airtel

A REASON TO **IMAGINE**

2023 ANNUAL REPORT

Transforming Lives

Finding what you need

Airtel is **transforming lives** across Zambia

Airtel Zambia is instrumental in transforming lives by extending connectivity to the previously unconnected areas, particularly addressing the needs of the financially excluded and bridging the digital divide. Through the provision of essential services, Airtel Zambia is actively unlocking potential, fostering development for growth for individuals, businesses, and the broader economy across our continent.

+10.2M **Total Customers**

1641
Reaching more customers with **highest number of 4G sites**

+43%
Data usage increase YoY

61 **Highest own stores** to serve customers

We are transforming lives across Zambia

Reaching more people, with more services, in more places than ever.

81%

Population coverage – bringing mobile services to communities across Zambia and helping to unlock the potential of people and societies

42%

Our sites are in rural areas as we provide a vital first step towards digital inclusion

Expanding our reach to connect more individuals with a broader range of products and services across diverse locations. Airtel has been a transformative force in the lives of our customers, consistently contributing to positive change and connectivity. We have played a key role in fostering innovative development in communication, bridging the digital gap, and promoting financial inclusion. Our commitment is evident in initiatives that empower communities, enhance education, and create opportunities for growth.

Our dynamic business model is underpinned by our Sustainability Strategy and delivers value to stakeholders while transforming lives through digitalisation and financial inclusion.

Our Vision

is to enrich the lives of our customers.

Values

Alive

We act with passion and a can-do attitude. Innovation and an entrepreneurial spirit drives us.

Inclusive

We champion diversity. We're at the heart of our communities, and anticipate, adapt and deliver solutions that enrich the lives of the people we serve.

Respectful

We act with humility and are always open and honest. We deliver on our promises to customers, stakeholders and each other.

Products and Apps

MyAirtel App
The Smart Way
Download Now

MyAirtelApp

Recharge Ready: Tap, Top-Up, and Go! Recharge seamlessly with just a touch on the My Airtel App.

DOWNLOADS

1.8 million

Money Moves Fast:
Send, Receive, Repeat! Swift and secure money transactions made simple on the My Airtel App.

USERS

+500 thousands

Monthly active users.

CUSTOMERS

10.2 million

Can You Pay my Bills?:
Bills don't wait, and neither should you. Pay anytime, anywhere, right from your pocket with the My Airtel App.

Transforming lives

Connecting people better with 5G

Connecting people better with HD Calls

Airtel proudly introduces 5G technology, marking a significant advancement in mobile communication.

Positioned as the fifth generation of wireless standards, 5G represents the latest evolution after 2G, 3G, and 4G networks.

VR & IoT

Airtel's adoption of 5G brings forth numerous advantages for users, including notably faster download and upload speeds, reduced latency, heightened network capacity for seamless device integration and the potential to leverage groundbreaking technologies like virtual reality (VR) and the Internet of Things (IoT).

As we usher in the 5G era, Airtel remains at the forefront of innovation in reshaping the landscape of mobile communication.

5G

Airtel has revolutionized communication with the introduction of HD Calls.

This cutting-edge technology brings crystal-clear, high-definition (HD) voice calls, taking the communication experience to new heights for Airtel customers.

HD Calls

HD Calls perfectly align with Airtel's motto, "A Reason to Imagine," encouraging customers to visualize a world where conversations are not just audible but also vividly immersive. It invites them to connect with loved ones, friends, and colleagues in a truly lifelike manner.

The possibilities with HD Calls are crystal clear, allowing users to imagine a world where every call is a vivid experience, setting new benchmarks for communication excellence.

Crystal clear calls

Transforming connectivity with eSIM

We are proud to announce the introduction of our cutting-edge eSIM services, marking a significant milestone in reshaping the landscape of connectivity.

eSIM

The eSIM, a digital counterpart to the traditional SIM card, mirrors all the capabilities of its physical counterpart while eliminating concerns about loss or damage.

Our eSIM offering, seamlessly aligns with our commitment to innovation and customer-centric solutions. With the familiar network connectivity of the primary SIM, users can enjoy a hassle-free experience, and the added advantage of using another SIM while traveling globally enhances the convenience for our customers.

Live sim-lessly

Employee Wellness Campaign
A Better, Healthier Me

Embracing the concept of Physical Wellness, Airtel Zambia underscores the profound interplay between the body and mind.

Encouraging the adoption of health-centric lifestyle choices and habits, we empower individuals to cultivate physical wellness, fostering bodies that are resilient, functional, and poised for a vibrant and active life.

As the culmination of our wellness campaign, Physical Wellness Week took centre stage, generously sponsored by the Legal and Regulatory Director, Suzyo Akatama.

The highlight of this campaign was the eagerly anticipated Staff Sports Day, a spirited event where employees engaged in diverse sporting activities. Notably, teams were creatively named after our various products and services, adding a touch of Airtel's distinctive identity to the festivities.

This dynamic initiative reflects our holistic approach to employee well-being, where physical wellness becomes a celebration of vitality and team camaraderie within the Airtel family.

“Float like a butterfly, sting like a bee. Fitness isn't just about the body; it's about outmanoeuvring life's challenges with grace and speed.

- Muhammad Ali”


Team Tonse
Team 5G
Team Ikali

airtel
Team Tonse
Team Tonse

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airtel

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airtel
Team
airtel
Team Ikali

Plantastic Day

Airtel experienced a fantastic day during Environmental Wellness Week, where employees were encouraged to bring plants to their workspaces and redecorate as part of promoting environmental wellbeing.

This initiative aimed to enhance our sense of safety, comfort, and connection with our physical surroundings. Additionally, the week included a talk by Mr. Josephat Sichula from the Zambia Environmental Management Agency, emphasizing the importance of recognizing environmental wellness.

This holistic concept considers how the environment impacts both physical and mental health, promoting a harmonious balance for personal well-being and the planet's health.

Staff also personalized their workspaces with pictures of significant things to them, from family photos to pets, with prizes awarded for the best-decorated spaces.

Customer Service Week

As we marked Customer Service Week, Airtel celebrated both our customers and frontline staff, reflecting our belief in the power of people.

This annual international event highlights the significance of customer service and honors those who serve and support customers daily.

To our valued customers, we recognized their pivotal role in our success and appreciate their loyalty to our brand. We express our sincere gratitude for choosing Airtel and for continuously challenging us to enhance our services. Our commitment to providing exceptional service remains steadfast, and we took special measures such as redecorating our shops to commemorate this occasion.

For our dedicated frontline staff, we seized the opportunity to acknowledge their tireless efforts throughout the year. Alongside receiving recognition certificates, staff engaged in various activities including a march, a quiz, and enjoyed personalized cupcakes as tokens of appreciation.

> We express our sincere gratitude for choosing Airtel and for continuously challenging us to enhance our services.


airtel
Live the future!


TWALUMBA
TWATOTELA
TWASANTA
LITUMEZI !!
Unlimited Data
airtel


TEAM SERVICE RECOGNITION

Airtel launches 'A Reason to imagine' brand campaign to inspire Africa's youth

Airtel Africa, a leading provider of telecommunications and mobile money services with a presence in 14 countries across Africa, had launched a new brand campaign on May 15, 2023 focused on building a deeper emotional connection with Africa's youth.

The campaign includes a new strapline for Airtel Africa: 'A Reason to Imagine'. It is driven by the insight that in Africa, imagination is the only qualification that matters and showcases Airtel Africa's role in harnessing this potential by delivering relevant solutions to consumers that enhance digital and financial inclusion.

The 'Reason to Imagine' campaign highlights Airtel's status as an enabler of young people's dreams and ambitions, whatever these might be. To this end, the campaign seeks to celebrate the energy, creativity, and innovation of Africa's young people.

It is a well-known fact that the youth are central to achieving not just Zambia's potential but the whole of Africa. More than 60% of Africa's population is under the age of 25 and empowering this new generation could be transformative for the future of the continent.

Through this campaign, we are reaffirming Airtel's commitment to advancing the progress of young people by providing the connectivity to turn every situation into an opportunity.

The 'Reason to Imagine' brand campaign is Airtel Africa's most ambitious yet. It comprises a series of television commercials and a combination of market-specific print, online, outdoor and mobile creative executions.

The campaign builds on Airtel Africa's recent title sponsorship of The Voice Africa, which showcases exceptional African musical talent in a show that also features a high-profile panel of coaches and TV hosts. One of the 100 selected talents will eventually be crowned 'The Voice Africa' in a live show that is currently airing on free to air TV stations across the continent and Airtel TV. This is one of the initiatives that Airtel Africa has invested in to promote youthful talents and expertise in education, sports, and the innovation sectors.


airtel
A REASON TO IMAGINE
G.O.A.T.
IS HIS REASON
SEARCH...
Imagine his
right hook
makes him
a legend
FIRE
ASSEMBLY
POINT

Key Events

ZICTA ICT Innovation Sponsorship

Airtel Zambia reaffirmed its commitment to fostering innovation and youth empowerment by sponsoring the Zambia Information Communication Technology Authority (ZICTA) ICT Youth Innovation program for the fourth consecutive year.

K250,000

Sponsoring the Zambia Information Communication Technology Authority (ZICTA) ICT Youth Innovation program for the fourth consecutive year

60

To support 60 selected innovators

We contributed K250,000 to support 60 selected innovators in order to address youth unemployment challenges by promoting ICT-related innovations, providing mentorship, technical training and financial support.

Following a five-month program, the top five innovations were awarded cash prizes, with Muyunda Kaonga's Ebusaka Green Technology emerging as the winning innovation.


ebusaka

Awards won this year

In 2023, Airtel Zambia achieved remarkable success by clinching prestigious awards across various categories, underscoring our commitment to innovation, customer satisfaction, and impactful communication.

We are thrilled to share these accolades, as they signify not only industry recognition but also the reflection of our efforts with our valued customers.

These awards collectively signify Airtel's unwavering commitment to excellence, innovation, and delivering unparalleled value to our customers. We express our gratitude to our customers for their trust and support, driving us to continuously raise the bar in the telecommunications industry.

ZICTA Inaugural ICT Awards 2023

Airtel Networks Zambia Plc achieved significant recognition at the ZICTA Inaugural ICT, Postal and Courier Awards, winning both the 'Model Corporate Citizen' and 'Digital Disruptor' categories. The former accolade acknowledges Airtel's exemplary compliance with statutory and regulatory requirements, setting industry standards for best practice regulatory compliance.

Awards

Best Brand Campaign of the Year

My Airtel App

Digital Campaign of the Year

My Airtel App

Radio Advertisement of the Year

Airtel Money Fraud Campaign

TV Advertisement of the Year

My Airtel App

Best Public Relations Campaign

Airtel The Voice Africa

Best Publication

Airtel Annual Report

Best Digital Media Campaign

My Airtel App

Best Digital Platform

My Airtel App


ZICTA
AIRTEL NETWORK ZAMBIA


ZIPRC
1st
ZIPRC Awards
CERTIFICATE
Airtel Zambia Networks
ZIPRC
1st
ZIPRC Awards
CERTIFICATE
Airtel Zambia Networks
ZIPRC
1st
ZIPRC Awards
CERTIFICATE
Airtel Zambia Networks

At a glance

Airtel Zambia extends its sincere gratitude to our cherished 10 million customers for their unwavering support, which serves as the cornerstone of our enduring presence.

This steadfast loyalty propels our commitment to delivering cutting-edge and cost-effective products and services.

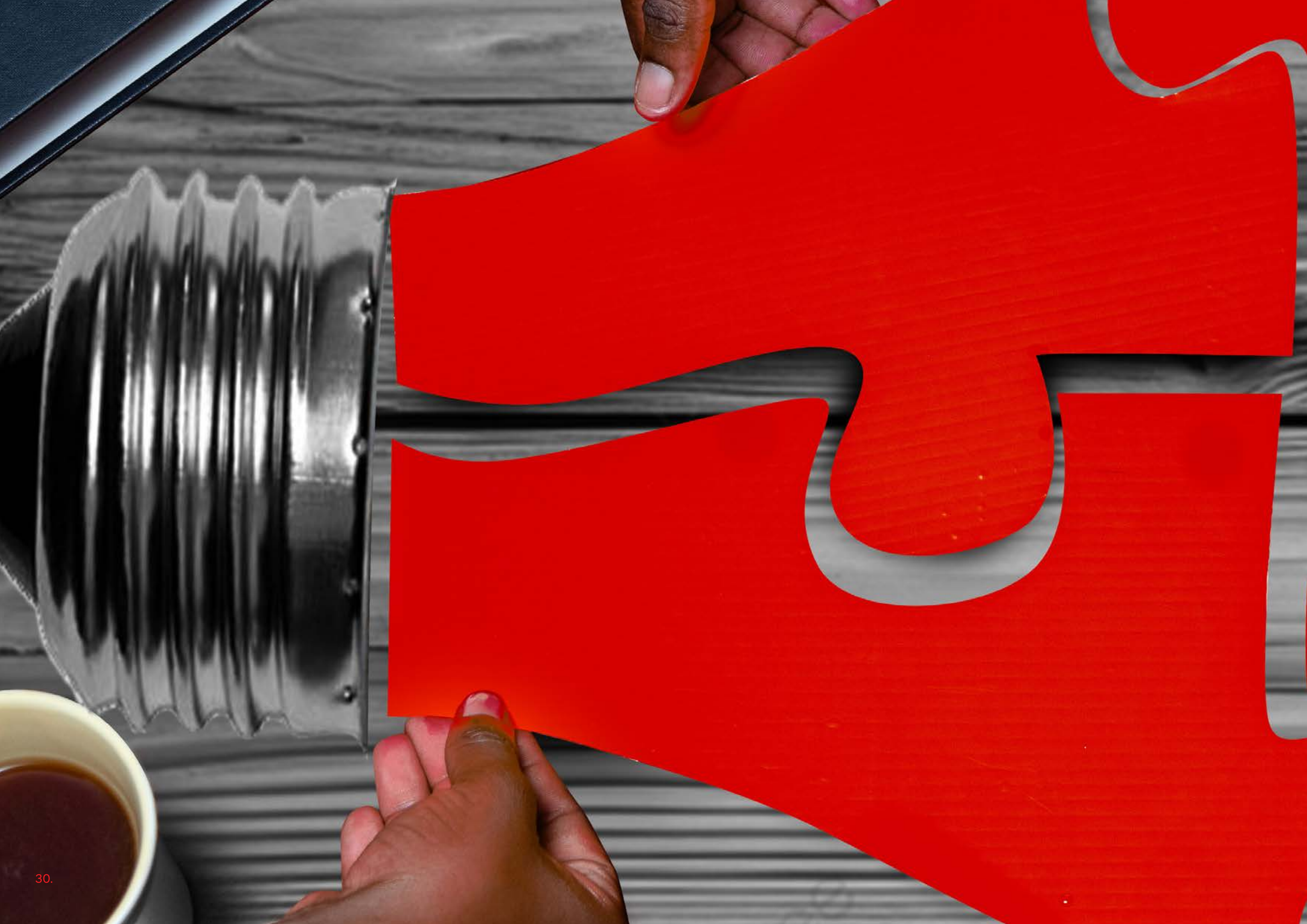
Cherished	Expanded	Strategic
10.2 Million	**4G Footprint**	**5G Roll-out**
customers	Coverage	In major towns

