

AIRTEL NETWORKS ZAMBIA PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2024

AIRTEL NETWORKS ZAMBIA PLC

(incorporated in Zambia)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2024

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AIRTEL NETWORKS ZAMBIA PLC

DIRECTORS' REPORT

for the year ended 31 December 2024

The Directors present their annual report on the affairs of Airtel Networks Zambia Plc (the 'Company') together with the financial statements and the auditor's report for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of cellular radio telecommunication services. There have been no significant changes in the Company's business during the year.

SHARE CAPITAL

There were no changes to the authorised and issued share capital during the year.

DIVIDEND

The Company paid dividends during the year amounting to **K1,127.360 million** made up of an interim dividend for 2024 of K763.360 million and K364.000 million final dividend for the financial year ended 31 December 2023 (2023: K572.000 million). Further, Directors have proposed a final dividend for the year ended 31 December 2024 of **K483.600 million** (2023: K364.000 million).

RESULTS

The profit for the year ended 31 December 2024 amounted to **K1,251.718 million** (2023: K1,139.233 million) and the operating profit for the year ended 31 December 2024 amounted to **K2,636.949 million** (2023: K2,275.591 million).

Roaming revenue is earned from foreign telephone operators when their subscribers utilise the Company's network. The Company accrued roaming revenue amounting to **K49.110 million** (2023: K32.640 million).

The Company continues to accelerate its revenue growth momentum with a **26.19%** year-on-year growth led by growth across all its product lines.

DIRECTORS

The following Directors held office during the year and to the date of this report:

Name	Role	Date of appointment/resignation
K. Monica Musonda (Non-ED)	Chairperson	Appointed on 23 March 2016
Hussameidin Baday(ED)	Managing Director	Appointed on 6 September 2023
Jaideep Paul (Non-ED)	Board Member	Appointed on 2 November 2016
Lynda Mataka (Non-ED)	Board Member	Appointed on 16 February 2022
Monicah Kambo (Non-ED)	Board Member	Appointed on 18 July 2022
Apoorva Mehrotra (Non-ED)	Board Member	Appointed on 1 October 2022

NUMBER OF EMPLOYEES AND REMUNERATION

The total remuneration of employees during the year amounted to **K324.019 million** (2023: K277.123 million). The average number of employees for each month of the year was as follows:

Month	2024	2023
January	191	190
February	193	187
March	191	186
April	192	187
May	199	189
June	201	189
July	197	191
August	198	189
September	195	187
October	201	190
November	197	193
December	195	190

AIRTEL NETWORKS ZAMBIA PLC

DIRECTORS' REPORT (CONTINUED)

for the year ended 31 December 2024

HEALTH AND SAFETY

The Company has policies and procedures to safeguard the occupational health, safety and welfare of its employees.

GIFTS AND DONATIONS

During the year the Company made donations of K0.570 million. (2023: K0.438 million).

PROPERTY, PLANT AND EQUIPMENT

The Company purchased property, plant and equipment amounting to K782.073 million (2023: K1,006.965 million) during the year. In the opinion of the Directors, the recoverable amount of property, plant and equipment is not less than the carrying value. During the year the Company's investment in international bandwidth on indefeasible right of use (IRU) basis was K116.461 million (2023: Nil).

STATEMENT ON CORPORATE GOVERNANCE

Airtel Networks Zambia plc takes the issue of corporate governance seriously in compliance with the LuSE Corporate Governance Code. The Company's focus is to have a sound corporate governance framework that contributes to improved corporate performance and accountability in creating long term shareholder value.

The Board meets at least four times a year and concerns itself with key matters and the responsibilities for implementing the Company's strategy is delegated to management. The Board of Directors continues to provide considerable depth of knowledge and experience to the business.

There is strong focus by the Audit Committee on matters relating to financial operations, fraud, application of accounting and control standards and results. The Audit Committee also meets at least four times a year.

The Company has put in place a Code of Conduct and Anti-Bribery & Anti-Corruption Policy that sets out the standards on how staff should behave with all stakeholders. An effective monitoring mechanism to support management's objective of enforcing the Code of Conduct and Anti-Bribery & Anti-Corruption has been developed and is being used across the Company.

None of the Directors had a material interest in any significant contracts concluded during the year. Further, no Director held any shares in the Company during the year.

RELATED PARTY TRANSACTIONS

The related party transactions entered during the year with the related parties and resultant year end balances have been disclosed in Note 34 to the financial statements

SUBSEQUENT EVENTS

On 21 January 2025, the Company renewed its tower lease agreement with IHS Zambia Limited ('IHS'). The renewal relates to approximately 1,172 sites which are set to expire over the next 9 months and are now renewed for a period of 10 years.

Other than the above stated matter, there were no other material subsequent events for the year ended 31 December 2024. The Directors are not aware of any other matter or circumstances since the financial year end and the date of this report, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Company and the results of its operations.

AUDITORS

The Company's Auditor, Messrs Deloitte & Touche, indicated their willingness to continue in office. A resolution proposing their re-appointment and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

By order of the Board.


Sonia Shamwana-Chinganya
Company Secretary

Date: 21 February 2025
LUSAKA

AIRTEL NETWORKS ZAMBIA PLC

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2024

The Companies Act, 2017 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its financial performance. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company. The Directors are further required to ensure the Company adheres to the corporate governance principles or practices contained in Part VII's Sections 82 to 122 of the Companies Act, 2017 and Securities Act of Zambia.

The Directors accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2017 and the Securities Act, 2016.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In preparing the company's financial statements, the Directors are required to make an assessment of the Company's ability to continue as a going concern.

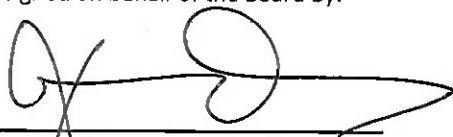
In the opinion of the Directors:

- the statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the performance of the Company for the year ended 31 December 2024;
- the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2024;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due;
- based on the assessments, the Company should continue to adopt a going concern basis of accounting in preparing the financial statements;
- the financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2017 and the Securities Act of Zambia; and
- the Directors have implemented and further adhered to the corporate governance principles or practices contained in Part VII, Sections 82 to 122 of the Companies Act, 2017 and the Securities Act of Zambia.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework described above. Their report is shown on pages 4 to 7.

Approval of the financial statements

The financial Statements of the Company as indicated above, were approved by the Directors on 21 February 2025 and signed on behalf of the Board by:



K. Monica Musonda
CHAIRPERSON



Hussameldin Baday
MANAGING DIRECTOR

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Airtel Networks Zambia Plc

Report on the financial statements

Opinion

We have audited the financial statements of Airtel Networks Zambia Plc set out on pages 8 to 49, which comprise the statement of financial position as at 31 December 2024, the 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 a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of Airtel Networks Zambia Plc 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, and in the manner required by the Companies Act, 2017 and the Securities Act of Zambia.

We also have audited, Airtel Networks Zambia Plc's internal controls over financial reporting as of 31 December 2024, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated 5 March 2025 expressed an unqualified opinion on the internal controls over financial reporting.

Basis of 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 Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zambia, and we have fulfilled our other 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources on the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter - Revenue recognition	
Description	<p>As set out in note 8, revenue of K7.1 billion (2023: K5.6 billion) is derived from the provision of telecommunication services. The majority of the customers of the Company subscribe to the services on a prepaid basis. Telecommunication service revenues mainly pertain to usage, subscription and customer onboarding charges, which include activation charges and charges for voice, data, messaging and value-added services. The Company's accounting policies on prepaid revenue is set out in note 4 (c).</p> <p>There is a presumed fraud risk around the accuracy of revenue recorded due to the complexity of the Company's revenue recording systems, the volume of customer data and manual nature of recording of revenue into the general ledger. We have therefore identified a key audit matter in relation to (i) the incorrect set up of system tariffs (ii) volume of transactional data involved which is complex in nature and (iii) the manual journal posting of revenue from the billing system to the general ledger. Errors in each would impact the accuracy of revenue.</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

How the scope of our audit responded to the key audit matter	<p>Our procedures involved:</p> <ul style="list-style-type: none">• Working with our IT specialists to test the IT environment in which the revenue recording systems reside, including interface controls between different IT applications.• Obtaining an understanding of and testing the relevant controls over (a) approvals and maintenance of new plans in the billing system and (b) authorisation of rate changes and the maintenance of rates within the billing systems.• Testing the reconciliation process between the general ledger and revenue recording systems including any manual adjustments posted.• Testing a sample of call record validations to test the accuracy of revenue and the resolution of exceptions.• Sample testing the accuracy of tariff set up in the system.• Performing independent call testing with the objective of testing the accuracy of plans by checking that a sample of each major tariff has been correctly set up.• Detailed substantive testing of journal entries processes around revenue to ensure these were appropriately authorised, complete and accurate.• We assessed management's disclosures around the various revenue streams in the notes to the financial statements.
Key observations	Based on our work, we noted no significant issues on the accuracy of revenue recorded in the year and the disclosures made, in respect of the revenue recognised.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report and the Statement of Directors' responsibilities, as required by the Companies Act, 2017 which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. 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 do not express any form of assurance or 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.

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 and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2017, and for such internal control as the Directors determine is necessary to enable the preparation of the 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.

The Directors 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (Continued)

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 management.
- 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, amongst 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies Act, 2017 requires that in carrying out our audit of Airtel Networks Zambia Plc, we report on whether:

- there is a relationship, interest or debt which us, as the Company's auditor, have in the Company;
- there are serious breaches by the Company's Directors, of corporate governance principles or practices contained in Part VII's Sections 82 to 112 of the Zambia Companies Act of 2017; and
- there is an omission in the financial statements as regards particulars of loans made to a Company Officer (a director, Company secretary or executive officer of a Company) during the year, and if reasonably possible, disclose such information in our opinion.

