IHC SECTOR INTELLIGENCE

Zimbabwe Digital Economy & Telecoms Performance

Q4 2025 Performance Analysis & Investment Implications

107%	84.6%	ZWG 7.7B	366
Mobile Penetration	Internet Penetration Rate	MNO Revenue	5G Base Stations

EXECUTIVE SUMMARY

The telecoms and digital economy sector finished 2025 strong. Data from POTRAZ indicated broad-based growth. This provides an empirical foundation for the investment or business case in Zimbabwe's digital economy.

Mobile subscriptions peaked 16.8M which yielded a penetration rate of 107%. Internet penetration reached 84.6% with broadband at 82.6%. Mobile data traffic increased by 11.3% quarter on quarter to 160 Petabytes (a 143% surge in 6 quarters). CAPEX by mobile network operators (MNOs) doubled within the quarter (a 112% increase to ZWG1.08B).

The 5G network now covers 366 base stations and 18.9% of Zimbabwe's population. This demonstrates that Zimbabwe is actively deploying next-gen connectivity. Starlink's traffic growth was 42.76% in the quarter alone. This reflects the growing role of satellite connectivity in reaching underserved markets.

The overall signal is that Zimbabwe's digital infrastructure is scaling. There is rising data traffic. There is aggressive CAPEX deployment. There is a growing 5G footprint. All of this is backed by the AI strategy (2026 – 2030). This creates investable conditions across infrastructure, digital services and tech-enabled sectors.

MOBILE TELEPHONY

In Q4 of 2025 the mobile sector realized 346 000+ new active subscribers. This led to a total of 16.78M (a 2.1% quarter on quarter increase). Mobile penetration reached 107%. This effectively shows that mobile phones are the primary interface Zimbabweans use to access the digital economy.

Operator	Q4 2025 (Subscribers)	Market Share (%)
Econet	12 374 206	73.75
NetOne	4 101 492	24.44
Telecel	303 284	1.81
Total	16778982	100

Mobile Subscribers As At End Of Q4 2025

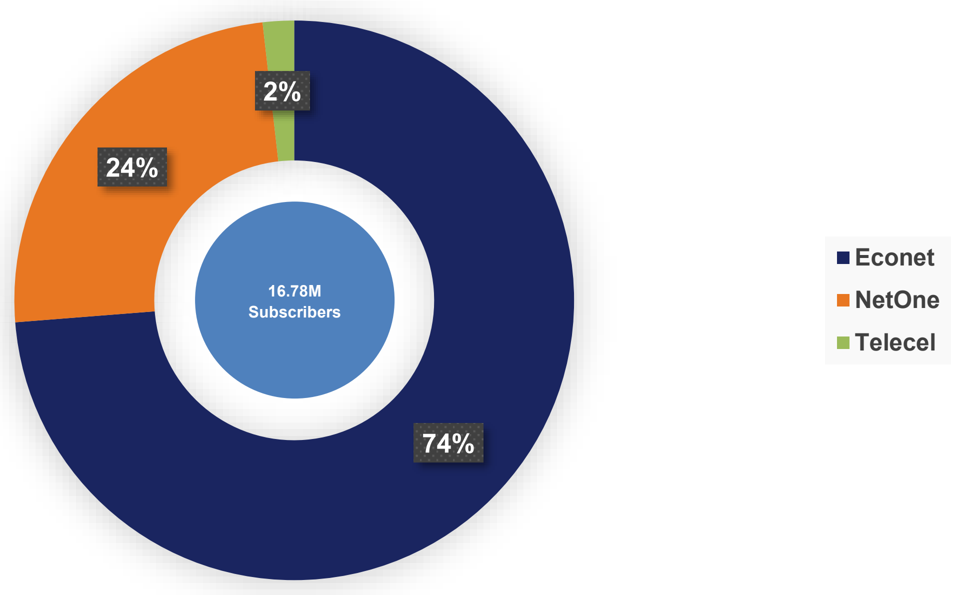

Figure Q4 2025 Mobile Subscriber Market Share

Key Insights To Note

- Econet's dominant market share of 73.75% is due to its superior network infrastructure (4886 urban and 2257 rural base stations).

- NetOne is actively expanding its rural presence (holding 46.14% of total rural base stations).

Mobile internet and data traffic reached 160.3 Petabytes in Q4 2025 (a 11.3% increase from Q3). This is due to expansions of 5G and LTE base stations, voice bundle adoption and data-intensive applications.