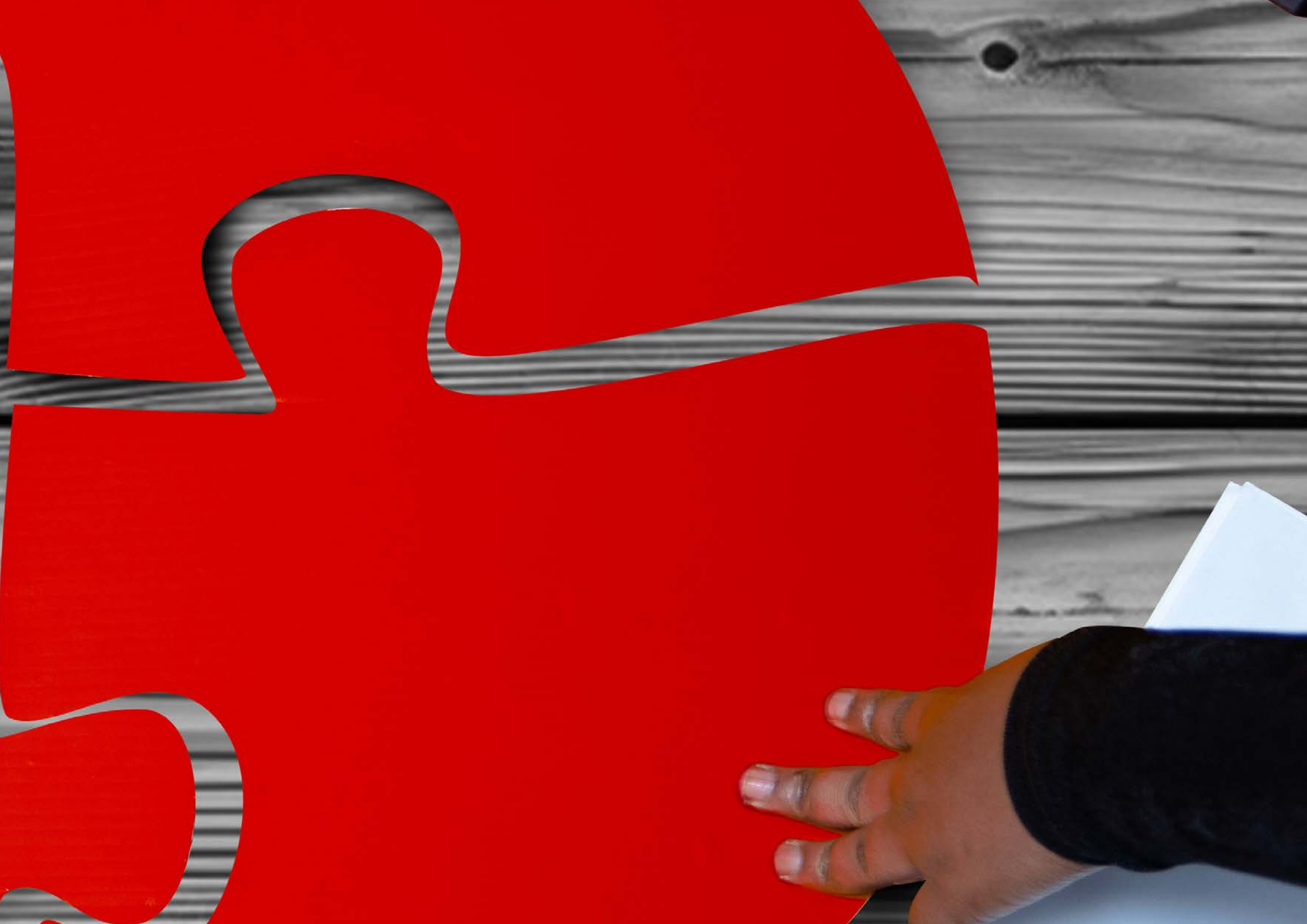
Our commitment to 4G connectivity, we proudly announce an expanded coverage footprint, ensuring a growing number of customers experience seamless and high-speed internet access. Our continuous investments in robust infrastructure, including the strategic roll-out of 5G in major towns, spectrum acquisition, network enhancements, and distribution infrastructure, underscore our unwavering dedication to the Zambian market. These strategic initiatives align with our corporate pledge to consistently elevate our services.

Airtel Zambia remains devoted to meeting the needs of our customers, fostering connectivity, and contributing to the digital transformation of Zambia's telecommunications landscape. Our commitment to innovation propels us forward, ensuring a sustainable and thriving future for Airtel Zambia.







Letter to Shareholders

Transforming lives

Katebe Monica Musonda
Board Chairperson

We remain indebted to our shareholders for your continued support.

It is my distinguished honour to report on the results of Airtel Networks Zambia Plc (Airtel) for the Financial Year ended 31 December 2023.

In 2023, Airtel continued to reaffirm its commitment to providing a superior network to the people that will enable further digitization and financial inclusion. This is in line with the 8th National Development Plan, adding to the much sought-after technology to support digital transformation and innovation as key enablers to economic growth.

Airtel remains committed to providing cutting edge communication products and services to facilitate commerce and trade, education, and health in the quest for a prosperous Zambia.

The Economic environment

The Zambian economy like many other global economies faced a number of challenges in 2023 from hikes in commodity prices, leading to tightening of the monetary policy, climate change and geopolitical tensions in most parts of the world which has had major impact on world trade and investments. As of 31st December 2023, the Kwacha had depreciated by 42% compared to 31 December 2022, trading at K25.72/$1 compared to K18.11/$1 in the prior year. Inflation increased to 13.1%% in December 2023 from 9.9% in December 2022. The depreciation of the Kwacha against the US dollar, higher maize grain and mealie-meal prices, upward adjustment in electricity tariffs and increase in transportation costs were major drivers of inflation in 2023.

Corporate Governance

As Airtel we continue to strive to ensure that we adhere to the highest standard of corporate governance. In keeping to the principles of good corporate governance, which are fairness, accountability, responsibility, and transparency, four Board and Audit Committee meetings were held in the year ending 31st December 2023.

Sustainability - Our Communities

Our ambition is to transform the lives of thousands of children in Zambia through education by 2027. We have long been focused on improving education through our corporate social responsibility (CSR) activities. We recognise that it is the key to employment, gender equality and driving economic growth and resilience.

In the last year we have continued with the adoption of schools' programme and refurbished two schools in the village of Sinyendeende in rural Monze of

Refurbishment

+K670,000

+ the building of toilets

Southern Province as well as Chipandaike village in rural Chisamba of Central Province. The cost of the refurbishment including the building of toilets cost over K670,000.

In alignment with the Government's 3Is that speak into incentives, investment and innovation, the Company was platinum partner of the 2023 ZICTA ICT innovation program which had 60 innovators jostling for the 5 top places. This initiative exists to help provide business and technical developmental support services to ICT related innovations that attempt to solve current challenges relating to any sector of the economy.

Looking forward

While 2023 was a challenging year with a strained economy, as Airtel we continued to invest in our Network (5G, Network upgrades) and Distribution Infrastructure to enable the provision of world class products and services. Our Network is future ready, resilient and scalable to support the communication needs of our Corporate and Individual Customers. Airtel will continue to enhance network quality and distribution to take quality products and services nearest to our customers.

Acknowledgements

I wish to thank all the employees/partners/associates of Airtel who have continued to deliver world class service to all the subscribers of Airtel Networks Zambia Limited.

Finally, we remain indebted to our shareholders for your continued support.

"Our ambition is to transform the lives of thousands of children in Zambia through education by 2027. We have long been focused on improving education through our corporate social responsibility (CSR) activities. We recognise that it is the key to employment, gender equality and driving economic growth and resilience.

Managing Director's Report

Our Operations in Zambia

Hussam Baday
Managing Director

We provide essential services and deliver on our purpose of transforming lives.

We continue to extend our track record of delivering strong growth and improved operational performance despite considerable headwinds. Our lean and simplified operating model which combined with an effective management team deliver revenue growth with good profitability and cash flow delivery.

Airtel's customer base has grown strongly to 10.2 million which is 11.2% growth from the previous year. This is a testament of continued customer confidence in Airtel has delivered a double digit growth network.

All business lines, voice, data, and enterprise leased lines have delivered double-digit growth and contributed to Airtel's robust year on year revenue growth of 26.7%.
The growth in business performance has been attained thanks to a vision that ensures a superior customer experience through timely and continuous investment and upgrades in Network equipment, spectrum, fibre, and improvements to distribution infrastructure; and launching first to market products /services namely VoLTE and E-SIM, besides launching the widest 5G Network in Zambia in 2023 that bridges customers into the digital space.

As a partner in the government's 8th National Development Plan, Airtel supports the government's initiatives to implement policies that enable better connectivity services that are changing people's lives, boosting productivity, accelerating economic growth, and bringing e-governance to the masses. Airtel will continue to play its part responsibly and thereby enable economic upliftment.

The business has been able to create employment opportunities, directly and indirectly. The Airtel employee's family is almost 600 and indirectly generates employment for thousands through the extended Agent services.

Airtel contributed to the growth of Zambia's economy through tax obligations amounting to almost ZMW 2.5 billion to the Government in 2023. Airtel was recognised and appreciated for meeting it's tax obligations in a timely and accurate manner.

Industry Update

The competitive landscape for mobile telecommunication continued to be aggressive yet Airtel Zambia strived to be more relevant and the preferred brand that delivered value to the customers with relevant products & services that are tailored to cater for the demand of customers and hence increase satisfaction rate.

Airtel continued to innovate and to provide "First to market products" giving customers elite experience and exposure to the latest technologies, this is depicted in the launch of HD calls services and E-sim. Furthermore, Airtel launched the largest 5G network in Zambia offering home broadband connectivity to its customers to help in increasing connected communities and bridge the digital inclusion gap.

Airtel main products remained in place offering continuous convenience to Airtel customers with enhancements and optimizations made in customer journeys to cater for the customer feedback received.

'So Che' – the customers understand it as, it's so simple – just like that 'Soche'. This is a recommended pack to make life convenient for customers who need voice, data, and SMS. Soche' is a one-stop combo for voice, data, and SMS.

'Tonse Data' – the customer understands it as, for all of us 'Tonse'. Every year data usage goes up as people use more of YouTube, Facebook, and Netflix. We initiated this range of products where Customers can enjoy from a range of daily, weekly and monthly Tonse bundles.

'IKALI' - the customers understand it as – the best 'Ikali'. These are voice and data specific offers which customers prefer.

Access to 4G without a 4G phone with affordable 'MiFi and Routers' – many customers may not have the 4G handsets but they are still offered this technology and enjoy these high-end speeds via our home broadband MIFIs and routers. The newly introduced Ultra plans were launched during the course of the year to cater for the main concerns of customers and to fulfil their demands.

My Airtel App - it remains the most preferred self – service app in Zambia with a family of over 500K customers using it monthly. Our focus on digitalisation and continuous improvement ensures periodic enhancements to this super app. This one stop-shop for customers' self-service' avails subscribers with access to products and services, TV entertainment, financial transactions, and gamification. My Airtel App also offers access to the Airtel TV app that provides entertainment to end users without a TV, where one can enjoy more content conveniently - anytime and anywhere.

Airtel's commitment to connect the unconnected & to roll out new technologies remains the unchanged. 150 5G sites were launched, offering the largest 5G network access to the Zambian community in 2023. Airtel Zambia has one of the biggest fibre networks in the country with over 6,500Km and is focusing on deploying the metro fibre across major towns after it successfully completed nationwide backbone rings. This will help improve on resilience in the network and will be able to fulfill capacity on demand approach.

Financial Overview

Customers

As at 31 December 2023, total customers were 10.2mn (9.1mn in 2022) out of which 6.8mn (5.9mn in 2022) were Data customers (66.6% of total customers).

Revenue and Cost

In the year under review, Airtel recorded strong revenue growth with achievement of gross revenue of K5,640mn representing a growth of 26.7% compared to K4,450mn achieved in 2022. Data revenue grew by 38.5% in the year under review, at K2,532mn compared to K1,828mn in 2022. The growth in Data revenue was mainly due to 49.1% growth in traffic on the back of 15.4% growth in customers who have used data in the period under review. Voice revenue grew by 20.1% in the year under review, to K2,580mn from K2,149mn in 2022. Total Minutes of Use (MOU) increased by 21.7% in 2023 compared to traffic generated in 2022.

Profit Margin

Operating profits increased by 27% mainly due to strong revenue growth coupled with improved operating efficiencies on the back of Cost Optimization (War On Waste) Initiatives implemented by Management taking into account the inflation increase to 13.1% as at close of December 2023 in comparison to 9.9%% seen in December 2022.

Profit Before Tax (PBT) increased by 21% as the closing Kwacha rate heavily depreciated in December 2023 by 42%, closing at K25.7/$1 from K18.1/$1 as at 31 December 2022. The Kwacha remains highly volatile therefore management continues with various hedging structures to mitigate the impact of any depreciation of the local currency.

The finance charges increased to K428mn compared to K278mn in the prior year. Total market debt (Bank overdraft plus term loans) has increased from 1,595K' Mn in 2022 to 2,343K'Mn in 2023.

The company reported a Profit After Tax (PAT) of K1,139mn compared to K921mn in prior year. This was mainly a result of a strong revenue performance, operating efficiencies despite inflationary pressures and the devaluation of the local currency movement against USD. Management is also pleased to report positive net cash generated from operations of K2,602mn for the year ended 31 December 2023 while the same was K1,602mn for the year ended 31 December 2022.

Capital Expenditure

During the year 2023 Airtel Zambia had heavily invested and upgraded the Network with 5G in the major towns. In the year under review, we invested approximately ZMW 1.5 billion for upgrading the network for the future. We have also continued to execute our distribution expansion plans to enable sustained growth.

Changes to Senior Management

In 2023, Mr. Manu Sood separated from the Organization on 6th September 2023.
Mr Paul Chikubwai who was previously IT Head Portfolio and Release Management in Airtel Zambia was elevated effective 1st February 2023 to Director Information Technology taking over from Sanjoy Ghosh who was elevated to Group Airtel Money Africa in the capacity of Head - Information Technology - Special Projects for Airtel Money.

2024 Outlook

We remain focused on the execution of our growth strategy and combined with our strong operational execution, this will ensure, we continue to see sustained positive growth momentum across the business, despite the inflationary and currency headwinds.
We continue to deliver value to all our stakeholders, transforming lives of our communities and supporting the economies of the countries. We believe that the fundamentals of our business remain strong, and we remain well positioned to seize growth opportunities.

Corporate Governance Statement

Corporate Governance In the Digital Age

Sonia Shamwana-Chinganya
Company Secretary

Corporate Governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. In the digital age, this balance is becoming increasingly complex.

Technology is rapidly changing the way businesses operate, and corporate governance must evolve to keep the pace. Digital transformation brings about new business models, operational processes and ways of interacting with customers and stakeholders. As a result, governance structures and practices must be re-evaluated and updated to ensure that they remain relevant and effective.

Integrating digital technologies into business operations presents a unique set of challenges for corporate governance. Here are some of the key issues:

- The speed at which technology evolves means that governance structures and policies can quickly become outdated. Companies must be agile and responsive, continuously updating their governance practices to keep the pace with technological advancements.

- The digital age has brought about an explosion of data, which can be a valuable asset for companies. However, it also raises significant privacy and security concerns. Companies must have robust governance structures in place to ensure that they are collecting, storing, and using data responsibly and securely.

- As technology evolves, so does the regulatory landscape. Companies must navigate a complex web of laws and regulations which can vary significantly across different jurisdictions. Ensuring compliance requires a deep understanding of the regulatory environment and a proactive approach to governance.

To navigate the complexities of corporate governance in the digital age, companies should adopt the following best practices:

1. Foster a Culture of Innovation and Compliance

Creating a corporate culture that values both innovation and compliance is crucial. Employees at all levels should be encouraged to think creatively and push boundaries, while also understanding the importance of adhering to legal and ethical standards.

2. Implement Agile Governance Structures

Corporate governance structures must be flexible and adaptable to keep the pace with the rapid changes in technology. This may involve re-evaluating and updating.

3. Invest in Technology and Talent

To effectively balance innovation and compliance, companies must invest in the right technology and talent. This includes implementing advanced security measures to protect data and hiring individuals with expertise in both technology and regulatory compliance.

4. Engage in Continuous Learning and Development

The digital age requires a commitment to continuous learning and development. Companies should provide ongoing training and development opportunities for employees, ensuring that they stay up-to-date with the latest technological advancements and regulatory requirements.

5. Establish Clear Lines of Accountability

Clear lines of accountability are essential for effective corporate governance. Companies should ensure that roles and responsibilities related to innovation and compliance are clearly defined and communicated.

6. Conduct Regular Risk Assessments

Regular risk assessments are crucial for identifying potential vulnerabilities and ensuring that governance structures are effective. Companies should conduct comprehensive assessments of their governance practices, technology systems, and operational processes.

7. Engage with Stakeholders

Engaging with stakeholders, including shareholders, employees, customers, and regulators, is an important aspect of corporate governance. Companies should maintain open lines of communication and seek input on governance practices and policies.

8. Embrace Transparency

Transparency is a key principle of good corporate governance. Companies should be open and transparent about their governance practices, including how they are balancing innovation with regulatory compliance.

Balancing innovation with regulatory compliance is a complex but an essential aspect of corporate governance in the digital age. By adopting agile governance structures, investing in technology and talent and fostering a culture of innovation and compliance, companies can strike a balance between profit driven philosophy while upholding standards of ethical behavior, without missing out on the opportunities presented by digital transformation.

In the end, the goal is to create a governance framework that supports innovation and growth, while also ensuring that the company operates responsibly and ethically.
By achieving this balance, companies can build trust with stakeholders and secure their long-term success in the digital age.

