refinements that safeguard policyholder assets, attract investment inflows, and foster macroeconomic stability and growth.

## BASIS OF PREPARATION

The Group's consolidated financial statements have been prepared in accordance with the principles of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpreted by the International Financial Reporting Interpretations Committee (IFRIC). Furthermore, they comply with the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the regulations of the Zimbabwe Stock Exchange.

### Comprehensive Income highlights – IFRS Compliant

	Functional Currency - USD			Presentation Currency - ZWG		
	31-Mar-25 USD000	31-Mar-24 USD000	Change %	31-Mar-25 ZWG000	31-Mar-24 ZWG000	Change %
Insurance contract revenue	43,374	35,451	22%	1,143,359	480,773	138%
Insurance service result	5,851	4,648	26%	154,224	63,038	145%
Rental income	2,130	1,950	9%	56,137	26,449	112%
Net Investment return	232	3,819	-94%	6,123	51,793	-88%
Fair value gains-investment property	-	-	-	-	-	-
Profit after tax	2,347	3,186	-26%	61,874	46,159	34%

### USD Supplementary Information

#### 1. Background

Zimbabwe has seen significant economic and monetary policy changes, including the reintroduction of the Zimbabwe dollar (ZWL) in 2019 and the introduction of the Zimbabwe Gold (ZWG) currency on April 5, 2024. Before the ZWG's introduction, the economy faced severe price and exchange rate volatility, leading to a greater reliance on the USD. To combat currency volatility and inflation, many clients began settling obligations in USD, while ZWG obligations were adjusted for inflation. Consequently, 82% of the Group's Insurance Contract Revenue (ICR) is now earned in foreign currencies (USD, BWP, and MZN), compared to 88% in the previous year.

While the IFRS compliant USD statutory financial information is the basis for formal financial reporting, there are distortions arising from the volatility of the local currency and the existence of multiple exchange rates in the economy. Supplementary information has been added to provide a more complete picture of the performance of the Group to stakeholders.

### Supplementary Information Comprehensive Income Highlights – 31 March 2025

	31-Mar-25 USD000	31-Mar-24 USD000	Growth %
Insurance contract revenue	41,512	35,451	17%
Insurance service result	4,720	4,613	2%
Rental income	2,087	1,950	7%
Net Investment return	(357)	3,788	-109%
Fair value gains-investment property	-	-	-
Profit after tax	2,250	3,702	-44%

## OPERATIONS REVIEW

The commentary below is based on the supplementary financial information that is used for management decision making purposes. To enhance the usefulness of the supplementary information presented herein, the assumptions and methodology used in coming up with the financial information have been included after the Operations Review commentary.

### Insurance contract revenue

The consolidated Insurance Contract Revenue (“ICR”) for the period ended 31 March 2025 was \$41.7 million, reflecting a 17% increase compared to the prior year. This growth was driven by sustained customer confidence in the Group’s insurance offerings. Absolute foreign currency (USD, BWP and MZN) constituted 82% of the Group’s consolidated ICR.

### Insurance service result

The insurance service result grew by 2% to \$4.7 million compared to prior year mainly due to claims rising faster than revenue.

### Rental income

Rental income for the quarter ended 31 March 2025 grew by 7% to US\$2 million mainly driven by rental rate reviews. The occupancy levels declined to 86.49% from 88.78% in the prior year as a result of recently completed properties yet to be fully occupied.

### Profit for the period

The business recorded a profit of \$2.3 million for the quarter ended 31 March 2025, representing a 44% decline compared to the prior year. The decrease was primarily attributable to bearish market conditions on the Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) during the quarter.

### Methodology followed in the development of supplementary information

The following methodology was undertaken in preparing the financial information presented below:

1. Segregate the pure USD transactions and balances (including all transactions denominated in other foreign currencies) from the pure ZWG transactions and balances.
2. For the Statement of profit or loss the historical ZWG transactions were translated using an average estimated economic rate and then combined with the pure USD transactions to determine at the USD equivalent amounts.
3. For the Statement of Financial Position, non-monetary items are converted at the estimated economic rate on the date of acquisition or disposal and for monetary items the estimated closing economic rate is used with resultant foreign exchange gain or losses arising from non-USD currencies.

## BY ORDER OF THE BOARD

S Lorimer  
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Group Company Secretary