



1. COMPANY INFORMATION

1.1. Company Background

Evolution Group Limited, was incorporated on 10th November 2005, Registration Number 18875/2005 as an investment company. As a 100% Zimbabwean owned investment group, Evolution took over the insurance investments of Strategis Holdings Limited after the demerger in October 2009, which had operated in the Zimbabwean insurance market continuously for more than 10 years.

The Strategis brand was first introduced into Zimbabwe during 1997. Initially, the focus of operations was on the development of insurance and premium finance businesses. The insurance business specialised in underwriting health risk over a period of time, which in turn, highlighted to management the vast opportunities within the health sector. The strategic focus of the Strategis Group evolved to the pursuit of integration of the funding and provision of health services.

A restructuring exercise was carried out at the beginning of 2000, which led to the incorporation of Strategis Holdings Limited, which became the holding company of the Strategis Group in Zimbabwe.

In 1998, the Strategis Group acquired MARS Zimbabwe, its first investment in healthcare provision. The Strategis Group was the first specialist health insurer in Zimbabwe, when it began operations to write health insurance risk in 1999. In the same year, a 67% stake was acquired in Strategis Finance, the group's insurance premium financing operation. Strategis Insurance was launched in 1999 as a new entrant in the short-term insurance sector. In 2001, the Group acquired an effective 50% stake in Suburban Medical Centre, a hospital operation located in Warren Park. In 2002, further investments were made in Clinical Laboratories (25%), West End Hospital (60%), and South Medical Chitungwiza Hospital (60%). The group also successfully participated in the tender for the disposal of the government shares in CAPS Holdings, and was for a period the second largest shareholder. The group also acquired Dandaro Hospital in 2002.

Through the operations of Strategis Health and Life Assurance, the group successfully provided administration systems, pricing and marketing support and co-insurance services to the Medical Aid Society of Central Africa ("MASCA") for a period of 6 years. The Group also

provided administration systems to the administrator of Northern Medical Aid Society for a period of 5 years.

With a difficult macroeconomic environment, the group decided to rationalise its portfolio and sold its non controlling interest in CAPS Holdings in March 2003 and its 60% shareholding in West End Hospital in March 2004. The group merged its short-term insurance interests in Strategis Holdings with the Orion Insurance to form Altfin Insurance in 2003. The group subsequently disposed of its substantial shareholding in the merged entity. The group acquired 50% of Zimbabwe Pharmaceuticals in June 2003 and in July 2006, the group sold Dandaro Hospital to the Ecomed Group.

Following this the group merged Zimbabwe Pharmaceuticals with the pharmaceutical and FMCG division of MedTech Holdings Ltd. Following the decision to exit the pharmaceutical sector, the group swapped its share of the pharmaceutical joint venture with MedTech for a large minority stake in the listed group and subsequently disposed of its shares.

The Strategis Holdings Limited Group successfully underwent a demerger in October 2009 that split the group into two units: insurance and medical infrastructure investments. The medical infrastructure investment group (MARS Zimbabwe, South Medical Chitungwiza Hospital, Suburban Warren Park Hospital and Clinical Laboratories) remained within Strategis Holdings Ltd after the demerger.

Evolution Group Limited, formed out of the demerger, successfully took over the insurance investments, which had operated in the Zimbabwe insurance market continuously for more than 10 years. Over that period the Strategis Group had invested in (and sold to local consortia) controlling interests in Madison Insurance in Zambia and Strategis Insurance in Tanzania and commenced the successor to Strategis Insurance (Zimbabwe), Evolution Insurance Company in 2006.

Group insurance companies have been continuously licenced with the Insurance and Pensions Commission in Zimbabwe for more than 14 years and the group has a vast experience of operating in all segments of the insurance market.

Evolution Group currently comprises the following subsidiaries: Evolution Health and Life Assurance (formerly Strategis Health and Life Assurance) which is also the Administrator of Galaxy Medical Aid Society (which was started with capital support from Evolution Group), Evolution Insurance Company, Glen Forest Memorial Park and Glen Forest Crematorium.

As a response to demand for affordable products for the mass market, a decision was made to launch a branch network that specifically set out to meet the needs of this increasingly valuable market segment and in September 2012, the Mbijana Mbichana branch network was launched. This branch network is designed to take the full suite of Evolution Group products and services to the mass market. Since September branches have been opened in Chitungwiza (Seke North Mall at Makoni Shops), Machipisa Shops (Highfield, Harare) and in Sakubva, Mutare. Further branches will be opening shortly in Mbare (Harare), Glen View 3 (Tichagarika Shops), Chinhoyi Street, Harare and Gokwe. The strategy is to have a national network by the end of 2013.