Mobile Internet Or Data Traffic Growth (Q2 2024 - Q4 2025)

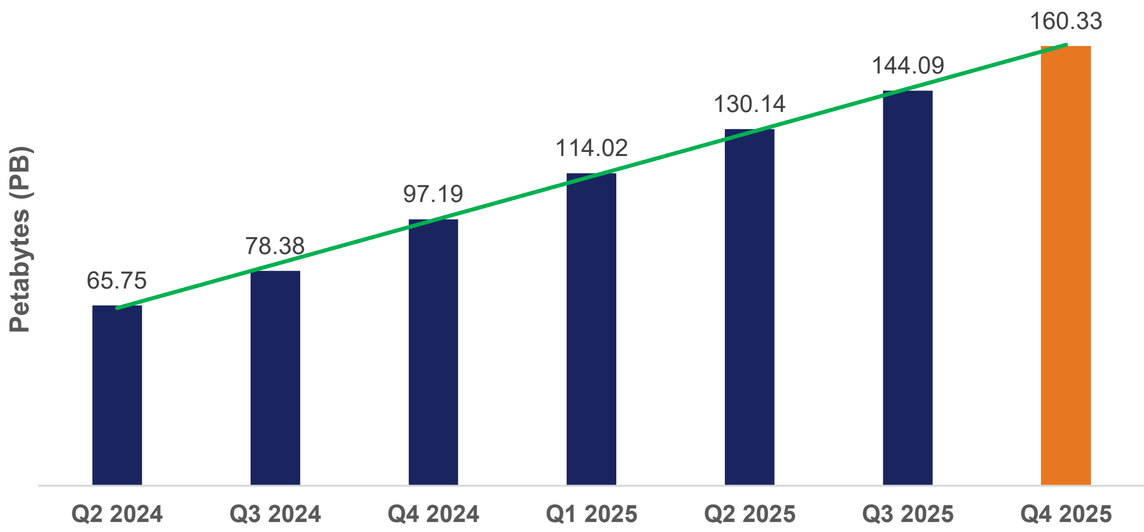

Figure **Mobile Internet Or Data Traffic Growth (Q2 2024 To Q4 2025)**

Key Insights To Note

- Regarding voice traffic, the increase was by 9.04% to 5.07B minutes in the quarter. This was due to growth in on-net traffic (+9.68%) and inter-operator interconnect traffic (+6.49%).

- Inbound roaming increased by 54.75%; this reflected increased tourism during the festive season (especially via Victoria Falls and Harare corridors).

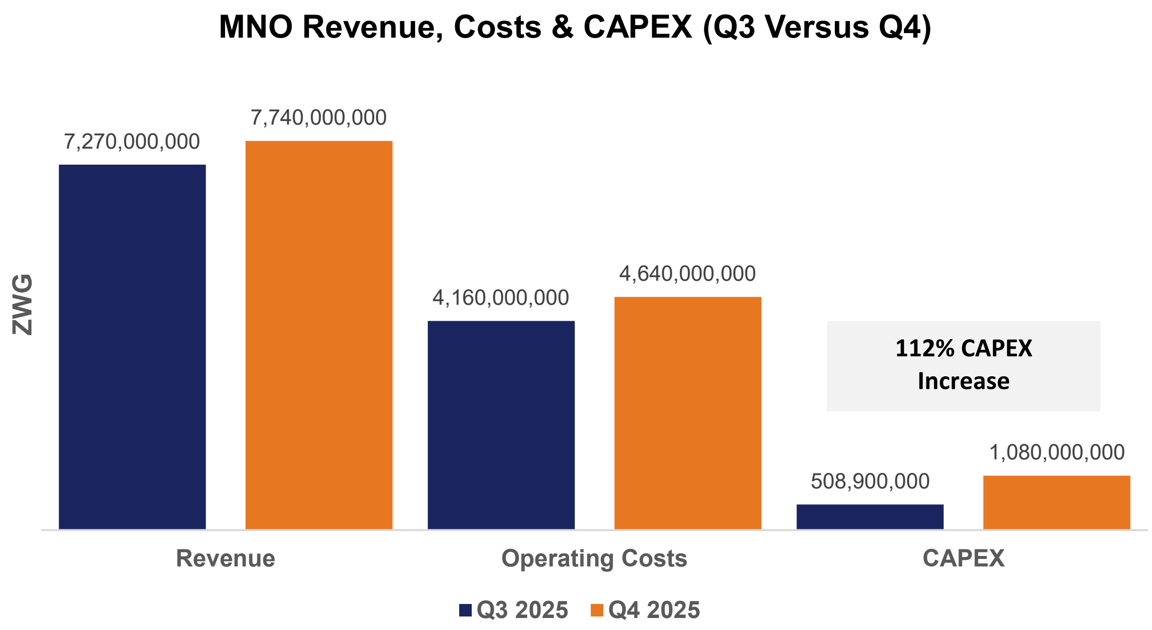

Figure **MNO Revenue, Costs & CAPEX (Q3 Versus Q4 2025)**

- Evidently, revenue growth was outpaced by cost expansion. This is contextualized by the 112% increase in CAPEX. This means that operators are investing more in next-gen infrastructure.