In respect of the foregoing requirements, we have no matters to report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on other legal and regulatory requirements (Continued)

Rule 18 of the Securities (accounting and financial reporting requirements) Rules of the Securities Act of Zambia requires that we report on whether:

- The annual financial statements of the Company have been properly prepared in accordance with Securities and Exchange Commission rules;
- The Company has, throughout the financial year, kept proper accounting records in accordance with the requirements of Securities and Exchange Commission rules;
- The statement of financial position and statement of comprehensive income are in agreement with the Company's accounting records; and
- We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In respect of the foregoing requirements, we have no matters to report.

Deloitte & Touche
DELOITTE & TOUCHE



Alice Jere Tembo
Audit Partner
PC NO: AUD/F000433

Date: 6 March 2025

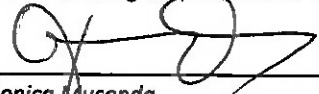
AIRTEL NETWORKS ZAMBIA PLC**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Kwacha'000	Note	For the year ended	
		31 December 2024	31 December 2023
Income			
Revenue	8	7 117 115	5 639 928
Other income	9	5 799	75 840
		<u>7 122 914</u>	<u>5 715 768</u>
Expenses			
Network operating expenses		(1 117 806)	(835 309)
Depreciation and amortisation	12(a)	(880 507)	(766 575)
Other expenses	12(b)	(842 617)	(537 901)
Sales and marketing expenses		(846 378)	(602 696)
Employee benefits expenses		(324 019)	(277 123)
Impairment loss on financial assets		(3 368)	(13 377)
Access charges		(208 894)	(197 973)
Licence fee/spectrum usage charges		(262 376)	(209 223)
		<u>(4 485 965)</u>	<u>(3 440 177)</u>
Operating profit		2 636 949	2 275 591
Net exchange losses	10	(138 328)	(76 408)
Finance income	11(a)	1 257	270
Finance costs	11(b)	(550 630)	(428 990)
Profit before tax		1 949 248	1 770 463
Income tax expense	13	(697 530)	(631 230)
Profit and total comprehensive income for the year		<u>1 251 718</u>	<u>1 139 233</u>
Basic and diluted earnings per share (Kwacha)	14	<u>12.04</u>	<u>10.95</u>

AIRTEL NETWORKS ZAMBIA PLC**STATEMENT OF FINANCIAL POSITION**

Kwacha'000	Note	As of	
		31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	17	2 747 442	2 754 980
Capital work-in-progress	17	392 650	151 787
Right-of-use assets	18	575 618	632 310
Intangible assets	19	562 975	725 505
Other non-current assets	20	338 780	268 477
		<u>4 617 465</u>	<u>4 533 059</u>
Current assets			
Inventories	21	21 575	34 624
Financial assets			
- Derivative financial instruments	28	18 799	152 529
- Trade and other receivables	22	414 744	420 729
- Contract assets	23	59 613	41 725
- Cash and cash equivalents	24	144 786	81 191
Other current assets	25	360 990	240 359
		<u>1 020 507</u>	<u>971 157</u>
Total assets		<u>5 637 972</u>	<u>5 504 216</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	15	1 040	1 040
Share premium	15	24 962	24 962
Retained earnings		538 120	413 762
Total equity		<u>564 122</u>	<u>439 764</u>
Non-current liabilities			
Financial liabilities			
- Borrowings	26	328 521	1 060 158
- Lease liabilities	27	537 442	765 703
Provisions	29(b)	5 149	-
Deferred tax liability	16	305 170	229 509
Contract liabilities	30	4 883	5 442
		<u>1 181 165</u>	<u>2 060 812</u>
Current liabilities			
Financial liabilities			
- Borrowings	26	1 860 710	1 282 350
- Lease liabilities	27	403 309	421 290
- Derivative financial instruments	28	7 377	-
- Trade and other payables	29(a)	989 814	730 145
Provisions	29(b)	34 753	33 613
Contract liabilities	30	146 039	142 117
Current income tax payable	13	184 794	178 585
Other current liabilities	31	265 889	215 540
		<u>3 892 685</u>	<u>3 003 640</u>
Total liabilities		<u>5 073 850</u>	<u>5 064 452</u>
Total equity and liabilities		<u>5 637 972</u>	<u>5 504 216</u>

The responsibilities of the Company's Directors with regard to the preparation of the financial statements are set out on page 3. The financial statements on pages 8 to 49 were approved for issue by the Board of Directors on 21 February 2025 and were signed on its behalf by:


K. Monica Musonda
 CHAIRPERSON


Hussameldin Baday
 MANAGING DIRECTOR

AIRTEL NETWORKS ZAMBIA PLC**STATEMENT OF CHANGES IN EQUITY**
for the year ended 31 December 2024

Kwacha'000

	Share capital	Share premium	Retained earnings	Total
Balance at 1 January 2023	1 040	24 962	647 329	673 331
Total comprehensive income for the year	-	-	1 139 233	1 139 233
Final dividend declared for 2022	-	-	(572 000)	(572 000)
Interim dividend declared for 2023	-	-	(800 800)	(800 800)
Balance at 31 December 2023	1 040	24 962	413 762	439 764
Balance at 1 January 2024	1 040	24 962	413 762	439 764
Total comprehensive income for the year	-	-	1 251 718	1 251 718
Final dividend declared for 2023	-	-	(364 000)	(364 000)
Interim dividend declared for 2024	-	-	(763 360)	(763 360)
Balance at 31 December 2024	1 040	24 962	538 120	564 122

The profit for the year ended 31 December 2024 amounted to **K1,251.718 million** (2023: K1,139.233 million) and the Company declared interim dividend of **K7.34 Per Share** amounting to **K763,360 million** (2023: K800,800 million). Further, Directors have proposed a final dividend for the year ended 31 December 2024 of **K4.65 Per Share** amounting to **K483.600 million** (2023: K364.000 million).

AIRTEL NETWORKS ZAMBIA PLC
STATEMENT OF CASH FLOWS

Kwacha'000	Note	For the year ended	
		31 December 2024	31 December 2023
Cash flows from operating activities			
Profit before income tax		1 949 248	1 770 463
Adjustments for:			
Finance income	11	(1 257)	(270)
Finance costs	11	550 630	428 990
Depreciation and amortisation	12(a)	880 507	766 575
Impairment loss recognised on trade receivables	22	3 368	13 377
Net exchange losses	10	138 328	76 408
Gain on disposal of property, plant and equipment	9	(638)	(506)
Operating cash flows before changes in working capital		3 520 186	3 055 037
<i>Changes in working capital:</i>			
Increase in trade and other receivables		(23 009)	(77 418)
Decrease (increase) in inventories		13 049	(29 320)
Increase in trade and other payables		261 365	9 937
Increase in other current and non current assets		(208 822)	(41 120)
Increase (decrease) in other liabilities		111 531	(78 235)
Net cash generated from operations before tax		3 674 300	2 838 881
Income tax paid	13	(615 027)	(469 821)
Net cash generated from operating activities		3 059 273	2 369 060
Cash flows from investing activities			
Purchase of property and equipment (i)	17	(786 069)	(1 043 817)
Interest received	11	1 257	270
Proceeds from disposal of property and equipment		101	506
Purchase of intangible assets	19	-	(232 992)
Net cash flows used in investing activities		(784 711)	(1 276 033)
Cash flows from financing activities			
Proceeds from borrowings	26	470 000	990 000
Repayment of borrowings	26	(600 628)	(357 448)
Interest paid on borrowings	11	(427 257)	(303 491)
Interest paid on lease liabilities	11	(123 373)	(125 499)
Repayment of lease liabilities	27	(420 579)	(337 591)
Dividends paid to shareholders		(1 037 059)	(1 372 800)
Net cash flows used in financing activities		(2 138 896)	(1 506 829)
Net increase (decrease) in cash and cash equivalents		135 666	(413 802)
Cash and cash equivalents at beginning of the year		(798 516)	(648 071)
Effects of currency translation on cash and cash equivalents		(49 421)	263 357
Cash and cash equivalents at end of the year	24	(712 271)	(798 516)

(i) Reflects actual payments made.

AIRTEL NETWORKS ZAMBIA PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. CORPORATE INFORMATION

Airtel Networks Zambia plc (the 'Company') was incorporated in Zambia under the Companies Act, 2017 as a public limited Company, and is domiciled in Zambia. The Company is listed on the Lusaka Stock Exchange and was incorporated in 1997 as Celtel Zambia Plc. In April 2013, the Company changed its name and the registered office address to:

Airtel Networks Zambia plc
Airtel House
Corner of Addis Ababa Drive
and Great East Road, Stand 2375
P.O. Box 320001
Lusaka

The Company's principal activities are disclosed on page 1 of the Director's report. The Company is a subsidiary of Bharti Airtel Zambia Holdings B.V. The Intermediate Parent is Airtel Africa Plc (listed on the London Stock Exchange and the Nigeria Stock Exchange.)

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 21 February 2025.

