



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 QUARTER ENDING 31 MAY 2021

OPERATING ENVIRONMENT

While the operating environment continues to be challenging, the business continues to be resilient. Despite the continued uncertainty emanating from the Covid-19 pandemic, we are seeing the early signs of an economic rebound anchored on a record 2020/21 agricultural season and improving international mineral commodity prices. Managing the health and safety risks arising from the pandemic is critical as the business also focuses on increased digitalisation in all its functions.

COVID-19 UPDATE

The resurgence of COVID-19 infections affects the way we work and serve our customers. The health and safety of our staff and customers remains our key priority. We welcome the Government efforts being made to ensure vaccines are available to all and we hope that as vaccine uptake increases, we will see a return to normal social and business interactions.

BUSINESS PERFORMANCE

In an increasingly digital world, demand for our products and services remains high as we assist in bridging the digital divide and bringing a new way of living to our society. Digitalization is no longer about just efficiency but is now a necessity as we live through the new realities that have been ushered in by the Covid-19 global pandemic. We are pleased to report that despite the lack of adequate investment due to challenges in accessing foreign currency our connectivity has facilitated educational, social, economic and other opportunities to our customers. Network connectivity plays a critical role in building socio-economic resilience for the country and we remain committed to providing digital solutions to our customers and stakeholders.

Data and voice traffic volumes increased by the 77% and 25% respectively from comparable prior year period. Although we have been able to accommodate this capacity growth, it has put a lot of strain on our network. To date, investment in network infrastructure has positioned us to be the digital connectivity partner of choice for remote business operations, humanitarian and social connections. However, more investment is necessary to allow us to meet the increasing needs of our customers. We remain as committed as ever to provide faster speeds and wider coverage in line with the POTRAZ Covid-19 relief programme through deployment of additional LTE sites as well as accessing additional 3G spectrum.

We are committed to sustainable pricing that takes into account the realities of the prevailing economic environment, whilst balancing affordability for the customer and the sustainability of the business. We continue to work closely with the regulator to periodically review the sector specific cost models. Our goal is to ensure that our pricing remains relevant and appropriate for the consumer whilst allowing the company to generate sufficient resources for continued investment. In order to ensure that we remain cost relevant to our customers, we employ big data analytics to customise our consumer packages and launch targeted campaigns to drive usage and sustain the active customer base.

RESULTS OF THE EARLY REDEMPTION OFFER TO DEBENTURE HOLDERS

On 13 July 2021 the Company made an offer to debenture holders for the early redemption of debentures issued in March 2017 that are due to expire in April 2023. Debenture holders opted to redeem USD 14.8 million, representing about 22% of the accrued value of the debentures as at 31 August 2021.

REGULATORY ENVIRONMENT

There were no further regulatory changes other than those covered in our recent results announcement. The regulatory authorities remain supportive and facilitative of the information and communications technology (ICT) sector, of which we are extremely grateful.

OUTLOOK

Greater investment is required in the ICT sector if we are to realise the full potential that our country has to offer. As we continue on the transformation journey to becoming a fully-fledged digital services provider, we are refining our business model to deliver innovative digital solutions to the needs of our consumers. Connectivity, gaming, music and digital customer support, are some of the key themes in our digital lifestyle campaign. Our vision is to create a new digital future that leaves no Zimbabwean behind. In this regard we have started exploring new opportunities brought about by recent changes in technology so that Zimbabwe is at the fore front of technological change and advancement.

By order of the Board

C.A. Banda
Group Company Secretary

11 August 2021

Directors: Dr. J. Myers (Chairman)*, Mr. S.T. Masiyiwa, Mr. R. Chimanikire, 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

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.

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