AIRTEL MOBILE COMMERCE SERVICES LIMITED

FINANCIAL STATEMENTS FOR YEAR ENDED

31 DECEMBER 2024

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REGISTRATION NUMBER

PVT- 9XUGGDXZ

DIRECTORS

Cihan Amandine Seuleiman-Morgan
Sidhanth Hota
Daniel Kyama Kivuva

REGISTERED OFFICE

LR 209/11880, 4th Floor Parkside Towers
Mombasa Road
P.O. Box 962 – 00100
Nairobi, Kenya

COMPANY SECRETARY

Scribe Services Secretaries
P.O. Box 3085 – 00100
Nairobi, Kenya

AUDITORS

Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Deloitte Place, Waiyaki Way,
Muthangari
P.O. Box 40092 – 00100

PRINCIPAL BANKERS

Standard Chartered Bank
P.O. Box 30003 – 00100
Nairobi, Kenya

The directors submit their report together with the audited financial statements for year ended 31 December 2024, which discloses the state of affairs of Airtel Mobile Commerce Services Limited, (the "Company").

The Company was incorporated as a limited private company on 24 March 2021 in Kenya, under the Companies Act, 2015 (Reg No. PVT- 9XUGGDXZ) and is domiciled in Kenya.

The company is a subsidiary of Airtel Mobile Commerce B.V. ('the parent'), a company registered in Netherlands. Hence the Company is indirect subsidiary of Airtel Africa plc and consequently, is part of a larger group (Airtel Africa plc and its subsidiaries, referred to as "Airtel Africa Group").

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is that of providing management support services to related parties.

2. RESULTS

The results for the year are set out on page 8.

Particulars	01 January 2024 - 31 December 2024	01 January 2023 - 31 December 2023
	KSH '000	KSH '000
Loss before tax	2,655	20,717
Tax	3,881	1,853
Loss after tax	**6,536**	**22,570**

3. DIRECTORS

The directors who held office during the year are as listed below:

Name	Nationality	Role	Date of appointment/ resignation
Cihan Amandine Seuleiman-Morgan	French	Director	Appointed on 24th March 2021
Pier Alfonso Falcione	British	Director	Resigned on 31st January 2024 (Appointed on 2nd June 2021)
Daniel Kyama Kivuva	Kenyan	Director	Appointed on 24th September 2022
Sidhanth Hota	Indian	Director	Appointed on 01st February 2024

None of the directors have any shareholding interest in the Company. During the period, the Company did not pay any directors' fees.

4. GOVERNANCE

The Board of Directors consists of three directors. 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.

5. BUSINESS REVIEW

The Company has taken borrowing of KSH 209,351 thousand (and repayment of loan during the yar was KSH 92,823 thousand) during the year. The management is focusing on realization its receivables and expected to reduce dependency on borrowing in next year.

The Company is committed to continue to serve with high quality management services to the related parties as a result the revenue got increased by 9%, revenue raised in year 2024 is KSH 196,313 thousand as compared to KSH 178,401 thousand in previous period.

6. DISCLOSURE OF INFORMATION TO AUDITORS

Each director confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware and that each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

7. AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office in accordance provisions of section 719 (2) of the Kenyan Companies Act, 2015. The Directors monitor the effectiveness, objectivity, and independence of the auditor. The Directors also approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees.

By order of the Board

Sd/-

SCRIBE SERVICES SECRETARIES
Nairobi, Kenya

24 June 2025

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintain proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position and profit or loss of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and error.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015. They also accept responsibility for:

(i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

(ii) selecting suitable accounting policies and applying them consistently; and

(iii) making accounting estimates and judgements that are reasonable in the circumstances.

These financial statements are prepared on going concern basis as the Directors believe that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. During the year, the company incurred a loss of KES 6,636 thousand for the year ended 31 December 2024 (loss of KES 22,570 thousand for the year ended 31 December 2023). As at 31 December 2024, the company had a net liability of KES 41,364 thousand (KES 34,828 thousand as at 31 December 2023). The company's strategy is to continue implement cost saving initiatives which include reducing the intercompany loan payable to the parent company to reduce finance costs and foreign currency losses. Based on cashflow projections and revolving loan facility with Airtel Mobile Commerce B.V. (parent company) (refer to note 15 of the financial statements), the Directors confirm that they have a reasonable expectation that the Company will continue to operate and meet its obligations as they fall due. Therefore, the financial statements have been prepared on a going concern basis.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on 24 June 2025 and signed on its behalf by:

Sd/-	Sd/-	Sd/-
Cihan Amandine Seuleiman-Morgan Director	Sidhanth Hota Director	Daniel Kyama Kivuva Director

Report on the audit of the financial statements.

