

AIRTEL (M) TELESonic LIMITED

Annual Report and Financial Statements for the year ended
31 December 2024

AIRTEL (M) TELESonic LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2024

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AIRTEL (M) TELESONIC LIMITED
DIRECTORS' REPORT
For the year ended 31 December 2024

The directors have pleasure in presenting to members audited financial statements for the year ended 31 December 2024 and report thereon as follows:

1. REVIEW OF ACTIVITIES

Main Business and Operations

Airtel (M) Telesonic Limited was incorporated under the Companies Act 2013 in August 2022.

The principal activity of the Company is to provide Data Connectivity in form of fibre, duct and bandwidth related services to business users.

Operations

The Company has not yet commenced any operations since incorporation.

2. AUTHORISED AND ISSUED SHARE CAPITAL

Authorized, issued and not paid:

	<u>2024</u>	<u>2023</u>
10 000 000 Ordinary shares of K1 each	10 000 000	10 000 000

The shareholding of the Company as at 31 December 2024 is as stated below:-

Name of Shareholder	No. of Shares	% of Shareholding
Airtel (M) Telesonic Holdings (UK) Limited	<u>10 000 000</u>	<u>100%</u>

3. GOVERNANCE

The Board of Directors consists of one executive director and one non-executive director. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets.

The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability. The Board has never met since inception.

AIRTEL (M) TELESonic LIMITED
DIRECTORS' REPORT (Continued)
For the year ended 31 December 2024

4. DIRECTORS

The following directors appointed in terms of the Articles of Association of the Company served office during the period.

Name	Residence	Nationality	Effective date
Charles Mustafa Kamoto*	Malawi	Malawian	Up to 31-Oct-2024
Sanjeet Pokala Kumar**	Dubai	Indian	Full year
Abdul Shaik*	Malawi	Indian	From 1-Nov-24 to 31-Jan-25

*Executive Director

**Non-Executive Director

5. COMPANY SECRETARY

The secretary of the Company is Mr. Abdulhakim Mkwanda since 1-November-2024.

6. FINANCIAL PERFORMANCE

The results and state of affairs of the Company are set out in the accompanying statement of financial position, statement of changes in equity and notes to financial statements, which include a summary of significant accounting policies.

	<u>2024</u> K'000	<u>2023</u> K'000
Loss before tax	(14 229)	-
Loss for the year	<u>(14 229)</u>	<u>-</u>

6. RESERVES


Details of the reserves of the company are shown in the statement of changes in equity on page 8.


7. DIVIDENDS

The Company did not declare any dividends.

9. AUDITORS

The auditors, Deloitte, have signified their willingness to continue in office and a resolution is to be proposed at the forthcoming Annual General Meeting in relation to their appointment as auditors in respect of the year ending 31 December 2025.


.....
Aashish Dutt (Managing Director)


.....
Sanjeet Kumar (Director)

AIRTEL (M) TELESONIC LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
For the year ended 31 December 2024

The Companies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Airtel (M) Telesonic Limited as at the end of the financial year and of the operating results for that year.

The Directors are responsible for the preparation and fair presentation of the financial statements of Airtel (M) Telesonic Limited, comprising the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policy information and other explanatory notes, in accordance with IFRS® Accounting standards, IAS 29 directive as issued by the Institute of Chartered Accountants in Malawi, and in the manner required by the Companies Act.

The directors also acknowledge their duty to ensure the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act.

In preparing the financial statements the directors accept responsibility for the following:

- Maintenance of proper accounting records;
- Selection of material accounting policy information and consistent application thereof;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for establishing internal controls that ensure the propriety of transactions and accuracy and reliability of the accounting records and to safeguard the assets of the Company against loss by theft, fraud, defalcation or otherwise.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the for the period ended 31 December 2024.



.....) Aashish Dutt (DIRECTOR)



.....) Sanjeet Kumar (DIRECTOR)

22nd May'25

..... DATE

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Airtel (M) Telesonic Limited

Opinion

We have audited the financial statements of Airtel (M) Telesonic Limited (the Company), set out on pages 7 to 18, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Companies Act 2013.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) (including International Independence Standards) together with the ethical requirements that are relevant to performing audits of financial statements in Malawi. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Statement of Directors' Responsibilities as required by the Companies Act which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Other Information (Continued)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Companies Act 2013 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'C. Kapenda', followed by a period.