2. GOING CONCERN

The Company ended the year 2024 with strong underlying operational performance with revenue growth of 26.19%. On account of a strong underlying operational performance, the Company recorded a net profit of **K1,251.718 million** (2023: K1,139.233 million). As at 31 December 2024, accumulated profits were **K538.120 million** (2023: K413.762 million) and the Company was in a net current liability position of **K2,872.178 million** (2023: K2,032.483 million).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Directors are of the opinion that the Company is a going concern on the basis that the Company:

a) Will generate cash inflows from operations of at least the amount projected in the management's annual operating plan. The generation of sufficient cash flows from operations is driven by and is dependent on stability of the Kwacha/US Dollar exchange rate and on management achieving revenue growth targets. In their assessment, the Directors have assumed that the Kwacha will not depreciate significantly against the US Dollar and that the Company will achieve a revenue growth of at least similar to revenue growth for 2024;

b) Has access to financing facilities and will obtain sufficient funding from banks and holding Company to meet its obligations as and when they fall due. As part of this evaluation, the Company has considered committed undrawn facilities of **K700 million** expiring beyond the going concern assessment period, which will fulfil the Company's cash flow requirement;

c) Has a prudent liquidity risk management measure, in which the Company closely monitors its liquidity position and deploys a robust cash management system as disclosed under Note 6 to the financial statements; and

d) The Company has a Framework Loan Agreement with Bharti Airtel Zambia Holdings B.V dated 21 April 2016, in which a Committed facility of **US\$50 million** is in place. The Company is entitled to make a drawdown request under the facility at any time before 31 December 2026. However, the Company has never had to call on this facility as the business has been able to generate adequate cash to settle its obligations as and when they fall due.

On the basis of the above information, the Directors consider that the Company will continue to operate for the foreseeable future within the available financial resources. Accordingly, the Directors are of the opinion that the preparation of these financial statements on the going concern basis is appropriate and confident that the funds described above will be available to the Company to support its obligations as required.

3 ADOPTION OF NEW AND REVISED STANDARDS

3.1 New and amended IFRS Accounting 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.

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).

3 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

3.1 New and amended Standards that are effective for the current year (continued)

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants	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.
Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	<p>The Company has adopted the amendments to IFRS 16 for the first time in the current year.</p> <p>The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.</p>
Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	<p>The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.</p> <p>As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.</p> <p>A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.</p>

3.2 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.

Amendments to IAS 21	<i>Lack of Exchangeability</i>
IFRS 18	Presentation and Disclosures in Financial Statements
Amendments IFRS 9 and IFRS 7	Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments
Annual IFRS improvement Volume 11	Annual Improvements to IFRS Accounting Standards — Volume 11

The Directors of the Company 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.

3 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

3.2 New and revised Standards in issue but not yet effective (continued)

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

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

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.

3 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)**3.2 New and revised Standards in issue but not yet effective (continued)****Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability**

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

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.

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 Financial Instruments.
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 Fair Value Measurement 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. 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.

3 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

3.2 New and revised Standards in issue but not yet effective (continued)

Annual Improvements to IFRS Accounting Standards — Volume 11 (continued)

Standard	The amendment
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 Revenue from Contracts with Customers 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.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

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.

(a) Statement of compliance

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

(b) Basis of accounting

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Financial Statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or the price paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require measurement of certain financial/non-financial assets and liabilities at fair value (either on a recurring or non-recurring basis).

The Company is required to classify the fair valuation method of the financial/non-financial assets and liabilities, either measured or disclosed at fair value in the Financial Statements, using a three level fair-value hierarchy (which reflects the significance of inputs used in the measurement of fair value). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described below, based on the lowest input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONITINUED)

(c) Revenue recognition

The Company's revenue arises from billing customers for monthly subscription, airtime usage, connections, reconnection fees and sale of Sim cards, handsets and accessories and interconnection revenue.

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes/duties and discounts. When determining the consideration to which the Company is entitled for providing promised products or services via intermediaries, the Company assesses whether the intermediary is a principal or agent in the onward sale to the end customer. To the extent that the intermediary is considered a principal, the consideration to which the Company is entitled is determined to be that received from the intermediary. To the extent that the intermediary is considered an agent, the consideration to which the Company is entitled is determined to be the amount received from the customer; the discount provided to the intermediary is recognised as a cost of sale.

The Company has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately. Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their relative standalone selling prices. The stand-alone selling prices are determined based on the list prices at which the Company sells equipment and network services separately. Revenue is recognised when, or as, each distinct performance obligation is satisfied.

Service revenue is derived from the provision of telecommunication services to customers. The majority of the customers of the Company subscribe to the services on a pre-paid basis. Telecommunication service revenues mainly pertain to usage, subscription and customer onboarding charges, which include activation charges and charges for voice, data, messaging and value added services.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the Company's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

A contract liability is recognised for amounts received in advance, until the services are provided or when the usage of services becomes remote.

The Company recognises revenue from these services when performance obligation has been met. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services consumed.

Subscription charges are recognised over the subscription pack validity period. Customer onboarding revenue is recognised upon successful onboarding of customer i.e. upfront.

Revenues recognised in excess of amounts invoiced are classified as unbilled revenue.

Service revenues also includes revenue from interconnection/roaming charges for usage of the Company's network by other operators for voice, data, messaging and signalling services. These are recognised upon transfer of control of services being transferred over time.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of respective arrangements.

The Company has interconnect agreements with local and foreign operators. This allows customers from either network to originate or terminate calls to each others' network. Revenue is earned and recognised as per bilateral agreements when other operators' calls are terminated to the Company's network i.e. the service is rendered.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONITINUED)

(c) Revenue recognition (continued)

The Company has estimated that the historic average customer life is longer than 12 months and believes that its churn rate provides the best indicator of anticipated average customer life and costs are deferred over the expected average customer life.

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer i.e. transferred at a point in time.

Costs to obtain or fulfil a contract with a customer

The Company defers costs to obtain or fulfil a contract with a customer over expected average customer life determined based on churn rate specific to such contracts.

(d) Segment Reporting

Management has determined the operating segments based on the reports reviewed by the Managing Director that are used to make strategic decisions. The Managing Director considers the business as a single operating segment, being Zambia operations, as the information reported to the Managing Director for the purpose of strategic decision making is not presented per product line. The Company does not at present, have distinguishable business segments.

The Managing Director reviews financial information based on the performance of the Company as a single operating segment with revenue analysed by category whilst expenses and assets are reported on a combined basis for the entire operating unit. The financial information does not include profit or loss information for the individual product lines. The Managing Director and the Board assess the performance of the Company based on profit for the period or year.

(e) Foreign currencies

The financial statements are presented in Zambian Kwacha, being the currency of the primary economic environment in which the Company operates (the functional currency). Transactions in foreign currencies are converted into Zambia Kwacha using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the foreign exchange rate ruling at that date. Exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the closing date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – with the resulting foreign exchange difference, on subsequent re-statement/settlement, recognised in the profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

(f) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. All property, plant and equipment is subsequently measured at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The expenditures that are incurred after an item of property, plant and equipment has been put to use, such as repairs and maintenance, are normally charged to the profit or loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and 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.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as a separate component of each asset. When an item of property, plant and equipment is replaced, then its carrying amount is de-recognised from the statement of financial position and cost of the new item is recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(f) Property, plant and equipment (continued)**

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. The assets' residual values, depreciation method and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

Categories	Years	
Buildings	20	
Leasehold improvements	10	or period of lease, as applicable, which ever is less.
Network equipment	3 – 25	
Computer equipment	3 – 5	
Office furniture and equipment	1 – 5	

An item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement and disposal.

Property, plant and equipment in the course of construction is carried at cost, less any accumulated impairment and presented separately as capital work-in-progress ('CWIP') including capital advances in the statement of financial position until capitalised. Such cost comprises of purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost.

(g) Leases

At inception of a contract, the Company assesses a contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract involves the use of an identified asset, the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

(a) The Company as lessee

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on index, exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments, including due to changes in CPI or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Subsequent to initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain re-measurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying asset.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Leases (continued)

(a) The Company as lessee (continued)

In the statement of financial position, the right-of-use assets and lease liabilities are presented separately.

When a contract includes lease and non-lease components, the Company allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

i. Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) The Company as lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

The Company enters into indefeasible right-to-use (IRU) arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the statement of financial position.

(h) Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing it to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

The amount of any write down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write down or loss occurs.

(i) Cash and cash equivalents

In the statement of financial position cash and cash equivalents include cash in hand, wallet balances, bank balances, cheques in hand 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). Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts which are repayable on demand and form any integral part of the Company's cash management are also included as a component of cash and cash equivalents.

(j) 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.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Financial instruments (continued)

i. 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 Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all non-derivative financial liabilities as measured at amortised cost.

Financial assets with embedded derivatives are considered in their entirety for determining the contractual terms of the cash flow and accordingly, embedded derivatives are not separated. However, derivatives embedded in non-financial instrument/financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

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.

ii. Measurement - Non-derivative financial instruments

I. Initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other transaction costs are expensed as incurred in the statement of profit or loss and other comprehensive income.

II. Subsequent measurement - financial assets

The subsequent measurement of non-derivative financial assets depends on their classification as follows:

- Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting/any transaction costs is significant). Interest income from these financial assets is included in finance income.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- Financial assets at fair value through profit or loss ('FVTPL')

All equity instruments and financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ('FVTOCI') are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the profit and loss within finance income/finance costs separately from the other gains/losses arising from changes in the fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12 month expected credit loss ('ECL') is used to provide for impairment loss, otherwise lifetime ECL is used.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Financial instruments (continued)

ii. Measurement - Non-derivative financial instruments

Impairment

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables. Provision is made for outstanding amounts over 90 days and 270 days for interconnect receivables.

III. Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting/any transaction costs is significant).

iii. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in profit or loss within finance income/finance costs.

iv. Derecognition

Financial liabilities are derecognised from the statement of financial position when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are derecognised from the statement of financial position when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount and consideration is recognised in the statement of profit or loss and other comprehensive income.