Opinion

We have audited the accompanying financial statements of Airtel Mobile Commerce Services Limited (the "Company") set out on pages 8 to 24, which comprise the statement of financial position as at 31 December 2024, statement of profit or loss and other 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Airtel Mobile Commerce Services Limited 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 (IASB) and the requirements of Kenya Companies Act, 2015.

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 (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with 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

Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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. If, based on the work we have performed on the other information, 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 directors and those charged with governance for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by IASB, requirements of Kenya Companies Act, 2015 and for such internal control as the directors determines 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 skepticism 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 controls 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.

- 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.

Report on other matters prescribed by the Kenyan Companies Act, 2015

Report of the directors

In our opinion the information given in the report of directors' report on pages 3 to 4 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA Freda Mitambo,** Practising certificate **No. 2174**.

Sd/-

For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Nairobi

24 June 2025

Statement of Profit or Loss and other Comprehensive Income for year ended 31 December 2024

(All amounts are in KSH thousands, unless stated otherwise)

	Notes	For the year 01 January 2024 - 31 December 2024	For the year 01 January 2023 - 31 December 2023
Income			
Revenue	**4**	196,313	178,401
Total income		**196,313**	**178,401**
Expenses			
Employee benefits expense	**5**	191,710	167,692
Other expenses	**6**	2,252	3,273
Depreciation	**9**	339	-
Total expenses		**194,301**	**170,965**
Operating profit		**2,012**	**7,436**
Finance costs	**7**	(7,689)	(20,170)
Exchange fluctuation gain/(loss)		3,022	(7,983)
Loss before tax		**(2,655)**	**(20,717)**
Tax expense	**8(a)**	(3,881)	(1,853)
Loss for the year		**(6,536)**	**(22,570)**
Other comprehensive income for the year		**-**	**-**
Total comprehensive loss for the year		**(6,536)**	**(22,570)**

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Airtel Mobile Commerce Services Limited
Statement of Financial Position as on 31 December 2024
(All amounts are in KSH thousands, unless stated otherwise)

	Notes	As of 31 December 2024	As of 31 December 2023
ASSETS			
Non current assets			
Property plant and equipment	**9**	1,311	-
Deferred tax asset	**8(c)**	12,761	13,486
		14,072	**13,486**
Current assets			
Financial Assets			
Cash and cash equivalents	**10**	23,641	24,695
Trade receivables	**11**	96,385	3,509
Other financial assets	**12**	8,268	10,040
Income tax recoverable	**8(b)**	5,824	-
Non financial Assets			
Other current assets	**13**	8,465	2,882
		142,583	**41,126**
Total assets		**156,655**	**54,612**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	**15**	158,772	50,725
		158,772	**50,725**
Current liabilities			
Financial liabilities			
Other financial liabilities	**16**	847	1,248
Non financial liabilities			
Other current liabilities	**17**	38,400	35,949
Income tax	**8(b)**	-	1,518
		39,247	**38,715**
Total liabilities		**198,019**	**89,440**
Net assets		**(41,364)**	**(34,828)**
EQUITY AND LIABILITIES			
Share capital	**14**	100	100
Accumulated losses		(41,464)	(34,928)
Total Equity		**(41,364)**	**(34,828)**

The financial statements on pages 8 to 24 were approved and authorised for issue by the Board of directors on 24 June 2025 and signed on its behalf by:

Sd/-	Sd/-	Sd/-
Cihan Amandine Seuleiman-Morgan	Sidhanth Hota	Daniel Kyama Kivuva
Director	Director	Director

Airtel Mobile Commerce Services Limited
Statement of Changes in Equity for year ended 31 December 2024
(All amounts are in KSH thousands, unless stated otherwise)

