

# Our Business, Our People, Our Customers, Our Environment

Annual Report  
2024



**Telone**

The Future Is Better Together

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**OUR PEOPLE,  
OUR BUSINESS,  
OUR CUSTOMERS,  
OUR ENVIRONMENT**

# INTRODUCTION

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Welcome to our 2024 Annual Report for the year ended 31 December 2024.

The report demonstrates our unwavering commitment to responsible business practices and sustainable development in Zimbabwe's Telecommunications sector. As a State-Owned Enterprise, we recognise our critical role in advancing the nation's digital transformation while creating lasting value for all stakeholders - from our employees and communities to the environment we operate in.

This comprehensive report, structured around the Global Reporting Initiative (GRI) Standards, outlines our progress, challenges, and future direction in integrating Environmental, Social, and Governance (ESG) factors into our core operations. It reflects our strategic alignment with Zimbabwe's National Development Strategy 1 (NDS1) and Vision 2030, showcasing how we balance business growth with sustainable practices.

Our business and reporting frameworks encompass both our financial performance and our non-financial impact to the communities we operate. Our strategy for non-financial issues, especially Environmental, Social, and Governance (ESG) matters, is grounded in the Global Reporting Initiative (GRI) Standards. These standards assist us in guiding, monitoring, and assessing our impact, helping us achieve comprehensive disclosure as we endeavor to support human development, protect the planet and ensure safety and prosperity for all Zimbabweans.

## About this Annual Report

### Reporting Frameworks

We developed this report in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31). In reporting on non-financial information, the Company is mainly guided by the following:

- The Global Reporting Initiatives (GRI) Guidelines on Integrated Annual Reporting;
- The Code of Corporate Governance in Zimbabwe (ZIMCODE);
- The Public Finance Management Act (Chapter 22:19) and;
- The Public Entities Corporate Governance (PECOG) Act (Chapter 10:31).

### How We Collect Data

This report was compiled from a variety of sources primarily drawn from our internal systems and external reporting and data management platforms. Secondary data used includes insights derived from our regular quarterly customer satisfaction index surveys, findings from our bi-annual Brand Health checks, and information obtained during customer engagement sessions conducted as part of strategy formulation processes.

Furthermore, the report incorporates information from publicly available reports and industry-specific reports specifically provided by the Postal and Regulatory Authority of Zimbabwe (POTRAZ).

### Assurance on Financial and Non-Financial Information

The Financial Statements have been audited by the Office of the Auditor General of Zimbabwe in accordance with International Standards on Auditing (ISA). The independent auditors findings are detailed on pages 58 to 60 of the Report.

Information for tracking our non-financial performance is set out in our Strategic Plan, which is disclosed to our stakeholders to whom we are committed to deliver value. Adopting the GRI Reporting model requires us to disclose information about our sustainability performance in a transparent, evidence based and accessible way, allowing stakeholders to understand the impact and progress.



**Our Stakeholders**

TelOne’s success in a complex operating environment is fundamentally dependent on cultivating strong relationships with our stakeholders. We achieve this by providing a range of services, engaging in diverse partnerships and maintaining rigorous accountability. Each year, we map our stakeholders and engage with them to understand their priorities, ensuring alignment with our strategy, operations and programming.

Over the period, our key stakeholders have included:

- Government of Zimbabwe;
- Mutapa Investment Fund;
- Ministry of Information Communication Technology, Postal and Courier Services;
- Regulatory bodies and other institutions which include Postal and Telecommunication Regulatory Authority of Zimbabwe (POTRAZ), Zimbabwe Revenue Authority (ZIMRA), Insurance and Pensions Commission (IPEC), Procurement Regulatory Authority of Zimbabwe (PRAZ), Communications and Allied Industries Pensions Fund (CAIPF) among others;
- Clients;
- Employees;
- The Media;
- TelOne suppliers and service providers;
- Professional Associations;
- The Communities within which we operate and;
- General Public

**Navigating Our Annual Report**

Our reporting suite for the year ended 31 December 2024 consists of three reports:

2024 Corporate Governance Report	2024 Sustainability Report, information on our sustainability performance.	2024 Financial Performance Report, which includes the Directors’ Report and the independent auditor’s report.
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\*\*Information on TelOne products and services is available on the website [www.telone.co.zw](http://www.telone.co.zw)

Our annual reporting suite is available in PDF format online:

 <p><b>2022</b></p>	 <p><b>2023</b></p>	 <p><b>2024</b></p>
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We encourage your feedback on this report. Scan the QR code for quick and easy feedback on your smartphone.



## Our Sustainability Strategy

Our sustainability strategy is built on three core pillars: Environmental Stewardship, Social Responsibility, and Ethical Governance. We are committed to reducing our environmental footprint through energy efficiency and responsible waste management. We strive to create positive social impact through community engagement and digital inclusion initiatives. We uphold the highest standards of ethical conduct and transparency in all our operations.



### TelOne Materials Topics for 2024:

#### Economic GRIs

GRI Standard Number	GRI Standard Title
201	Economic Performance
202	Market Presence
203	Indirect Economic Impacts
204	Procurement Practices
205	Anti-corruption
207	Tax

#### Environmental GRIs

GRI Standard Number	GRI Standard Title
301	Materials
302	Energy
304	Biodiversity
306	Effluents and Waste
307	Environmental Compliance

#### Social GRIs

GRI Standard Number	GRI Standard Title
401	Employment
402	Labor/Management Relations
403	Occupational Health and Safety
404	Training and Education
405	Diversity and Equal Opportunity
410	Security Practices
413	Local Communities
417	Marketing and Labelling
418	Customer Privacy

This report is an update on the progress made under each of the material topics.

## Our Sustainability Strategy

### Our People, Our Business, Our Customers, Our Environment

As part of TelOne's broader network modernisation plan, we enhanced connectivity across Zimbabwe in 2024, emphasizing our commitment to our people, our business, our environment, and our customers. This expansion of network coverage has been transformative, fostering digital inclusion and driving economic growth.

#### Network Upgrade Drive

TelOne has laid down an impressive 800 kilometres of fibre infrastructure, expanding our network capabilities. To date, we have connected 12,000 homes and upgraded our 100G IP core capacity in Harare Metro. With more areas benefiting from fibre-optic internet, users enjoy reduced latency and increased bandwidth, enabling both residential clients and businesses to engage in e-commerce, access global markets, and adopt innovative technologies. This advancement significantly contributes to job creation and economic diversification across various sectors, including industry, commerce, agriculture, education, and health.

The business rolled out new LTE sites in selected suburbs of Harare such as Mufakose, Budiro, Glen Norah, Warren Park, Hatfield, Mabvuku, Mt Hampden, Marlborough and Chitungwiza as well as in key cities like Bulawayo, Mutare, Gweru, Kwekwe, Beitbridge and Victoria Falls. These upgrades demonstrate TelOne's commitment to improving connectivity for the wider population. More customers now have improved access to digital services and better network performance.

