



Summarised audited consolidated and separate financial statements for the year ended 31 December 2024

Performance
The Board is pleased to announce the financial results for the group for the year ended 31 December 2024.

The group achieved a turnaround performance in 2024 resulting in a profit of MK10.06 billion from a net loss position of MK4.93 billion in 2023 through growth in revenue and cost efficiencies.

The group registered 34% increase in revenue and other income to MK158.17 billion (2023: MK118.10 billion) due to growth in mobile money revenue by 59% to MK29.49 billion (2023: MK18.54 billion) and data revenue by 40% to MK58.98 billion (2023: MK42.08 billion).

Group EBITDA increased by 44% to MK47.80 billion with margin of 30% as compared to margin of 23% in 2023. The increase in EBITDA was due to revenue growth and cost containment initiatives that the group continues to implement.

The group invested MK33.44 billion in capital expenditure during the period (2023: MK14.69 billion) in distribution systems, network improvements and license upgrades catering for expansion, improvement, and business growth needs.

Outlook*
The macro-economic environment is expected to remain challenging, putting pressure on the group's operations and performance. Volatile exchange rates, foreign currency scarcity, ongoing looming hunger and pressure on inflation will result in increase in the cost of our operations and reduction in customer disposable income.

Despite the economic situation, TNM has taken steps in, re-designing distribution and network optimization which should make the group more resilient this year.

The group will continue developing and implementing initiatives to drive customer growth, grow revenues, deliver efficiencies in costs and improve overall group financial performance.

Dividends
The directors have declared a nil (2023: MK0.00) dividend for the financial year ended 31 December 2024, equivalent to 0 tambala per share (2023: 0 tambala per share).


Basis of preparation
The Directors have prepared the summary financial statements to meet the listings requirements of the Malawi Stock Exchange. The Directors have considered the listings requirements of the Malawi Stock Exchange and believe that the summary statements of comprehensive income, financial position, changes in equity and cash flows are sufficient to meet the requirements of the users of the summary financial statements. The amounts in the summary financial statements are prepared in accordance with the measurement and recognition requirements of IFRS Accounting Standards as issued by International Accounting Standards Board and the IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM). The Summary financial statements have been derived from the Annual Financial Statements which were approved by the board of directors on 25 March 2025, and are available on the company's website www.tnm.co.mw.


Ted Sauti-Phiri
Chairman

29 April 2025

*Unaudited


Dr Lyton Chithambo
Chairman, Board Audit Committee



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KEY FINANCIAL HIGHLIGHTS

34% growth in revenue and other income to

MK 158.17 billion

59% growth in mobile money revenue to

MK 29.49 billion

40% growth in data revenue to

MK 58.98 billion

44% growth in EBITDA

MK 47.80 billion

Net profit after taxation

MK 10.06 billion

Infrastructure investment

MK 33.44 billion

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

To the shareholders of Telekom Networks Malawi plc

Opinion
The summary consolidated and separate financial statements, which comprise the summary consolidated and separate statements of financial position as at 31 December 2024, and the summary consolidated and separate statements of comprehensive income, summary consolidated and separate statements of changes in equity and summary consolidated and separate statements of cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of Telekom Networks Malawi plc for the year ended 31 December 2024.


In our opinion, the accompanying summary consolidated, and separate financial statements are a fair summary of the audited consolidated and separate financial statements, and on the basis described in the basis of preparation paragraph.

Summary Consolidated and Separate Financial Statements
The summary consolidated and separate financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by International Accounting Standards Board and the IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM). Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon
We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 29 April 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year.

Directors' Responsibility for the Summary Consolidated and Separate Financial Statements
The Directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with the basis described on the basis of preparation paragraph.

Auditor's Responsibility
Our responsibility is to express an opinion on whether the summary consolidated, and separate financial statements are a fair summary of audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised) Engagements to Report on Summary Financial Statements.