Chartered Accountants
Christopher Kapenda
Partner


28 May 2025

AIRTEL (M) TELESONIC LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	As at 31 December <u>2024</u> K'000	As at 31 December <u>2023</u> K'000
ASSETS			
Current assets			
Other receivables	5	10 000	10 000
Other current assets	6	1 448	-
Total current assets		<u>11 448</u>	<u>10 000</u>
Total assets		<u>11 448</u>	<u>10 000</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		10 000	10 000
Accumulated losses		(14 229)	-
Total Shareholders' equity		<u>(4 229)</u>	<u>10 000</u>
Current liabilities			
Other payables	7	15 677	-
Total current liabilities		<u>15 677</u>	<u>-</u>
Total liabilities		<u>15 677</u>	<u>-</u>
Total equity and liabilities		<u>11 448</u>	<u>10 000</u>

The financial statements on pages 7 to 18 were approved and authorised for issue by the Board of Directors on 22 May 2025 and signed on its behalf by:


.....
Aashish Dutt (Director)


.....
Sanjeet Kumar (Director)

AIRTEL (M) TELESONIC LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	For the year ended 31 December 2024 K'000	For the year ended 31 December 2023 K'000
Expenses		
Auditors' remuneration	(14 229)	-
	(14 229)	-
Operating loss	(14 229)	-
Loss before tax	(14 229)	-
Loss and total comprehensive loss for the year	(14 229)	-

The company had not yet commenced trading in 2023, hence, there are no comparative recorded transactions in statement of comprehensive income.

AIRTEL (M) TELESONIC LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Share capital K'000	Accumulated losses K'000	Total K'000
Year ended 31 December 2024			
At the beginning of the year	10 000	-	10 000
Total comprehensive loss for the period ended	-	(14 229)	(14 229)
Balance at 31 December 2024	10 000	(14 229)	(4 229)
Year ended 31 December 2023			
Share Capital added	10 000	-	10 000
Balance at 31 December 2023	10 000	-	10 000

AIRTEL (M) TELESONIC LIMITED
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	For the year ended <u>31 December 24</u> K'000	For the year ended <u>31 December 23</u> K'000
Cash flows from operating activities		
Loss before taxation	(14 229)	-
Operating cash flow before working capital changes	<u>(14 229)</u>	<u>-</u>
<i>Changes in working capital:</i>		
Increase in other assets	(1 448)	-
Increase in trade and other payables	<u>15 677</u>	<u>-</u>
Net cash generated from operations before tax	<u>-</u>	<u>-</u>
Net increase in cash & cash equivalents	<u>-</u>	<u>-</u>
Cash & Cash equivalents at the beginning of the year	<u>-</u>	<u>-</u>
Cash & Cash equivalents as at end of the period	<u><u>-</u></u>	<u><u>-</u></u>

The company had not yet commenced trading in 2023, hence, there are no comparative recorded transactions in cash flows.

AIRTEL (M) TELESONIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. Corporate information

Airtel (M) Telesonic Limited (the 'Company') was incorporated under the Companies Act 2013.

The activity of the Company is to provide Data Connectivity in form of fibre, duct and bandwidth related services to business users. The Company's immediate parent company is Airtel Africa Telesonic Holding Limited which is incorporated in the UK and the ultimate parent company is Airtel Africa plc which is part of Airtel Africa group.

The Company was incorporated on 25 August 2022. As at the time of approval of these financial statements, the Company had not yet commenced trading.

Registered office and place of business

Airtel Complex, City Centre
Off Convention Drive
P.O Box 57
Lilongwe
Malawi

2. Application of new and revised International Financial Reporting Standards

2.1 New and amended Standards that are effective for the current year

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

Amendments to IAS 7 Statement of Cash flows and IFRS 7 financial instruments: Disclosures titled supplier finance arrangements

The Company has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements for the first time in the current year. The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the Company applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

2. Application of new and revised International Financial Reporting Standards (Continued)

2.1 New and amended Standards that are effective for the current year (Continued)

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The Company has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The Company has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period.

However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

AIRTEL (M) TELESONIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2024

2. Application of new and revised International Financial Reporting Standards (Continued)

2.2 New and revised standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Standard or amendment	Description	Effective date
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
Amendments to IAS 21	Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Amendments IFRS 9 and IFRS 7	Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Annual IFRS improvement Volume 11	Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods, except if indicated below.

Impact of new and amended standards and interpretations in issue but not yet effective in the year ended 31 December 2024

IFRS 18 - Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Directors of the Company anticipate that the application of these amendments may have an impact on the financial statements in future periods.