#### Enhanced speeds and experience for our clients

In addition, we successfully upgraded many suburbs from ADSL to fibre-optic technology, enhancing internet speed and reliability. This transition allows residents to enjoy seamless browsing, streaming, and communication, while also enabling our businesses to leverage digital tools, boosting their competitiveness in the market.

The benefits of improved connectivity extend beyond business; they enhance our customers' lives through online learning, remote work, and access to essential services. Many have praised our efforts to create better-connected communities, where families can stay in touch and access valuable information. Digital platforms foster social engagement, unity, and collaboration among residents.

#### Internet access for previously underserved areas

To further enhance our service offerings, TelOne entered into strategic partnerships with Low Earth Orbit and Geostationary satellite providers, allowing us to deliver reliable internet to underserved areas and promote digital inclusion. Residents in these areas have been empowered to access high speed internet for entertainment, research, work from home, ability to participate in virtual meetings and access online business tools. Students areas can attend virtual classes, access educational resources, and engage in remote learning activities.

Our commitment to digital transformation will continue into 2025, with plans in place for a connected future that benefits all Zimbabweans, ensuring that more communities benefit from high speed connectivity.



## Who We Are

### Our Vision and Mission Statements



#### Our Vision

Digitally Enabled Society by 2025



#### Our Mission

To provide connectivity and digital solutions



### Our Values



#### ACCOUNTABILITY

We are accountable for our actions by being compliant, professional and reliable.



#### INTEGRITY

We are committed to ethical conduct at all times.



#### INNOVATION

We promote a culture of creativity and innovation to improve and develop cutting edge products and services.



#### CLIENT-CENTRIC

Our clients are at the centre of our existence and we will continuously engage them to deliver superior service at all times.



#### EXCELLENCE

We strive to continuously improve ourselves in line with changing developments in the sector.



#### TEAMWORK

We complement each other's effort in delivering superior client service.

## How We Are Structured

TelOne operates with a structure designed to promote efficiency and innovation. Key departments include Technical, responsible for infrastructure development and maintenance and Commercial responsible for revenue generation, customer service and are focused on delivering exceptional customer experiences. These are supported by Finance and Procurement, Legal and Human Resources as we work together to drive our sustainability initiatives. TelOne Centre for Learning remains a key subsidiary responsible for technical and business training as well as TelOne Manufacturing plant whose goal is to provide affordable devices in the form of computers and laptops that enable digitalization of the country.



### COMMERCIAL



#### Driving sustainability through providing:

- Unlocking digital possibilities for Wholesale, Government, Enterprise and Residential clients through innovative products
- Ensuring exceptional client experience in the delivery of all products and services
- 24-hour support platforms through "Chommie" chatbot, Contact Centre and Live Chat on website

### CORPORATE SERVICES



#### Driving sustainability through:

- Gender sensitive recruitment and labour practices.
- Supporting skills development and training for employees.
- Implementing safety and wellness programmes for employees.
- Implementing SDG aligned Corporate Social Investment programmes.

### TECHNICAL



#### Driving sustainability through:

- Building a future proof network through infrastructure development.
- Growing Data Centre and Cloud Business.
- Innovation driving digital solutions - to sustain Government and Enterprises.
- Growing Wholesale and Capacity Business.

### TELONE CENTRE FOR LEARNING



#### Driving sustainability through providing:

- Sustainability training programmes.
- Human capital sustainability.
- Financial sustainability.

### FINANCE AND PROCUREMENT



#### Driving sustainability through:

- Timeous settlement of all tax obligations.
- Prioritising procurement from local suppliers.
- Fair and transparent procurement practices.
- Prudent financial reporting.
- Business funding.

### ZITCO MANUFACTURING PLANT



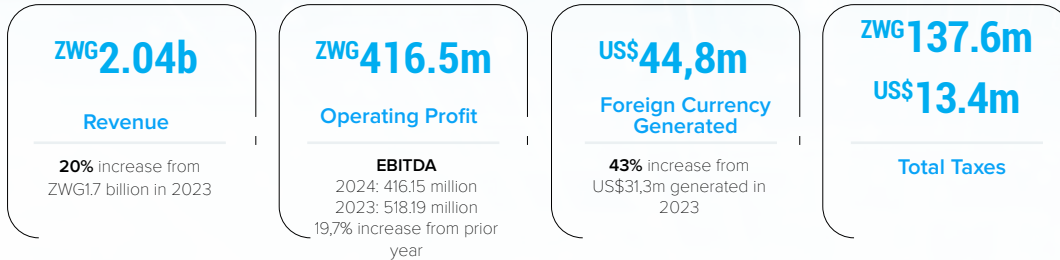
#### Driving sustainability through providing:

- Delivering affordable computers and laptops for Government and Schools
- Employment creation for the youth

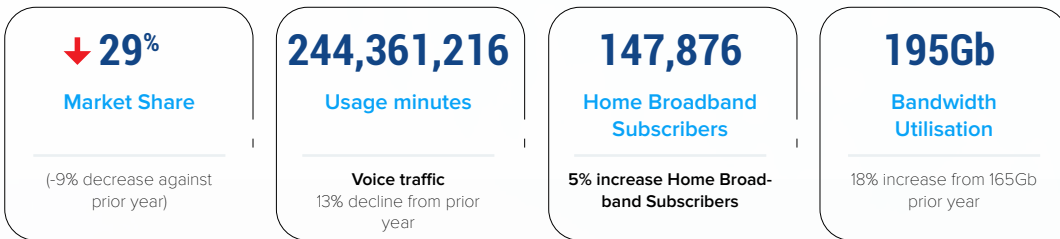
## Our Year at a Glance - Key Highlights

In 2024, TelOne achieved several key milestones in our sustainability journey:

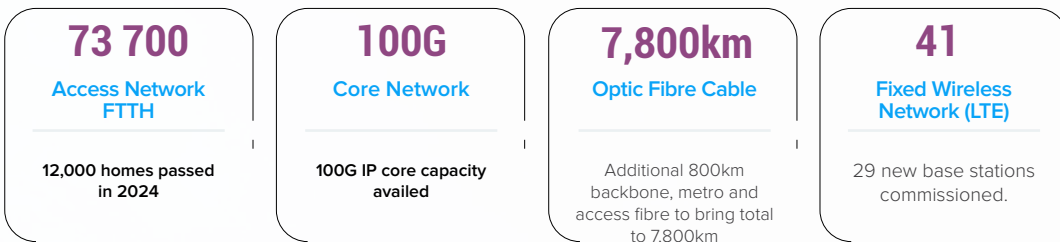
### Financial Highlights



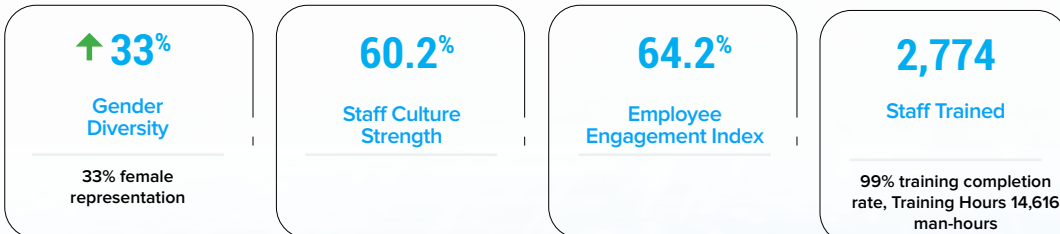
### Market



### Network



### People



# Our Year at a Glance - Key Highlights

## Community



**20,000+**

People reached through social investment programmes

**4**

Health Outreaches

4 Districts covered

**2,414**

10% increase from prior year

**5,000**

students benefited from the Education Support

Girls Mentorship: 150 girls empowered

## Environment



**100%**

Environmental Compliance

100% EMA certification achieved

**27.3MWh**

Solar Energy Generated from 11 sites

**85%**

R22 gas refrigerants replaced

Energy Efficiency

Diesel consumption: 28% Reduction achieved

**249tonnes**

Waste Recovery

249 tonnes of material processed

## Safety & Security



**0**

Zero Fatalities: Maintained throughout 2024

**17**

Occupational Accidents

17 incidents (2.8% severity rate)

**61 658**

Network Vandalism incidents

482 incidents affecting customers

**225**

Security Training

225 staff trained in ethics and integrity

**409**

Network Fortification

409 manholes secured

## Sustainability Metrics



**81%**

Local Procurement

81% of spend with local suppliers

**28%**

Women in Leadership

(75% increase from prior year)

**701**

TCFL Graduates

701 students (52% male, 48% female)

**80%**

Tree Nursery

Hwedza project 80% complete

**100%**

Environmental Audits

100% compliance achieved

# CORPORATE GOVERNANCE

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## Chairman's Statement



**Dr. D. Zimbango**  
Board Chairman

### Introduction

I am pleased to present TelOne (Private) Limited's performance for the financial year ended 31 December 2024 which summarises the progress and accomplishments for the year.

### Operating Environment

The operating environment in 2024 was characterised by economic volatility, with inflation and foreign exchange fluctuations presenting significant risks in the first half of the year. However, interventions by the Reserve Bank of Zimbabwe and the Government helped stabilize conditions. Monetary Policy adjustments, including higher statutory reserve requirements and tightened liquidity, curtailed speculative activities. Month-on-month inflation declined from a peak of 37,2% in September to 3,7% in December 2024, while the closing exchange rate was US\$1: ZWG25,7985. This necessitated a robust strategy to sustain the company's operations and performance.

Economic growth is projected to rebound to 6% in 2025 up from an estimated 2% in 2024, driven by agricultural and mining sectors. This positive outlook is expected to create new opportunities in the Telecommunications services sector. The company remains committed to navigating this complex landscape while delivering value to stakeholders.

### Financial Review

The financial review is based on inflation-adjusted financial statements which are the primary financial statements.

In accordance with the guidance issued by the Public Accountants and Auditor Board (PAAB), the company applied International Financial Reporting Standard 29 – Financial Reporting in Hyper Inflationary Economies (IAS29), in the preparation of the financial statements and adopted the consumer price index (CPI) as published by the Zimbabwe Central Statistical office since the introduction of the Zimbabwe Gold Currency (ZWG) on 5 April 2024. Historical cost financial statements have been presented as supplementary information.

Inflation-adjusted revenue for the period under review was ZWG2 billion, representing revenue growth of 20% compared to the prior year's performance. Operating costs however recorded a significant increase to ZWG1.4billion from ZWG986million achieved in 2023, driven by inflationary pressures experienced in the first half of the year. The Company recorded an Earnings Before Tax Interest Depreciation and Amortisation (EBITDA) of ZWG416 million in the 2024 financial year.

## Chairman's Statement

### Legacy Loans

TelOne (Private) Limited, (TelOne/the Company), inherited loans worth ZWG10.05 billion (US\$389 million) from Posts Telecommunication Corporation (PTC). The legacy loan book has remained an encumbrance to TelOne's balance sheet resulting in the Company operating in a net liability position of ZWG32,2 million as of 31 December 2024. This has hindered TelOne's efforts to attract fresh capital required for network modernisation and digitalisation projects.

TelOne, through its Shareholder, Mutapa Investment Fund continues to pursue the debt warehousing arrangement to free up its balance sheet, making it more attractive to investors.

### Business Funding

TelOne actively sought long-term financing options in order to drive its network modernisation and expansion drive. However, the market in Zimbabwe remained largely constrained to a few short-term debt financing facilities available. Collaborations with potential investors in partnership arrangements have been slow as investors remained risk averse due to negative perceptions of currency risk, economic instability and perceived rigorous regulatory requirements.

Notwithstanding the above challenges, the business funded capital expenditure amounting to US\$8.5 million from its internally generated funds and short-term loan facilities. Cognisant of the rapidly evolving telecommunication sector and high demand for high capacity and speeds, management shall continue to widen its investment scope both in terms of scale and financing options in order to secure more sustainable and cheaper options. A capital investment of US\$500 million is required to fully implement TelOne's five-year technological roadmap.

### Sustainability and Corporate Social Responsibility

The business recognizes that our success is intricately linked to our value creation and contribution to the national economic and development agenda, the well-being of the environment, the communities we operate in and all Zimbabweans. This understanding forms the cornerstone of our commitment to sustainability and corporate social investments (CSI).

TelOne Environmental, Social and Governance (ESG) strategic initiatives cover the Social, Health and Environment pillars, further details and statistics on these initiatives are detailed in this Sustainability Report.

### Strategic Thrust

TelOne's strategic plan for the period 2021 to 2025 envisages the evolution of the business from traditional telecommunications services to Fixed- fixed-mobile convergence (FMC). The 2025 Strategic Plan is therefore drawn from this five-year plan within the context of the current operating environment and developments in the Information Communications Technology (ICT) sector.

In line with the Ministry of Information Communication Technology Postal and Courier Services mandate of delivering "Digital Economy", the Strategy is in pursuit of the Vision "Digitally Enabled Society by 2025 and the mission "To Provide Connectivity and Digital Solutions". As we advance into 2025, the five-year Vision, Mission, and Strategic focus have become more relevant and

urgent with no major departures anticipated to serve the need to expedite the execution of some delayed initiatives.

The Strategy focuses on five key areas which are:

1. Financial Sustainability
2. Customer Experience
3. Digital Transformation
4. Governance and Risk Management
5. Human Capital and Culture

### Commitment to Good Corporate Governance

The Board reaffirms its steadfast dedication to upholding rigorous governance standards anchored on transparency, ethical conduct, and accountability. This commitment operates in full compliance with Zimbabwe's National Code of Corporate Governance Framework and other relevant legislation including the Public Entities Corporate Governance Act.