	Share Capital		Accumulated losses	Equity attributable to owners of the company
	No of shares	Amount		
Opening Balance as at 01 January 2023	1,000	100	(12,358)	(12,258)
Loss for the year	-	-	(22,570)	(22,570)
As of 31 December 2023	**1,000**	**100**	**(34,928)**	**(34,828)**
Opening Balance as at 01 January 2024	1,000	100	(34,928)	(34,828)
Loss for the year	-	-	(6,536)	(6,536)
As of 31 December 2024	**1,000**	**100**	**(41,464)**	**(41,364)**

Airtel Mobile Commerce Services Limited
Statement of Cash Flows for year ended 31 December 2024
(All amounts are in KSH thousands, unless stated otherwise)

Particulars	Note	01 January 2024 - 31 December 2024	01 January 2023 - 31 December 2023
Cash flows from operating activities			
Loss before tax		**(2,655)**	**(20,717)**
Adjustments :			
Finance costs	**7**	7,689	20,170
Depreciation	**9**	339	-
Foreign exchange (gain)/loss		(3,022)	7,983
Operating cash flow before changes in working capital		**2,351**	**7,436**
Changes in working capital			
(Increase)/decrease in current assets		(109,073)	219,832
Increase in current liabilities		7,031	14,944
Net cash from operations before tax		**(99,691)**	**242,212**
Income tax paid	**8(b)**	(10,498)	(13,462)
Net cash used in operating activities (a)		**(110,189)**	**228,750**
Cash flows from financing activities			
Purchase of property, plant and equipment	**9**	(1,650)	-
Net cash used in investing activities (b)		**(1,650)**	**-**
Cash flows from financing activities			
Loan received	**15**	206,321	165,214
Loan repayment	**15**	(92,823)	(397,699)
Withholding tax payment on interest expense on behalf of Lender	**15**	(1,153)	(3,026)
Net cash generated from/(utilised in) financing activities (c)		**112,345**	**(235,511)**
Net Increase/(decrease) in cash and cash equivalents during the period (a+b+c)		**506**	**(6,761)**
Foreign exchange fluctuation (loss)/gain on USD bank Account		(1,560)	232
Add : Cash and cash equivalents as at the beginning of the year		24,695	31,224
Cash and cash equivalents as at the end of the year	**10**	**23,641**	**24,695**

1. Corporate information

The Company was incorporated as a limited private company on 24 March 2021 in Kenya, under the Companies Act, 2015 (Reg No. PVT- 9XUGGDXZ) and is domiciled in Kenya. The Company has its registered office at Land Reference No 209/11880, Parkside Towers, 4th Floor, Mombasa Road, Nairobi, Kenya.

The activities of the Company are that of providing services to related parties and has its operation in Kenya.

The company is a subsidiary of Airtel Mobile Commerce B.V. ('the parent'), a company registered in Netherlands. Hence the Company is indirect subsidiary of Airtel Africa plc and consequently, is part of a larger group (Airtel Africa plc and its subsidiaries, referred to as "Airtel Africa Group").

2. Material accounting policies

a. Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of Kenya Companies Act, 2015.

For the purpose of reporting under the Kenyan Companies Act, 2015, the balance sheet in the financial statements is represented by the statement of financial position and the profit and loss statement is presented in the statement of Profit or Loss and other comprehensive income.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

b. Basis of preparation

The financial statements are prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of Kenya Companies Act, 2015.

The financial statements are reported in Kenya Shillings except when otherwise indicated. All values are rounded to the nearest thousands (KSH thousands) except when otherwise indicated. Further, amounts which are less than half a thousand are appearing as '0'.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements.

c. Foreign currency transactions

The financial statements are presented in Kenya Shillings which is also the Company's functional currency. Transactions in foreign currencies (other than functional currency) are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the Balance Sheet date. Foreign exchange differences on subsequent restatement/settlement are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

d. Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value).

e. Financial Instruments

Recognition, classification and presentation

Financial instruments are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the statement of financial position, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

f. Statement of Cash flows

Cash flows are reported using the indirect method as per IAS-7" Statement of cash flows", whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferral or accrual of past or future cash operating receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

g. Share capital

Issued ordinary shares are classified as Equity when the Company has an un-conditional right to avoid repayment in cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

h. Taxes

The income tax expense comprises current and deferred income tax. Income tax is recognised in the profit and loss.

(i) Current tax

Current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess/(shortfall) of the Company's income tax obligation for the period would be recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.
Any interest relating to accrued liabilities for potential tax assessments would not be included in the Income tax charge or (credit) but would be recognised within finance costs.