(l) Share capital and Share premium

Issued ordinary shares are classified as 'share capital' in equity when the Company has an un-conditional right to avoid delivery of 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. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

(m) Employee benefits

1. Defined Contribution Plan

The Company operates a defined contribution scheme for all its employees. The Company and all its employees also contribute to the National Pension Scheme Fund, a State managed retirement benefit plan which is a defined contribution scheme. Membership is compulsory and monthly contributions by both employer and employees are made. A defined contribution plan is a retirement benefit plan under which the Company pays fixed contributions into a separate company. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement plans are recognised as an expense when employees have rendered service entitling them to the contributions.

2. Other entitlements

The estimated liability for employees' accrued gratuity and annual leave entitlement at the reporting date is recognised as an expense accrual, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(n) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(n) Taxation (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except: When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable Company.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised, except:

when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Intangible assets

The Company's intangible asset comprise of licenses. Licenses are recognised as an asset when it is probable that future economic benefits from the asset will flow to the Company and the cost of the license can be reliably measured.

Licenses are initially measured at cost and subsequently amortised on a straight-line basis over their useful lives. Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation periods are reviewed annually and adjusted prospectively as required. Gains or losses arising from derecognition of licenses are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised. Licenses are amortised over the relevant license period.

(p) Impairment of non-financial assets

Property, plant and equipment (PPE), right-of-use assets (ROU) and intangible assets

PPE, ROU and intangible assets with definite lives are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro rata basis. Impairment losses, if any, are recognised in statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Reversal of impairment losses of non-financial assets

Reversal of impairment losses

Impairment losses are reversed and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset in previous years.

(r) Operating profit

Operating profit is stated as revenue less operating expenditure including depreciation and amortisation and operating exceptional items. Operating profit excludes finance income, finance costs, other non-operating income and foreign exchange gains and losses.

(s) Dividends

Dividends to shareholders of the Company are deducted from retained earnings and recognised as a liability, in the year in which the dividends are approved by the shareholders. Interim dividends are deducted from the retained earnings when they are paid.

(t) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(u) Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

(v) Earning per share (EPS)

The Company presents the Basic and Diluted EPS data. Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(i) Critical accounting estimates and assumptions (continued)

Receivables

Critical estimates are made by the Directors in determining the recoverable amount of impaired receivables. The Company uses a provision matrix to measure the expected credit loss of trade receivables. Factors taken into consideration in making such judgments include historical trends and the number of days a debt is past its due date for payment.

When measuring the expected credit loss (ECL), the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. If the ECL rates on trade receivables between 61 and 90 days past due had been 5% higher/lower as of December 2024, the loss allowance on trade receivables would have been K0.544 million (2023: K0.087 million) higher/lower. If the ECL rates on trade receivables between 31 and 60 days past due had been 5% higher/lower as of December 2024, the loss allowance on trade receivables would have been K1.372 million (2023: K0.306 million) higher/lower. The carrying amount of impaired receivables is set out in Note 22.

On the basis of an assessment made no impairment has been made or been found to be necessary on related party balances, contract assets and other receivables.

Contingent liabilities and provisions

The Company is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Company. Management in consultation with the legal, tax and other advisers assess the likelihood that a pending claim will succeed. The Company has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable. However, given the nature of these matters, there may be a risk of a material change within the next financial year.

(ii) Critical judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made judgments in determining:

(a) Determining the incremental borrowing rate for lease contracts

The Company has recognised lease liabilities at present value using the incremental borrowing rate (IBR) based on considerations specific to the lease agreement. Since determination of incremental borrowings is not directly available for the given markets in which Company operates, the Company has used judgement in determining the IBR by taking into consideration risk free borrowing rate based on US\$ bonds and adjusting it for country and Company specific risk premiums. The IBR used across the Company is 12.58% for USD leases and 17.48% for ZMW leases.

(b) Separating lease and non-lease components

The consideration paid by the Company in telecommunication towers lease contracts include the use of land, passive infrastructure as well as maintenance, security services, etc. Therefore, in determining the allocation of consideration between lease and non-lease components, for the additional services that are not separately priced, the Company performs detailed analysis of cost split to arrive at relative stand-alone prices of each of the components.

6. 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 and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Financial risk management is carried out by the finance department under policies approved by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk – currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses foreign exchange forward contracts to manage its exposures to foreign exchange fluctuations.

(i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, and recognised assets and

Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies and hedging through foreign currency forward contract. Policy is consistent with previous period.

The sensitivity of the statement of profit/loss before tax is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 December 2024 and 31 December 2023.

At 31 December 2024, if the Kwacha had weakened/strengthened by 5% against the US dollar with all other variables held constant, profit before tax for the period would have been **K32.840 million** (2023: K46.128 million) lower/higher, mainly as a result of US dollar denominated trade receivables, payables, lease liability and cash and cash equivalents.

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows:

Exposure to currency risk

	2024	2023
	K'000	K'000
Cash and cash equivalents (net)	100 301	19 640
Trade and other receivables	375 553	330 464
Trade and other payables	(435 499)	(327 948)
Lease liabilities	(697 158)	(944 726)
	<u>(656 803)</u>	<u>(922 570)</u>

The following US Dollar exchange rates applied during the period:

Average Rate	27.566	24.827
Closing Rate	<u>27.860</u>	<u>25.709</u>

(ii) Price risk

The Company does not hold any financial instruments subject to price risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt interest obligations with floating interest rates.

The Company's interest bearing financial liabilities were the overdraft of **K857.057 million** (2023: K879.707 million) and the borrowing of **K1,332.174 million** at year end (2023: K1,462.802 million). The Company regularly monitors financing options available to ensure optimum interest rates are obtained. At 31 December 2024, if effective interest rates on borrowings had been 2% higher/lower with all other variables held constant, pre tax profit would have been **K43.785 million** (2023: K46.850 million) lower/higher.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company and arises from cash equivalents and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables. For banks and financial institutions, only reputable institutions are used.

The Company is not significantly exposed to credit risk on the retail side since the majority of its customers are on the prepaid plan and majority of the distributors /dealers are primarily on cash basis, or their credit is covered by a bank guarantee.

The interconnection between the Company and other telecommunications operators (both local and foreign) is on credit basis and the number of credit days is governed by the agreement between the parties. The utilisation of credit limits is regularly monitored.

The amount that best represents the Company's maximum exposure to credit risk at 31 December 2024 is made up as follows:

	Note	2024 K'000	2023 K'000
Cash and cash equivalents	24	144 786	81 191
Contract assets	23	59 613	41 725
Amounts due from related parties	22	371 371	345 562
Trade receivables (net)	22	43 373	75 167
		<u>619 143</u>	<u>543 645</u>

Amounts due from related parties are assessed regarding credit risk at each reporting date. As the same are closely monitored and controlled by the same management, there is no provision matrix being followed on ageing basis. There have been no instances observed in the past where collection are assumed to be at risk for such related party receivable.

Impairment losses

The ageing of trade receivables at the reporting date was:

	2024 K'000	2024 K'000	2023 K'000	2023 K'000
	Gross amount	Impaired	Gross amount	Impaired
30 days	524	-	38 927	-
60 days	31 964	-	34 492	-
90 days and above	118 802	107 917	106 631	104 883
	<u>151 290</u>	<u>107 917</u>	<u>180 050</u>	<u>104 883</u>

Collateral is held for some of the above assets namely distributors with Nil bank guarantees, K1.101 million post-paid deposits and nil channel partner deposits as at 31 December 2024 (2023: K6.550 million distributors with bank guarantees, K1.101 million post-paid deposits and nil million channel partner deposits). Trade receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

Based on the industry practices and the business environment in which the Company operates, management considers trade receivables are credit impaired if the payments are more than 270 days past due in case of interconnect customers and 90 days past due in other cases. In determining the amount of impairment, management considers the collateral against such receivables and any amount payable to such customers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

	2024	2023
Past due but not impaired:	K'000	K'000
- by up to 30 days	27 431	18 909
- by 31 to 90 days	10 885	6 050
- by 91 days and over	5 057	6 995
Total past due but not impaired	43 373	31 954

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including term loans and overdraft facility from both domestic and international banks at an optimised cost and the availability of funding from the principal shareholders. For details on going concern and borrowings, refer to Notes 2 and 26 respectively.

The table below summarises the maturity profile of the Company's financial liabilities and assets based on contractual undiscounted payments.