To ensure continual improvement, the Board conducted a self-evaluation review during the year, assessing its own effectiveness and individual director performance. This practice will continue annually, reflecting the Board's dedication to human capital development across the Company.

The Board entered into a performance contract agreement with the shareholder during the year under review, solidifying the performance-driven culture led by the Board itself.

### Outlook

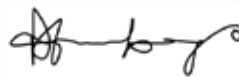
The macroeconomic environment is expected to remain unchanged due to the tight fiscal and monetary policy frameworks pursued by authorities. While this austerity stance may result in short-term economic challenges through tighter liquidity, achieving macroeconomic stability has broader implications, such as promoting certainty, encouraging investment and boosting productivity.

Despite ongoing economic uncertainties, the Company remains well-positioned to capitalize on emerging opportunities.

### Appreciation

Our Company has successfully navigated a challenging economic landscape and achieved sustained growth, thanks to the unwavering support of our valued customers. We are grateful to all our stakeholders for their continued trust and confidence in us. Your partnership remains the cornerstone of our success, and we are committed to upholding the highest standards of service excellence.

Finally, I would like to express my heartfelt gratitude to the TelOne (Private) Limited Board, management, and staff members for their exceptional leadership, dedication, and unwavering commitment that has enabled the Company to achieve our strategic objectives and deliver a reasonably good customer experience.



**Dr. D. Zimbango**  
Board Chairman

**31 May 2025**

# Chief Executive Officer's Report



## Introduction

As we reflect on the past year, our Company has made reasonable strides in expanding network coverage resulting in improved throughput and enhanced customer experience.

↑ **20%**  
Revenue

**ZWG2.04 billion (2024)**  
20% increase from  
ZWG1.7 billion in 2023

**Eng. L. Nkala**  
Chief Executive Officer

## Chief Executive Officer’s Report

### Business Performance Review

#### Financial Performance

	Inflation Adjusted			Historical		
	2024 ZWG	2023 ZWG	% change	2024 ZWG	2023 ZWG	% change
Revenue (million)	2,043.62	1,702.85	20%▲	1,581.80	156.80	909%▲
Operating expenses (million)	1,381.97	985.82	40%▲	1,031.46	90.78	1036%▲
<b>Cost to income ratio</b>	<b>98%</b>	<b>85%</b>	<b>15%▲</b>	<b>94%</b>	<b>85%</b>	<b>11%▲</b>
EBITDA (million)	416.15	518.19	20%▼	360.00	47.72	654%▲
<b>CAPEX (US\$)million</b>	<b>8.5</b>	<b>8.5</b>	<b>0%▲</b>	<b>8.5</b>	<b>8.5</b>	<b>0%▲</b>
<b>Home Broadband Subscribers</b>	<b>147,876</b>	<b>141,021</b>	<b>5%▲</b>	<b>147,876</b>	<b>141,021</b>	<b>5%▲</b>
<b>Voice subscribers</b>	<b>260,616</b>	<b>256,257</b>	<b>2%▲</b>	<b>260,616</b>	<b>256,257</b>	<b>2%▲</b>
<b>Customer Satisfaction Index</b>	<b>80%</b>	<b>79%</b>	<b>1%▲</b>	<b>80%</b>	<b>79%</b>	<b>1%▲</b>
<b>Employee Engagement Index</b>	<b>64%</b>	<b>64%</b>	<b>0%▲</b>	<b>64%</b>	<b>64%</b>	<b>0%▲</b>

Inflation adjusted revenue for the period under review grew by 20% largely driven by exchange rate induced growth as well as organic growth in the following business segments;

- Wholesale business segment grew by 102%, achieving sales of 81.8Gb by period end.
- Enterprise business segment grew by 26%, achieving sales of 25.87Gb.
- Home broadband subscribers increased by 5% to 147,876 with an average revenue per user per month of US\$12 per subscriber.

The Company’s equipped capacity increased from 165Gb in 2023 to 195Gb in 2024 to support business growth as well as enhancing protection on the Company’s network. TelOne continued to show industry-leading network availability uptimes of 98.41%, 99.99% and 97.83% across its backbone, core network, and exchange nodes layers, respectively.

Although the business registered a 2% increase in voice subscribers, voice minutes declined by 13% to 244,361,216 minutes due to reduced demand for telephony services especially in the residential areas.

Operating expenses increased by 40% to ZWG1.4 billion from ZWG986 million (restated) in 2023 in inflation adjusted terms.

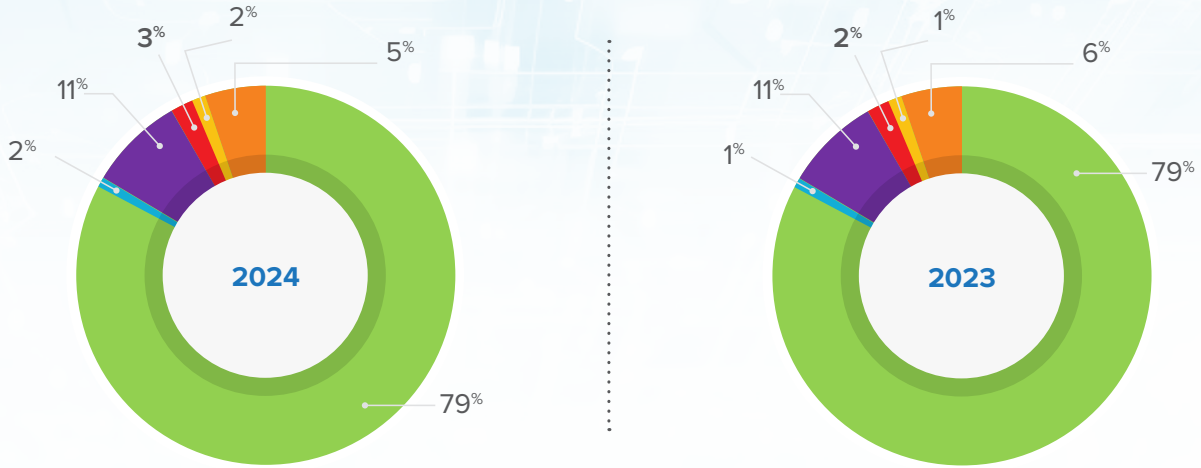
Notwithstanding the challenges faced during the course of the year, the Company remained focused recording an Inflation adjusted Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) of ZWG416.15 million (2023: ZWG518.19 million restated).

TelOne’s volume potential, anchored on increased product demand, a diversified product portfolio and investment drive focused on LTE expansion, remains strong enough to support future revenue growth and profitability.