Chartered Accountants
Vilengo Beza
Partner

29 April 2025
Deloitte.

SUMMARY STATEMENTS OF COMPREHENSIVE INCOME

In billions of Malawi Kwacha

	Group for the year ended 31 Dec 2024	Group for the year ended 31 Dec 2023	Company for the year ended 31 Dec 2024	Company for the year ended 31 Dec 2023
Revenue	142.01	110.48	118.04	93.69
Interest revenue	2.28	-	-	-
Cost of sales	(95.25)	(73.11)	(81.16)	(64.65)
Gross profit	49.04	37.37	36.88	29.04
Other income	13.88	7.66	15.96	7.46
Administrative expenses	(32.27)	(31.57)	(29.61)	(30.19)
Impairment of trade receivables	(0.93)	(0.59)	(0.22)	(0.59)
Operating profit	29.72	12.87	23.01	5.72
Finance income	0.42	0.31	0.05	0.07
Finance expenses	(14.75)	(20.71)	(15.28)	(20.81)
Net finance expenses	(14.33)	(20.40)	(15.23)	(20.74)
Profit/(loss) before income tax	15.39	(7.53)	7.78	(15.02)
Income tax (expense)/credit	(5.33)	2.60	(2.41)	4.91
Profit/(loss) for the year	10.06	(4.93)	5.37	(10.11)
Other comprehensive income	0.04	0.17	0.04	0.17
Total comprehensive income/(loss) for the year	10.10	(4.76)	5.41	(9.94)
Basic and diluted earnings per share (MK)	1.01	(0.49)		
Number of ordinary shares on issue (billion)	10.04	10.04		

SUMMARY STATEMENTS OF FINANCIAL POSITION

In billions of Malawi Kwacha

	Group as at 31-Dec-2024	Group as at 31-Dec-2023	Company as at 31-Dec-2024	Company as at 31-Dec-2023
ASSETS				
Notes				
NON-CURRENT ASSETS				
Equity investments	0.37	0.33	1.63	1.59
Property, plant and equipment	89.58	76.16	86.78	73.87
Intangible assets	17.29	13.12	17.18	12.77
Right of use assets	18.28	12.22	18.28	12.22
Deferred tax assets	2.92	4.80	2.71	4.89
Equipment receivables*	0.54	0.71	0.54	0.71
Total non-current assets	128.98	107.34	127.12	106.05
CURRENT ASSETS				
Inventories	1.95	1.57	1.95	1.57
Equipment receivables*	0.60	0.84	0.60	0.84
Trade and other receivables	29.83	21.00	23.80	16.39
Loans and advances to customers	1.10	-	-	-
Amount due from related companies	0.75	-	2.19	1.91
Current tax recoverable	1.02	-	2.80	1.49
Bank and cash balances	47.72	31.85	1.36	3.46
Total current assets	82.97	55.26	32.70	25.66
TOTAL ASSETS	211.95	162.60	159.82	131.71
EQUITY AND LIABILITIES				
SHAREHOLDERS EQUITY				
Share capital	0.40	0.40	0.40	0.40
Share premium	2.35	2.35	2.35	2.35
Retained earnings	49.11	39.01	35.14	29.73
Total equity	51.86	41.76	37.89	32.48
NON-CURRENT LIABILITIES				
Long-term portion of interest bearing loans	3	12.75	27.11	12.75
Total non-current liabilities	12.75	27.11	12.75	27.11
CURRENT LIABILITIES				
Amounts due to related parties	0.21	0.04	1.55	2.04
Bank overdraft	15.69	10.77	15.69	10.77
Current portion of interest bearing loans	3	18.10	18.10	11.45
Contract liabilities	2.76	4.25	2.76	4.25
Trade and other payables	75.63	45.93	70.74	43.43
Amount payable to owners of e-money	34.61	20.81	-	-
Current portion of lease liabilities	4	0.34	0.34	0.18
Current tax payable	-	0.30	-	-
Total current liabilities	147.34	93.73	109.18	72.12
Total liabilities	160.09	120.84	121.93	99.23
TOTAL EQUITY AND LIABILITIES	211.95	162.60	159.82	131.71

*The asset previously recorded as contract asset has been renamed to equipment receivables.