Airtel Networks Zambia Plc ensures adherence to corporate governance rules and directives. Compliance with the Securities Exchange rules, LuSE Corporate Governance Code for listed and quoted Companies and Companies Act remains of utmost importance. As an ICT service provider, we have put measures in place to enhance our governance structures around Data Protection following the enactment of the Data Protection Act in Zambia.

Our risk management framework and internal control framework remains robust with a continued and deliberate effort to make improvements where required.

Airtel Networks Zambia Plc successfully held its Board meetings scheduled for the period January 2023 to December 2023 with the attendance of the Board of Directors as below.

The Board of Directors comprises the following Six (06) Directors:

Name	Title	Committee Membership
1. Katebe Monica Musonda	Independent Director/Chairperson	Audit and REMCO
2. Monicah Kambo	Non-Executive Director	Audit and REMCO
3. Lynda Mataka	Independent Director	Audit and REMCO
4. Apoorva Mehrotra	Non-Executive Director	NONE
5. Jaideep Paul	Non-Executive Director	Audit
6. Hussameldin Baday	Executive Director/Managing Director	NONE

The Directors held the following meetings during the year under review:

BOARD MEETING ATTENDANCE FOR 2023

Name of Director	23 February 2023	26 May 2023	18 August 2023	28 November 2023
1. Ms. Monica Musonda	√	√	√	√
2. Ms. Lynda Mataka	√	√	√	√
3. Mr. Apoorva Mehrotra	Proxy	√	√	Proxy
4. Mr. Jaideep Paul	Proxy	Proxy	√	√
5. Ms. Monicah Kambo	√	√	√	√
6. Mr. Manu Sood	√	√	√	resigned
7. Mr. Hussameldin Baday	-	-	-	appointed

AUDIT COMMITTEE ATTENDANCE FOR 2022

Name of Director	23 February 2023	26 May 2023	18 August 2023	28 November 2023
1. Ms. Lynda Mataka	√	√	√	√
2. Mr. Jaideep Paul	Proxy	Proxy	√	√

Board Director Profile

Katebe Monica Musonda

Board Chairperson

Qualifications

She holds a LL.B from the University of Zambia and an LL.M from the University of London. She has attended several business and leadership programmes at Harvard Kennedy School of Governance, Oxford Said Business School and IMD Business School.

Experience

Katebe Monica Musonda is a dual qualified English solicitor and Zambian advocate with over 16 years post qualification experience. She has held senior positions in private practice with Clifford Chance & Edward Nathan and also worked as in house corporate counsel at International Finance Corporation and for the Dangote Group. Her experience working with Aliko Dangote, one of Africa's most successful entrepreneurs gave her the impetus to start Java Foods. Under her able leadership, Java Foods' vision is to become a leading food manufacturer in Southern Africa committed to providing high quality and nutritious food from local products at affordable prices.

Monica is a highly sought after speaker and has delivered keynotes on several key issues including women empowerment, entrepreneurship and how the private sector can support strengthening of African food systems. Her TedX Euston talk has had several thousand views and she has won several awards for entrepreneurship and for her success as a female executive.

External appointments

Monica currently serves as Chairperson on the Boards of Airtel Networks Zambia Plc and Zambian Breweries. She also serves as non-executive director on the Boards of Zambeef Plc, Dangote Industries Zambia Limited and Mixta Plc.

Monica sits on the Advisory Board of Affirmative Finance Action for Women in Africa (under African Development Bank), which is a pan-African initiative to bridge the $42m financing gap facing women entrepreneurs. She is the recipient of the 2017 African Agribusiness Entrepreneur of the Year award and the 2021 Leading Agribusiness Entrepreneur of the year Award from the Zambia Association of Manufacturers. She is a Young Global Leader (World Economic Forum) and an Archbishop Desmond Tutu Leadership Fellow.

Board Director Profile

Lynda Mataka

Board Director

Qualifications

Lynda Mataka is a seasoned legal practitioner with over 20 years standing at the Zambian Bar and has had vast experience in Corporate Law. She is currently a partner in the firm of TMS Legal Practitioners. Lynda has expertise in Mergers and Acquisitions and financial sector regulations. Prior to joining private practice, she worked for Ministry of Justice as a senior Legislative Draftsperson and the Bank of Zambia were she served as an Inspector Non Bank Financial Sector Regulation and Senior counsel Advisory Bank Secretariat.

Experience

Lynda brings with her a wealth of experience having sat as Director on various Boards across various sectors which include ZESCO, Access Bank Zambia, Access Bank Botswana, Dangote Cement Zambia and the Energy Regulation Board.

She holds a Masters of Law Degree in International Business Law, a Postgraduate Diploma in Legislative Drafting and a Bachelor's of Law Degree from the University of Zambia.

External Appointments

Lynda currently serves as an Independent Non-executive Director at the Industrial Development Corporation. She is also an Independent Non-executive Director at Dangote Cement and Independent Non-executive Director at Access Bank Botswana.

Board Director Profile

Hussam Baday

Board Director/Managing Director

Qualifications:

Hussam Baday holds a Master of Business Administration from the University of Leicester (UK) and is a BSc holder in Electronics and Communications Engineering.

He holds a Professional Diploma from The Chartered Institute of Marketing (UK) and a professional certificate in “Behavioral Economics” From Harvard Business School. He attended an executive education in Leading with Results from INSEAD (France).

Experience:

Hussam has been appointed as Managing Director for Airtel Networks Zambia PLC . Prior to this, he was Chief Commercial Officer from December 2021 and Marketing Director from July 2018 for the Zambia operation.

Before joining Airtel, he served as Chief Marketing Officer at Sudatel Telecom Group (STG), and held several roles in Ericsson and Huawei in Sudan. In addition, he was sent on a short-term assignment as technical consultant to Pakistan.

His experience of over 22 years in engineering and commercial fields has been overseen by deriving successful commercial strategies, business development, and proper execution that has turned around commercial performance.

External appointments:

He serves as an Advisory board member at CMO- Council Africa and he has been appointed as Executive Director for Airtel Zambia Telesonic. He is also the Chairperson for GSMA-Z and Co-chair for ICT, Digitization and Media TWG for the Public Private Dialogue Forum (PPDF).

Board Director Profile

Jaideep Paul

Board Director

Qualifications

Jaideep is a Chartered Accountant (FCA) from The Institute of Chartered Accountants of India and holds a Bachelor's Degree in Commerce (Honors) from University of Calcutta.

Experience

He is currently the Chief Finance Officer of Airtel Africa Plc, a position he has held since May 2014. His career spans 33 years across various industries, with over 19 years in telecommunications. He is also an Executive Director in the Airtel Africa Plc Board.

He started his career at Pricewaterhouse in 1989. He moved to Hindustan Zinc in 1991 and progressively held a variety of senior roles in HCL, Telstra V-Com and Caltex (a Chevron Texaco JV).

He joined Bharti Airtel Delhi Circle in 2002, moved to Mumbai Circle as Principal Finance Officer in 2004, and became Regional Finance Controller - East in 2006, a position he held until 2007.

He thereafter worked as Chief Finance Officer of Bharti Retail Limited (franchisee of Walmart India) for 2 years (2008 and 2009), and moved to Fairtrade LLC Muscat, in the same capacity for a short period of 8 months before joining Airtel Nigeria as CFO in September 2010.

External Appointments

He currently serves as a Director at Airtel Africa Plc, Airtel Nigeria, Airtel Tanzania and other Dutch and Bharti entities.

Board Director Profile

Apoorva Mehrotra

Board Director

Qualifications

Apoorva holds a Masters' Degree in Management Studies (Marketing) and a Bachelor's Degree in Psychology.

Experience

He was Managing Director for Airtel Networks Zambia Plc from 1st March 2018 until October, 2022 when he was appointed as Airtel Africa Regional Director-East Africa. He had joined Airtel Zambia as Chief Commercial Officer in April 2017. He has over 28 years experience in Operations, Sales and Marketing across the telecoms industry as well as in the consumer durables and FMCG sectors.

External Appointments

Currently serves on the boards of Airtel Zambia, Airtel Malawi and Airtel Kenya, Airtel Rwanda and Airtel Tanzania.

Board Director Profile

Monicah Kambo

Board Director

Qualifications:

Monicah Kambo holds a Master of Science Degree in Global Human Resource Management from the University of Liverpool UK, is a Chartered Marketer from the Chartered institute of Marketing-UK and has recently attended INSEAD leadership courses.

Experience:

She is currently the Group Human Resource Director of Airtel Africa Plc, a position she has held since March 2020. She is currently tasked with delivering and implementing the People strategy and HR operations across its Africa, India and UK operations.

Monicah's seasoned 20-year expertise spans in the fields of business management, entrepreneurship, strategy development and execution, talent management across diverse global markets in Africa, the India sub-continent and Europe. She started her career managing brand investments at DDB-CCL and subsequently moved to WPP- Scangroup companies in progressively senior roles. In her time at WPP Scangroup, she took on key management roles in Uganda and South Africa.

She also held the positions of Managing Director at Ogilvy Africa and MEC / Wavemaker with full P&L responsibility.

Prior to joining Airtel Africa Plc, she was the Group Human Resource Director for WPP Scangroup, a listed company on the Nairobi Stock Exchange. She is has an indomitable passion for mentoring young women and engaging in driving the sustainability agenda within her community.

External appointments:

Currently serves on the boards of Airtel Zambia, Airtel Malawi and Airtel Seychelles.

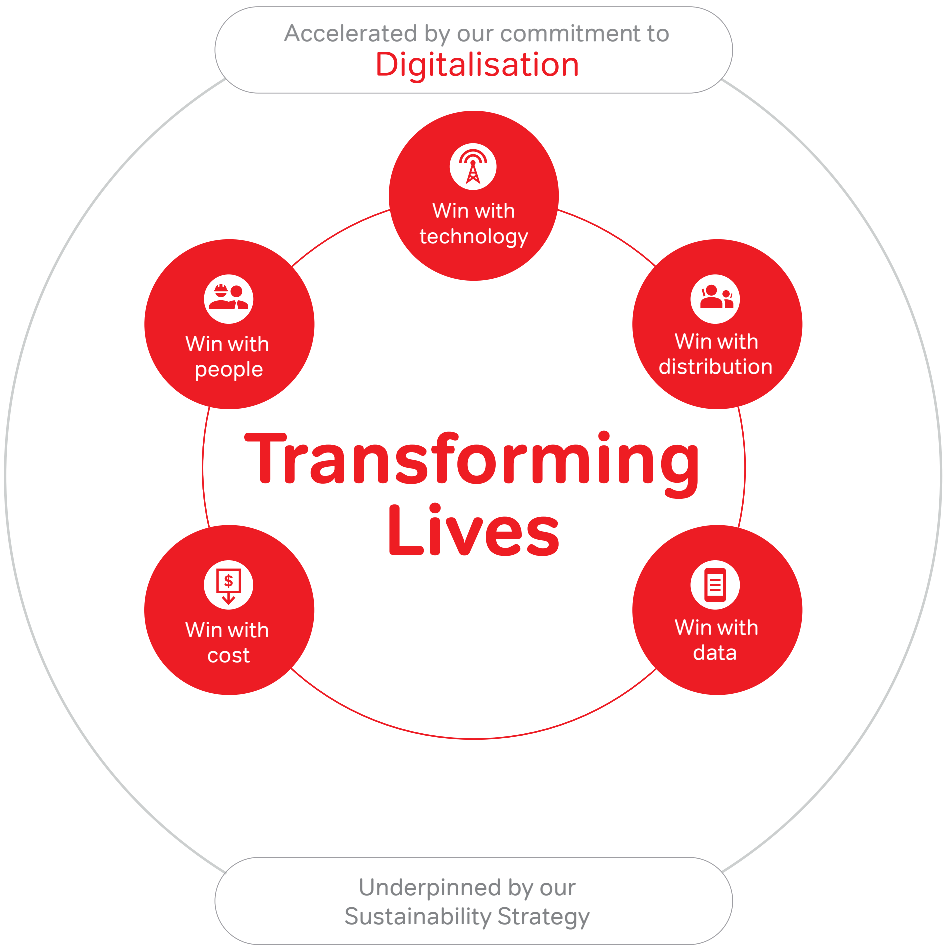
Our Executive Committee

Top left to right: Mr. Martin Jowi Supply Chain Management Director, **Rajan Joshi** Networks Director, **Lindiwe Banda** Airtel Business Director, **Kapa Kaumba** Customer Experience Director, **Paul Chikubwai** Information Technology Director, **Suzyo Ndovi Akatama** Legal & Regulatory Director, **Andrew Chuma** Country Director - Airtel Money

Bottom left to right: Samir Waman Finance Director, **Sylvia ElSheikh** Marketing Director, **Hussam Baday** Managing Director, **Bwembya Barbara Chikonde** Human Resource Director, **Francis Simfukwe** Sales & Distribution Director

Our 'Win With' Strategy

We are Transforming lives across Zambia through financial Inclusion, Digitalisation and Empowering our 10.2M customers.



We're transforming lives across Zambia through products, services and programmes that foster financial inclusion, drive digitalisation and empower our 10.2 million customers and their communities. We have a clear business objective to grow market share profitability and create superior enterprise value while delivering our sustainability strategy so we can continue to live our vision of enriching the lives of our customers.

Our 'Win with' strategy has five strategic pillars through which we aim to deliver sustainable, profitable growth. Underpinning all these pillars are two constant themes digitalisation and our commitment to contributing to sustainable development through our sustainability strategy.

We aim to act as a responsible business at all times and to deliver on our promises. That means doing business transparently and with a sound governance structure. It also means being a good partner and an active contributor to society by creating jobs, paying taxes and respecting the environment.

We work with the governments and institutions of the countries in which we operate to develop and deliver our strategy which helps them realise their goals for sustainable development while ensuring our strict and continued compliance with local laws and regulations.

Win with distribution

Our Priorities

To build the width and breadth of our distribution infrastructure across the country to effectively acquire and retain more customers.

We cultivate a win-win business partnership with our distribution partners through effective face to face engagement by the field teams thereby motivating them to serve our customers better.

Our 61 shops aim to prioritize customers walk in experience by providing services related to our voice, data, Airtel Money and Enterprise services. The shops further support our sales distribution teams as a distribution point for our distribution partners. This ensures that we manage partner costs and deliver convenience.

We also drive Home Broad Band (HBB) usage through top-of-mind primary focus of the entire sales.

Our Progress

We continued to rapidly grow our distribution points in urban and rural markets simultaneously to provide arm's length access to our products and services.

Our distribution network continues to be unrivalled with a strong competitive advantage across the country. Our expansion efforts culminated in growth of 39% in our exclusive channels and 13% in our multi-brand outlets. This growth is driven by the continued rigor in new outlet recruitment and retention through active partner engagement.

We will continue to grow our network of shops to meet the needs of our growing subscriber base. Our staff is dedicated to improving service delivery with proactive feedback channels for our customers that enable us to continually improve service delivery.

Home Broad Band heightened focus resulted in increased Revenue Earning Customers by 41% across the country thereby increasing home data consumption.

How we measure our progress

We measure our distribution through several KPIs key being customer growth. Overall customer base growth increased close to 13% during the year. This distinct growth reflects our significant investment in distribution, kiosks, multi-brand outlets and exclusive branches. This effectively ensures availability of Sim Cards, Recharge and all other Airtel Products.

E-Sim Launch

For the first time in Zambia, Airtel has launched the "eSIM," a digitally embedded SIM that eliminates the need for a physical SIM card, simplifying customer experiences. Airtel's commitment to innovation and customer-centric services is key. The introduction of eSIM showcases Airtel's dedication to pioneering advancements in the industry. Zambia's Information Communication and Technology Authority (ZICTA) commended Airtel for its continuous innovation, highlighting the importance of technology in driving economic development.

The eSIM technology offers customers the same functionality as a physical SIM card but in a digital format, reducing the hassle of losing or damaging the SIM card. This initiative also aligns with Airtel's sustainability agenda by reducing carbon footprint. The eSIM is exclusive to Airtel customers and can be obtained from Airtel Shops across the country.


airtel
money
airtel
money


eSIM
A REASON

Win with data

With this pillar, our aim is to increase the value of our Data Customers by ensuring the growth of smartphones on the network, increasing subscriber usage by increasing the number of 4G smartphones using Data.

We leverage on 5G to increase Data traffic and grow Data Revenue through subscriber segmentation to ensure maximum extraction by offering subscribers products that are tailored to their data needs.

Our Priorities

Our priority is to actively participate in bridging the digital divide by offering optimized affordable internet connectivity to our customers. Internet is becoming a need. Providing coverage, quality and affordable internet services is the responsibility that we are eager to fulfill.

