

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

The Company is pleased to provide a trading update for the third quarter ending 30 November 2020.

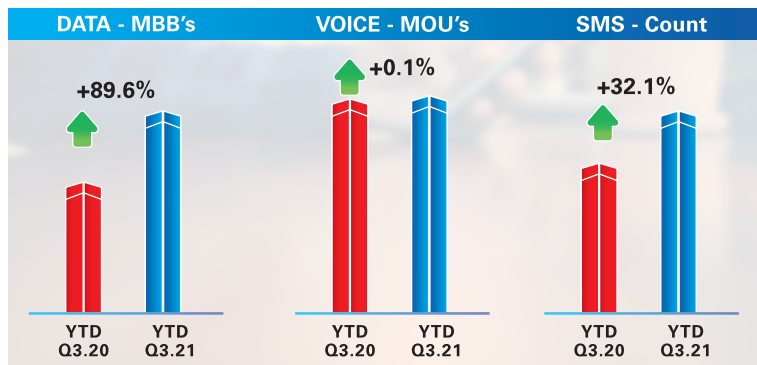
OPERATING ENVIRONMENT

The improvement in the tariff regime as a result of inflation adjusted price adjustments approved by the Postal and Telecommunication Regulatory Authority of Zimbabwe (POTRAZ) has helped to restore the viability of the sector. However, accumulated foreign obligations in the telecommunications sector continue to be a limiting factor in addressing the capitalisation requirements for all telecommunications operators.

BUSINESS PERFORMANCE

Our past investment in resilient network infrastructure has positioned us to be the digital connectivity partner of choice. We continue to enable our customers to work and learn from home whilst observing social distancing etiquette. This is reflected in the data traffic volumes which have increased by 89.5% from the previous year.

The growth we have experienced in SMS volumes reflects the increased adoption and usage of e-commerce platforms which drives customer SMS interactions. We aspire to be the partner of choice for enterprises, SMEs, the government and other institutions in order to grow our active customer base and sustain voice traffic volumes.



Whilst voice traffic volumes declined slightly following the headline tariff adjustments in July 2020 and August 2020, they have since started to recover. This price correction for telecommunications services was necessary as price adjustments were lagging behind inflation, in the previous periods.

Covid-19 update

This pandemic has helped us to understand the opportunities presented by digitalisation. While managing the risks, we are also alive to the opportunities presented by COVID-19, particularly the accelerated need for digitalisation across all business sectors. Telecommuting and serving our customers through digital channels has become our preferred way of doing business. 80% of our staff continue to work from home with sustained high productivity.

Financial performance

Due to hyperinflation, cost containment and cash flow management are key focus areas for the remainder of the financial year. Our EBITDA margins are in line with the recently released results for the half year ending 31 August 2020.

OUTLOOK

Over the last 22 years, the Company has introduced products and services that have harnessed the power of mobile technology and innovation to transform the lives of people in Zimbabwe. As we go into the next decade, we are intensifying our efforts to adapt our business model to deliver digital solutions. The next few years will be pivotal to our transformation from a communications service provider to a digital service provider.

By order of the Board

C. A. Banda
Company secretary

6 January 2021

Registered Office:

Econet Park,
2 Old Mutare Road, Msasa, Harare, Zimbabwe
E-mail: info@econet.co.zw, Website: www.econet.co.zw

Registrars and Transfer Secretaries:

First Transfer Secretaries (Private) Limited,
1 Armagh Avenue, Eastlea,
Harare, Zimbabwe

Directors:

Dr. J. Myers (Chairman)*, Mr. S.T. Masiyiwa, Mr. R. Chimani, 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