SUMMARY STATEMENTS OF CHANGES IN EQUITY

In billions of Malawi Kwacha

Group	Share capital	Share premium	Retained earnings	Total
Balance at 1 January 2024	0.40	2.35	39.01	41.76
Profit for the year	-	-	10.06	10.06
Comprehensive income for the year	-	-	0.04	0.04
Balance at 31 December 2024	0.40	2.35	49.11	51.86
Group				
Balance at 1 January 2023	0.40	2.35	43.77	46.52
Loss for the year	-	-	(4.93)	(4.93)
Comprehensive income for the year	-	-	0.17	0.17
Balance at 31 December 2023	0.40	2.35	39.01	41.76
Company				
Balance at 1 January 2024	0.40	2.35	29.73	32.48
Profit for the year	-	-	5.37	5.37
Comprehensive income for the year	-	-	0.04	0.04
Balance at 31 December 2024	0.40	2.35	35.14	37.89
Company				
Balance at 1 January 2023	0.40	2.35	39.67	42.42
Loss for the year	-	-	(10.11)	(10.11)
Comprehensive income for the year	-	-	0.17	0.17
Balance at 31 December 2023	0.40	2.35	29.73	32.48

SUMMARY STATEMENTS OF CASH FLOWS

In billions of Malawi Kwacha

	Group for the year ended 31 Dec 2024	Group for the year ended 31 Dec 2023	Company for the year ended 31 Dec 2024	Company for the year ended 31 Dec 2023
Notes				
Cash flows from operating activities				
Cash generated from operations	76.54	41.39	52.92	32.58
Interest received	0.41	0.31	0.05	0.07
Interest paid	(11.36)	(10.18)	(11.89)	(10.18)
Income tax paid	(4.77)	(1.61)	(1.53)	(1.26)
Cash generated from operating activities	60.82	29.91	39.55	21.21
Cash flow from investing activities				
Dividend received	-	-	2.21	0.26
Purchase of property, plant and equipment	5	(26.23)	(12.25)	(25.12)
Purchase of intangible assets	5	(7.21)	(2.43)	(7.21)
Proceeds from sale of property, plant and equipment	0.65	0.05	0.63	0.05
Net cash used in investing activities	(32.79)	(14.63)	(29.49)	(13.23)
Cash flows from financing activities				
Bank overdraft	4.92	(0.22)	4.92	(0.22)
Proceeds from loans	4.95	15.66	4.95	15.66
Repayment of loans	3	(13.42)	(18.14)	(18.14)
Lease liability payments	4	(8.61)	(3.40)	(8.61)
Net cash used in financing activities	(12.16)	(6.10)	(12.16)	(6.10)
Net increase/(decrease) in cash and cash equivalents	15.87	9.18	(2.10)	1.88
Cash and cash equivalents at the beginning of the year	31.85	22.67	3.46	1.58
Cash and cash equivalents at the end of the year	47.72	31.85	1.36	3.46



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NOTES TO THE SUMMARY FINANCIAL STATEMENTS

In billions of Malawi Kwacha

	Group as at 31-Dec-24	Group as at 31-Dec-23	Company as at 31-Dec-24	Company as at 31-Dec-23
1. Capital commitments				
Authorised and contracted for	12.32	11.56	12.32	11.56
Authorised and not contracted for	20.60	30.02	20.60	30.02

The capital expenditure will be financed from internally generated resources and existing facilities

2. Contingent liabilities				
Legal claims	6.92	2.67	6.92	2.67

3. Loans and borrowings				
Group and Company	Old Mutual Investment Group Limited Commercial Paper	Standard Bank revolving credit facility	Total	
Opening balance - 1 January 2024	14.50	24.05	38.55	
Additions	-	4.96	4.96	
Interest charge	3.70	5.06	8.76	
Capital repayments	(1.85)	(11.57)	(13.42)	
Interest paid	(3.70)	(4.30)	(8.00)	
Balance as at 31 December 2024	12.65	18.20	30.85	
Long term portion of loans	-	12.75	12.75	
Current portion of loans	12.65	5.45	18.10	
	12.65	18.20	30.85	