Airtel continues investing heavily in the network to meet the expectations and demands of its customers. We will continue to provide data products innovation that are tailored to cover every customer need.

Our Progress

Airtel introduced 5G Technology in 2023 covering the Capital Lusaka and other key strategic towns of Livingstone, Chipata, Kitwe, Ndola and Solwezi. By December 2023, Airtel was the largest 5G Network provider in Zambia. We also improved the 4G technology through the introduction of L2600 Band which further improved Data service experience and quality, therefore, on an overall perspective, subscribers who are not covered by 5G are able to enjoy improved service experience due to the Network capacity improvement.

We grew data revenue by 38.5% YoY as of December 2023. This was under the backbone of careful product provision to Customers through optimized Open Market Products supported by tailored segmented products that are tailored to cover every need and designed in line with customers' usage behavior and pattern.

The Company has pushed for the growth of the Home Broadband Business through competitive products, on-ground activities as well as provision of Enterprise solutions to cater for big Corporates and SMEs. Our Home broadband packages range from volume based plans to speed based plans.

How we measure success

Key to the attainment of Win with Data objectives, is having Data Customers that have the right Data devices and are users of our Data Services, therefore active data customers is one of the critical KPIs that has been closely watched, noting active data customers growth YoY was 15.4% as of December 2023.

Moreover, Data Bundle user penetration is a key indicator of subscribers that use our Data products on a consistent basis. This is also one of the maintained growth elements to ensure customers are getting products that match their usage needs.

5G Launch

Airtel Africa, through its Regional Director (East Africa), Mr. Apoorva Mehrotra, launched the cutting-edge 5G network at the Intercontinental Hotel, emphasizing the company's commitment to seamless connectivity. Mehrotra highlighted the 5G network's capabilities, including data speeds up to 10 times faster than 4G, low latency, and the ability to connect billions of devices. The launch marks a significant milestone in revolutionizing sectors such as smart cities, education, healthcare and entertainment, aligning with Zambia's 2030 vision. Airtel's introduction of 5G technology signals a pivotal advancement in shaping Zambia's technological landscape and driving future growth and development.


5G VR ZONE

Win with cost

This year presented serious cost challenges with double digit increase in fuel prices i.e. K 26.38 /litre in April 23 as reported by the Energy Regulation Board.

This was optimized through various initiatives to reduce diesel volumes which included connecting more sites to ZESCO grid and optimization of power in the sites through deployment of Hybrid power plants running on Lithium batteries as opposed to Lead Acid batteries. The reduction in diesel run hours and emissions also supports our environment and sustainability net zero targets.

Our Priorities

The key objective being cost containment and reduction, several projects were identified across the business for implementation. The focus was on key cost drivers like network operating costs and Sales and Distribution costs. These included energy costs where the maintenance of Site and shop passive equipment like generators were targeted. The site operating costs were targeted and actions to reduce cash loss sites were implemented.

Our Progress

We have maintained local contracts for services, shops, and site rents in local currency to mitigate the impact of Kwacha devaluation to major currencies like US. Our key partners have set up local branches which implement projects, and this mitigates need to pay hard currencies and optimizes our costs and improves our business competitiveness.

We have stabilized sim card prices with improved chip availability from our multiple vendors across the globe. We have further mitigated cost through streamlined distribution and maintain optimal stock to meet immediate requirements. Optimal design of sim cards has also been adopted and we have also launched e-sims which reduces airfreight, warehousing, and logistics costs.

In the distribution front we have continued to rally our customers to adopt digital loading of airtime and purchase of data bundles. This has reduced logistics and paper recharge costs.

Site and shop maintenance has been optimized using contractors present in specific regions to reduce transport costs and improve availability. This reduced the cost partners were incurring due to higher mileage and excess hotel accommodation costs.

We have increased our data capacities substantially by building new fibre routes and or purchasing Indefeasible Right of Use (IRUs) high-capacity core fibre to deploy fast speed internet technologies across the country. Our Home-based broadband business has launched high speed TDD routers and MiFis at competitive rates and are available across the country in our sores and partner outlets.

How we measure our progress

These multiple initiatives implemented throughout the year have resulted in the improvement of the EBIDTA margins as compared to prior year. The results were measured in terms of cost per site trends, number of customers loading digitally, volume of cost diesel used, and payment to merchants and vendors for various services.

Win with people

We focused on building a diverse, healthy, and motivated workforce that lives the Airtel values equipping them with quality skills to ensure high employee productivity.

Our Priorities

Early Career Programs: We are building young talent through various talent development initiatives such as graduate trainee programs and equipping them with the right skills and Business Acumen to enable them to execute diligently.

Career Management: We promote Internal Growth for employees through cross functional moves, promotions, and succession plans. Prioritizing hiring Internal Candidates for career growth opportunities within the organization is key.

Women in Technology: We strive to improve Female Gender diversity in Senior management, technical roles, and the overall business to ensure female representation in all areas of the business.

Employee Wellbeing: We also drive employee well-being, engagement and promote a healthy workforce through wellness employee programs.

High Performance Culture: Building a high performing workforce by hiring staff with the right skills, placing them in the right roles, developing their functional and leadership skills and ensuring they are living our values and culture.

Our Progress

We focused on elevating our employee's wellbeing by conducting a 360 degrees wellness campaign which was characterized with various wellness programs themed a "A Better, Healthier me." Employees were fully engaged in the eight (08) tenets of wellness namely, Emotional & Mental, Occupational, Intellectual, Social, Physical, Financial, Spiritual and Environmental wellness.

The wellness campaign, aimed to encourage employees to own their wellness at the workplace and in their personal lives, improve our employee value preposition and consequently increase productivity due to a reduction in physical and mental illness among staff, knowing that engaged employees are more present and effectively deliver business results.

During the year under review, we also implemented a Technical Sales Graduate Trainee program under Enterprise Business Department for 5 females and 5 males graduate engineers. Their development included equipping them with leadership skills for their personal effectiveness in the workplace and Techno commercial skills as part of our early career initiatives implemented in the year.

In the period under review, we were deliberate about improving the Gender diversity under our Women in Technology initiatives and thus the employee Referral program was launched to promote gender diversity in Senior management, technical roles, and the Overall Business.

We also focused on internal development programs resulting in internal hires as well as employees being promoted, and succession plans being actualized. Under our Talent development initiatives, staff were trained in Mandatory compliance courses and Functional courses to build and enhance essentials skills to enable them produce significant results.

How we measure success

We implemented the Employee 360º Wellness campaign to promote staff wellbeing in all wellness dimensions with 100% staff participation.


ENVIRONMENTAL WELLNESS
FINANCIAL WELLNESS
INTELLECTUAL WELLNESS
OCCUPATION WELLNESS
MENTAL & EMOTIONAL WELLNESS
SOCIAL WELLNESS
PHYSICAL WELLNESS

Win with technology

We consistently strive to maintain a leadership position across various technology domains, and this year we have exemplified our commitment to innovation.

We are committed to delivering a cutting-edge state of the art network that leads by offering the best-in-class customer experience for Voice, Data, Enterprise solution across Zambia. Our continuous year on year robust capex investments for spectrum, sites & fiber network infrastructure are a testimony that we meet the ever-growing demand for Data & Voice by deploying robust capacities ahead of the curve. Introduction of new technologies such as e-SIM & HD Calls for the first time in Zambia makes us the preferred network of choice for many customers.

Our Priorities

We strive to offer a very reliable network which focuses on continuous improvement on network uptime, quality & resilience. We not only offer the biggest 4G network in the country but continue to extend the 4G network coverage to all parts of the country by deploying new sites every year.

Continuous modernization of the Information Technology & Network nodes with more focus on Data Center Infrastructure modernization & resilience is one of the key priorities for Airtel Zambia

We have one of the biggest fiber networks in the country and is focusing on deploying the metro fiber across top town after it successfully completed nationwide backbone rings. This will help improve on resiliency in the network and will be able to fulfill capacity on demand approach.

Our Progress

We are expanding the reach of 4G Coverage and building capacity through our 2G=3G=4G approach for each site. Airtel has 100% 4G network coverage in Zambia. We also launched 5G network in July 2023 and also deployed the recently acquired 2600 band spectrum across Lusaka, Kitwe, Ndola, Solwezi, Chipata & Livingstone towns.

The introduction and improvement of cutting-edge technologies, such as the launch of 5G offers & eSIM technology, enhanced solution of ZICTA 707 for instant inhibition of frauds, showcases our dedication to customer empowerment.

One notable feature is the addition of a stolen phone functionality, granting customers the ability to promptly bar their number in the event of a device theft. Leveraging on our advanced technology, Airtel can suspend the customer's Mobile Money account after a device theft until the customer deems it safe to unbar. This integration not only enhances security in the realm of mobile finance but also underscores our commitment to leveraging technology for the safeguarding of our customers' assets."

Home broadband customer onboarding has been simplified by using the already existing retailer sim registration touch points via the retailer Tribe app. The customer can access the Home broadband 5G speed bundle offers within the few minutes of customer registration.

In the pursuit of providing our enterprise customers a self-service solution, we launched the Airtel Business Care portal that enables customers to view account details including outstanding & overdue amounts, viewing of line details with capability to activate/deactivate a line and self-service capability e.g., pay bill, buy airtime and managing account users.

During the year Airtel Zambia added a total of thirty (30) new sites each equipped with 2G,3G & 4G technology. Also, during the same period, we added a total 579 sites with an additional LTE layer for capacity augmentation with a mix of 800 & 2600 bands & spectrum efficient state of the art Massive MiMo technology.

We also deployed a total of 1000+ kms of fiber network during 2023. This helped us to ensure our network is having the much-needed capacities with necessary resilience for stable network performance.

In the year, we launched VoLTE technology which offered HD voice quality, instantaneous call connection as well as surfing the internet with talk capabilities available simultaneously. We also offloaded on the market, the future ready e-SIM service which avoids all the hassles of a physical SIM.

With all above network interventions and new technology launches, we are able to offer superior voice and data network experience to our customers as we ensure we remain the preferred network of choice.

How we measure our progress

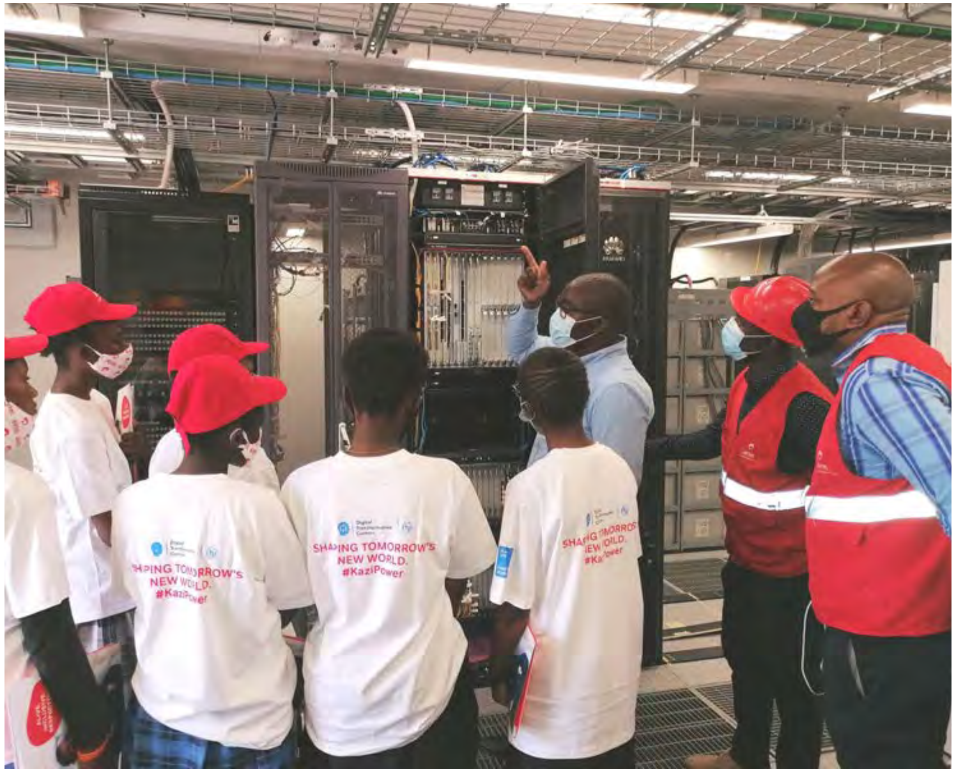
Network stability is an all-important aspect for offering best-in-class network quality experience to our customers. We constantly endeavor to deliver near 100% network uptime through resilience protection mechanisms as well as technological innovations.

The other key network parameters, that we measure and track on a 24x7 basis, are the voice & data accessibility and retainability parameters for measuring quality experience progress we make consistently.

Launch of VoLTE (Voice over LTE) - HD Calls

Airtel Zambia introduced VoLTE (Voice over LTE) technology first time in Zambia. VoLTE technology offers high-definition call experiences to users. The launch event was graced by Minister of Technology and Science, Honourable Felix Mutati, who commended Airtel's commitment to innovation and quality service. This launch underscores Airtel's dedication to enhancing customer experiences and technological advancements in Zambia's telecommunications industry.

The introduction of HD calls, powered by VoLTE technology, marks another significant milestone for Airtel in Zambia. This technology brings several advantages, including instant call setup, crystal-clear high-definition voice quality, and the ability to talk and browse simultaneously. This functionality empowers users to multitask effectively while on a call. Activation of HD calls is simple – users only need to enable VoLTE in their device settings with Apple already supporting the technology and other manufacturers soon to follow.



Our People


airtel
A REASON TO IMAGINE
Kusobesa SIM card theliz no na Airtel eSIM
Live Sim-lessly
eSIM


airtel
Team
Nasova
Team
5G
Team
Ikali

Our Community

We remain passionate about transforming lives in the communities we serve and live in. While we cannot fix the world alone, we can be a part of the change makers by helping address the many challenges our societies encounter and provide genuine solutions to build resilient communities with future opportunities.

The Company undertook many activities in the course of the year which included commemoration activities on World Earth Day which was centered around the theme “Investing in our Planet”. This is critical for the world we live in. As a company, our ambition is to address and minimize the impact of our operations on the environment. The world commemorates World Earth day in order to ‘honor the achievements of the environmental movement and raises awareness of the need to protect Earths natural resources for future generations.’

On April 27th, members of staff visited the Levy Mwanawasa Teaching Hospital and together with the hospital staff planted trees around the hospital grounds. The Airtel staff members further took time to clean the male surgical ward as part of the activities.

International Women’s Day is celebrated every year on March 8th. To mark women’s month under the theme “DigitALL: Innovation and Technology for Gender Equality”, the Airtel women visited a community school in Lusaka and spent the morning mentoring the girl learners and later donated Mathematics and English textbooks. The staff also contributed money to buy and give an Outdoor Unit to the school which already had computers but had no access and connection to the internet. With the Outdoor Unit presented the computer lab was effectively connected.

As a company, we continue to align with the country’s 8th National Development Plan that seeks to facilitate investments by building digital skills, especially among the youth and providing a sound foundation for innovation, including in science and technology. We are also aligned with the Government’s 3Is that speak into incentives, investment, and innovation and all these being the reason why Airtel was involved with the 2023 ZICTA ICT innovation program which had 60 innovators jostling for the 5 top places.

This initiative exists solely to provide business and technical developmental support services to ICT related innovators, startups and entrepreneurs that have innovative, viable and scalable ICT related ideas or business ventures that attempt to solve current challenges relating to any sector of the economy. Airtel has pumped K250, 000 into the program. Further, Airtel held two webinars with the 60 innovators to take them through practical sessions on business ethos which included, finance, legal, marketing as well as information technology.

Our Community continued

In keeping in line with our sustainability policy focus on the environment, we know that our technology develops, and services expand into rural areas and our requirement for reliable sources of power will only be on the increase every year. So, to ensure an uninterrupted supply of power, we depend on diesel generators and batteries as a back-up. In speaking to this, the Company was privileged to be part of a discussion on the Energy landscape in Zambia. Airtel gave a perspective on how it sees the landscape for energy in Zambia in 10-12 years' time, given that energy is a key part of our service provision and specifically looking at what the Company would need in terms of power provision and infrastructure to continue providing services if electricity became non-accessible.

For the 3rd year running Airtel staff across the Country took part in the "12 Days of Christmas program" which is a give-back-to-the-community initiative where staff selected an orphanage, old people's home, school, or transit home in a community. The staff then delivered an assortment of goods that included food stuffs, cleaning materials, as well as toys worth over K150,000. A few hours were spent with the children getting to play different games with them and helping them to read and write.

