



ZIMRE HOLDINGS LIMITED (ZHL) TRADING UPDATE FOR FIRST QUARTER ENDED 31 MARCH 2021

BUSINESS ENVIRONMENT

Q1 2021 was characterized by economic disruptions and a fall in aggregate demand following a spike in Covid-19 infections and deaths. The highest daily average infections according to the World Health Organization for Zimbabwe was 1 112 on 14 January 2021. Notwithstanding the slow start, a moderate to strong economic recovery of on average 3.1% in the Southern African region is anticipated following the easing of restrictions and opening up of economies, rollout of vaccines, government economic interventions and enhanced food security on the back of a good 2020/2021 agricultural season.

OVERALL GROUP PERFORMANCE

Despite the challenging business environment local operations sustained an upward business growth trajectory while the regional reinsurance operations felt the impact of the reduced business activity due to Covid-19. The Mozambique operation continue to weather the negative impact of terrorist activities in the Cabo Delgado Province which threaten the country's growth prospects for 2021.

Overall, the Group generated positive cash flows and experienced significant improvement in its bottom-line performance. Accordingly, income grew by 33% and 619% in inflation adjusted and historical cost terms respectively.

OUTLOOK

As advised in the 28 April 2021 Announcement, the ZHL 2020 Financial Statements shall be published by 31 May 2021. The delay has been occasioned by the Insurance and Pension Commission of Zimbabwe's (IPEC) request to review the financial statements of the insurance industry, prior to publication on the Zimbabwe Stock Exchange.

Despite the delayed publication, ZHL remains optimistic for sustained economic recovery as countries return to normalcy following the Covid-19 induced national lockdowns.

Internally, the attainment of 100% shareholding of Zimre Property Investments Limited (ZPI) and its subsequent delisting as well as the acquisition of majority interest in Fidelity life Assurance of Zimbabwe Limited (FLA), has reconsolidated the Group's heartland investments. ZHL looks forward to restructuring and remodeling the business portfolios in line with its new DNA which places emphasis on sustained value creation through cash generation, customer focus, and change management.

By Order of the Board

Ruvimbo Chidora
Group Legal Executive/Company Secretary

18 May 2021