Group and Company	Old Mutual Investment Group Limited Commercial Paper	Standard Bank revolving credit facility	Total	
Opening balance - 1 January 2023	17.00	23.20	40.20	
Additions	-	15.66	15.66	
Interest charge	4.65	3.74	8.39	
Capital repayments	(2.50)	(15.64)	(18.14)	
Interest paid	(4.65)	(2.91)	(7.56)	
Balance as at 31 December 2023	14.50	24.05	38.55	
Long term portion of loans	14.50	12.61	27.11	
Current portion of loans	-	11.44	11.44	
	14.50	24.05	38.55	

Old Mutual Investment Group Limited (OMIGL)

On 26 February 2015, the company secured commercial debt paper of MK5.0 billion. The arranger and administrator was Old Mutual Investment Group Limited (OMIGL). The commercial paper was for a period of 5 years with an option of early repayment in tranches of MK1.0 billion after the third year. The coupon rate was 364 Treasury bill rate plus 175 basis points. The loan was secured with a debenture ranking behind National Bank of Malawi plc overdraft facility and First Capital Bank plc overdraft facility debentures . On 25 February 2020 the loan was rolled over for another 5 year period on the same terms..

In 2020, the company secured commercial debt paper of MK10.0 billion. The arranger and administrator is Old Mutual Investment Group Limited (OMIGL). The commercial paper is for a period of 5 years with an option of early repayment in tranches of MK1.0 billion after the third year. The coupon rate is 364 Treasury bill rate plus 200 basis points. The loan is secured with a debenture ranking behind National Bank of Malawi plc overdraft facility and First Capital Bank plc overdraft facility debentures.

In 2021, the company secured additional commercial paper of MK2.0 billion from Old Mutual Investment Group Limited for a period of 5 years with the same terms as the other existing Old Mutual Investment Group Limited commercial papers.

Standard Bank revolving credit facility

TNM entered into a revolving credit facility with Standard Bank plc of up to MWK 24 billion or the Malawi Kwacha equivalent thereof. The purpose of the facility is to finance or refinance capital expenditure. The facility has a tenor of 60 months and attracts interest at a rate of Standard Bank plc reference rate minus 0.8% effectively 24.30%. TNM has covenanted to maintain a USD denominated account with Standard Bank plc for the lifetime of the facility and to channel all its USD receivables to the said account.

4. Lease liabilities

	Group as at 31-Dec-24	Group as at 31-Dec-23	Company as at 31-Dec-24	Company as at 31-Dec-23
Opening balance	0.18	1.94	0.18	1.94
Additions	8.77	1.64	8.77	1.64
Capital repayments	(8.61)	(3.40)	(8.61)	(3.40)
Interest charged	0.20	0.37	0.20	0.37
Interest payment	(0.20)	(0.37)	(0.20)	(0.37)
Balance at end of the year	0.34	0.18	0.34	0.18
Short-term portion of lease liability	0.34	0.18	0.34	0.18

NOTES TO THE SUMMARY FINANCIAL STATEMENTS (continued)

In billions of Malawi Kwacha

	Group as at 31-Dec-24	Group as at 31-Dec-23	Company as at 31-Dec-24	Company as at 31-Dec-23
5. Capital expenditure				
Acquisition of property, plant and equipment	26.23	12.26	25.13	11.70
Acquisition of intangible assets	7.21	2.43	7.21	1.84
	33.44	14.69	32.34	13.54

	Group for the year ended 31-Dec-24	Group for the year ended 31-Dec-23	Company for the year ended 31-Dec-24	Company for the year ended 31-Dec-23
6. Depreciation and amortisation				
	18.17	20.50	17.36	19.77

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