Two years ago, the Government of Zambia re-introduced free education which meant that more children would flock to any nearby school. Free education naturally comes as a solution to many societal problems which include early marriages as well as the street kids' problem to mention but a few. However, with the coming of free education communities realized that they were in need of more infrastructure to cater for the increased numbers in pupil admission to schools.
This is where our access to education goal comes in. While we believe that good quality education is the most important tool for social and economic development in Zambia, we also believe that the environment where learning is happening should be conducive and welcoming for the learners. Education is central to our sustainability strategy as we continue to contribute to quality education across our markets.

We commissioned and refurbished two community schools in Chisamba and Monze rural in partnership with Zambia Open Community Schools (ZOCS). The schools in question were Sinyendeende Community school in Sinyendeende village in Monze rural and Chipandaike Community School in Chipandaike village in rural Chisamba. The facelift of the classroom blocks included new roofs, completion of classroom blocks, new flooring, new windows, and some toilets at a cost of over K670,000. Both schools have a population of over 400 learners each with numbers expected to soar after the refurbishment of the classrooms. Our education focus ties in with sustainable development goal (SDG) number 4 which is very important to us and goes to the heart of our corporate purpose of transforming lives.

+K670,000

The facelift of the classroom blocks included new roofs, completion of classroom blocks, new flooring, new windows and some toilets.

+800

School population of both schools.


airtel
HIGHER
FASTER
STRONGER
ZOCS

Directors' Report

01

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 2023.

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 **K1,372.800 million** made up of an interim dividend for 2023 of K800.800 million and K572.000 million final dividend for the financial year ended 31 December 2022 (2022: K249.600 million). Further, Directors have proposed a final dividend for the year ended 31 December 2023 of **K364.000 million** (2022: K572.000 million).

RESULTS

The profit for the year ended 31 December 2023 amounted to **K1,139.233 million** (2022: K921.484 million) and the operating profit for the year ended 31 December 2023 amounted to **K2,275.591 million** (2022: 1,792.608 million).

Roaming revenue is earned from foreign telephone operators when their subscribers utilise the Company's network. The Company accrued roaming revenue amounting to K32.640 million (2022: K19.758 million).

The Company continues to accelerate its revenue growth momentum with a 26.73% year-on-year growth led by growth across all its product lines.

1. 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
Hussameldin Baday(ED)	Managing Director	Appointed on 6 September 2023
Manu Sood (ED)	Managing Director	Resigned 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

2. NUMBER OF EMPLOYEES AND REMUNERATION

The total remuneration of employees during the year amounted to **K277.123 million** (2022: K253.763 million). The average number of employees for each month of the year was as follows:

MONTH	2023	2022
January	**190**	214
February	**187**	198
March	**186**	198
April	**187**	196
May	**189**	197
June	**189**	196
July	**191**	194
August	**189**	191
September	**187**	193
October	**190**	192
November	**193**	193
December	**190**	192

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 **K0.438 million**. (2022: K2.281 million).

PROPERTY, PLANT AND EQUIPMENT

The Company purchased property, plant and equipment amounting to **K1,006.965 million** (2022: K715.594 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 nil (2022: K84.093 million).

AUDITORS

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

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

There are no material facts or subsequent events after the reporting date which would require adjustments or disclosure in the accompanying financial statements.

By order of the Board.

Sonia Shamwana-Chinganya
Company Secretary

Date: 23 February 2024
LUSAKA

Statement of Responsibility for The Annual Financial Statements

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 International Financial Reporting Standards 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 2023;
- 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 2023;
- 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 International Financial Reporting Standards 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 from page 69 to 71.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial Statements of the Company as indicated above, were approved by the Directors on 23 February 2024 and signed on behalf of the Board by:

K. Monica Musonda
CHAIRPERSON

Hussameldin Baday
MANAGING DIRECTOR

To the Shareholders of Airtel Networks Zambia Plc

OPINION

We have audited the financial statements of Airtel Networks Zambia Plc set out on pages 72 to 102, which comprise the statement of financial position as at 31 December 2023, 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 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2017 and the Securities Act of Zambia.

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

As set out in note 8, revenue of **K5.6 billion** (2022: K4.5 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).

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.

HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE KEY AUDIT MATTER

Our procedures involved:

- 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 International Financial Reporting Standards 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.

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.

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: 28 February 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2023

PARTICULARS	NOTE	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Income			
Revenue	8	**5,639,928**	4,450,420
Other income	9	**75,840**	930
		5,715,768	4,451,350
Expenses			
Network operating expenses		**(835,309)**	(624,144)
Depreciation and amortisation	12(a)	**(766,575)**	(590,429)
Other expenses	12(b)	**(537,901)**	(377,225)
Sales and marketing expenses		**(602,696)**	(474,850)
Employee benefits expenses		**(277,123)**	(253,763)
Impairment loss on financial assets		**(13,377)**	(3,369)
Access charges		**(197,973)**	(159,692)
Licence fee/spectrum usage charges		**(209,223)**	(175,270)
		(3,440,177)	(2,658,742)
Operating profit before foreign exchange losses		**2,275,591**	1,792,608
Finance income	11(a)	**270**	429
Net exchange losses	10	**(76,408)**	(55,180)
Finance costs	11(b)	**(428,990)**	(277,504)
Profit before tax		**1,770,463**	1,460,353
Income tax expense	13	**(631,230)**	(538,869)
Profit and total comprehensive income for the year		**1,139,233**	921,484
Basic and diluted earnings per share (Kwacha)	14	**10.95**	8.86

STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

The responsibilities of the Company's Directors with regard to the preparation of the financial statements are set out on page 68. The financial statements on pages 72 to 102 were approved for issue by the Board of Directors on 23 February 2024 and were signed on its behalf by:

K. Monica Musonda
CHAIRPERSON

Hussameldin Baday
MANAGING DIRECTOR

PARTICULARS	NOTE	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	17	**2,754,980**	2,178,038
Capital work-in-progress	17	**151,787**	185,549
Right-of-use assets	18	**632,310**	686,389
Intangible assets	19	**725,505**	648,819
Other non-current assets	20	**268,477**	150,449
		4,533,059	3,849,244
Current assets			
Inventories	21	**34,624**	5,304
Derivative financial instruments	28	**152,529**	57,130
Trade and other receivables	22	**420,729**	254,090
Contract assets	23	**41,725**	40,345
Cash and cash equivalents	24	**81,191**	116,339
Other current assets	25	**240,359**	318,647
		971,157	791,855
Total assets		**5,504,216**	4,641,099
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**1,040**	1,040
Share premium	15	**24,962**	24,962
Retained earnings/(accumulated losses)		**413,762**	647,329
Total equity		**439,764**	673,331
Non-current liabilities			
Borrowings	26	**1,060,158**	500,250
Lease liabilities	27	**765,703**	832,102
Deferred tax Liability	16	**229,509**	111,942
Contract liabilities	30	**5,442**	6,000
		2,060,812	1,450,294
Current liabilities			
Borrowings	26	**1,282,350**	1,094,410
Lease liabilities	27	**421,290**	284,632
Derivative financial instruments	28	**-**	636
Trade and other payables	29	**763,758**	726,598
Contract liabilities	30	**142,117**	135,062
Current income tax payable	13	**178,585**	137,477
Other current liabilities	31	**215,540**	138,659
		3,003,640	2,517,474
Total liabilities		**5,064,452**	3,967,768
Total equity and liabilities		**5,504,216**	4,641,099

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

PARTICULARS	SHARE CAPITAL K'000	SHARE PREMIUM K'000	RETAINED EARNINGS K'000	TOTAL K'000
Balance at 1 January 2022	1,040	24,962	287,445	313,447
Total comprehensive income for the year	-	-	921,484	921,484
Final dividend declared for 2021	-	-	(249,600)	(249,600)
Interim dividend declared for 2022	-	-	(312,000)	(312,000)
Balance at 31 December 2022	1,040	24,962	647,329	673,331
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**

STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

PARTICULARS	NOTE	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Cash flows from operating activities			
Profit before income tax		**1,770,463**	1,460,353
Adjustments for:			
Finance income	11	**(270)**	(429)
Finance costs	11	**428,990**	277,504
Depreciation and amortisation	12(a)	**766,575**	590,429
Impairment loss recognised on trade receivables	22	**13,377**	3,369
Net exchange losses	10	**76,408**	55,180
Gain on disposal of property, plant and equipment	9	**(506)**	(95)
Operating cash flows before changes in working capital		**3,055,037**	2,386,311
Changes in working capital:			
Increase in trade and other receivables		**(77,418)**	(101,425)
Increase in inventories		**(29,320)**	(1,121)
Increase/(decrease) in trade and other payables		**9,937**	(55,379)
Increase in other current and non current assets		**(41,120)**	(141,651)
Decrease in other liabilities		**(78,235)**	(54,961)
Net cash generated from operations before tax		**2,838,881**	2,031,774
Income tax paid	13	**(469,821)**	(429,818)
Net cash generated from operating activities		**2,369,060**	1,601,956
Cash flows from investing activities			
Purchase of property and equipment (i)	17	**(1,043,817)**	(711,149)
Interest received	11	**270**	429
Proceeds from disposal of property and equipment		**506**	1,683
Purchase of intangible assets	19	**(232,992)**	(458,345)
Net cash flows used in investing activities		**(1,276,033)**	(1,167,382)
Cash flows from financing activities			
Proceeds from borrowings	26	**990,000**	710,250
Repayment of borrowings	26	**(357,448)**	(413,818)
Interest paid on borrowings	11	**(303,491)**	(157,207)
Interest paid on lease liabilities	11	**(125,499)**	(120,297)
Repayment of lease liabilities	27	**(337,591)**	(347,191)
Dividends paid to shareholders		**(1,372,800)**	(561,600)
Net cash flows used in financing activities		**(1,506,829)**	(889,863)
Net decrease in cash and cash equivalents		**(413,802)**	(455,289)
Cash and cash equivalents at beginning of the year		**(648,071)**	(199,933)
Effects of currency translation on cash and cash equivalents		**263,357**	7,151
Cash and cash equivalents at end of the year	24	**(798,516)**	(648,071)
(i) Reflects actual payments made.			

Notes to Financial Statement

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 66 of the Director's report.

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 23 February 2024.

2. GOING CONCERN

The Company ended the year 2023 with strong underlying operational performance with revenue growth of 26.73%. On account of a strong underlying operational performance, the Company recorded a net profit of **K1,139.233 million** (2022: K921.484 million). As at 31 December 2023, accumulated profits were **K413.762 million** (2022:K647.329 million) and the Company was in a net current liability position of **K2,032.483 million** (2022: K1,725.619 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 2023;

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. The terms of the facilities are disclosed in Note 26 to the financial statements;

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 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 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies	The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in the Company's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, the Company does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. Following the amendments to IAS 12, the Company is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.
Amendments to IAS 12 Income Taxes — International Tax Reform—Pillar Two Model Rules	The Company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	The Company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

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 Standards that have been issued but are not yet effective.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosures

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.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 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 the Company 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.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If the Company applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

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

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

The amendments specify that only covenants that Company is required to comply with on or before the end of the reporting period affect the Company'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 Company's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if the Company only has to comply with a covenant after the reporting period. However, if the Company's right to defer settlement of a liability is subject to the Company complying with covenants within twelve months after the reporting period, the Company 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 Company is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the Company may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If the Company applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

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

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that the Company 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 Company's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about the Company's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which the Company would be required to provide the information.

To meet the disclosure objective, the Company will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the Company's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which the Company applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and lease-back transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease pay-ments' 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.

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.

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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

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 Company first applied IFRS 16.

Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates

The amendments require entities to use a spot exchange rate when translating foreign currency transactions. However, there are instances where an appropriate exchange rate cannot be determined due to the currency not being exchangeable. Prior to the amendment the standard was not clear on when the currency is not exchangeable and did not provide a definition of exchangeability but instead defined the closing rate as the spot exchange rate at the end of the reporting period and the spot exchange rate is defined as the exchange rate for immediate delivery.

The amendments require entities to apply a consistent two-step approach in assessing whether a currency can be exchanged into another currency and when it cannot. The first step in the approach is to assess whether the foreign currency meets the definition of exchangeability. A currency is exchangeable into another currency when the Company 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 an enforceable rights and obligation.

If the currency does not meet the definition of exchangeability mentioned above, then the next step in the approach is to estimate the spot exchange rate using either an observable exchange rate without adjustment or another estimation technique. Comparative financial statements shall not be restated. The amendments require the Company to provide additional disclosures when the foreign currency or the functional currency is not exchangeable.

IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information

The Company's ability to generate cash flows over the short, medium and long term is inextricably linked to its interactions with its stakeholders, society, the economy and the natural environment throughout its value chain. As a result, sustainability-related risks and opportunities rise due to the Company's dependencies and impacts on resources and relationships in the value chain.

Therefore, the purpose of IFRS S1 is to prescribe disclosure requirements for sustainability-related risks and opportunities disclosures that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the company. Entities are required to identify sustainability-related risk and opportunities that could reasonably be expected to affect its prospects, including across the value chain.

IFRS S2 - Climate-related Disclosures

As part of generating cashflows over the short, medium term and long term, the Company would interact with the natural environment. Its interaction with the natural environment creates sustainability-related risks and opportunities. As result, IFRS S2 require companies to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports.

The standard incorporates and builds on the TCFD recommendations and should be applied alongside IFRS S1.

4. SUMMARY OF 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 International Financial Reporting Standards 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company 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.

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.

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.

(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 recognised 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.

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. Land is not depreciated:

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) Borrowing costs
When funds borrowed are specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of the borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of the borrowings.

All other borrowing costs are recognised in the profit and loss in the period in which they are incurred.

(h) 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 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 property and equipment.

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.

(i) 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.

(j) 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.

(k) 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.

(l) Financial instruments

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 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.

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.

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 comprehensive income.

(m) 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.

(n) 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.

(o) 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.

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.

(p) 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.

(q) 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.

(r) 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.

(s) 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.

(t) Dividends
Dividends payable to the Company's shareholders are charged to equity in the period in which they are declared.

(u) 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.

(v) 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.

(w) 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:

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 2023, the loss allowance on trade receivables would have been **K0.087 million** (2022: K2.265 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 2023, the loss allowance on trade receivables would have been **K0.306 million** (2022: K1.418 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 15.33% for USD leases and 20.25% 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, fair value interest rate risk, cash flow 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.

Market risk

(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 liabilities.

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 2023 and 31 December 2022.

At 31 December 2023, 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 **K46.128 million** (2022: K42.093 million million) lower/higher, mainly as a result of US dollar denominated trade receivables, payables, lease liability and borrowings.

Exposure to currency risk

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

Exposure to currency risk

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Cash and cash equivalents (net)	**19,640**	55,547
Trade and other receivables	**330,464**	127,138
Trade and other payables	**(327,948)**	(169,664)
Lease liabilities	**(944,726)**	(854,886)
Total	**(922,570)**	(841,865)
The following US Dollar exchange rates applied during the period:		
Average Rate	**24.827**	17.631
Closing Rate	**25.709**	18.075

(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 **K879.707 million** (2022: K764.410 million) and the borrowing of **K1,462.802 million** at year end (2022: K830.250 million). The Company regularly monitors financing options available to ensure optimum interest rates are obtained. At 31 December 2023, if effective interest rates on borrowings had been 2% higher/lower with all other variables held constant, pre tax profit would have been **K46.850 million** (2022: K31.893 million) lower/higher.

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 2023 is made up as follows:

PARTICULARS	NOTE	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Cash and cash equivalents	24	**81,191**	116,339
Contract assets	23	**41,725**	40,345
Amounts due from related parties	34	**345,562**	174,043
Trade receivables (net)	22	**75,167**	80,047
Total		**543,645**	410,774

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:

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000	31 DECEMBER 2022 K'000
	Gross amount	**Impaired**	Gross amount	Impaired
30 days	**38,927**	**-**	28,363	-
60 days	**34,492**	**-**	45,308	-
90 days and above	**106,631**	**104,883**	97,249	90,873
Total	**180,050**	**104,883**	170,920	90,873

Collateral is held for some of the above assets namely distributors with bank guarantees of **K6.550 million**, **K1.101 million** post-paid deposits and **nil** channel partner deposits as at 31 December 2023 (2022: K8.050 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.

PARTICULARS	2023 K'000	2022 K'000
Past due but not impaired:		
- by up to 30 days	**18,909**	26,424
- by 31 to 90 days	**6,050**	18,083
- by 91 days and over	**6,995**	5,148
Total past due but not impaired	**31,954**	49,655

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 based on contractual undiscounted payments.