	Note	Carrying amount	Less than 1 year K'000	Between 1 and 2 years K'000	Between 2 and 5 years K'000	Over 5 years K'000
Financial liabilities						
At 31 December 2024						
- Trade and other payables	29	989 814	989 814	-	-	-
- Bank overdrafts	24	857 057	857 057	-	-	-
- Term loans	26	1 332 174	1 102 796	289 007	138 986	-
- Lease liabilities	27	940 751	488 939	136 827	371 195	252 470
- Derivative financial liabilities	28	7 377	7 377	-	-	-
At 31 December 2023						
- Trade and other payables	29	730 145	730 145	-	-	-
- Bank overdrafts	24	879 707	879 707	-	-	-
- Term loans	26	1 462 801	585 444	727 967	383 801	85 413
- Lease liabilities	27	1 186 993	547 584	393 140	322 805	287 226
- Derivative financial liabilities	28	-	-	-	-	-
Financial assets						
At 31 December 2024						
- Trade and other receivables	22	414 744	414 744	-	-	-
- Contract assets	23	59 613	59 613	-	-	-
- Cash and cash equivalents	24	144 786	144 786	-	-	-
At 31 December 2023						
- Trade and other receivables	22	420 729	420 729	-	-	-
- Contract assets	23	41 725	41 725	-	-	-
- Cash and cash equivalents	24	81 191	81 191	-	-	-

AIRTEL NETWORKS ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

Kwacha'000

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The gearing ratios at 31 December 2024 and 31 December 2023 were as follows:

	2024	2023
Total borrowings (including bank overdraft and lease liabilities)	3 129 982	3 529 501
Less: cash and cash equivalents	(144 786)	(81 191)
Net debt	2 985 196	3 448 310
Total equity	564 122	439 764
Total capital	3 549 318	3 888 074
Gearing ratio	84%	89%

8. REVENUE

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines:

Analysis of revenue by category:

Airtime revenue	3 510 342	2 580 176
Data revenue	2 881 319	2 532 260
Interconnect revenue	347 729	288 649
Other services	189 445	98 521
Value added services content	96 249	91 640
Roaming revenue	49 110	32 640
Handsets and accessories	33 550	21 025
Connection revenue	32 170	26 325
Short Messaging Services	18 698	72 910
Trade discount	(41 497)	(104 218)
	<u>7 117 115</u>	<u>5 639 928</u>

Revenue recognised over time:

Airtime revenue	3 510 342	2 580 176
Data revenue	2 881 319	2 532 260
Interconnect revenue	347 729	288 649
Other services	189 445	98 521
Value added services content	96 249	91 640
Roaming revenue	49 110	32 640
Short Messaging Services	18 698	72 910
Trade discount	(41 497)	(104 218)
	<u>7 051 395</u>	<u>5 592 578</u>

Revenue recognised at a point in time:

Handsets and accessories	33 550	21 025
Connection revenue	32 170	26 325
	<u>65 720</u>	<u>47 350</u>

AIRTEL NETWORKS ZAMBIA PLC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
for the year ended 31 December 2024

Kwacha'000

8. REVENUE (CONTINUED)

Performance obligations that are unsatisfied (or partially unsatisfied) amounting to **K150.922 million** at 31 December 2024 and K147.559 million as at 31 December 2023 will be satisfied within a period of one year, respectively.

Revenue recognised that was included in the contract liability balance at the beginning of the year is **K142.117 million** (2023: K135.062 million). Transfers from contract assets recognized at the beginning of the period to receivables is **K41.725 million** for the year ended 31 December 2024 (2023: K40.345 million).

9. OTHER INCOME

	2024	2023
Miscellaneous income	5 161	75 334
Gain on disposal of property, plant and equipment	638	506
	<u>5 799</u>	<u>75 840</u>

10. NET EXCHANGE LOSSES

Net exchange (losses)/gains arose on:

Lease liabilities	(63 414)	(315 290)
Borrowings and cash and cash equivalents	(49 421)	263 357
Other balances	(25 493)	(24 475)
	<u>(138 328)</u>	<u>(76 408)</u>

11. FINANCE COST AND INCOME**(a) Finance income**

Interest income on deposits	<u>(1 257)</u>	<u>(270)</u>
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(b) Finance costs

Interest expense on borrowings	423 685	300 455
Interest on lease liability	123 373	125 499
Bank and other finance charges	3 572	3 036
	<u>550 630</u>	<u>428 990</u>

12. PROFIT BEFORE TAX

Profit before tax is stated after debiting:

(a) Depreciation and amortisation

Depreciation on property and equipment (Note 17)	547 730	461 335
Depreciation on right-of-use assets (Note 18)	170 247	148 934
Amortisation of intangible assets (Note 19)	162 530	156 306
	<u>880 507</u>	<u>766 575</u>

(b) Other expenses

Content charges	445 158	267 024
Management fees	257 158	169 078
IT expenses	59 027	41 770
Cost of goods sold	39 426	17 503
Other expenses	36 733	38 369
Auditors' remuneration - audit and ICFR assurance	5 115	4 157
	<u>842 617</u>	<u>537 901</u>

AIRTEL NETWORKS ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

Kwacha'000

13. INCOME TAX	2024	2023
Current income tax	621 594	494 088
Deferred income tax (Note 16)	75 661	117 567
Rental turnover tax	275	161
Prior year under provision	-	19 414
Income tax expense	697 530	631 230

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

Profit before income tax	1 949 248	1 770 463
Tax calculated at the statutory income tax rate of 35%	682 237	619 662
Tax effect of:		
Expenses not deductible for tax purposes (net)	11 481	5 641
Other adjustments	3 812	(13 487)
Prior year under provision	-	19 414
Income tax expense	697 530	631 230

Current income tax payable

Current income tax movement in the statement of financial position:

At January	178 585	137 477
Current income tax charge	621 594	494 088
Prior year under provision	-	19 414
WHT recoveries in respect of current	(358)	(2 573)
Payments during the year	(615 027)	(469 821)
At end of the year	184 794	178 585

Income tax provisional returns have been filed with the Zambia Revenue Authority ("ZRA") for the year ended 31 December 2024. Quarterly payments for the year ended 31 December 2024 were made on the due dates during the year.

14. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. There were no potentially dilutive shares outstanding at 31 December 2024 and 31 December 2023. Diluted earnings per share is therefore the same as basic earnings per share.

	2024	2023
Profit attributable to the equity holders of the Company	1 251 718	1 139 233
Weighted average number of ordinary shares (Nos '000)	104 000	104 000
Basic/diluted earnings per share (Kwacha)	12.04	10.95

15. SHARE CAPITAL

	Number of shares (million)	Ordinary shares (K 000)	Share premium (K 000)
At 31 December 2024	104	1 040	24 962
At 31 December 2023	104	1 040	24 962

The total authorised number of ordinary shares is 150 million (2023: 150 million) with a par value of K0.01 per share. The issued and fully paid ordinary shares is 104 million (2023: 104 million).

AIRTEL NETWORKS ZAMBIA PLC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
for the year ended 31 December 2024

Kwacha'000

16. DEFERRED TAX

Deferred tax liability is calculated using the enacted income tax rate of 35% for the period starting 1 January 2024. Therefore, deferred tax as at 31 December 2024 was calculated at 35% in line with IAS 12. The balances on the deferred tax account are as follows:

	2024	2023
1 January	229 509	111 942
Charge to profit or loss (Note 13)	75 661	117 567
At 31 December	305 170	229 509

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax (assets) liabilities, deferred tax charge/(credit) in profit or loss, and deferred tax charge/(credit) in equity are attributable to the following items:

	At 1 January	Charged/ (credited) to income statement	At 31 December
31 December 2024			
Deferred tax liabilities			
Property and equipment	469 886	61 373	531 259
Unrealised exchange gains	47 923	206	48 129
Deferred tax assets			
Other temporary deductible differences	(60 649)	(15 829)	(76 478)
Other provisions	(52 954)	(2 683)	(55 637)
Unrealised exchange losses	(24 955)	(16 398)	(41 353)
Leases	(149 742)	48 992	(100 750)
Net deferred tax	229 509	75 661	305 170
31 December 2023			
Deferred tax liabilities			
Property and equipment	376 728	93 158	469 886
Unrealised exchange gains	812	47 111	47 923
Deferred tax assets			
Other temporary deductible difference	(145 768)	85 119	(60 649)
Other provisions	(48 538)	(4 416)	(52 954)
Unrealised exchange losses	4 998	(29 953)	(24 955)
Leases	(76 290)	(73 452)	(149 742)
Net deferred tax	111 942	117 567	229 509

AIRTEL NETWORKS ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

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17. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold Improvements	Telecom equipment	Fixture, fittings, office & other IT equipment	Total	Capital work in progress (i)
Historical Cost :						
At 1 January 2023	115 299	21 918	5 044 831	754 972	5 937 020	185 549
Additions	-	-	-	-	-	1 006 965
Transfers	-	394	963 360	76 973	1 040 727	(1 040 727)
Adjustments/ disposals	-	-	(57 326)	(10 175)	(67 501)	-
At 31 December 2023	115 299	22 312	5 950 865	821 770	6 910 246	151 787
At 1 January 2024	115 299	22 312	5 950 865	821 770	6 910 246	151 787
Additions	-	-	-	-	-	782 073
Transfers	-	-	436 637	104 573	541 210	(541 210)
Adjustments/ disposals	-	-	(1 321)	-	(1 321)	-
At 31 December 2024	115 299	22 312	6 386 181	926 343	7 450 135	392 650
Depreciation						
At 1 January 2023	56 282	18 293	3 033 145	651 263	3 758 983	-
Charge for the year	5 757	575	391 560	63 443	461 335	-
Adjustments/ disposals	-	-	(54 877)	(10 175)	(65 052)	-
At 31 December 2023	62 039	18 868	3 369 828	704 531	4 155 266	-
At 1 January 2024	62 039	18 868	3 369 828	704 531	4 155 266	-
Charge for the year	5 757	689	466 916	74 368	547 730	-
Adjustments/ disposals	-	-	(303)	-	(303)	-
At 31 December 2024	67 796	19 557	3 836 441	778 899	4 702 693	-
Carrying amount:						
At 31 December 2024	47 503	2 755	2 549 740	147 444	2 747 442	392 650
At 31 December 2023	53 260	3 444	2 581 037	117 239	2 754 980	151 787

A schedule listing of the properties as required by section 279 and the second schedule of the Companies Act, 2017 is available for inspection by the members or their authorised representatives at the registered office of the Company.

(i) The carrying value of CWIP as at 31 December 2024 and 2023 is K392.650 million and K151.787 million respectively, which mainly pertains to telecom equipment. In 2024 and 2023, adjustments/disposals include reversal of provision due to deployment of aged inventory.