The table below shows TelOne’s network expansion underpinned by a consistent investment drive in bandwidth capacity expansion, the commissioning of new Long Term Evolution (LTE) base stations and the continued rollout of Fibre to the Home (FTTH) infrastructure across both greenfield and brownfield areas:

	2024	2023	2022	2021	2020
Voice subscribers	260,616	256,257	243,495	243,421	252,051
Broadband Subscribers	147,876	141,021	133,617	135,487	128,545
Bandwidth Capacity	195Gb	165Gb	142.5Gb	97.5 Gb	64.5 Gb

The contributions of TelOne products to the total revenue of the Company are summarized in the charts below;



**Chat Key:**

- Broadband
- Manufacturing
- Data Centre
- Voice
- Other
- TCFL

TelOne’s flagship product, Broadband, maintained a contribution of 79% from prior year in terms of revenue contribution. TelOne investment drive is focused on LTE deployment in order to strengthen the growth prospects of its broadband lines by replacing the vandalism-prone copper network. Voice services remain a significant contributor to total revenue, maintaining 11% achieved in the prior year while Data Centre services have improved from 1% in the prior year to 3% in the year 2024.

**Pricing**

During the year 2024, the business received a tariff review of 50% in February 2024 which helped cushion the business at a time the local currency was depreciating. The Regulator also introduced ZWG-denominated tariffs in April 2024 in line with the new ZWG currency introduced on 5 April 2024. In October 2024, the Regulator approved 80% tariff adjustment aimed at cushioning the industry from the impact of exchange rate devaluation in the month of September.

**Regulatory Environment**

We strive for constructive engagements with our regulators, Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) and the Reserve Bank of Zimbabwe (RBZ), ensuring compliance and adapting to evolving regulatory requirements. We remain engaged with our regulators to address key issues affecting our business and our customers.

**Liquidity Challenges**

Liquidity shortages persisted throughout the year resulting in increased counterparty risks which negatively constrained the company’s working capital and its ability to fund its capital expenditure. The Company’s exposure with one of the key business partner, the Government of Zimbabwe increased from ZW\$128.8billion (ZWG51.6million -restated) as at 31 December 2023 to ZWG325.3million at 31 December 2024. TelOne continues to engage the Government of Zimbabwe to timely settle its dues through various settlement options.

**Network infrastructure modernisation**

TelOne continues to pursue initiatives to raise funding for infrastructure development and network upgrade projects despite lack of equity funding and unavailability of loan funding. Through its own internally generated funds, the Company made notable capital investments in order to support its strategic drive.

Key projects embarked on are summarised below:

- Our base station deployment efforts continued with the commissioning of 29 new sites on the LTE network.
- The Company successfully connected 12,000 homes to its Fibre-to-the Home (FTTH) network.
- A total of 305sqm Omni Contact centre completed with 102 seats
- The business has implemented Security-as-a-services (SECaas)
- Deployed various digital platforms and upgraded various core-systems

**Vandalism**

The business struggled with widespread cable theft during the period under review. Surging copper prices and economic challenges have led to a surge in thefts of copper cables and other vital network equipment across the country. Rampant vandalism, targeting over 60% of the TelOne’s infrastructure, is significantly impacting the business’ ability to deliver quality services.

In the year 2024, a total of 482 vandalism incidents impacted 61,658 clients, leading to financial losses. The estimated costs for restoration amounted to US\$766,119, while revenue losses were estimated at US\$589,634.

## Chief Executive Officer's Report

### Client Experience Enhancement

TelOne is committed to transforming its customer experience by focusing on convenience, efficiency, and overall satisfaction. The company has cultivated a customer-first approach within its operations, ensuring that employees consistently prioritize client needs and expectations. This dedication to fostering a service-oriented culture underscores TelOne's commitment to delivering exceptional service. By enhancing customer interactions and strengthening relationships, TelOne aims to build lasting connections and maintain its competitive edge in the market.

### TelOne in the Community

TelOne's Corporate Social Investment (CSI) initiatives are strategically developed to address community needs and generate meaningful impact. Throughout the year, the company implemented a range of social initiatives aimed at promoting health, advancing education, supporting environmental sustainability, enhancing social welfare, and empowering girls. These efforts benefited more than 10,000 individuals.

### 2025 Outlook

The business is expected to experience positive financial impacts due to monetary policy pronouncements introduced in 2024, which have stabilized inflation and exchange rates. This stability will lead to reduced operating costs across all expenditure lines affected by currency fluctuations, enhancing overall financial efficiency. Additionally, the company aims to capitalize on growing demand for telecommunications services by expanding its network infrastructure, particularly

through intensified LTE and FTTH rollout. This strategic move is expected to drive revenue growth and improve customer satisfaction by providing better service coverage and reliability.

To further strengthen its financial position, the company will prioritize debt recovery strategies to improve liquidity and ensure adequate funding for its network expansion projects. The business will continue to navigate macro-environmental challenges such as liquidity shortages and power outages, which could impact operations. By maintaining a vigilant approach to these risks while leveraging opportunities in the telecommunications sector, the company aims to sustain growth and long-term stability.

### Appreciation

I sincerely appreciate the dedication and hard work of the management and staff throughout the year. I am also grateful to our valued customers and suppliers for their unwavering support. Additionally, I extend my heartfelt thanks to the Chairman and the Board of Directors for their guidance and encouragement over the past year.

**Eng. L. Nkala**  
Chief Executive Officer

**31 May 2025**

# Corporate Governance Report

## Introduction

The Company considers compliance to be its highest priority and strives to strengthen and enhance corporate governance on an ongoing basis to meet the expectations of its shareholders and stakeholders, and to improve its medium to long-term sustainable growth and corporate value.

In that regard, the Company will strive to comply, in particular, with the provisions of the Public Entities Corporate Governance Act (Chapter 10:31) and the Companies and Other Business Entities Act (Chapter 24:31) and will focus on the areas mentioned below for best practices in corporate governance:

- a) having in place robust disclosure practices and policies in financial statements and annual reports, disclosing in detail executive remuneration and benefits and related party activities;
- b) ensuring that the Company's Strategic Plan and its implementation are aligned with the country's National Development Strategy 1 and Vision 2030 (revised to 2028);
- c) building the capacity of its Board members through training to ensure that Board members contribute meaningfully and add value to the organisation;
- d) ensuring that the Board plays an active role in the recruitment of key personnel as mandated in the Public Entities Corporate Governance Act;
- e) complying with the remuneration and benefits guidelines issued by the relevant Minister;
- f) ensuring that the Board conducts regular performance reviews for the Chief Executive Officer and Senior Management;
- g) ensuring that the Board members' evaluations are conducted annually; and
- h) having in place succession plans for the Chief Executive Officer and Senior Management.