(ii) Deferred tax

Deferred tax would be recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements.
Deferred tax assets would be recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and tax credits can be utilised. The Company considers the projected future taxable income and tax planning strategies in making this assessment.
Deferred tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of taxable profits for the foreseeable future.

Deferred tax would be determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.
Deferred tax assets and liabilities are offset against each other and the resultant net amount would be presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to setoff the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

i. Employee benefits expense

The Company's employee benefits mainly include salaries, bonuses and other related expense. The employee benefits are recognised in the year in which the associated services are rendered by the Company's employees. Short-term employee benefits are recognised in Statement of Profit and Loss at undiscounted amounts during the period in which the related services are rendered.

j. Revenue

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. This is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any discounts. Revenue on account of management fees is recognised over the time the services are rendered.

k. Property, plant and equipment

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE is initially recognized at cost.

The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is derecognized from the balance sheet and cost of the new item of PPE is recognised.

The expenditures that are incurred after an item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of comprehensive income in the period in which such costs are incurred. However, in situations in which the said expenditure can be measured reliably and it is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Period
Computers	3 – 5 years
Office equipment	1 – 5 years
Furniture & fixtures	1 – 5 years

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least, as at each reporting date, to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and/or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed of are de-recognised from the balance sheet and the resulting gains/(losses) are included in the statement of comprehensive income within other expenses/other income.

l. Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs which are not directly attributable to the acquisition, construction or production of an asset (that necessarily takes a substantial period of time to get ready for its intended use or sale) are expensed in the period they occur.

3. Application of new and revised IFRS Accounting Standards

3.1 New and revised Standards and Interpretations applied with no material effect on the financial statements

No new IFRS issued during the year are applicable to the Company. Amendments to existing IFRSs have been applied by the Company as required, however, these amendments do not have any material impact on the Company's financial statements. The list of new IFRS and newly issued amendments is as follows:

- Amendment to IAS 7 Statement of Cash flow and IFRS 7 Financial Instruments in relation to Disclosure titled Supplier Finance Arrangement.

3.2 New and revised Standards in issue but not yet effective

The following pronouncements issued by the IASB are relevant to the Company and effective for annual periods beginning on or after 1 January 2025. The Company's financial statements will be presented in accordance with these requirements, which are being evaluated but are not expected to have a material impact on the results, financial position or cash flows of the Company. These pronouncements have been issued by IASB, but are not yet effective:

- Amendments to IAS 21, the effect of change in foreign exchange rates in respect of lack of exchangeability.
- IFRS 18 for Presentation and Disclosure in Financial Statements.
- IFRS 19 in relation to disclosure requirement in subsidiaries without public accountabilities.

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The estimates and assumptions are based on the directors best knowledge of current events, actions, historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. However, there were no critical accounting judgments or key sources of estimation uncertainty that could have a significant effect on the amount recognised in the Company's financial statements.

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4. Revenue

	For the year 01 January 2024 - 31 December 2024	For the year 01 January 2023 - 31 December 2023
Management fees[1]	196,311	178,401
Interest Income	2	-
	196,313	**178,401**

[1]refer note 18

5. Employee benefits expense

	For the year 01 January 2024 - 31 December 2024	For the year 01 January 2023 - 31 December 2023
Salaries and bonuses	177,820	159,068
Employee insurance	6,579	3,171
Others	7,311	5,453
	191,710	**167,692**

6. Other expenses

	For the year 01 January 2024 - 31 December 2024	For the year 01 January 2023 - 31 December 2023
Sales & marketing expense	12	1,475
Statutory audit fees	448	448
Bank charges	114	146
Legal and Professional Expenses	530	177
Deemed VAT Expense	324	
Travelling and Conveyance	824	1,027
	2,252	**3,273**

7. Finance costs

	For the year 01 January 2024 - 31 December 2024	For the year 01 January 2023 - 31 December 2023
Interest on borrowings	7,689	20,170
	7,689	**20,170**

8 (a). Tax expense

		For the year 01 January 2024 - 31 December 2024	For the year 01 January 2023 - 31 December 2023
Current tax expense		3,156	8,587
Deferred tax expense/(credit)		725	(6,734)
Tax expense for the period		**3,881**	**1,853**
Reconcilliation			
Loss before tax		(2,655)	(20,717)
Tax at	30%	(797)	(6,215)
Tax effect of:			
Expenses not deductible		4,677	8,068
Tax expense for the period		**3,881**	**1,853**

