

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER



THE SMARTPHONE NETWORK

Airtel Networks Zambia Plc

[Incorporated in the Republic of Zambia]

Company registration number: 38136
Share Code: ATEL
ISIN: ZM0000000342
Authorised by: Sonia Shamwana-Chinganya- Company Secretary

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited

[Founder Member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

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APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price sensitive nature. Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: 10 March 2021



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PRESS STATEMENT

AIRTEL RELEASES 2020 ANNUAL RESULTS

- Gross Revenue increases by ~ 21%
- Customer base increases by ~ 16 %
- Voice traffic up ~ 29% and Data traffic up ~ 77%
- Operating Profits up ~ 7%

Lusaka – March 10th, 2021

Airtel Networks Zambia Plc has released its full year results for the year ended 31 December 2020 and disclosed revenue growth of 20.6% from ZMW 2, 154 million (as at 31 December 2019) to ZMW 2,598 million as at 31 December 2020.

The above performance is largely attributed to the increase in the customer base by 16% from 5.836 million at 31 December 2019 to 6.771 million as at 31 December 2020.

Airtel Board Chairperson Ms Katebe Monica Musonda announced the results in Lusaka today saying there has been an increase in the operating profit at ZMW 719 million for the period under review, which has gone up by 7.4% compared to the same period last year. She said this is mainly as a result of the strong performance on revenue, and management's consistent optimization of operating expenses in view of the harsh economic environment.

"During the 12 months period ended 31 December 2020, the COVID-19 global pandemic has disrupted the conduct of business across the globe and Zambia has not been spared. Airtel joined the Government of the Republic of Zambia and other institutions in the fight against COVID-19 by donating K5 million to the COVID-19 fund administered by the Ministry of Health. The Zambian economy has also encountered significant macro-economic headwinds resulting from the economic effects of COVID-19," Ms. Musonda said.

Adding: "The exchange rate depreciated by close to 50% in the period under review compared to the same period last year while inflation also surged to 19.2% by 31 December 2020. This cascaded into the increase in prices of consumer goods and services exacerbating the strain on disposable incomes of our customers. Despite this stress on consumers, COVID-19 brought about new ways of conducting business that resulted in an increase in demand for Voice and Data products and services as corporates and SMEs resorted to 'Work from Home' strategies."

Ms Musonda has also emphasized Airtel's continued investment in the country's only 100% 4G Network as a response to customers' continued demand for high quality Data and Voice Services as well as fulfilling the regulatory Quality of Service guidelines issued by ZICTA.

"We have invested a total of K615 million in our network and distribution infrastructure in the year under review and have since been awarded by ZICTA 10 MHz in the 800 Spectrum Band at a cost of US \$12.5 million, following a competitive tender. This underpins Airtel's long-term commitment to invest in the country and continue to improve the quality and coverage of our network," She said.

The Profit after tax went down to ZMW - 340 million compared to ZMW 16 million for the same period last year. This negative Profit After Tax for the year was mainly a result of exchange losses of close to ZMW 768 million (mainly unrealized) on the foreign currency denominated liabilities resulting from the devaluation of the kwacha by close to 50%, Y-o-Y. To mitigate the same, management continues to work on increased hedging and debt restructuring to ensure sustainable cash flows to settle company obligation as they fall due.

"As stated earlier, despite the challenging macro-economic outlook, Airtel continues to provide market leading innovative world class products and services spurred by continued investment in the Network and distribution infrastructure. Our staff continue on an ambitious innovation agenda to stay ahead of customer demand for business communication solutions and consumer communication and entertainment products." Ms. Musonda said.

The overall economic outlook for country for the New Year looks challenging in view of the resurgence of COVID-19 with new strains of the virus and worsening economic fundamentals. This may lead to continued depreciation of the local currency and escalating inflation. Despite this challenging outlook, Airtel will continue to invest in the country to build capacity for future growth to support the country's digital penetration and communications agenda.

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