## Board Of Directors



**Dr. Douglas Zimbango**  
Board Chairman

- Doctor of Philosophy in Organisational Leadership (PhD) (Zimbabwe Open University)
- Master of Business Administration (MBA) National University of Science & Technology
- Bachelor of Business Studies Honours (BBS. Hons) (University of Zimbabwe)
- Institute of Marketing Management Diploma (The Institute of Marketing Management, South Africa)
- Institute of Bankers Diploma (The Institute of Bankers –Zimbabwe)
- Associate- Chartered Institute of Transport (The Chartered Institute of Transport)



**Mrs. Nomusa Jowah**  
Deputy Chairman  
Technical & Strategy Committee Chairman

- Master of Business Leadership (MBL), (University of South Africa)
- BSc. in Electrical & Electronic Engineering, (University of Bath, UK)
- Ordinary National Diploma in Technology, (Solihull College, UK)



**Ms. Belinda Muswaka**  
Audit Committee Chairman

- Bachelor of Accounting Science (Honours) (UNISA)
- Bachelor of Commerce (Honours) Degree in Accounting (NUST)
- Chartered Accountant (Zimbabwe)
- Zimbabwe Certificate of Theory in Accounting (ZCTA)



**Mr. Newman Nyamhuri**  
Board Member

- Bachelor of Technology in Information Technology
- Diploma in Cybersecurity (University of Luis)
- Higher National Diploma Computer Studies(HND), (Kwekwe Poly Tech)
- National Diploma Computer Studies (ND), (Kwekwe Poly Tech)
- Certificate in Information Technology Education (HIT)
- Oracle Administration and Networking – Oracle (UNISA)

## Board of Directors (continued)



**Ms. Ginnet K. Mabiza**  
Finance Committee Chairman

- Chartered Accountant (Zimbabwe)
- Bachelors in Accountancy Honors Degree (UZ)
- Certificate in Project Management (UZ)
- Institute of Chartered Accountants Zimbabwe (ICAZ)
- Certificate in Theory of Accounting (CTA)
- Association of Chartered Certified Accountants (ACCA)
- Association of Chartered Certified Accountants Affiliate
- Post Graduate Diploma in Applied Accountancy (UNISA)
- Post Graduate Diploma in Advanced Accountancy (UNISA)



**Ms. Ephethehile Mazibeli**  
Board Member

- Masters in Business Administration (UoG)
- BSc. Honours in Applied Mathematics (NUST)



**Dr. Stella V.N. Phiri**  
Risk Committee Chairman

- Doctorate in Business Administration,
- Executive Masters in Business Administration Degree (Midlands State University)
- Executive Diploma in Business Leadership
- Associate Member of the RBA International



**Mr. Gondai Sithole**  
Human Resources and Corporate  
Governance Committee Chairman

- Bachelor of Law Honors Degree (LLBS) (UZ)

## Board of Directors (continued)



**Dr. Sherpard Shumba**  
Board Member

- Doctor of Philosophy in Counselling (ZOU)
- Masters of Science in Human Resources Management (MSU)
- Bachelor of Science in Counselling (ZOU)
- Diploma in Education (Gweru Teachers' College)



**Lawrence Nkala**  
Chief Executive Officer

- Masters in Business Administration (UZ)
- Bachelor of Science Honors Degree in Electrical Engineering (UZ)
- Chartered Engineer (UK)
- Member of Zimbabwe Institution of Engineers (MZweIE)
- Member of the Institution of Engineering; Technology (MIET, UK)
- Pr(Eng) Zimbabwe and United Kingdom



**Bernard Makanza**  
Chief Finance Officer

- Chartered Accountant (Zimbabwe)
- Bachelor of Accounting Science (Honors) Degree (UNISA)
- Bachelor of Accountancy (Honors) Degree (UZ)

## Governance Structure

The Company has the following Board Committees:

- i. Technical and Strategy Committee.
- ii. Human Resources and Governance Committee.
- iii. Finance Committee.
- iv. Audit Committee.
- v. Risk Committee.

### Membership of Board Committees

Board Of Directors Effective 11 <sup>th</sup> December 2020		
Board Member	Designation	Committees
Dr. Douglas Zimbango	Board Chairman Non-Executive Director	Human Resources & Governance
Mrs. Nomusa Jowah	Deputy Chairman Non-Executive Director	Technical & Strategy Finance
Ms. Ginnet K. Mabiza	Non-Executive Director	Audit Finance
Ms. Ephethehile Mazibeli	Non-Executive Director	Technical & Strategy Risk
Ms. Belinda Muswaka	Non-Executive Director	Audit Risk
Mr. Newman Nyamhuri	Non-Executive Director	Technical & Strategy Risk
Dr. Shepherd Shumba	Non-Executive Director	Human Resources & Governance Audit
Mr. Gondai Sithole	Non-Executive Director	Human Resources & Governance Audit
Dr. Stella V. N. Phiri	Non-Executive Director	Risk Finance
Eng. Lawrence Nkala	Executive Director (Chief Executive Officer)	All Except Audit
Mr. Bernard T. Makanza	Executive Director (Chief Finance Officer)	Finance



## Governance Structure

### Functions of the Board Committees

The Board delegates some of its functions to specialised committees. The mandate of the five Committees in the Company is derived from the terms of reference given to them by the Board. The Committees make decisions and recommendations to the Board for further consideration or adoption of resolutions.

#### Technical & Strategy Committee

The role of the Technical and Strategy Committee is to support and advise the board in exercising its authority concerning business development, market performance, and technical projects. The Committee approves and exercises ongoing oversight in matters about:

- The Company's strategy and board business objectives
- Business development issues
- Marketing strategy
- Technology strategy
- Capital projects planning and implementation
- Other matters that the board may refer to the committee from time to time in connection with the Company's strategy and business performance

#### Human Resources and Governance (HRG) Committee

The Human Resources & Governance Committee provides oversight, evaluates, and considers for approval matters about:

- Human resource strategy plan
- Nominations
- Human resource policies
- Performance management
- Executive compensation
- Staff training and development
- Health, safety, and environmental issues
- Other matters that the board may refer to the Committee from time to time in related matters

#### Finance Committee

The Finance Committee approves and exercises oversight on a wide range of issues including:

- Financial Strategic Plans
- Corporate Strategy and Broad Business Objectives
- Capital Structure and Funding
- Financial Reporting
- Capital Management Planning and Initiatives
- Operating Budget and Implementation Framework

#### Audit Committee

The Audit Committee recommends and provides oversight on matters that include:

- Audit plans and budget
- Corporate governance
- Internal audit matters and internal control environment
- External audit matters
- Company audit policies and procedures

#### Risk Committee

The Risk Committee recommends and provides oversight on internal control systems, risk management, and legal and compliance issues, to improve transparency and adherence to best practices. Matters reported to the Board by the Risk Committee include:

- Enterprise Risk Management
- Legal and Compliance with relevant laws and regulations
- Oversees Company risk policies and processes relating to Financial Statements, financial systems, and reporting processes

## Governance Structure

### Board Development Programmes

The current Board is in its fourth year and was appointed in December 2020. During the year under review, the Board members attended a board capacitation and development programme facilitated by the Corporate Governance Unit in the Office of the President and Cabinet. The programme focused on the provisions of the Public Entities Corporate Governance Act [Chapter 10:31].

### Annual Board Evaluation

The Board Evaluation for the year under review was done.