8 (b). Income tax (recoverable)/payable

	As of 31st December 2024	As of 31st December 2023
Opening balance of tax payable	1,518	6,393
Tax charge	3,156	8,587
Tax paid	(10,498)	(13,462)
Closing balance of tax (recoverable)/payable	**(5,824)**	**1,518**

8 (c). Deferred tax assets

Deferred income tax is calculated using the enacted tax rate of 30% (31 December 2023: 30%). The movement on the deferred income tax account is as follows:

	As of 31 December 2024	As of 31 December 2023
Opening Balance	13,486	6,752
(Charge)/credit to profit or loss	(725)	6,734
Closing balance at 31 December	12,761	13,486

The net recognised deferred income tax asset and deferred income tax credit to profit or loss are attributable to the following items after multiplying by the tax rate of 30%:

	31 December 2023	Movement	31 December 2024
Year ended 31 December			
Depreciation on property, plant and equipment	0	64	64
General provisions (bonus and other employee related provision)	(31,423)	(2,607)	(34,030)
Deferred realised forex	(11,595)	(4,651)	(16,246)
Unrealised foreign exchange losses (loans)	(1,936)	9,610	7,674
Total timing differences recognised	**(44,954)**	**2,416**	**(42,538)**

9. Property plant and equipment

The following table presents the reconciliation of changes in the carrying value of PPE for the years ended 31 December 2024 and 31 December 2023:

	Computers	Office Equipment	Furniture and fixtures	Total
Gross carrying amount				
Balance as at 01 January 2024	-	-	-	-
Purchased during the year	1,488	100	62	1,650
Balance as at 31 December 2024	**1,488**	**100**	**62**	**1,650**
Accumulated depreciation				
Balance as at 01 January 2024	-	-	-	-
Depreciation charged during the year	322	12	5	339
Balance as at 31 December 2024	**322**	**12**	**5**	**339**
Net book value as at 31 December 2023	-	-	-	-
Net book value as at 31 December 2024	**1,166**	**88**	**57**	**1,311**

10. Cash and cash equivalents

	As of 31 December 2024	As of 31 December 2023
Cash at bank	23,641	24,695
	23,641	**24,695**

11. Trade receivables

	As of 31 December 2024	As of 31 December 2023
Management fees receivables[1]	96,385	3,509
	96,385	**3,509**

[1]refer note 18

12. Other financial assets

	As of 31 December 2024	As of 31 December 2023
Receivable from group company[1]	8,268	10,040
	8,268	**10,040**

[1]refer note 18

13. Other current assets

	As of 31 December 2024	As of 31 December 2023
Prepaid expenses	2,974	1,769
Value Added Tax (VAT) recoverable	225	-
Advance to employees	5,266	1,113
	8,465	**2,882**

14. Share capital

	As of 31 December 2024	As of 31 December 2023
Authorised share capital		
1,000 Ordinary shares of KES 100 each	100	100
Issued and paid-up share capital		
1,000 Ordinary shares of KES 100 each	100	100
	100	100

a) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of KES 100 per share. Each holder of ordinary shares is entitled to one vote per share.

b) Details of shareholding

	No of shares	As of 31 December 2024 Shareholding	As of 31 December 2023 Shareholding
Equity Share of KES 100 each fully paid up			
Airtel Mobile Commerce B.V.	1,000	100%	100%

(ii) Other equity

Retained earnings/ Accumulated losses: Represents the amount of accumulated profit or loss of the Company.

15. Borrowings

	As of 31 December 2024	As of 31 December 2023
Loan from Parent company (including accrued interest)	158,772	50,725
	158,772	**50,725**

The loan facility of equivalent KES 646,548 thousand (based on exchange rate as on 31 December 2024) is unsecurred and denominated in US Dollar (USD 5,000 thousand). The interest thereon is charged based on 3 month SOFR+ 200 bps. Any outstanding principal loan amounts and accrued interest thereon will be payable in full by December 31, 2026, unless agreed otherwise between borrower and lender in writing. The undrawan facility under this unsecured loan as on 31 December 2024 stands at equivalent KSH 487,776 thousand (USD 3,772 thousand)