2. Application of new and revised International Financial Reporting Standards (Continued)

2.2 New and revised standards in issue but not yet effective (Continued)

Lack of Exchangeability (Amendments to IAS 21)

The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to:

- **Specify when a currency is exchangeable into another currency and when it is not** — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- **Specify how an entity determines the exchange rate to apply when a currency is not exchangeable** — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- **Require the disclosure of additional information when a currency is not exchangeable** — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability.

The amendments to IAS 21 are effective for accounting periods beginning on or after 1 January 2025 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The International Accounting Standards Board (IASB) has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'.

The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date.

The amendments to IFRS 9 and IFRS 7 are effective for accounting periods beginning on or after 1 January 2026 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

AIRTEL (M) TELESONIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2024

2. Application of new and revised International Financial Reporting Standards (Continued)

2.2 New and revised standards in issue but not yet effective (Continued)

Annual Improvements to IFRS Accounting Standards — Volume 11

The IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

Standard	The amendment
IFRS 1 First-time Adoption of International Financial Reporting Standards	Hedge accounting by a first-time adopter. The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 <i>Financial Instruments</i> .
IFRS 7 Financial Instruments: Disclosures	Gain or loss on derecognition. The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 <i>Fair Value Measurement</i> was issued.
IFRS 7 Financial Instruments: Disclosures (implementation guidance only)	Disclosure of deferred difference between fair value and transaction price. The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
IFRS 7 Financial Instruments: Disclosures (implementation guidance only)	Introduction and credit risk disclosures. The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.
IFRS 9 Financial Instruments	Lessee derecognition of lease liabilities. The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9.
IFRS 9 Financial Instruments	Transaction price. The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 <i>Revenue from Contracts with Customers</i> while term 'transaction price' is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.
IFRS 10 Consolidated Financial Statements	Determination of a 'de facto agent'. The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

AIRTEL (M) TELESONIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2024

2. Application of new and revised International Financial Reporting Standards (Continued)

2.2 New and revised standards in issue but not yet effective (Continued)

IAS 7 Statement of Cash Flows	Cost method. The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.
IFRS 19 Subsidiaries without Public Accountability	IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

The annual improvement volume 11 are effective for accounting periods beginning on or after 1 January 2026 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

3. Material accounting policy information

The following is a summary of the significant accounting policies adopted by the Company. These policies have been consistently applied to all period presented, unless otherwise stated.

3.1 Statement of compliance

Compliance with IFRS - These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Malawi (ICAM) and in the manner required by the Companies Act.

3.2 Basis of accounting

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

3.3 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has access to resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

3.4 Basis of preparation

The financial statements are prepared on the historical cost basis. The principal accounting policies are set out below in the following paragraphs.

AIRTEL (M) TELESONIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2024

4. Related party disclosures

4.1 Amounts due from related parties

<u>Name of the related party</u>	<u>Country of incorporation</u>	<u>Relationship</u>	<u>2024</u> K'000	<u>2023</u> K'000
Airtel Africa Telesonic Holdings Limited	Netherlands	Holding Company	10 000	10 000
Totals as disclosed in note 5			<u>10 000</u>	<u>10 000</u>

In 2022, there were 10 000 000 ordinary shares issued to Airtel Africa Telesonic Holdings Limited at K1 per share for consideration of K10 million. These are unpaid.

5. Other receivables

	<u>2024</u> K'000	<u>2023</u> K'000
Amount due from related parties (note 4.1)	10 000	10 000
	<u>10 000</u>	<u>10 000</u>

6. Other current assets

	<u>2024</u> K'000	<u>2023</u> K'000
Tax recoverable (VAT Input)	1 448	-
	<u>1 448</u>	<u>-</u>

Above VAT input claim pertaining to audit fees.

7. Other payables

	<u>2024</u> K'000	<u>2023</u> K'000
Other payables	15 677	-
	<u>15 677</u>	<u>-</u>

Other payables relate to audit fees for financial year ended 2023 and 2024.

AIRTEL (M) TELESONIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2024

8. Employees and directors' remuneration

There were no employees during the reporting period.

None of the directors received remuneration in respect of services provided to the Company.

9. Economic factors

The year-end rates of the foreign currencies is stated below, together with the increase in the National Consumer Price Index for the year, which represents an official measure of inflation.

	<u>2024</u>	<u>2023</u>
Kwacha/US Dollar	1 751	1 700
Inflation	28.1%	35%

At the time of approving these financial statements, the above economic factors had moved as follows:

Kwacha/US Dollar	1 751
Inflation (March 2025)	30.5%

No adjustments arising from the movement of the exchange rates after the reporting period- end have been made in the financial statements.

10. Subsequent events

There are no subsequent events to report.