### Director Tenure and Meeting Attendance for the year 2024

Board Members' attendance at both the main Board and Committee meetings for 2024 is shown in the table below:

Name	Year Of First Appointment	AGM (1 Meeting)	Main Board (6 Meetings)	Human Resources & Governance (5 Meetings)	Finance (4 Meetings)	Audit (5 Meetings)	Technical & Strategy (4 Meetings)	Risk (4 Meetings)
D. Zimbango	2020	1	6	5	N/A	N/A	N/A	N/A
***N. Jowah	2020	1	6	N/A	4	N/A	4	N/A
G. K. Mabiza	2020	1	6	N/A	4	5	N/A	N/A
E. Mazibeli	2020	1	6	N/A	N/A	N/A	4	4
B. Muswaka	2018	1	6	N/A	N/A	5	N/A	4
N. Nyamhuri	2020	1	6	N/A	N/A	N/A	4	4
S. Shumba	2020	1	6	5	N/A	5	N/A	N/A
G. Sithole	2020	1	6	5	N/A	5	N/A	N/A
S.V.N. Phiri	2020	1	6	N/A	4	N/A	N/A	4
**Eng. L. Nkala	2022	1	6	5	4	5	4	4
***B.T.T. Makanza	2022	1	6	5	4	5	4	4

\*\*Executive Directors

## Certification Of Corporate Governance Report for the year ended 31 December 2024

### I Certify That:

- a) I have reviewed and assessed all the corporate governance structures, processes, and systems within TelOne (Private) Limited, (Company).
- b) I have assessed the functions and conduct of the Board, Board Committees, and Board members within the Company and certify that they meet the requirements of the Public Entities Corporate Governance Act [Chapter 10:31], (the Act) and best practices.
- c) Board members and senior management have complied with statutory requirements for conflict of interest and have signed the conflict of interest declaration document as required under section 34 of the Act.
- d) Board members have entered into performance contracts with the Shareholder.
- e) Board members and senior staff members of the Company have declared their assets as required under section 37 of the Act.
- f) The Board and individual Board members have carried out their annual performance evaluation and the weaknesses and areas of development and training identified through the process have been discussed at board meetings to rectify the identified weaknesses and areas for development and training.
- g) The Company has complied with the Act, its establishing laws, and other applicable laws and regulations governing the entity.
- h) The entity's corporate governance report based on my knowledge, does not contain any untrue statements of a material fact nor has there been an omission to state any material fact necessary, for the statement not to be misleading.
- i) Based on my knowledge, the Chairman and Directors' Reports fairly represent in all material respects, the true corporate governance condition of the entity for the reporting period.
- j) Based on my knowledge, all material disclosures on corporate governance compliance and other related matters, during the reporting period, have been fully disclosed.
- k) Based on my knowledge, all disclosure controls and procedures, including significant risk factors on corporate governance matters, and other areas of my expertise, have been addressed during the reporting period.



**L. Dziripi**  
Company Secretary And Legal Advisor

## Executive Management

### Management Committees

The TelOne Management Committee members have a crucial obligation to direct the activities of the Company while ensuring the delivery of set targets and strict adherence to corporate governance practices. Through the works of various committees, TelOne has been able to effectively and efficiently implement and monitor activities toward the attainment of business goals.

**The functions of the Management Committees are as follows:**

#### i. Executive Committee

The Executive Committee has the responsibility to manage the affairs of the Company. The Executive Committee reviews significant functions of the Company and recommends appropriate action to the Board. The Executive Committee is tasked with the implementation of the Company's strategy, ensuring that there are sound policies and procedures in place to guide operations. It also ensures that there are adequate systems of internal control to safeguard Company assets and resources.

#### ii. Risk and Compliance Management Committee

This committee meets quarterly to review the Company's risk profile and monitor implementation of appropriate actions to mitigate identified risks.

#### ii. Client Experience Management Committee

The Committee is chaired by the Head of Corporate Communications and is tasked with monitoring the operational day-to-day activities of the Company's business that have a direct impact on Client Experience. The Committee also develops strategies guided by customer feedback to improve and enhance customer experience.

#### iii. Integrity Committee

This is a twelve-member committee that comprises management employees from all of the Company's departments and Workers' representatives. The Integrity Committee is a working committee of TelOne, which reports to the TelOne Risk Board Committee. The committee focuses on areas of ethical risk, and integrity issues, and guides the Company on integrity concerns with the thinking that any divergence from the ethical acts is not tolerated in TelOne. It was constituted as a liaison Committee with the Zimbabwe Anti-Corruption Commission, which in turn is mandated by Section 255(h) of the Constitution of Zimbabwe (Amendment No. 20 of 2013), to make recommendations to the Government and other persons on measures that enhance integrity and accountability and prevent improper conduct in both the private and public sector.

### Tip-Off Anonymous and Whistle-Blowing

TelOne is committed to upholding high standards of integrity and transparency in all operations. TelOne will continue to conduct itself in an open, honest, ethical, and transparent manner. The Company recognises the importance of protecting its human, financial, physical, informational, social, environmental, and reputational assets.

To facilitate the investigation of any instance that goes against the Company's values and systems, the Company has an independent and anonymous fraud reporting hotline, Tip Offs Anonymous, offered through Axcentium. This facility augments the work of the Integrity Committee.

### Internal Audit

The Company has in place an independent Internal Audit function which reports functionally to the Audit Committee of the Board. The Internal Audit function is governed by an Internal Audit Charter which is reviewed regularly. The Internal Audit's scope of work is reviewed and approved by the Audit Committee annually. The Audit Committee also receives quarterly reports on the Internal Audit's work.

### Performance Management

TelOne has a performance management system in place that complies with the Results-Based Management System. The performance management system provides a strategic and integrated approach that delivers sustained success to the Company by improving the employees' performance and by developing the capabilities of individual employees and teams.

## Executive Management



**Lawrence Nkala**  
Chief Executive Officer

- Masters in Business Administration (UZ)
- Bachelor of Science Honors Degree in Electrical Engineering (UZ)
- Chartered Engineer (UK)
- Member of Zimbabwe Institution of Engineers (MZweIE)
- Member of the Institution of Engineering; Technology (MIET, UK)
- Pr(Eng) Zimbabwe and United Kingdom



**Bernard Makanza**  
Chief Finance Officer

- Chartered Accountant (Zimbabwe)
- Bachelor of Accounting Science (Honors) Degree (UNISA)
- Bachelor of Accountancy (Honors) Degree (UZ)



**Initial Mlambo**  
Technical Director

- Master of Business Administration (UZ),
- Bachelor of Business Studies and Computing Science (BBSC) (UZ)
- Executive Development Certificate - Africa University (AU)



**Maureen Chirambaghuwa**  
Acting Commercial Director

- Executive MBA in Strategic Management, ESAMI, Tanzania,
- Honors in Business Studies (Marketing) University of Zimbabwe
- Executive Management Development Certificate – Africa University
- Marketing Practitioner (MAZ) Marketers Association of Zimbabwe



**Crispin Dimba**  
Corporate Services Director

- Masters Degree in Strategic Management & Corporate Governance
- Bachelor of Commerce in Human Resources Management
- PROSCI Certified Change Manager
- Management Development Program Certificate- NUST



**Lindy Dziripi**  
Company Secretary and Legal Advisor

- Bachelor of Laws (LLB Honours) UZ
- Master of Laws in Commercial and Corporate Law (LLM–MSU).
- Registered Legal Practitioner, Notary Public and Conveyancer.
- Executive Leadership Development Programme Certificate- (AU).
- Certified Compliance Professional Certificate- (International Academy of Business and Financial Management- Hong Kong).
- Certificate in Public Prosecution- (Ministry of Justice, Legal and Parliamentary Affairs).