Loan movement	As of 31 December 2024	As of 31 December 2023
Opening Balance	(50,725)	(212,773)
Loan taken	(206,321)	(165,214)
Interest expense	(7,689)	(20,170)
Withholding tax on interest	1,153	3,026
Loan repaid	92,823	397,699
Revaluation foreign exchange gain/(loss)	11,987	(53,293)
Balance at 31 December	**(158,772)**	**(50,725)**

16. Other financial liabilities

	As of 31 December 2024	As of 31 December 2023
Statutory audit accrual	448	828
Payable to group company[1]	399	420
	847	**1,248**

[1]refer note 18

17. Other current liabilities

	As of 31 December 2024	As of 31 December 2023
Bonus and other employee payable	29,894	31,141
Statutory liabilities	5,464	4,435
Other payable	3,042	373
	38,400	**35,949**

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18. Related party disclosure

Related parties and transactions with them in the ordinary course of business are disclosed below:

Entity Name	**Relationship**
Airtel Mobile Commerce B.V.	Parent company

Transaction during the period	**For the period ended 01 January 2024 - 31 December 2024**	**For the period ended 01 January 2023 - 31 December 2023**
Loan taken	209,351	165,214
Repayment of loan	(92,822)	(397,699)
Withholding tax on interest	(1,153)	(3,026)
Interest expenses on loan	7,689	20,170
Management Fee	(196,313)	(178,401)
Total	**(73,248)**	**(393,742)**

Balance at the end of the period	**As of 31 December 2024**	**As of 31 December 2023**
Loan payable	156,688	48,308
Interest payable	2,084	2,417
Management fees receivable from AMC BV Dubai	(96,385)	(3,509)
Amount payable (net)	**62,387**	**47,216**

Entity Name	**Relationship**
Bharti Airtel (International) Netherlands B.V.	Intermediate parent company

Transaction during the period	**For the period ended 01 January 2024 - 31 December 2024**	**For the period ended 01 January 2023 - 31 December 2023**
Payment made by related party on behalf of the Company	-	831
Foregin exchange loss/(gain)	1,772	(3,382)
Total	**1,772**	**(2,551)**

Balance at the end of the period	**As of 31 December 2024**	**As of 31 December 2023**
Receivable from related party	(8,268)	(10,040)
Total receivable	**(8,268)**	**(10,040)**

Entity Name	**Relationship**
Airtel Networks Kenya Limited	Fellow subsidiary company

Transaction during the period	**For the period ended 01 January 2024 - 31 December 2024**	**For the period ended 01 January 2023 - 31 December 2023**
Payment made by related party on behalf of the Company	-	420
Foregin exchange loss/(gain)	(21)	-
Total	**(21)**	**420**

Balance at the end of the period	**As of 31 December 2024**	**As of 31 December 2023**
Amount payable	399	420
Total payable	**399**	**420**

19. Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk and operational risk. The directors review and agree policies for managing these risks.

The directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as foreign exchange rates, interest rates and equity prices. The objective of market risk management is to manage and control market risk exposure within acceptable levels, while optimizing on the return on the risk.

a. Foreign Exchange Risk

Foreign exchange risk arises from future investment transactions on recognized assets and liabilities. Asset and Liabilities denominated in foreign currency as on reporting date:

Particulars	**31 December 2024**	**31 December 2023**
Liabilities		
Borrowings	158,772	50,725
Assets		
Cash and cash equivalents (in USD Account)	15,299	9,798
Revenue receivables	96,385	3,509
Net Position (liabilities)	**47,088**	**37,418**

At 31 December 2024, if the KSHs had weakened/strengthened by 5% against the US dollar with all other variables held constant, pre-tax loss for the year would have been KShs 2,354 thousands lower/higher (31 December 2023: KShs 1,871 thousands lower/higher), mainly as a result of US dollar denominated borrowings, bank balance, and receivables. Apart from this, there would be no impact on equity.

b. Interest Rate Risk

Interest rate risk is the risk that the future profitability and/or cash flows of financial instruments will fluctuate because of changes in the market interest rates.