PARTICULARS	NOTE	LESS THAN 1 YEAR K'000	BETWEEN 1 & 2 YEARS K'000	BETWEEN 2 & 5 YEARS K'000	OVER 5 YEARS K'000
At 31 December 2023					
- Trade and other payables	29	**763,758**	**-**	**-**	**-**
- Bank overdrafts	24	**879,707**	**-**	**-**	**-**
- Term loans	26	**402,643**	**692,284**	**302,812**	**65,063**
At 31 December 2022					
- Trade and other payables	26	726,598	-	-	-
- Bank overdrafts	25	764,410	-	-	-
- Term loans	29	330,000	500,250	-	-

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 2023 and 31 December 2022 were as follows:

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Total borrowings (including bank overdraft and lease liabilities)	**3,529,501**	2,711,394
Less: cash and cash equivalents	**(81,191)**	(116,339)
Net Debt	**3,448,310**	2,595,055
Total equity	**439,764**	673,331
Total capital	**3,888,074**	3,268,386
Gearing ratio	**89%**	79%

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.

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Analysis of revenue by category:		
Airtime revenue	**2,580,176**	2,148,588
Data revenue	**2,532,260**	1,827,886
Interconnect revenue	**288,649**	280,025
Other services	**98,521**	104,819
Value added services content	**91,640**	72,804
Short Messaging Services	**72,910**	57,626
Roaming revenue	**32,640**	19,758
Connection revenue	**26,325**	22,457
Handsets and accessories	**21,025**	22,862
Trade discount	**(104,218)**	(106,405)
Total	**5,639,928**	4,450,420
Revenue recognised over time:		
Airtime revenue	**2,580,176**	2,148,588
Data revenue	**2,532,260**	1,827,886
Interconnect revenue	**288,649**	280,025
Other services	**98,521**	104,819
Value added services content	**91,640**	72,804
Short Messaging Services	**72,910**	57,626
Roaming revenue	**32,640**	19,758
Trade discount	**(104,218)**	(106,405)
Total	**5,592,578**	4,405,101
Revenue recognised at a point in time:		
Connection revenue	**26,325**	22,457
Handsets and accessories	**21,025**	22,862
Total	**47,350**	45,319

Performance obligations that are unsatisfied (or partially unsatisfied) amounting to **K147.559 million** at 31 December 2023 and K141.062 million as at 31 December 2022 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 **K135.062 million** (2022: K118.221 million). Transfers from contract assets recognised at the beginning of the period to receivables is **K40.345 million** for the year ended 31 December 2023 (2022: K33.439 million).

9. OTHER INCOME

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Gain on disposal of property, plant and equipment	506	95
Other operating income	75,334	835
Total	**75,840**	930

10. NET EXCHANGE (LOSSES)/GAINS

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Net exchange (losses)/gains arose on:		
Lease liabilities	**(315,290)**	(76,372)
Borrowings and cash and cash equivalents	**263,357**	7,151
Other balances	**(24,475)**	14,041
Total	**(76,408)**	(55,180)

11. FINANCE COST AND INCOME

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
(a) Finance income		
Interest income on deposits	**(270)**	(429)
(b) Finance costs		
Interest on lease liability	**125,499**	120,297
Interest expense on borrowings	**303,491**	157,207
Total	**428,990**	277,504

12. PROFIT BEFORE TAX

Profit before tax is stated after debiting:

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
(a) Depreciation and amortisation		
Depreciation on property and equipment (Note 17)	**461,335**	392,767
Depreciation on right-of-use assets (Note 18)	**148,934**	148,012
Amortisation of intangible assets (Note 19)	**156,306**	49,650
Total	**766,575**	590,429
(b) Other expenses		
Content charges	**267,024**	185,868
Management fees	**169,078**	95,666
IT expenses	**41,770**	34,908
Other expenses	**38,369**	35,026
Cost of goods sold	**17,503**	21,989
Auditors' remuneration	**4,157**	3,768
Total	**537,901**	377,225

13. INCOME TAX

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Current income tax	**494,088**	416,307
Deferred income tax (Note 16)	**117,567**	130,816
Prior year under (over) provision	**19,414**	(8,254)
Rental turnover tax	**161**	-
Income tax expense	**631,230**	538,869

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:

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Profit before income tax	**1,770,463**	1,460,353
Tax calculated at the statutory income tax rate of 35%/40%	**619,662**	584,141
Tax effect of:		
Expenses not deductible for tax purposes (net)	**5,641**	(35,726)
Other adjustments	**(13,487)**	(1,292)
Prior year under (over) provision	**19,414**	(8,254)
Income tax expense	**631,230**	538,869

Current income tax payable

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Current income tax movement in the statement of financial position:		
At January	**137,477**	159,242
Current income tax charge	**494,088**	416,307
Prior year under (over) provision	**19,414**	(8,254)
WHT recoveries in respect of current year	**(2,573)**	-
Payments during the year	**(469,821)**	(429,818)
At end of the year	**178,585**	137,477

Income tax provisional returns have been filed with the Zambia Revenue Authority ("ZRA") for the year ended 31 December 2023. Quarterly payments for the year ended 31 December 2023 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 2023 and 31 December 2022. Diluted earnings per share is therefore the same as basic earnings per share.

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Profit attributable to the equity holders of the Company	**1,139,233**	921,484
Weighted average number of ordinary shares (Nos '000)	**104,000**	104,000
Basic/diluted earnings per share (Kwacha)	**10.95**	8.86

15. SHARE CAPITAL

PARTICULARS	NUMBER OF SHARES (MILLION)	ORDINARY SHARES K'000	SHARE PREMIUM K'000
At 31 December 2023	**104**	**1,040**	**24,962**
At 31 December 2022	104	1,040	24,962

The total authorised number of ordinary shares is **150 million** (2022: 150 million) with a par value of K0.01 per share. The issued and fully paid ordinary shares is **104 million** (2022: 104 million).

16. DEFERRED TAX

Deferred tax liability is calculated using the enacted income tax rate of 35% for the period starting 1 January 2023. Therefore, deferred tax as at 31 December 2023 was calculated at 35% in line with IAS 12. The balances on the deferred tax account are as follows:

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
1 January	**111,942**	(18,874)
Charge / (credit) to profit or loss	**117,567**	130,816
31 December	**229,509**	111,942

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:

PARTICULARS	AT 1 JANUARY K'000	CHARGED/ (CREDITED)TO INCOME STATEMENT K'000	AT 31 DECEMBER K'000
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 differences	**(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**
31 December 2022			
Deferred tax liabilities			
Property and equipment	251,100	125,628	376,728
Unrealised exchange gains	(1,368)	2,180	812
Deferred tax assets			
Other temporary deductible differences	(162,050)	16,282	(145,768)
Other provisions	(48,298)	(240)	(48,538)
Unrealised exchange losses	3,981	1,017	4,998
Leases	(62,239)	(14,051)	(76,290)
Net deferred tax	(18,874)	130,816	111,942

17. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	BUILDINGS K'000	LEASEHOLD IMPROVEMENTS K'000	TELECOM EQUIPMENT K'000	FIXTURE, FITTINGS OFFICE & OTHER IT EQUIPMENT K'000	TOTAL K'000	CAPITAL WORK IN PROGRESS (I) K'000
Historical Cost:						
At 1 January 2022	115,299	19,652	4,494,737	673,157	5,302,845	107,448
Additions	-	-	-	-	-	715,594
Transfers	-	2,266	553,053	82,173	637,493	(637,493)
Adjustments/ disposals	-	-	(2,959)	(359)	(3,318)	-
At 31 December 2022	115,299	21,918	5,044,831	754,972	5,937,020	185,549
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**
Depreciation						
At 1 January 2022	50,525	17,603	2,702,259	597,559	3,367,946	-
Charge for the year	5,757	690	332,258	54,062	392,767	-
Adjustments/ disposals	-	-	(1,372)	(358)	(1,730)	-
At 31 December 2022	56,282	18,293	3,033,145	651,263	3,758,983	-
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**	**-**
Carrying amount:						
At 31 December 2023	**53,260**	**3,444**	**2,581,037**	**117,239**	**2,754,980**	**151,787**
At 31 December 2022	59,017	3,625	2,011,687	103,709	2,178,038	185,549

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 2023 and 2022 is K151.787 million and K185.549 million respectively, which mainly pertains to telecom equipment. In 2023 and 2022, adjustments/disposals include reversal of provision due to deployment of aged inventory.

18. RIGHT-OF-USE ASSETS

PARTICULARS	LEASEHOLD BUILDINGS K'000	TELECOM EQUIPMENT K'000	MOTOR VEHICLES K'000	TOTAL K'000
Cost				
At 1 January 2022 (i)	13,484	1,129,372	6,160	1,149,016
Additions	6,282	304,712	-	310,994
Asset retirement	-	(83)	-	(83)
At 31 December 2022	19,766	1,434,001	6,160	1,459,927
At 1 January 2023	**19,766**	**1,434,001**	**6,160**	**1,459,927**
Additions	**3,029**	**92,425**	**-**	**95,454**
Asset retirement	**-**	**(2,894)**	**-**	**(2,894)**
At 31 December 2023	**22,795**	**1,523,532**	**6,160**	**1,552,487**
Depreciation				
At 1 January 2022 (i)	9,561	609,806	6,159	625,526
Charge for the year	3,919	144,093	-	148,012
Asset retirement	-	-	-	-
At 31 December 2022	13,480	753,899	6,159	773,538
At 1 January 2023	**13,480**	**753,899**	**6,159**	**773,538**
Charge for the year	**4,276**	**144,658**	**-**	**148,934**
Asset retirement		**(2,295)**	**-**	**(2,295)**
At 31 December 2023	**17,756**	**896,262**	**6,159**	**920,177**
Carrying amount:				
At 31 December 2023	**5,039**	**627,270**	**1**	**632,310**
At 31 December 2022	6,286	680,102	1	686,389

19. INTANGIBLE ASSETS

PARTICULARS	CELLULAR LICENSE K'000	INTERNET SERVICE PROVIDER LICENSE K'000	TOTAL K'000	INTANGIBLE ASSETS UNDER DEVELOPMENT K'000
Cost				
At 1 January 2022	278,719	125	278,844	-
Additions	458,345	-	458,345	-
At 31 December 2022	737,064	125	737,189	-
At 1 January 2023	**737,064**	**125**	**737,189**	**-**
Additions*	**232,992**	**-**	**232,992**	**-**
At 31 December 2023	**970,056**	**125**	**970,181**	**-**
Amortization				
At 1 January 2022	38,595	125	38,720	-
Charge for the year	49,650	-	49,650	-
At 31 December 2022	88,245	125	88,370	-
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**	**-**
Carrying amount				
At 31 December 2023	**725,505**	**-**	**725,505**	**-**
At 31 December 2022	648,819	-	648,819	-

*Additions under Cellular license relate to the amount of spectrum awarded to the Company. The Zambia Information and Communications Technology Authority ("ZICTA") allotted 10Mhz and 50Mhz radio spectrums in the 800Mhz and 2600Mhz frequency bands respectively at a cost of USD29 million in July 2022 this was fully paid up in October 2023 and the amount was transferred to Cellular license. An additional 40MHz radio spectrum in the 2600MHz frequency band was awarded 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 2023 and 2022 is 4.39 years and 5.39 years respectively.

20. OTHER NON-CURRENT ASSETS

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Prepayments (i)	**216,870**	128,613
Deferred customer acquisition cost (ii)	**51,607**	21,836
Total	**268,477**	150,449
(i) Prepayments		
At 31 December		
- Current prepayment*	**25,954**	17,653
- Non-current prepayment	**216,870**	128,613
Total	**242,824**	146,266
(ii) Deferred customer acquisition cost		
At the beginning of the year	**94,677**	71,323
Expenses deferred	**147,626**	96,159
Amortisation	**(96,441)**	(72,805)
At the end of the year	**145,862**	94,677
Deferred customer acquisition cost		
- Current prepayment*	**94,255**	72,841
- Non-current prepayment	**51,607**	21,836
Total	**145,862**	94,677

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

21. INVENTORIES

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Merchandise held for sale	**42,443**	15,138
Less provision for obsolete stock	**(7,819)**	(9,834)
Total	**34,624**	5,304

The cost of inventories recognized as an expense and included in 'other expenses' amounted to **K11.378 million** (2022: K0.67 million).

22. TRADE AND OTHER RECEIVABLES

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Trade receivables	**180,050**	170,920
Less provision for impairment losses	**(104,883)**	(90,873)
Net trade receivables	**75,167**	80,047
Amounts due from related parties (refer note 33)	**345,562**	174,043
Total	**420,729**	254,090

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.

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.

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Balance as at 1 January	**90,873**	86,302
Transfer to credit-impaired	**13,377**	3,369
Foreign exchange loss	**633**	1,202
Balance as at 31 December	**104,883**	90,873

Trade Receivables - Days Past Due

At 31 December 2023	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	**38,927**	**28,441**	**6,050**	**1,749**	**2,209**	**102,674**	**180,050**
Lifetime ECL	-	-	-	-	**2,209**	**102,674**	**104,883**
At 31 December 2022							
Expected credit loss rate	0%	0%	0%	0%	100%	100%	
Estimated total gross carrying amount at default	28,363	25,962	19,346	6,376	2,181	88,692	170,920
Lifetime ECL	-	-	-	-	2,181	88,692	90,873

23. CONTRACT ASSETS

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Revenue from interconnect customers	**16,170**	14,258
Revenue from post paid customers	**7,489**	10,139
Revenue from sale of handsets to corporate /enterprise Customers	**16,440**	15,147
Revenue from roaming customers	**1,626**	801
Current	**41,725**	40,345
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.

24. CASH AND CASH EQUIVALENTS

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Balances in banks		
- Current accounts	**57,602**	95,764
Cash on hand	**23,589**	20,575
Total	**81,191**	116,339

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

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Cash and bank balances	**81,191**	116,339
Bank overdrafts	**(879,707)**	(764,410)
Total	**(798,516)**	(648,071)

The Company has seven overdraft facilities with limits of up to K1 billion and US$13 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 + 1.5% margin
(ii)	Standard Chartered Bank Zambia Plc	$ 1 million	MPR + 9%
(iii)	Absa Bank Zambia Plc	K 50 million	MPR + liquidity premium + 2.05%
(iv)	Stanbic Bank Zambia Limited	K 200 million	MPR +liquidity premium + 1.5%
(v)	Ecobank Zambia Limited	K 250 million	MPR +5%
(vi)	Indo Zambia Bank Plc	K 200 million	MPR +5%
(vii)	Zambia National Commercial Bank Plc	K 300 million	MPR +5.35%

The Company had drawn amounts as at the year-end of **K879.707 million** and US$ **Nil** (2022: K764.410 million 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

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Prepayments (Note 20)	**169,722**	260,469
Others assets	**63,693**	44,716
Advances to suppliers	**6,944**	13,462
Total	**240,359**	318,647

26. BORROWINGS

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Non-current		
Term loans	**1,462,801**	830,250
Less : current	**(402,643)**	(330,000)
Total	**1,060,158**	500,250
Current maturity of long term debts	**402,643**	330,000
Current		
Bank overdraft (Note 24)	**879,707**	764,410
Total current borrowings	**1,282,350**	1,094,410

The term loans are due to the following commercial banks:

PARTICULARS	FIRST NATIONAL BANK ZAMBIA PLC	STANDARD CHARTERED BANK ZAMBIA PLC	STANBIC BANK ZAMBIA LIMITED	ABSA BANK ZAMBIA PLC.	INTERNATIONAL FINANCE CORPORATION	ACCESS BANK ZAMBIA LIMITED	TOTAL K'000
At 1 January 2022	160,000	60,772		313,046	-	-	533,818
Drawn down during the year	-	-	200,000	250,000	260,250	-	710,250
Repayments in the year	(40,000)	(60,772)		(313,046)	-	-	(413,818)
At 31 December 2022	120,000	-	200,000	250,000	260,250	-	830,250

PARTICULARS	FIRST NATIONAL BANK ZAMBIA PLC	STANDARD CHARTERED BANK ZAMBIA PLC	STANBIC BANK ZAMBIA LIMITED	ABSA BANK ZAMBIA PLC.	INTERNATIONAL FINANCE CORPORATION	ACCESS BANK ZAMBIA LIMITED	TOTAL K'000
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	**40,000**	**190,000**	**400,000**	**400,000**	**260,250**	**172,552**	**1,462,802**

> In September 2021, the Company obtained a long term credit facility from First National Bank Zambia Limited for K160 million. The loan carries an interest rate of Monetary Policy Rate + 7% per annum. The facility is repayable within 36 months. The loan is backed by a comfort letter from Bharti Airtel International (Netherlands) BV (Immediate parent) and is unsecured.