AIRTEL NETWORKS ZAMBIA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

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18. RIGHT-OF-USE ASSETS

	Leasehold buildings	Telecom equipment	Total
At 1 January 2023			
Additions	6 286	680 103	686 389
Charge for the year	3 029	89 531	92 560
Asset retirement	(4 276)	(144 658)	(148 934)
	-	2 295	2 295
At 31 December 2023	5 039	627 271	632 310
At 1 January 2024			
Additions	5 039	627 271	632 310
Charge for the year	-	110 923	110 923
Asset retirement	(1 792)	(168 455)	(170 247)
	-	2 632	2 632
At 31 December 2024	3 247	572 371	575 618

Leases of plant & machinery: The Company leases passive infrastructure for providing telecommunications services under composite contracts which include lease of passive infrastructure and land on which the passive infrastructure is built as well as maintenance, security, provision of energy and other services. These leases typically run for a period of 2 -10 years. Lease contracts include an option to renew the lease after the end of the initial contract term based on renegotiation of lease rentals. A portion of certain lease payments change on account of changes in macro economic indexes. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Other leases: The Company's other leases comprise of land, shops, showrooms, warehouse and vehicles.

AIRTEL NETWORKS ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

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19. INTANGIBLE ASSETS

	Cellular license	Internet service provider license	Total	Intangible assets under development
Cost				
At 1 January 2023	737 064	125	737 189	-
Additions*	232 992	-	232 992	-
At 31 December 2023	970 056	125	970 181	-
At 1 January 2024	970 056	125	970 181	-
Additions	-	-	-	-
At 31 December 2024	970 056	125	970 181	-
Amortization				
At 1 January 2023	88 245	125	88 370	-
Charge for the year	156 306	-	156 306	-
At 31 December 2023	244 551	125	244 676	-
At 1 January 2024	244 551	125	244 676	-
Charge for the year	162 530	-	162 530	-
At 31 December 2024	407 081	125	407 206	-
Carrying amount				
At 31 December 2024	562 975	-	562 975	-
At 31 December 2023	725 505	-	725 505	-

*Prior year additions under Cellular license relate to the amount of spectrum awarded to the Company. The Zambia Information and Communications Technology Authority ("ZICTA") allotted 40MHz radio spectrum in the 2600MHz frequency band to the Company at a cost of USD12 million in November 2022. An initial deposit of USD0.4 million was made at the time of application. As of 31 December 2023, the Company had paid the license fees in full in February 2023 and the amount was transferred to Cellular license.

The weighted average remaining amortisation period of the Company's licences as of 31 December 2024 and 2023 is 3.39 years and 4.39 years respectively.

20. OTHER NON-CURRENT ASSETS

	2024	2023
Prepayments (i)	285 809	216 870
Deferred customer acquisition cost (ii)	52 971	51 607
	338 780	268 477
(i) Prepayments		
At 31 December		
- Current prepayment*	35 213	25 954
- Non-current prepayment	285 809	216 870
	321 022	242 824

AIRTEL NETWORKS ZAMBIA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

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20. OTHER NON-CURRENT ASSETS (CONTINUED)	2024	2023
(ii) Deferred customer acquisition cost		
At the beginning of the year	145 862	94 677
Expenses deferred	160 665	147 626
Amortisation	(132 074)	(96 441)
At the end of the year	174 453	145 862
Deferred customer acquisition cost		
- Current prepayment*	121 482	94 255
- Non-current prepayment	52 971	51 607
	174 453	145 862

* Current prepayment is included in prepayments under other current assets in note 25.

21. INVENTORIES

Merchandise held for sale	28 105	42 443
Less provision for obsolete stock	(6 530)	(7 819)
	21 575	34 624

The cost of inventories recognized as an expense and included in 'other expenses' amounted to **K39.426 million** (2023: K11.378 million).

22. TRADE AND OTHER RECEIVABLES

Trade receivables	151 290	180 050
Less provision for impairment losses	(107 917)	(104 883)
Net trade receivables	43 373	75 167
Amounts due from related parties (refer note 34)	371 371	345 562
	414 744	420 729

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables. The expected credit loss (ECL) is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case to case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

The Company uses a provision matrix to measure the expected credit loss of trade receivables. Based on the industry practices and the business environment in which the Company operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due (Interconnect more than 9 months).

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

AIRTEL NETWORKS ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivable has crossed the law of limitation period past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

	2024	2023
Balance as at 1 January	104 883	90 873
Transfer to credit-impaired	3 368	13 377
Foreign exchange (gain) loss	(334)	633
Balance as at 31 December	107 917	104 883

Trade Receivables - Days Past Due
At 31 December 2024

	Not Past Due	<30	31-60	61-90	91-120	>120	Total
Expected credit loss rate	0%	0%	0%	0%	100%	100%	
Estimated total gross carrying amount at default	524	4 533	27 431	10 885	4 175	103 742	151 290
Lifetime ECL					4 175	103 742	107 917

At 31 December 2023

Expected credit loss rate	0%	0%	0%	0%	100%	100%	
Estimated total gross carrying amount at default	38 927	28 441	6 050	1 749	2 209	102 674	180 050
Lifetime ECL	-	-	-	-	2 209	102 674	104 883

23. CONTRACT ASSETS

	2024	2023
Revenue from post paid customers	23 157	7 489
Revenue from interconnect customers	19 216	16 170
Revenue from sale of handsets to corporate/enterprise customers	14 794	16 440
Revenue from roaming customers	2 446	1 626
Current	59 613	41 725
Non-Current	-	-

Amounts relating to contract assets are balances due from customers under Sale of Bundled Handsets Contracts, Post Paid contracts, Interconnect Contract and Roaming Contract that arise when the Company receives payments from customers in line with a series of performance related milestones. The Company will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

The Directors of the Company always measure the Expected Credit Loss on the amounts due from customers, taking into account the ageing of receivables, historical default experience and the industry practices and the business environment in which the Company operates. None of the amounts due from customers at the end of the reporting period is past due.

AIRTEL NETWORKS ZAMBIA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

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24. CASH AND CASH EQUIVALENTS

	2024	2023
Balances in banks		
- Current accounts	107 555	57 602
- Cash on hand	37 231	23 589
	<u>144 786</u>	<u>81 191</u>

For the purpose of the statement of cash flows, cash and cash equivalents are as follows:

Cash and bank balances	144 786	81 191
Bank overdrafts	(857 057)	(879 707)
	<u>(712 271)</u>	<u>(798 516)</u>

The Company has six overdraft facilities with limits of up to K930 million and US\$12 million as shown below. These facilities are subject to annual review. Overdraft facilities from Citibank Zambia Limited and Standard Chartered Bank Zambia Plc are available for utilization in both USD and ZMW.

(i) Citibank Zambia Limited	\$ 12 million	MPR+ liquidity premium + 2.25% margin
(ii) Standard Chartered Bank Zambia Plc	K 180 million	MPR + 0% margin
(iii) Absa Bank Zambia Plc	K 50 million	MPR + 1% margin
(iv) Stanbic Bank Zambia Limited	K 200 million	MPR +liquidity premium + 1.5% margin
(v) United Bank for Africa Zambia	K 100 million	MPR +2.5% margin
(vi) First National Bank Zambia	K 400 million	MPR + 3% margin

The Company had drawn amounts as at the year-end of **K857.057 million** and US\$ Nil (2023: K879.707 million and US\$ Nil).

The overdraft limit was not exceeded at any time during the period and all the overdraft facilities are unsecured.

25. OTHER CURRENT ASSETS

	2024	2023
Prepayments	219 938	169 722
Others assets	101 436	63 693
Advances to suppliers	39 616	6 944
	<u>360 990</u>	<u>240 359</u>

26. BORROWINGS

Non-current

Term loans	1 332 174	1 462 801
Less : current	(1 003 653)	(402 643)
	<u>328 521</u>	<u>1 060 158</u>
Current maturity of term debts	<u>1 003 653</u>	<u>402 643</u>

Bank overdraft (Note 24)

	857 057	879 707
Total current borrowings	<u>1 860 710</u>	<u>1 282 350</u>

The term loans are due to the following commercial banks:

	First National Bank Zambia	Standard Chartered Bank Zambia Plc	Stanbic Bank Zambia Limited	ABSA Bank Zambia Plc	International Finance Corporation	Access Bank Zambia Limited	Total
At 1 January 2023	120 000	-	200 000	250 000	260 250	-	830 250
Drawn down during the year	-	190 000	200 000	400 000	-	200 000	990 000
Repayments in the year	(80 000)	-	-	(250 000)	-	(27 448)	(357 448)
At 31 December 2023	<u>40 000</u>	<u>190 000</u>	<u>400 000</u>	<u>400 000</u>	<u>260 250</u>	<u>172 552</u>	<u>1 462 802</u>

AIRTEL NETWORKS ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

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26. BORROWINGS (CONTINUED)

	First National Bank Zambia	Standard Chartered Bank Zambia Plc	Stanbic Bank Zambia Limited	ABSA Bank Zambia Plc	International Finance Corporation	Access Bank Zambia Limited	Total
At 1 January 2024	40 000	190 000	400 000	400 000	260 250	172 552	1 462 802
Drawn down during the year		220 000	-	250 000	-	-	470 000
Repayments in the year	(40 000)	(190 000)	-	(176 389)	(21 687)	(172 552)	(600 628)
At 31 December 2024	-	220 000	400 000	473 611	238 563	-	1 332 174

> In December 2022, the Company obtained a long term credit facility from the International Finance Corporation for K260.25 million. The loan carries a fixed interest rate of 18.50% per annum. The facility is repayable within 96 months. The loan is guaranteed by Bharti Airtel International (Netherlands) BV (Intermediate parent) and is unsecured.