- Mobile data services contributed 50.75% of total MNO revenue. This confirms the structural shift from voice to data as the primary revenue source.

The 112% CAPEX surge indicates operators' conviction in Zimbabwe's digital economy trajectory. Data now drives over half of MNO revenue. This is a threshold that typically precedes accelerated digital services investment.

NETWORK INFRASTRUCTURE

In Q4 2025, 380 additional base stations were deployed (across 2G, 3G, LTE and 5G). This brought the cumulative total to 5101 (2G), 4052 (3G), 3585 (LTE) and 366 (5G).

5G network currently serves at least 18.9% of Zimbabwe's population; mainly urban areas. Econet is at the top with 340 active 5G base stations and NetOne follows at 26. The trajectory towards increased coverage looks good if sustained rollout is maintained.

Coverage By Technology

Technology	Geographic Coverage	Rural Population	Urban Population
2G	81.7%	79%	99.9%
3G	75.4%	73.7%	99.9%
LTE (4G)	59.3%	29%	95.9%
5G	15.9%	0%	18.9%

🟢 3G coverage reaching 73.7% of the rural population is significant for investment contexts. It means that fintech solutions, agritech platforms and digital health applications are technically feasible and accessible for most of the agricultural workforce.

🟢 LTE coverage at 29% of the rural folks indicates that there still vast room for expansion-stage investment.

National Fibre

Operator	Fibre Length (km)	Market Share (%)
Liquid Intelligent Technologies	4631	32.3
TelOne	4046	28.2
Powertel	3869	26.9
African Fibre Networks	985	6.9
Dandemutande	560	3.9
Africom	266	1.9
Total	14 357	100

Zimbabwe's national fibre is concentrated amongst 3 operators i.e. Liquid, TelOne and Powertel. Together they hold 87.4% of all installed fibre. This concentration coupled with growing demand creates potential for infrastructure-sharing arrangements. It also creates potential for wholesale capacity investment.

INTERNET & DATA SERVICES PENETRATION & COMPETITION

Internet penetration reached 84.55% in the quarter with 13.25M active subscriptions. 262 430 new internet users were realized in the quarter. Broadband penetration stood at 82.63%.