> In October 2022, the Company obtained a short term credit facility from Absa Bank Zambia Limited for K250 million. The loan carried an interest rate of Monetary Policy Rate + Liquidity Premium + 1.55% per annum. The facility was repayable within 12 months and had been fully repaid as at 31 December 2023.

> In October 2022, the Company obtained a medium term credit facility from Stanbic Bank Zambia Limited for K200 million. The loan carries an interest rate of Monetary Policy Rate + Liquidity Premium + 1.50% per annum. This facility was merged with additional facility of K200 million obtained in March 2023.

> 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 (Immediate parent) and is unsecured.

> In May 2023, the Company obtained a medium term credit facility from Access bank Zambia for K200 million. The loan carries an interest rate of Monetary Policy Rate + 4.75 % per annum. The facility is repayable semi-annually within 36 months and as of 31 December 2023, the outstanding balance was K173 million.

> In March 2023, the Company obtained an additional revolving credit facility from Stanbic bank Zambia 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 2023, the outstanding balance was K400 million."

> In September 2023, the Company obtained a medium term credit facility from Absa Bank Zambia Limited for K400 million. The loan carries an interest rate of Monetary Policy Rate + 4.75% per annum. The facility is repayable semi-annually within 36 months and as of 31 December 2023 , the outstanding balance was K400 million.

> In December 2023, the Company obtained a short term credit facility from Standard Chatered Bank Zambia Limited for K190 million. The loan carries an interest rate of Monetary Policy Rate + 4% per annum. The facility is to be repaid 3 months from drawdown date and as of 31 December 2023, the outstanding balance was K190 million.

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

27. LEASE LIABILITIES

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
(a) Analysed as:		
Non-current	**765,703**	832,102
Current	**421,290**	284,632
Total	**1,186,993**	1,116,734
(b) Maturity analysis:		
Less than one year	**547,584**	411,353
Later than one year but not later than two years	**393,140**	379,205
Later than two years but not later than five years	**322,805**	377,776
Later than five years but not later than nine years	**271,071**	219,264
Later than nine years	**16,155**	31,030
Total undiscounted lease liabilities	**1,550,755**	1,418,628
Lease liabilities included in the statement of financial position	**1,186,993**	1,116,734
(c)The movement for the year is as follows:		
At the beginning of the year	**1,116,734**	1,068,065
Additions during the year	**95,454**	319,571
Retirement during the year	**(2,894)**	(83)
Repayments during the year	**(337,591)**	(347,191)
Exchange losses	**315,290**	76,372
Net obligations under lease liabilities	**1,186,993**	1,116,734

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 balance sheet.

28. DERIVATIVE FINANCIAL INSTRUMENTS

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
The details of derivative financial instruments are as follows:		
Foreign currency forward contracts (assets)	**152,529**	57,130
Foreign currency forward contracts (liabilities)	**-**	(636)

29. TRADE AND OTHER PAYABLES

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Trade payables	**488,255**	392,207
Accrued expenses	**19,347**	21,698
Amounts due to related parties (refer note 34)	**256,156**	312,693
Total	**763,758**	726,598

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.

30. CONTRACT LIABILITIES

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

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Deferred income	**147,559**	141,062
Current	**142,117**	135,062
Non-current	**5,442**	6,000
Total	**147,559**	141,062

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

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Other taxes payable	**215,540**	138,659

Other taxes payable mainly include Value Added Tax of **K95.106 million** and Excise Duty of **K70.051 million** as at 31 December 2023.

32. CONTINGENT LIABILITIES

Legal proceedings

The Company had some pending legal proceedings as at 31 December 2023. The management is of the opinion, having obtained relevant legal advice, that it is possible, but not probable, that contingent liability of **K0.002 million** (2022: K0.002 million) arising from pending proceedings against the Company will crystalise.

Tax proceedings

At 31 December 2023, 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, **K15.870 million** (2022: K17.271 million) assessments identified under contingent liability, as the possibility of pay-out was deemed possible.

33. CAPITAL COMMITMENTS

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

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
At 31 December	**274,861**	287,181

34. RELATED PARTY DISCLOSURES

The Company is owned by Bharti Airtel Zambia Holdings BV (BAZHBV) which has 96.13% shareholding. The remaining 3.87% is owned by public investors. The Company is listed on the Lusaka Stock Exchange (LuSE).

The shareholding of the Company as at 31 December 2023 and 2022 is as stated below:

NAME OF SHAREHOLDER	31 DECEMBER 2023		31 DECEMBER 2022	
	NUMBER OF SHARES	% SHAREHOLDING	NUMBER OF SHARES	% SHAREHOLDING
Bharti Airtel Zambia Holdings BV	**99,975,835**	**96.13%**	100,215,630	96.36%
Public (institutions and individual investors)	**4,024,165**	**3.87%**	3,784,370	3.64%
Total	**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.

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	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	**708,126**	495,803
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	**46,616**	153,794
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	**17,895**	20,133
Network i2i Ltd.	Mauritius	Immediate parent	**7,019**	9,118
Nxtra Data Limited	India	Fellow subsidiary	**4,760**	1,819
Centum Learning Limited	India	*Other related party	**2,858**	3,225
Airtel Malawi Plc	Malawi	Fellow subsidiary	**2,071**	1,490
Airtel Tanzania Plc	Tanzania	Fellow subsidiary	**1,497**	135
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	**1,188**	244
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	**1,110**	1,225
Airtel Networks Limited	Nigeria	Fellow subsidiary	**396**	1,136
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	**185**	25
Airtel Uganda Limited	Uganda	Fellow subsidiary	**165**	66
Bharti Airtel Limited	India	Immediate parent	**26**	1,646
Emtel Limited	Mauritius	*Other related party	**9**	-
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	**7**	3
Bharti Hexacom Limited	India	Fellow subsidiary	**7**	-
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	**6**	1
Bharti Airtel Services Limited	India	Fellow subsidiary	**4**	-
Airtel Congo S.A	Congo B	Fellow subsidiary	**2**	12
Airtel Gabon S.A.	Gabon	Fellow subsidiary	**1**	16
Airtel Tchad S.A.	Chad	Fellow subsidiary	**1**	-
Total			**793,949**	689,891

ii) Sale of goods and services

NAME OF RELATED PARTY	COUNTRY OF INCORPORATION	RELATIONSHIP TO COMPANY	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	**106,477**	58,093
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	**72,253**	81,326
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	**43,527**	30,515
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	**14,769**	11,376
Airtel Malawi Plc	Malawi	Fellow subsidiary	**14,649**	10,862
Airtel Tanzania Plc	Tanzania	Fellow subsidiary	**6,580**	410
Airtel Tchad S.A.	Chad	Fellow subsidiary	**5,792**	-
Bharti Airtel Limited	India	Immediate parent	**5,093**	3,619
Network i2i Ltd.	Mauritius	Immediate parent	**4,253**	4,307
Airtel Networks Limited	Nigeria	Fellow subsidiary	**3,681**	3,098
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	**1,030**	663
Airtel Uganda Limited	Uganda	Fellow subsidiary	**269**	159
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	**55**	31
Singapore Telecommunications Limited	Singapore	*Other related party	**17**	-
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	**14**	-
Airtel Congo S.A	Congo B	Fellow subsidiary	**4**	-
Jersey Airtel Limited	Jersey	*Other related party	**3**	1
Bharti Hexacom Limited	India	Fellow subsidiary	**3**	-
Airtel Gabon S.A.	Gabon	Fellow subsidiary	**3**	-
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	**3**	-
Total			**278,475**	204,460

iii) Management fees expenses

NAME OF RELATED PARTY	COUNTRY OF INCORPORATION	RELATIONSHIP TO COMPANY	2023 K'000	2022 K'000
Bharti Airtel International (Netherlands) B.V.	Netherlands	Immediate parent	**169,078**	95,666

iv) Receivable from related parties

NAME OF RELATED PARTY	COUNTRY OF INCORPORATION	RELATIONSHIP TO COMPANY	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	**111,120**	58,814
Airtel Malawi plc	Malawi	Fellow subsidiary	**80,196**	36,048
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	**63,014**	30,515
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	**29,563**	8,779
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	**27,808**	21,456
Airtel Tanzania Plc	Tanzania	Fellow subsidiary	**7,295**	385
Network i2i Ltd.	Mauritius	Immediate parent	**6,247**	4,390
Airtel Networks Limited	Nigeria	Fellow subsidiary	**4,574**	2,606
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	**3,454**	2,393
Airtel Zambia Telesonic Limited	Zambia	Fellow subsidiary	**3,440**	-
Bharti Airtel Limited	India	Immediate parent	**3,334**	2,076
Airtel Africa Services (UK) Limited	United Kingdom	Fellow subsidiary	**2,993**	-
Airtel Congo S.A	Congo B	Fellow subsidiary	**1,222**	859
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	**869**	608
Airtel Uganda Limited	Uganda	Fellow subsidiary	**272**	66
Bharti Airtel Services Limited	India	Fellow subsidiary	**86**	60
Airtel Gabon S.A.	Gabon	Fellow subsidiary	**23**	16
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	**20**	2
Bharti International (Singapore) Pte Ltd	Singapore	Fellow subsidiary	**18**	-
Singapore Telecommunica-tions Limited	Singapore	*Other related party	**5**	-
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	**3**	-
Bharti Hexacom Limited	India	Fellow subsidiary	**2**	75
Bharti Airtel Lanka (Private) Limited	Sri Lanka	Fellow subsidiary	**2**	-
Jersey Airtel Limited	Jersey	*Other related party	**1**	2
Airtel Tchad S.A.	Chad	Fellow subsidiary	**1**	4,893
Total			**345,562**	174,043

v) Payable to related parties

NAME OF RELATED PARTY	COUNTRY OF INCORPORATION	RELATIONSHIP TO COMPANY	**31 DECEMBER 2023 K'000**	31 DECEMBER 2022 K'000
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	**102,992**	153,794
Airtel Africa Services (UK) Limited	United Kingdom	Fellow subsidiary	**48,859**	11,662
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	**40,569**	98,241
Bharti Airtel International (Netherlands) BV	Netherlands	Immediate parent	**23,064**	23,803
Network i2i Ltd.	Mauritius	Immediate parent	**9,357**	5,578
Airtel Networks Limited	Nigeria	Fellow subsidiary	**7,192**	5,063
Airtel Tanzania Plc	Tanzania	Fellow subsidiary	**6,469**	3,763
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	**5,543**	2,629
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	**5,110**	3,211
Bharti Airtel Limited	India	Immediate parent	**3,307**	2,378
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	**1,933**	1,313
Airtel Malawi Plc	Malawi	Fellow subsidiary	**941**	820
Nxtra Data Limited	India	Fellow subsidiary	**274**	7
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	**272**	252
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	**174**	121
Airtel Uganda Limited	Uganda	Fellow subsidiary	**72**	12
Africa Towers N.V.	Netherlands	Fellow subsidiary	**20**	10
Airtel Tchad S.A.	Chad	Fellow subsidiary	**5**	3
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	**2**	2
Bharti Hexacom Limited	India	Fellow subsidiary	**1**	31
Total			**256,156**	312,693

No provisions for impairment losses have been required in 2023 and 2022 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

PARTICULARS	**31 DECEMBER 2023 K'000**	31 DECEMBER 2022 K'000
Salaries and other short-term employment benefits	**73,498**	67,923

vii) Compensation of directors for the year ended 31 December 2023

PARTICULARS	SITTING FEES K'000	BASIC SALARY K'000	PERFORMANCE BONUS (I) K'000	OUT OF COUNTRY ALLOWANCE K'000	HOUSING ALLOWANCE K'000	OTHERS K'000	TOTAL K'000
Non-Executive							
Lynda Mataka	**556**	**-**	**-**	**-**	**-**	**-**	**556**
Monica K. Musonda	**576**	**-**	**-**	**-**	**-**	**-**	**576**
Executive							
Manu Sood	**-**	**3,888**	**1,747**	**-**	**859**	**2,395**	**8,889**
Hussameldin Baday	**-**	**1,530**	**-**	**-**	**442**	**436**	**2,408**
Total	**1,132**	**5,418**	**1,747**		**1,301**	**2,831**	**12,429**

vii) Compensation of directors for the year ended 31 December 2022

PARTICULARS	SITTING FEES K'000	BASIC SALARY K'000	PERFORMANCE BONUS (I) K'000	OUT OF COUNTRY ALLOWANCE K'000	HOUSING ALLOWANCE K'000	OTHERS K'000	TOTAL K'000
Non-Executive							
Lynda Mataka	338	-	-	-	-	-	338
Monica K. Musonda	818	-	-	-	-	-	818
Executive							
Apoorva Mehrotra	-	4,422	4,619		833	7,461	17,335
Manu Sood	-	1,228	-	-	254	2,243	3,725
Total	1,156	5,650	4,619	-	1,087	9,704	22,216

* Includes car allowance, medical insurance, long term incentive allowance, airtime and handset allowance.

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).

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Valuation technique(s) and key inputs(s)	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
Foreign currency forward contracts	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparts.	N/A	N/A

Foreign exchange forward contracts
It is the policy of the Company to enter into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated sales and purchase transactions of the exposure generated.

Foreign currency forward contract assets and liabilities are presented in the line 'Derivative financial instruments' (either as assets or as liabilities) within the statement of financial position.

PARTICULARS		TOTAL K'000	TOTAL K'000
		Carrying value	**Fair value**
31 December 2023			
Derivative financial Liability	**Level 2**	**-**	**-**
Cash and bank balances		**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		**(763,758)**	**(763,758)**
Term loans		**(1,462,801)**	**(1,462,801)**
31 December 2022			
Derivative financial Liability	**Level 2**	(636)	(636)
Cash and bank balances		116,339	116,339
Trade and other receivables		254,090	254,090
Contract assets		40,345	40,345
Bank overdraft		(764,410)	(764,410)
Trade and other payables		(726,598)	(726,598)
Term loans		(830,250)	(830,250)

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 2023 and year ended 31 December 2022 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

The following contributions to pensions/funds were included within the employee benefits expenses:

PARTICULARS	31 DECEMBER 2023 K'000	31 DECEMBER 2022 K'000
Aon Zambia Pension Fund Administrators Limited	**11,498**	9,151
National Pension Scheme Authority	**4,841**	4,302

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. EVENTS AFTER REPORTING DATE

There were no material subsequent events for the year ended 31 December 2023. 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.


INDECO

AGM Agenda, Minutes, Register and Proxy

02

airtel
A REASON TO **IMAGINE**

NOTICE TO MEMBERS

AIRTEL NETWORKS ZAMBIA PLC
(LICENSED USER OF THE 'AIRTEL' TRADEMARK IN ZAMBIA)
[INCORPORATED IN THE REPUBLIC OF ZAMBIA]
COMPANY REGISTRATION NUMBER: 38136
SHARE CODE: ATEL
ISIN: ZM0000000342

NOTICE OF 25th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of Members of Airtel Networks Zambia Plc will be held at Pamodzi Hotel Lusaka on Tuesday 26th March 2024 at 09:30 hours. Shareholders can also join via webinar using https://eagm.creg.co.zw/eagm/Login.aspx. The following business shall be transacted at the meeting:

1. To confirm and adopt the minutes of the Annual General Meeting held on 23rd March 2023..
2. To receive and adopt the Financial Statements of the Company and the Reports of the Directors and of the Auditors for the Financial Year ended 31 December 2023.
3. To consider and if approved, declare a dividend.
4. To approve the appointment of Directors.
5. To re-elect Directors retiring by rotation in accordance with the provisions of the Company's Articles of Association.
6. To appoint External Auditors of the Company until the next Annual General Meeting on terms and conditions to be agreed with the Board.
7. To transact any other business that may properly be transacted at the Annual General Meeting.

All shareholders are encouraged to make arrangements to participate in the AGM via the Link as provided.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, to vote in his/her stead. Proxy forms are available from the Company Secretary and must be lodged at the Registered Office of the Company not less than 24 hours before the commencement of the meeting. A proxy need not be a member of the Company.

By Order of the Board

Sonia Shamwana-Chinganya
COMPANY SECRETARY

First Issued on Thursday, 9th March, 2022

Lusaka Securities Exchange Sponsoring Broker

STOCKBROKERS ZAMBIA LIMITED

Tel: +260 211 232 456 | Email: advisory@sbz.com.zm | Website: www.sbz.com.zm

Stockbrokers Zambia Limited (SBZ) is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia.