> In September 2023, the Company obtained a medium term credit facility from Absa Bank Zambia Plc for K400 million. The loan carries an interest rate of Monetary Policy Rate + 2.5% per annum. The facility is repayable semi-annually within 36 months and as of 31 December 2024, the outstanding balance was K311.11 million and is unsecured.

> In March 2023, the Company obtained an additional revolving credit facility from Stanbic bank Zambia Limited for K400 million. The revolving credit facility interest rate is split as follows:

1. K200 Million interest is Monetary Policy Rate + Liquidity Premium + Margin per annum.

2. K200 Million interest Bank Policy rate (8.5%) + Margin (5.5%)

The facility is to be repaid at maturity on 20 March 2025 and as of 31 December 2024, the outstanding balance was K400 million and is unsecured.

> In January 2024, the company obtained a short term loan facility from Absa Bank Zambia Plc for K250 million. The loan carries an interest rate of Monetary Policy Rate + 1% per annum. The facility is repayable semi-annually within 12 months and as of 31 December 2024, the outstanding balance was K162.50 million and is unsecured.

> In August 2024, the company obtained a short term loan facility from Standard Chartered Bank Zambia Plc for K220 million. The loan carries an interest rate of Monetary Policy Rate - 2.25% Margin per annum. The facility is auto renewed every 3 months and as of 31 December 2024, the outstanding balance was K220 million and is unsecured.

> In September 2021, the Company obtained a long term credit facility from First National Bank Zambia for K160 million. The loan carried an interest rate of Monetary Policy Rate + 7% per annum. The facility was repayable within 36 months and had been fully repaid as at 31 December 2024 and closed with the bank. The loan was backed by a comfort letter from Bharti Airtel International (Netherlands) BV (Intermediate parent) and was unsecured.

> In May 2023, the Company obtained a medium term credit facility from Access bank Zambia Limited for K200 million. The loan carried an interest rate of Monetary Policy Rate + 4.75 % per annum. The facility was repayable semi-annually within 36 months, had been fully repaid as at 31 December 2024 and closed with the bank.

> In December 2023, the Company obtained a short term credit facility from Standard Chartered Bank Zambia Plc for K190 million. The loan carried an interest rate of Monetary Policy Rate + 4% per annum. The facility was to be repaid 3 months from drawdown date, had been fully repaid as at 31 December 2024 and was unsecured. Facility was closed with the bank.

> There was no breach of any loan agreement during the year.

27. LEASE LIABILITIES
(a) Analysed as:

Non-current
Current

2024 2023

537 442 765 703

403 309 421 290

940 751 1 186 993

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

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27. LEASE LIABILITIES (CONTINUED)	2024	2023
(b) Maturity analysis:		
Less than one year	488 939	547 584
Later than one year but not later than two years	136 827	393 140
Later than two years but not later than five years	371 195	322 805
Later than five years but not later than nine years	242 939	271 071
Later than nine years	9 531	16 155
Total undiscounted lease liabilities	1 249 431	1 550 755
Lease liabilities included in the statement of financial position	940 751	1 186 993

(c) The movement for the year is as follows:

At the beginning of the year	1 186 993	1 116 734
Additions during the year	110 923	92 560
Repayments during the year	(420 579)	(337 591)
Exchange losses	63 414	315 290
Net obligations under lease liabilities	940 751	1 186 993

The Company enters into leasing arrangements. The average term of lease liabilities entered into is 10 years. Unguaranteed residual dues of assets leased under the finance leases at the balance sheet date are estimated at K Nil.

The interest rate inherent in the leases is fixed/variable at the contract date for all of the lease term.

The Directors consider that the fair value of the leases is equal to their carrying values as reflected in the statement of financial position.

28. DERIVATIVE FINANCIAL INSTRUMENTS	2024	2023
The details of derivative financial instruments are as follows:		
Foreign currency forward contracts (assets)	18 799	152 529
Foreign currency forward contracts (liabilities)	(7 377)	-

29. TRADE PAYABLES AND PROVISIONS
(a) Trade and other payables

Trade payables	497 367	454 642
Amounts due to related parties (refer note 34)	378 976	256 156
Accrued expenses	113 471	19 347
	989 814	730 145

Trade payables are non interest bearing and are normally settled on 60 day average terms. Accrued expenses and other payables are non interest bearing and have an average term of six months.

The carrying amount of the above payables and accrued expenses approximate their fair values because of their short term nature.

(b) Provisions
Current provisions

- Provisions for employee benefits	34 650	26 863
- Provisions legal and other obligations	103	56
	34 753	26 919

Non-current provisions

- Provisions for employee benefits	2 479	4 365
- Provisions legal and other obligations	2 670	2 329
	5 149	6 694
	39 902	33 613

Prior year amount of K6,694.000, has not been reclassified under non current liabilities on the face of the statement of financial position as the change is not considered material. We, however have included the balance under current liability provisions which totals to K33,613.000.

AIRTEL NETWORKS ZAMBIA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2024

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30. CONTRACT LIABILITIES

2024 2023

Amounts received in advance from prepaid customers for delivery of internet and voice service.

Deferred income

150 922 147 559

Current

146 039 142 117

Non-current

4 883 5 442

150 922 147 559

Revenue relating to internet and voice services is recognised over time, when a customer makes use of the talk-time that was carried forward.

31. OTHER CURRENT LIABILITIES

265 889 215 540

Other non-current liabilities mainly include Value Added Tax of K128.158 million and Excise Duty of K91.041 million as at 31 December 2024.

32. CONTINGENT LIABILITIES

Legal proceedings

The Company had some pending legal proceedings as at 31 December 2024. Management is of the opinion, having obtained relevant legal advice, that it is possible, but not probable, that contingent liability of K0.002 million (2023: K0.002 million) arising from pending proceedings against the Company will crystallise.

Tax proceedings

At 31 December 2024, there was one open assessment issued by the Zambia Revenue Authority (ZRA) relating to Income tax, Excise Duty and Value Added Tax (VAT).

Based on management's evaluation, contingent liability was nil (2023: 15.870 million).

33. CAPITAL COMMITMENTS

Capital expenditure contracted (gross) for at the reporting date but not recognised in the financial statements is as follows:

At 31 December

2024 2023

299 524 274 861

34. RELATED PARTY DISCLOSURES

Airtel Networks Zambia Plc is part of the Bharti Airtel Group of Companies. The Group's direct shareholder owning 93.90% is Bharti Airtel Zambia Holdings BV (BAZHBV), a Group incorporated and domiciled in the Netherlands. The Company is listed on the Lusaka Stock Exchange (LuSE). Ultimate controlling entity is Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Mittal's family trust effectively controlling the Group.

The shareholding of the Company as at 31 December 2024 and 2023 is as stated below:

Name of shareholder	2024		2023	
	Number of shares	% shareholding	Number of shares	% shareholding
Bharti Airtel Zambia Holdings BV	97 653 142	93.90%	99 975 835	96.13%
Public (institutions and individual investors)	6 346 858	6.10%	4 024 165	3.87%
	104 000 000	100.00%	104 000 000	100.00%

Please refer to Note 2 for Credit line available to the Company from the shareholder.

AIRTEL NETWORKS ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

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34. RELATED PARTY DISCLOSURES (CONTINUED)

The following transactions were carried out with related parties:

i) Purchase of goods and services

Name of related party	Country of incorporation	Relationship to Company	2024	2023
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	1 075 016	708 126
Airtel International LLP	India	Fellow subsidiary	210 137	-
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	43 356	46 616
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	18 128	17 895
Network i2i Ltd.	Mauritius	Intermediate parent	10 436	7 019
Bharti Airtel Limited	India	Intermediate parent	4 420	26
Airtel Tanzania plc	Tanzania	Fellow subsidiary	3 709	1 497
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	3 393	1 110
Centum Learning Limited	India	*Other related party	3 317	2 858
Airtel Malawi plc	Malawi	Fellow subsidiary	3 131	2 071
Nxtra Data Limited	India	Fellow subsidiary	1 699	4 760
Airtel Zambia Telesonic Limited	Zambia	Fellow subsidiary	858	-
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	473	1 188
Bharti Airtel (France) SAS	France	Fellow subsidiary	379	-
Airtel Uganda Limited	Uganda	Fellow subsidiary	355	165
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	125	185
Airtel Networks Limited	Nigeria	Fellow subsidiary	60	396
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	17	6
Bharti Hexacom Limited	India	Fellow subsidiary	13	7
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	10	7
Emtel Limited	Mauritius	*Other related party	8	9
Airtel Congo S.A.	Congo B	Fellow subsidiary	2	2
Bharti Airtel Services Limited	India	Fellow subsidiary	-	4
Airtel Gabon S.A.	Gabon	Fellow subsidiary	-	1
Airtel Tchad S.A.	Chad	Fellow subsidiary	-	1
Total			1 379 042	793 949

ii) Sale of goods and services

Name of related party	Country of incorporation	Relationship to Company	2024	2023
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	147 410	106 477
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	100 378	72 253
Airtel Malawi plc	Malawi	Fellow subsidiary	20 837	14 649
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	19 665	14 769
Airtel Tanzania plc	Tanzania	Fellow subsidiary	16 627	6 580
Airtel Networks Limited	Nigeria	Fellow subsidiary	4 125	3 681
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	2 434	43 527
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	708	1 030
Bharti Airtel Limited	India	Intermediate parent	677	5 093
Airtel Uganda Limited	Uganda	Fellow subsidiary	519	269
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	114	55
Singapore Telecommunications Limited	Singapore	*Other related party	54	17
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	22	14
Bharti Hexacom Limited	India	Fellow subsidiary	17	3
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	7	3
Jersey Airtel Limited	Jersey	*Other related party	3	3
Airtel Tchad S.A.	Chad	Fellow subsidiary	-	5 792
Network i2i Ltd.	Mauritius	Intermediate parent	-	4 253
Airtel Congo S.A.	Congo B	Fellow subsidiary	-	4
Airtel Gabon S.A.	Gabon	Fellow subsidiary	-	3
Total			313 597	278 475