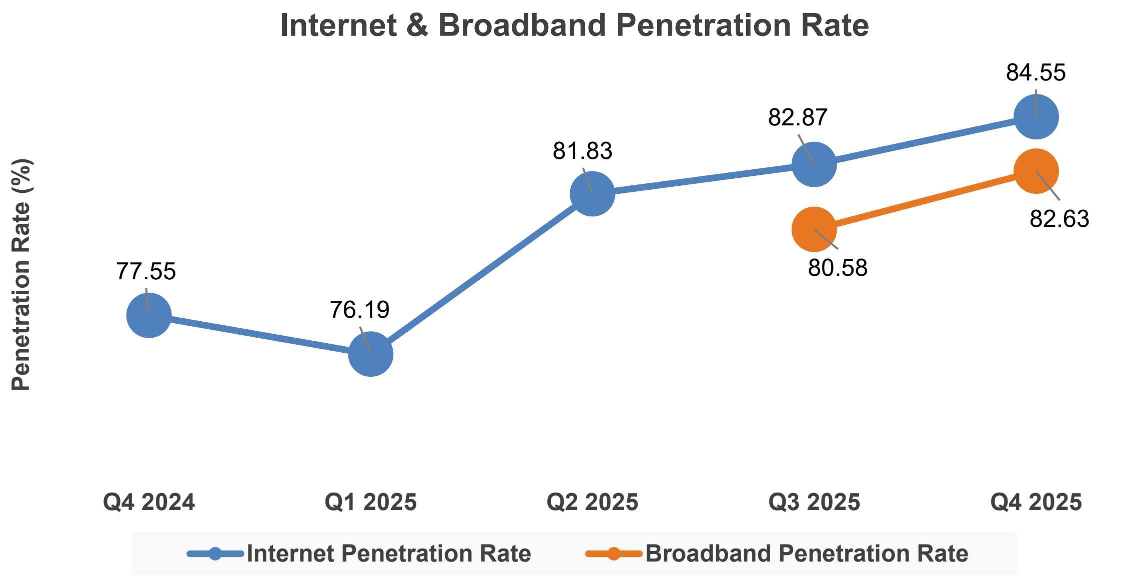

Figure Internet & Broadband Penetration Rate Trend

Subscription By Technology

Technology	Q3 2025	Q4 2025	Change
Mobile Internet	12 630 975	12 863 731	+1.84%
Fixed LTE	133 958	143 323	+6.99%
Active Fibre	80 272	86 225	+7.42%
VSAT (Incl. Starlink)	50 949	67 057	+31.62%
DSL	89 256	87 713	-1.73%
Fixed Wireless Access	184 907	210 380	+13.78%
Total	12 990 447	13 252 877	+2.02%

Important Note On Starlink

Starlink Zimbabwe's fixed internet traffic grew by 42.76% in the quarter (from 117.83 PB to 168.21 PB). This effectively increased its market share from 26.73% to 35.05%. (Interestingly, Liquid's market share dropped from 58.9% to 48.41%). This is a structural disruption that must draw the attention of infrastructure investors and enterprise connectivity planners. Overall, the satellite broadband market is a live investable domain. This is especially so for rural commercial, agricultural and mining connectivity applications. This is due to the largely absent terrestrial fibre in the rural demography.

THE INVESTMENT CASE FOR ZIMBABWE'S DIGITAL ECONOMY NOW

The Q4 2025 data provides a compelling investment case across several areas within Zimbabwe's digital economy. As IHC we have noted 4 primary investment areas premised on the sector's trajectory as follows:

DIGITAL INFRASTRUCTURE

- The acceleration of 5G deployments, fibre expansion and Starlink-led satellite broadband is pivotal. It creates a multilayer infrastructure opportunity. Wholesale bandwidth, tower colocation, edge data centres and neutral infrastructure are examples. These are examples of areas where private capital can achieve scaled returns. Zimbabwe's 14 357 kilometres of national fibre remain underdeveloped relative to comparable markets. There are also active white spaces for licensed infrastructure expansion for LTE rural coverage.

DIGITAL FINANCIAL SERVICES (FinTech)

- Given the now high internet penetration and mobile penetration, the addressable market is now at functional scale. This pertains to areas such as mobile money, digital lending and remittance platforms. The ubiquity of smartphone-based commerce interfaces is now confirmed. There is also now a confirmed willingness to pay within a mobile-first economy.

ENTERPRISE CONNECTIVITY & CLOUD

- There is now an apparent enterprise demand for flexible and scalable connectivity outside traditional fibre builds. Cloud adoption, business process outsourcing and tech-enabled services remain largely underleveraged relative to available infrastructure.

AI & EMERGING TECHNOLOGY

- Zimbabwe's National Artificial Intelligence Strategy (2026 – 2030) indicates the government is an active enabler of tech adoption. Conditions are emerging for AI deployment across mining, agriculture, healthcare, financial services and public administration.

KEY RISKS & MITIGATION CONTEXTS

Risk	Mitigation Context
Cost Pressure On MNOs Operating costs grew by 11.5% versus revenue at 6.33%	112% CAPEX surge reflects investment phase dynamics (not structural inefficiency)
Postal Sector Contraction Revenue dropped by 2.3% with the cost-income ratio at 117.5%	Traditional postal is a legacy segment & digital courier partially offsets the decline
Market Concentration Econet holds 73.75% of mobile subscribers	POTRAZ regulatory oversight with NetOne expansion & Starlink acting as competitive forces
Currency Exposure ZWG-denominated metrics subject to forex volatility	US$ revenues in enterprise segments provide a natural hedge
Rural Digital Divide LTE reaches only 29% of rural geographic area	The 3G at 73.7% rural population provides a functional baseline
Starlink Market Disruption Rapid satellite growth is eroding legacy Internet Access Providers (IAP)'s market share	This creates an opportunity for infrastructure co-investment & broadband demand plays

CONCLUSION

The 2026 trajectory for Zimbabwe's digital economy is defined by 3 converging forces. These are sustained 5G and fibre densification, monetization of data traffic growth into digital services and the catalytic effect of the National AI Strategy.

For investors, the key watchpoints are the speed of 5G geographic expansion. Then there is IAP market consolidation as Starlink's growth pressures legacy fixed operators. Then there is the maturation of Fixed Wireless Access as a mainstream enterprise connectivity product.