The Company's only variable interest bearing financial liabilities are its external borrowings of USD 1,228 thousands (31 December 2023: USD 323 thousands) which are set at variable rates, and it is therefore exposed to cash flow interest rate risk. At 31 December 2024, an increase/decrease of 100 basis points would have resulted in a decrease/increase in pre-tax profit of KShs 1,163 thousands (31 December 2023: KShs 2,730 thousands) and shareholder fund.

c. Credit Risk

Credit risk arises from cash and deposits with banks and financial institutions. The Company has no significant concentrations of credit risk. Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The tables below detail the credit quality of the Company's financial assets as well as the Company's maximum exposure to credit risk by credit risk rating grade:

31 December 2024	Gross carrying amount	Loss allowance	Net amount
Cash and cash equivalent	23,641	-	23,641
Trade receivables and other financial asset	104,653	-	104,653
	128,294	**-**	**128,294**

31 December 2023	Gross carrying amount	Loss allowance	Net amount
Cash and cash equivalent	24,695	-	24,695
Trade receivables and other financial asset	13,549	-	13,549
	38,244	**-**	**38,244**

Bank balances are not restricted and include deposits held with banks that have high credit ratings. Bank balances are thus considered investment grade. Impairment loss on the bank balances is therefore not material.

The Cash and Cash equivalents are carried at gross amount – amortized cost. The loss allowance on cash and cash equivalents, if recognized, would pass through the profit and loss account. The current liquid assets have been recognized as the principal amount receivable from the Banks excluding any interest.

d. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations from its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

31 December 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Liabilities				
Borrowings	-	158,772	-	158,772
Interest payable on borrowings	10,494	10,494		20,988
Other financial liabilities	847	-	-	847
Total financial liabilities	**11,341**	**169,266**	**-**	**180,608**

31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Liabilities				
Borrowings	-	-	50,725	50,725
Interest payable on borrowings	3,748	3,748	3,748	11,243
Other financial liabilities	1,248	-	-	1,248
Total financial liabilities	**4,996**	**3,748**	**54,473**	**63,216**

Capital Risk Management

Capital structure of the Company consists of net debt and equity. Capital includes equity attributable to the equity holders of the Company. Debts includes long term and short term borrowings including lease liabilities, if any. Net debts is defined as debt after deducting of cash and cash equivalents.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares as per requirement, however the Company is not subject to any capital requirement outside from group.

As the Company's equity is negative, hence gearing ratio between net debt and equity is not presented.

20. Fair Value of financial assets and liabilities

Set out below are the carrying amounts and fair values of the financial instruments that are carried in the financial statements.

31 December 2024

	Carrying amount	Fair value
Financial assets		
Cash and cash equivalent	23,641	23,641
Trade receivables	96,385	96,385
Other financial assets	8,268	8,268
	128,294	**128,294**
Financial liabilities		
Borrowings	158,772	158,772
Other financial liabilities	847	847
	159,619	**159,619**

31 December 2023

	Carrying amount	Fair value
Financial assets		
Cash and cash equivalent	24,695	24,695
Trade receivables	3,509	3,509
Other financial assets	10,040	10,040
	38,244	**38,244**
Financial liabilities		
Borrowings	50,725	50,725
Other financial liabilities	1,248	1,248
	51,973	**51,973**

21. Going Concern Assessment

These financial statements are prepared on going concern basis as the Directors believe that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. During the year, the company incurred a loss of KES 6,636 thousand for the year ended 31 December 2024 (loss of KES 22,570 thousand for the year ended 31 December 2023). As at 31 December 2024, the company had a net liability of KES 41,364 thousand (KES 34,828 thousand as at 31 December 2023). The company's strategy is to continue implement cost saving initiatives which include reducing the intercompany loan payable to the parent company to reduce finance costs and foreign currency losses. Based on cashflow projections and revolving loan facility with Airtel Mobile Commerce B.V. (parent company) (refer to note 15 of the financial statements), the Directors confirm that they have a reasonable expectation that the Company will continue to operate and meet its obligations as they fall due. Therefore, the financial statements have been prepared on a going concern basis.

22. Operations

The directors have put in place internal controls systems which include instituting measures to ensure adequate accounting records are maintained.

23. Commitments and Contingencies

I. Capital commitments: There were no capital commitments entered into by the Company as at the reporting date.

II. Legal claims: There were no known legal cases against the Company as at the reporting date.

24. Incorporation

The Company is incorporated and domiciled in Kenya under the Kenyan Companies Act. The parent company is Airtel Mobile Commerce B.V. which is incorporated in Netherlands.

25. Events after the reporting date

There are no material events after the reporting date that would require adjustment to or disclosure in these financial statements.

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