AIRTEL NETWORKS ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

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34. RELATED PARTY DISCLOSURES (CONTINUED)

2024#

2023

iii) Management fees expenses

Bharti Airtel International (Netherlands) BV	Netherlands	Intermediate parent	257 158	169 078
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iv) Receivable from related parties

Name of related party	Country of incorporation	Relationship to Company		
Airtel Malawi plc	Malawi	Fellow subsidiary	106 078	80 196
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	70 884	63 014
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	55 279	111 120
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	52 434	29 563
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	30 810	27 808
Airtel Tanzania plc	Tanzania	Fellow subsidiary	24 557	7 295
Network i2i Ltd.	Mauritius	Intermediate parent	6 770	6 247
Airtel Networks Limited	Nigeria	Fellow subsidiary	6 662	4 574
Bharti Airtel Limited	India	Intermediate parent	4 302	3 334
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	4 048	3 454
Airtel Zambia Telesonic Limited	Zambia	Fellow subsidiary	3 947	3 440
Airtel Africa Services (UK) Limited	United Kingdom	Fellow subsidiary	2 633	2 993
Airtel Congo S.A.	Congo B	Fellow subsidiary	1 324	1 222
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	989	869
Airtel Uganda Limited	Uganda	Fellow subsidiary	475	272
Singapore Telecommunications Limited	Singapore	*Other related party	104	5
Airtel Gabon S.A.	Gabon	Fellow subsidiary	25	23
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	20	20
Bharti Hexacom Limited	India	Fellow subsidiary	16	2
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	10	3
Jersey Airtel Limited	Jersey	*Other related party	4	1
Bharti Airtel Services Limited	India	Fellow subsidiary	-	86
Bharti International (Singapore) Pte Ltd	Singapore	Fellow subsidiary	-	18
Bharti Airtel Lanka (Private) Limited	Sri Lanka	Fellow subsidiary	-	2
Airtel Tchad S.A.	Chad	Fellow subsidiary	-	1
Total (Note 22)			371 371	345 562

v) Payable to related parties

Name of related party	Country of incorporation	Relationship to Company		
Airtel Zambia Telesonic Limited	Zambia	Fellow subsidiary	116 461	-
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	75 155	102 992
Airtel Africa Services (UK) Limited	United Kingdom	Fellow subsidiary	60 801	48 859
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	50 742	40 569
Bharti Airtel International (Netherlands) BV	Netherlands	Intermediate parent	24 994	23 064
Airtel Tanzania plc	Tanzania	Fellow subsidiary	9 887	6 469
Airtel Networks Limited	Nigeria	Fellow subsidiary	7 791	7 192
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	6 697	5 110
Bharti Airtel (France) SAS	France	Fellow subsidiary	6 150	-
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	5 220	5 543
Airtel International LLP	India	Fellow subsidiary	4 892	-
Network i2i Ltd.	Mauritius	Intermediate parent	4 043	9 357
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	2 141	1 933
Airtel Malawi plc	Malawi	Fellow subsidiary	1 782	941
Bharti Airtel Limited	India	Intermediate parent	1 282	3 307
Balance carried forward			378 038	255 336

AIRTEL NETWORKS ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

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34. RELATED PARTY DISCLOSURES (CONTINUED)

2024 2023

v) Payable to related parties

Name of related party	Country of	Relationship to Company		
Balance brought forward			378 038	255 336
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	615	272
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	187	174
Nxtra Data Limited	India	Fellow subsidiary	83	274
Airtel Uganda Limited	Uganda	Fellow subsidiary	44	72
Airtel Tchad S.A.	Chad	Fellow subsidiary	4	5
Bharti Hexacom Limited	India	Fellow subsidiary	3	1
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	2	2
Africa Towers N.V.	Netherlands	Fellow subsidiary	-	20
Total (Note 29)			378 976	256 156

No provisions for impairment losses have been required in 2024 and 2023 for any related party receivables.

Amounts due from/to related parties carry no interest, are receivable/payable on demand.

* Other related parties' though not 'Related Parties' as per the definition under IAS 24, 'Related party disclosures', have been included by way of a voluntary disclosure, following the best corporate governance practices.

vi) Key management compensation

2024 2023

Short-term employee benefits	5 902	5 418
Performance linked incentive	4 328	1 747
Other long-term benefits	439	1 020
Other benefits	6 728	3 112
	17 397	11 297

vii) Compensation of directors for the year ended 31 December 2024

Name of director	Monica K. Musonda	Lynda Mataka	Hussameldin Baday	Total
Type of director	Non-Executive	Non-Executive	Executive	
Sitting fees	778	586	-	1 364
Basic salary	-	-	5 902	5 902
Performance bonus	-	-	4 328	4 328
Long-term incentive	-	-	439	439
Child school fees benefit	-	-	949	949
Housing allowance	-	-	1 560	1 560
Car and air travel allowance	-	-	2 976	2 976
Medical and health insurance	-	-	202	202
Other benefits*	-	-	1 041	1 041
	778	586	17 397	18 761

Compensation of directors for the year ended 31 December 2023

Name of director	Monica K. Musonda	Lynda Mataka	Hussameldin Baday	Manu Sood	Total
Type of director	Non-Executive	Non-Executive	Executive	Executive	
Sitting fees	576	556	-	-	1 132
Basic salary	-	-	1 530	3 888	5 418
Performance bonus	-	-	-	1 747	1 747
Long-term incentive	-	-	-	1 020	1 020
Child school fees benefit	-	-	-	376	376
Housing allowance	-	-	442	859	1 301
Car and air travel allowance	-	-	368	867	1 235
Medical and health insurance	-	-	49	94	143
Other benefits*	-	-	19	38	57
	576	556	2 408	8 889	12 429

* Other benefits includes retirement benefit, airtime and handset allowance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

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35. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (FINANCIAL INSTRUMENTS)

Set out below is a comparison by class of the carrying amount and fair value of the financial instruments that are recognised in the financial statements. The carrying amount of the financial assets and financial liabilities approximate their fair values because of their short term nature as shown below.

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

AIRTEL NETWORKS ZAMBIA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2024

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35. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (FINANCIAL INSTRUMENTS) (CONTINUED)

		Carrying value	Fair value
<u>31 December 2024</u>			
Derivative financial liabilities	Level 2	(7 377)	(7 377)
Derivative financial assets	Level 2	18 799	18 799
Cash and cash equivalents		144 786	144 786
Trade and other receivables		414 744	414 744
Contract assets		59 613	59 613
Bank overdraft		(857 057)	(857 057)
Trade and other payables		(989 814)	(989 814)
Term loans		(1 332 174)	(1 332 174)
Lease liabilities		(940 751)	(940 751)
<u>31 December 2023</u>			
Derivative financial liabilities	Level 2	-	-
Derivative financial assets	Level 2	152 529	152 529
Cash and cash equivalents		81 191	81 191
Trade and other receivables		420 729	420 729
Contract assets		41 725	41 725
Bank overdraft		(879 707)	(879 707)
Trade and other payables		(730 145)	(730 145)
Term loans		(1 462 801)	(1 462 801)
Lease liabilities		(1 186 993)	(1 186 993)

The following methods/assumptions were used to estimate the fair values:

- The carrying value of bank deposits, trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
- The fair value of non-current financial assets, long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- The fair values of derivatives are estimated by using readily observable market parameters. The valuation reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as foreign exchange rates. The valuation does not contain a high level of subjectivity as the valuation techniques used don't require significant judgement and inputs thereto are readily observable.

During the year ended 31 December 2024 and year ended 31 December 2023 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. The fair value of financial assets and liabilities above are classified under Level 3 fair value measurement with the exception of derivatives which are classified under level 2 category.

36. EMPLOYEE BENEFIT EXPENSE

<i>The following contributions to pensions/funds were included within the employee benefits expenses:</i>	31 December 2024	31 December 2023
Aon Zambia Pension Fund Administrators Limited	13 039	11 498
National Pension Scheme Authority	5 576	4 841

AIRTEL NETWORKS ZAMBIA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

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37. SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the Executive management committee that are used to make strategic decisions. The committee considers the business as a single operating segment, being Zambia operations, as the information reported to the executive management committee for the purpose of strategic decision making is not presented per product line.

The reportable operating segment derives its revenue primarily from the sale of voice and data services to subscribers of the network and to foreign telephony operators when their subscribers utilise the Airtel Zambia network. Other revenue consists of connection and subscription charges and sale of mobile handsets to customers.

The executive management committee assesses the performance of the operating segment based on a measure of Earnings before Interest Tax, Depreciation and Amortisation.

The breakdown of the revenue from all services is shown in note 8.

38. COMPARATIVE FIGURES

The statement of financial position for the comparative period of 2023 has been represented as shown below, in order to provide better clarity of the Company's financial position and to conform with current year classification which has been aligned to Group classification.

From	To	
Trade and other payables	Current liabilities - Provisions	33 613

39. EVENTS AFTER REPORTING DATE

On 21 January 2025, the Company renewed its tower lease agreement with IHS Zambia Limited ('IHS'). The renewal relates to approximately 1,172 sites which are set to expire over the next 9 months and are now renewed for a period of 10 years.

Other than the above stated matter, there were no other material subsequent events for the year ended 31 December 2024. The Directors are not aware of any other matter or circumstances since the financial year end and the date of this report, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Company and the results of its operations.