Mbijana Mbichana branches offer a full range of household, houseowner, motor, small and

medium commercial insurances as well as funeral, life and medical aid/assurance products and the entire range of Glen Forest grave and cremation products. In addition through a partnership with Nuffield Funeral Home, clients can also purchase same day funerals through the branch network.

1.2. Profile of Directors and Senior Management

Fungai Mparadzi

Chief Executive Officer

Fungai joined TZI head office in 1997 from PricewaterhouseCoopers corporate finance and strategy group. Prior to this he worked in the United Kingdom where he qualified as an accountant and obtained an MBA from Cranfield University School of Management. During his tenure as Chief Executive Officer of the financial services group of TZI, he was involved in the disposal of banking group BARD Holdings, IGI Insurance Group and Madison Insurance (in Zambia), a process which led to the formation of the Strategis Group where he was the founding Chief Executive Officer. Fungai subsequently led the management buyout of the Zimbabwean assets of the Strategis Group. Over the next few years, he was also Executive Deputy Chairman of CAPS Holdings during the period when Strategis was a significant shareholder and a non-executive director of listed furniture conglomerate Tedco Limited. Following the demerger of the financial services assets of Strategis Holdings in 2009, he became Chief Executive Officer of Evolution Group.

Justin R. M. Bird

Non-Executive Director

Justin joined Hawkwood Hedge Fund in 2008 as the Chief Financial Officer. He completed his training with KPMG in Harare and is a member of the Institute of Chartered Accountants of Zimbabwe, becoming a member of the Zambia Institute of Chartered Accountants in 2007. He has worked primarily in the Agricultural Sector in Zimbabwe & Zambia. Companies include, African Plantations Corporation (Tea & Coffee), Flora Marketing & Khal Amazi Limited (Flower Farming & Export), from where he resigned in November 2007.

Jonas Mushangari

Non-Executive Director

Jonas is the Managing Director of Olivine Industries, a leading food processing company in Zimbabwe. He joined MARS Zimbabwe as Managing Director during 2002 with more than 20 years of operational and general management experience obtained while he worked for Bindura Nickel Corporation and Olivine Industries as an Engineer. Jonas was a senior member of the management team at Olivine immediately prior to his appointment at MARS Zimbabwe. With effect from 1st October 2003, Jonas became the Group Chief Executive of Strategis Holdings Limited. Jonas left the group in 2008 to rejoin Olivine Industries Limited as the Managing Director.

Knievel Munzeiwa

Chief Financial Officer

Knievel completed his articles of clerkship with the now Barker Tilley Chartered Accountants. He has accumulated managerial experience in different capacities with the ZSE listed Innscor Africa Limited and eWorld Communications, an Econet Wireless Franchise. Knievel has been involved in several corporate transactions including the acquisition of Zimbabwe Pharmaceuticals and Glen Forest Memorial Park and the disposal of the minority stake in the ZSE listed MedTech. He also participated in the demerger of Strategis Holdings Limited that saw the establishment of Evolution Group Limited.

1.3. Current Operations

1.3.1. Evolution Insurance Company

Evolution Insurance Company provides short-term insurance solutions. The product range covers Motor, Property, Engineering, Marine, Casualty, Financial and Credit insurance. It sources business through intermediary partners (brokers and agents) and also on a direct basis.

1.3.2. Evolution Health and Life Assurance Company

The unit currently provides innovative funeral, life, health and medical aid solutions (through **Galaxy Medical Aid Society**). The life products range from group life assurance, annually renewable life assurance, lien, investment and endowment policies. The funeral policies are unique in that they provide a grave at Glen Forest Memorial Park or cremation at the Glen Forest Crematorium. Policyholders are free to choose a funeral service provider of their choice. A growing network of internal sales executives and agents (including funeral homes) drive the sales.

1.3.3 Mbijana Mbichana

This was formed in 2012 as the group's direct distribution channel to mass market customers. It is designed to sell the full range of products within Evolution Group and selected partner institutions from within a network of branches located in high traffic areas. A national network of branches is currently being set up.

1.3.4 Glen Forest Memorial Park

Glen Forest Memorial Park is an upmarket cemetery, located off the Domboshawa Road in Harare. It has the capacity to hold 120,000 burial plots including walls of remembrance and mausoleums. Burial plots are sold for future and immediate use. A crematorium and a chapel situated within the cemetery were opened in 2011.

1.3.5 Glen Forest Crematorium

Glen Forest Crematorium was researched and developed over an 18 month period in partnership with Nuffield Funeral Home as a response to a market need for modern, professional and compassionate cremation services. Since commencing operations in July

2011, the Glen Forest Crematorium has expanded its facilities to include a chapel and landscaped gardens. Plans are at an advanced stage for a garden and wall of remembrance, and an extensive memorial rose garden. Glen Forest Crematorium is currently the only functional crematorium in Harare.