



Wireless

## ECONET WIRELESS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 4 August 1998 under Company registration number 7548/98)

ZSE alpha code: ECO ISIN: ZW 000 901 212 2

# Trading update

## for the third quarter ending 30 November 2021

### INTRODUCTION

We continue to pursue innovation that empowers our customers thus transforming society through bringing digital inclusion, Econet Wireless remains Zimbabwe's leading provider of essential digital services despite the current COVID-19 pandemic. We play a critical role in ensuring that businesses, families and individuals continue to communicate and work inspite of these difficult times.

### BUSINESS OPERATIONS

Bridging the digital divide and delivering a digital lifestyle through connectivity, gaming, and music streaming continued to be an important theme during the period. Data and voice traffic grew by 43% and 6% respectively compared to previous year.

We commissioned 80 LTE (4G) new sites as part of our LTE densification program, including extension of high speed data coverage to rural areas. This bears testimony to our vision of creating a digitally connected future that leaves no Zimbabwean behind. During the period under review, we received additional spectrum from the regulator which will pave the way for us to introduce new services bringing more convenience to our customers.

Persistent national grid power outages continued to adversely affect network availability. The business is accelerating installation of solar power solutions and saw increased usage of our already installed diesel-powered generators which are costlier to run and maintain. Increasingly, we also witnessed increased cases of vandalism and theft at our telecom tower sites, which is also creating service disruptions. This has put additional pressure on the business to import spare parts using scarce foreign currency to enable us to respond quickly to service outages.

### REGULATORY ENVIRONMENT

The Reserve Bank of Zimbabwe issued an official directive regarding the phasing out of physical distribution of airtime. All mobile network operators were directed to reduce physical airtime sales to 20% of total airtime distribution by the end of January 2022 and to 10% by the end of April 2022. The business is taking measures to address the limitations for customers that are not able to easily access virtual channels.

During the quarter under review, the Postal Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) approved increases in bundle tariffs for data, SMS and voice services in order to address the erosion of real tariffs due to inflation.

### COVID-19 UPDATE

As the third quarter drew to a close, the country started witnessing an increase in COVID-19 cases brought about by the Omicron variant. The health and safety of our staff and customers remain priority and the business continues to support various initiatives to fight the pandemic. Staff were assisted to access medical facilities and with information on the pandemic and in that way any avoidable consequences of the pandemic were mitigated. The Group continues to innovate and adapt operations to best respond to business operational changes and deliver services through digital channels. An agile staff work plan and robust digital platforms have allowed the business to sustain productivity and service delivery in addition to being accommodative of employee wellness.

### OUTLOOK

The Group will continue to focus on the unique opportunities brought about by the adoption of the digital lifestyle as we continue on our transformation journey to become a digital services provider (DSP). Our pioneering and innovation culture continues to play an integral role in ensuring that we understand and meet the evolving needs of our customers.

### By order of the Board

**C.A. Banda**  
Group Company Secretary

20 January 2022

**Directors:** Dr. J. Myers (Chairman)\*, Mr. S.T. Masiyiwa, Mr. R. Chimankire, Dr. J. Chimhanzi\*, Mr. M. Edge\*, Mr. M. Gasela\*, Mr. G. Gomwe\*, Dr. D. Mboweni, Ms. B. Mtetwa\*, Ms T. Moyo\*, Mr. H. Pemhiwa\*. \*Non Executive | **Group Company Secretary:** Mr. C.A. Banda

**Econet Wireless Zimbabwe Limited:** Incorporated in the Republic of Zimbabwe. Company registration number 7548/98

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**Registrars and Transfer Secretaries:** First Transfer Secretaries (Private) Limited, 1 Armagh Avenue, Eastlea, Harare, Zimbabwe.

**Auditors:** Deloitte & Touche (Zimbabwe), West Block, Borrowdale Office Park, Borrowdale Road, P.O. Box 267, Harare, Zimbabwe.