MINUTES OF THE 24th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF AIRTEL NETWORKS ZAMBIA PLC (THE "COMPANY") HELD ON THURSDAY 23rd MARCH 2023 VIA ZOOM ELECTRONIC PLATFORM IN LUSAKA AT 09:30 HOURS

IN ATTENDANCE

Ms. Monica Musonda	-	Chairperson
Ms. Lynda Mataka	-	Director
Mr. Manu Sood	-	Managing Director
Mr. Samir Waman	-	Finance Director
Mrs. Sonia Shamwana-Chinganya	-	Company Secretary
Mrs. Suzyo Akatama	-	Director Legal and Regulatory

PRESENT
(SHAREHOLDER ATTENDANCE LIST ATTACHED)

1. NOTICE
Notice convening the meeting was taken as read.

2. QUORUM AND AGENDA

2.1 Ms. Monica Musonda took the chair and gave an opening statement wherein she affirmed Airtel's commitment to provide a superior network with cutting edge communication products and services to facilitate commerce, trade, education and health. The growth of the business over the past few years showed that the company was connecting the unconnected and bridging the digital divide.

She added that Airtel now had the highest customer base at 9.1 million and it was fast growing, which was a testament that Airtel was the preferred network supplier in Zambia.

She thanked Apoorva Mehrotra the outgoing Managing Director who had been appointed as Airtel Africa Regional Director East Africa and wished him success in his new role.

Lastly she thanked the Board, Management and the employees for their militant focus in implementing the Airtel strategy despite economic challenges and also ensuring strong internal controls were maintained.

2.2 With a quorum being met, she declared the meeting properly constituted for the conduct of business at 09:30 hours.

2.3 The House Rules were quickly read by the Chairperson.

2.4 The Agenda was taken as read and there being no amendments to the Agenda, the Agenda was adopted and seconded by Velma Gondo.

3. CONFIRMATION OF PREVIOUS MINUTES
3.1 The minutes of the previous meeting held on 30th March 2022 were confirmed as a true record of the proceedings as seconded by Masele Siyuba.

4. APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
4.1 The Financial Statements for the year ended 31 December 2022 were taken as read and the Managing Director and Finance Director presented the highlights for the year.

4.2 George Kangombe stated that Management had done an excellent job this year and asked what measures the Company put in place to combat the effects of the continued depreciation of the Kwacha. He also asked whether the Company had any robust plans that they had put in place.

4.3 Management responded that they had put various measures in place which included ensuring that all loans were obtained in local currency as opposed to Forex denominated Loans, all vendor and supplier contracts were now completely in local currency and hedging policies had been put in place to minimize forex exposure.

4.4 Patrick Mbewe asked Management the value of dividend that had been declared and if it would be paid at once.

4.5 Management responded that K5.50 per share had been proposed and that it would be paid at once.

4.6 Javez Kayanda congratulated Management on the good performance of the company and asked how much had been allocated to CRS for the coming year. He also asked if Airtel was training agents on the new products and services.

4.7 Management responded that Airtel was focused and was monitoring how call center staff and agents were performing. They emphasized that customer service was of utmost importance.

Management also stated that Airtel was consistent with their CSR activities, with a focus on education and sustainability. They stated that they would continue with all CSR projects going forward.

4.8 Richard Shikoki stated that he was extremely pleased with the Company's performance.

4.9 The Chairperson proposed the motion to approve the Financial Statements for the 12-month period ended 31 December 2022. The Directors and the Auditors' report were adopted as presented and seconded by George Kangombe.

6. DIVIDEND DECLARATION

5.1 The Finance Director made a presentation in relation to the dividend declaration.

5.2 The Chairperson tabled a proposal that the interim dividend of ZMW 3.00 (Three Kwacha) that was declared for the interim period January 2022 to June, 2022 be ratified by the shareholders.

5.3 The Chairperson further proposed that the shareholders approve the final dividend of K5.50 per share that had been declared for the year ended 31st December, 2022 and that it would be paid to members registered in the books of the Company at the close of business as at Tuesday, 18th April, 2023. Dividend Payments would be posted on or about Monday, 24th April 2023.

5.4 The proposals were seconded by Peter Kunda and therefore approved by the members..

6. RECONFIRMATION OF APPOINTMENTS

6.1 The Chairperson proposed the confirmation of Mr. Manu Sood who was appointed as Managing Director and Director onto the Board, following the elevation of Apoorva Mehrotra to the role of Regional Director, Airtel Africa.

6.2 The proposal to appoint Mr Manu Sood as Managing Director and Director was seconded by Jack Kanyanga and therefore approved by the members.

6.3 The Chairperson also proposed the confirmation of appointment of Ms. Monicah Kambo who was appointed as Director onto the Board, following the resignation of Mr Ian Ferrao.

6.4 The proposal to appoint Ms. Monicah Kambo as Director was seconded by Jack Kanyanga and therefore approved by the members.

7. RETIREMENT BY ROTATION

7.1 The Chairperson informed the members that in accordance with Article 17.4 of the Articles of Association of the Company, Lynda Mataka was retiring as a Director of the Company. However, being eligible, was offering herself up for re-election.

7.2 The proposal to re-elect the Director was seconded by Velma Gondo and therefore approved by the members.

7.3 The Chairmanship was then handed over to Lynda Mataka who informed the members that in accordance with Article 17.4 of the Articles of Association of the Company, Monica Musonda was retiring as a Director of the Company. However, being eligible, was offering herself up for re-election.

7.4 The proposal to re-elect the Director was seconded by Peter Kunda and therefore approved by the members.

8. APPOINTMENT OF AUDITORS

8.1 It was proposed that Messrs. Deloitte & Touche be re-appointed as the statutory Auditors of the Company until the next Annual General Meeting.

8.2 The proposal was seconded by Peter Kazwala and therefore approved by the members.

9. ANY OTHER BUSINESS

9.1 Michael Singolo asked Management whether they would consider reverting to physical AGM meetings.

9.2 Management responded that they would consider a hybrid model for the meetings to ensure maximum participation.

9.3 Shareholders asked Management to comment on the growth of the Airtel Customer base.

9.4 Management responded that there had been a strong growth in the customer base which was now standing at 9.1 million customers. This showed that Zambians preferred and trusted Airtel as a network provider. They stated that the great ingredients for a great network included spectrum and sites and Airtel had invested in both. Airtel was the highest bidder of spectrum in the 800 MHz and 2600 MHz bands. This ensured that the future of Airtel was secure for the best interior customer experience and for the future like the launch of 5G.

They added that 138 new sites had been constructed, which meant more coverage around the country. Airtel was focused on delivering the best network and the growing customer base was proof that Airtel was indeed the best network provider.

10. There being no further business to transact, the Chairperson thanked the members for their participation and declared the meeting officially closed at 10:40 am.

CERTIFIED TRUE RECORD

Chairperson: **Date:**

Secretary: **Date:**

Attendance Register

1. Proxies

Name	Proxy	Shares Held	%
BHARTI AIRTEL ZAMBIA HOLDINGS, B.V.	VELMA GENDO	100,214,879	96.36
SATURNIA REGNA PENSION TRUST FUND	NASILELE NGUMBI	972,015	0.93
MADISON PENSION TRUST FUND	MWELWA MUKUPA	133,809	0.13
ZAMBIA SUGAR PENSION TRUST -SCHEME	NASILELE NGUMBI	129,885	0.12
STANBIC BANK PENSION TRUST FUND	NASILELE NGUMBI	95,854	0.09
BARCLAYS BANK ZAMBIA STAFF PENSION FUND-PPMZ	NASILELE NGUMBI	50,339	0.05
STANDARD CHARTERED BANK PENSION TRUST FUND	NASILELE NGUMBI	45,045	0.04
CEC PENSION TRUST SCHEME	MWELWA MUKUPA	43,924	0.04
STANBIC NOMINEES-MPILE LOCAL EQUITY FUND	NASILELE NGUMBI	41,161	0.04
ZAMBIAN BREWERIES PLC PENSION TRUST SCHEME	NASILELE NGUMBI	41,018	0.04
LAFARGE CEMENT ZAMBIA PLC PENSION TRUST SCHEME	NASILELE NGUMBI	40,379	0.04
AIRTEL ZAMBIA STAFF PENSION FUND	NASILELE NGUMBI	35,277	0.03
ZANACO PLC DC PENSION SCHEME	NASILELE NGUMBI	35,055	0.03
PICZ PENSION TRUST-MONEY PURCHASE	MWELWA MUKUPA	20,529	0.02
ACCESS BANK ZAMBIA LIMITED PENSION SCHEME ACCESS BANK ZAMBIA LIMITED PENSION SCHEME	NASILELE NGUMBI	19,577	0.02
CEC PENSION TRUST SCHEME	NASILELE NGUMBI	18,291	0.02
WORKCOM TRUST PENSION SCHEME PPMZ	MWELWA MUKUPA	11,868	0.01
WORKCOM PENSION TRUST SCHEME	NASILELE NGUMBI	11,868	0.01
LUBAMBE COPPER MINES PENSION TRUST SCHEME	NASILELE NGUMBI	9,956	0.01
GAME STORES PENSION TRUST SCHEME	NASILELE NGUMBI	9,776	0.01
SCZ INTERNATIONAL LTD PENSION TRUST	NASILELE NGUMBI	8,276	0.01
FINANCE BANK	MWELWA MUKUPA	8,232	0.01
SUN INTERNATIONAL PENSION TRUST SCHEME	NASILELE NGUMBI	7,930	0.01
AFRICA 53	MWELWA MUKUPA	7,095	0.01
SANLAM LIFE INSURANCE (Z) LTD	NASILELE NGUMBI	6,739	0.01
PROFESSIONAL PENSION TRUST FUND -WEALTH GUARD-CITI PENSION	MWELWA MUKUPA	6,622	0.01
PSPF STAFF PENSION SCHEME	NASILELE NGUMBI	6,247	0.01
BUYANTANSHI PENSION SCHEME	MWELWA MUKUPA	5,527	0.01
HSEGAIPS-PPMZ	MWELWA MUKUPA	4,960	0.00
HEALTH SECTOR GRANT AIDED INSTITUTIONS PENSION SCHEME	NASILELE NGUMBI	4,960	0.00
STOCKBROKERS ZAMBIA LTD.	TIWONGE BANDA	4,465	0.00
NATIONAL INSTITUTE FOR SCIENTIFIC AND INDUSTRIAL RESEARCH	NASILELE NGUMBI	3,816	0.00
GOLDEN SUNSET PENSION FUND	NASILELE NGUMBI	3,500	0.00
NATIONAL BREWERIES PENSION TRUST SCHEME	NASILELE NGUMBI	3,300	0.00
TOYOTA ZAMBIA	MWELWA MUKUPA	3,075	0.00
ZRA PENSION TRUST SCHEME	NASILELE NGUMBI	2,260	0.00
LUNSEMFWA HYDRO POWER PENSION SCHEME	MWELWA MUKUPA	1,800	0.00
ECOBANK ZAMBIA LIMITED PENSION TRUST SCHEME	NASILELE NGUMBI	1,716	0.00
MOTOR MART GROUP ZAMBIA	MWELWA MUKUPA	954	0.00
CAVMONT BANK ZAMBIA PENSION TRUST SCHEME	NASILELE NGUMBI	1	0.00
TOTAL		**102,071,980.00**	**98.15**

2. Attendees - Shareholders

NAME	PROXY	SHARES HELD	%
1. JOE CHIYASSA		60,800	0.06
2. MWABA RICHARD		8,758	0.01
3. SHIKOKI RICHARD MWAMBA		5,165	0.00
4. NGOLWE RUTH		3,000	0.00
5. MESELE MANGO SEYUBA		2,400	0.00
6. GEORGE CHILUFYA KANG"OMBE		2,000	0.00
7. MTAWALE CHASUZGA		1,600	0.00
8. KAPOMA ALAN CHAMBESHI		1,450	0.00
9. MBEWA PATRICK		1,250	0.00
10. KAZWALA PETER MBALA		540	0.00
11. CHILESHE KALINDI		513	0.00
12. NTONGWE MARVIS WILLAM		312	0.00
13. MWIINGA RHODA		300	0.00
14. NSAMA MUBANGA BURNHAM		300	0.00
15. MWANZA GEOFFREY		263	0.00
16. GOMA EDWARD		199	0.00
17. GIFT PHIRI		180	0.00

18.	IREEN MALAMBO		100	0.00
19.	SILUNGWE TUBANJE		100	0.00
20.	PETER KUNDA		89	0.00
21.	MUBIANA SILILO		64	0.00
22.	MAKINA CHISOLA		60	0.00
23.	KIM SONG THAEK		41	0.00
24.	WALIMA JOYCE MWANSA		30	0.00
25.	FRAZER MAKANI		20	0.00
26.	JONTALA MASEKO		20	0.00
27.	CHIFUTO L SHAMANO		20	0.00
28.	KANYANDA JABEZ		14	0.00
29.	BEATRICE CHIWALA CHIBWE		14	0.00
30.	SIKAZWE LUCY CHIULA		14	0.00
31.	ZULU ANDREW		14	0.00
32.	SONGOLO WAMUYUWA MICHAEL		2	0.00
			89,632	**0.09**

1.	NAME	REPRESENTING	COUNT
2.	BWEMBYA BARBARA CHIKONDE	AIRTEL NETWORKS ZAMBIA PLC	1
3.	BRIAN BANDA	AIRTEL NETWORKS ZAMBIA PLC	2
4.	FRANCIS KUMWENDA SIMFUKWE	AIRTEL NETWORKS ZAMBIA PLC	3
5.	JASON CHULU	AIRTEL NETWORKS ZAMBIA PLC	4
6.	KAPA KAUMBA	AIRTEL NETWORKS ZAMBIA PLC	5
7.	LINDIWE BANDA	AIRTEL NETWORKS ZAMBIA PLC	6
8.	SYLVIA ELSHEIKH	AIRTEL NETWORKS ZAMBIA PLC	7
9.	MARTIN JOWI	AIRTEL NETWORKS ZAMBIA PLC	8
10.	YUYO NACHALI KAMBIKAMBI	AIRTEL NETWORKS ZAMBIA PLC	9
11.	CHIPO CHILALA	AIRTEL NETWORKS ZAMBIA PLC	10
12.	HASTINGS MUCHANGA	AIRTEL NETWORKS ZAMBIA PLC	11
13.	ANDREW CHUMA	AIRTEL NETWORKS ZAMBIA PLC	12
14.	JAMES NDHLOVU	CORPSERVE ZAMBIA	13
15.	SETFREE NHAPI	CORPSERVE ZAMBIA	14
16.	HOPE ZULU	CORPSERVE ZAMBIA	15
17.	STANLEY SAKUBITA	ECONOMICS ASSOCIATION OF ZAMBIA	16
18.	IDREEN MALAMBO	MADISON ASSET MANAGEMENT	17
19.	NKABWELA GERALD BANDA	NICO INSURANCE ZAMBIA	18
20.	MAHONGO CHILEMBO	PANGAEA SECURITIES ZAMBIA	19
21.	MARTIN PHIRI	SECURITIES AND EXCHANGE COMMISSION	20
22.	MCHEMA CHINZEWE	STOCKBROKERS ZAMBIA LIMITED	21
23.	BONIFACE MWAMBA	STOCKBROKERS ZAMBIA LIMITED	22
24.	JACK KANYANGA	STOCKBROKERS ZAMBIA LIMITED	23

PROXY FORM

AIRTEL NETWORKS ZAMBIA PLC

I/We……………………………………………………………………………………………of………………………………………………………………………………………………
being a member/members of the above named Company, hereby appoint ……………… of Airtel Networks Zambia Plc ………..or, in his absence, ……………………………………...……………………… of ……………………..……………………………………………………..as my/our proxy to vote for me/us on my/our behalf at the Annual/Extraordinary General Meeting of the Company to be held on the 26th day of March 2023 and at any adjournment of that meeting:

*in favour of/against Resolution No……………………………………..

*in favour of/against Resolution No……………………………………..

*in favour of/against Resolution No……………………………………..

*in favour of/against Resolution No……………………………………..

*in favour of/against Resolution No……………………………………..

*in favour of/against Resolution No……………………………………..

*in favour of/against Resolution No……………………………………..

Unless otherwise instructed, the proxy will vote as he/she thinks fit.

Signed………………………………… Date…………………………………

*Strike out whichever is not desired.

NOTES:

airtel

A REASON TO **IMAGINE**

airtelzm

@airtel_zambia

Customer Care 111

customerservice@zm.airtel.com