## Executive Management



### Christopher Maunganidze

Audit Executive

- MBA University of Gloucestershire UK
- Bachelor of Accounting Science UNISA
- Associate of the Chartered Governance and Accountancy Institute (ACG)



### Cludios Chenga

Procurement Executive

- Master of Science in Strategic Management (CUT)
- Master of Science in Purchasing & Supply Chain Management (BUSE)
- Master of Science in Counseling Psychology (GZU)
- Bachelor of Science in Special Honours Psychology(ZOU)
- Bachelor of Science in Psychology (ZOU)
- Professional Diploma Chartered Institute of Procurement & Supply (UK)
- Chartered Institute of Secretaries and Administrators Certificate (CISAZ)
- Diploma in Project Management and Humanitarian Aid (CBCA)
- MCIPS Member of the Chartered Institute of Procurement & Supply (UK)
- Executive Management Development Certificate (AU)
- Certificate in Dynamics of Successful Management (Success Motivation International)



### Moses Kapanga

Risk Executive

- PhD (Monitoring and Evaluation for Programs & Projects (UAE – Candidate);
- Master of Social Science in Monitoring & Evaluation (LSU);
- Master of Science in Strategic Planning & Management (CUT);
- Bachelor of Social Science in Monitoring & Evaluation (LSU);
- Bachelor of Arts –joint Major in Police Science & Law (UNISA);
- EDP in Risk Management & Loss Control (NUST);
- COP – Short Term Insurance (IIZ);
- Certified Revenue Assurance Practitioner (GRAPA);
- Certificate in Safety, Health and Welfare (IPMZ);
- Practical Enterprise Wide Risk Management (Hong Kong)
- Certificate in Auditing (LCCI)

# Building Zimbabwe's Digital Future

We offer a comprehensive suite of ICT solutions including Connectivity, Data Centres, Cloud Services, Internet of Things (IoT), and Managed Services. Whether you are a large enterprise or a small business, we have the solutions you need to thrive in the digital age.



## Broadband

We provide high-speed broadband connectivity to homes and businesses throughout Zimbabwe.



## Wholesale Business

Our Wholesale solutions ranging from IPT and Backhaul services enable Internet Service Providers (ISP) to deliver exceptional service to their customers.



## Data Centres

Our secure and reliable Data Centres provide the perfect platform for your critical business applications.



## Digital Services

We offer a variety of digital services ranging from SecaaS, SaaS, PaaS, IaaS, Microsoft Azure including Cloud Services, IoT and Managed Services to help you transform your business.

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Gweru: (054) 2221 794 or 2230617, Mutare (020) 2163395 or 2167666

Masvingo: (039) 2263 284 or 2263 384

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# Telone

The Future Is Better Together

# SUSTAINABILITY REPORT

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## OUR ECONOMIC IMPACT

Financial	GRI Standard Number	GRI Standard Title
	201	Economic Performance
	202	Market Presence
	203	Indirect Economic Impacts
	204	Procurement Practices
	205	Anti-corruption
207	Tax	

The selected material topics were assessed in the period under review in accordance with the economic GRI standards.

- Financial performance including economic value distributed through operating costs, employee salaries and benefits, payments to providers of capital and investments.
- Market presence and product performance.
- Impact on the national economy through employment creation, infrastructure development, technological innovations and production.
- Statutory obligations payments.
- Effectiveness of procurement practices in supporting national economic development and anti-corruption.
- Financial Performance.



### Economic Performance

This standard focuses on disclosing information related to an organization's economic performance. It aims to provide clear understating of the financial aspects of the organization's operations.

Key disclosures on includes those related to economic performance such as:

- Revenue
- Operating costs
- Financial indicators
- Economic Value Generated and distributed
- Payments to employees
- Taxes
- Corporate Social Investments
- Infrastructure investment with huge contribution to economy/GDP.

### Economic Performance Highlights of Financial Indicators for 2024

#### i. Revenue, Operating Costs and Financial Performance

Performance Area/Category	2024	2023	% Movement
Revenue Generated (ZWG000,000)	2,043.62	1,702.85	20%
Revenue Market Share (IAP) Achieved %	29%	32%	-9%
EBITDA Achieved (ZWG000,000)	416.15	518.19	-20%
Cost to income ratio %	98	85	-15%
Business Funding (US\$000,000)	8.5	8.5	-
Staff Cost to income ratio %	30	28	-7%

## Our Economic Impact

Revenue for the period increased by 20% from ZWG1.7billion to ZWG2.04billion. Wholesale Business segment realised a sales growth of 102% in 2024, with total IP transit capacity of 81.8Gb sold from 40.4Gb in the year 2023 whilst enterprise business increased by 26% from 20.6Gb to 25.87Gb in the year 2024.

Earnings before interest taxes, depreciation and amortisation (EBITDA) declined by 20% from ZWG518 million (restated) to ZWG416million in year 2024. Operating expenses increased by 40% from ZWG986 million in 2023 to ZWG1.4 billion in 2024. Exchange rate-induced inflation in the first quarter remained a significant factor contributing to high operational expenditure.

The business achieved business funding of US\$8.5million same as prior year. However, persistent liquidity shortages throughout the year led to widespread credit defaults, significantly straining the company's working capital and limiting its ability to finance capital expenditures.

### ii. Our Tax Contribution

#### Taxes paid in foreign currency (US\$)

Type of tax	2024 (m)	2023 (m)	% Movement change
<b>Direct Taxes</b>	<b>9.1</b>	<b>3.66</b>	<b>147%</b>
Value Added Tax	4.1	2.4	71%
Pay As You Earn	2.4	0.7	242%
Income Tax	2.6	0.56	352%
Withholding Tax on Non-Executive Directors	0.01	0.02	50%
<b>Indirect Taxes</b>	<b>3.06</b>	<b>2.8</b>	<b>10%</b>
Special Excise Duty on Airtime	2.4	1.9	24%
Withholding Tax On Local Contracts	-	0.3	100%
Non-residents Tax	0.66	0.6	20%
<b>Direct Non-Tax Contributions</b>	<b>1.3</b>	<b>1.0</b>	<b>30%</b>
Monthly Licence Fees	1.3	1.0	30%

#### Taxes paid in local currency (ZWG)

Type of tax	2024 (m)	2023 (m)	% Movement change
<b>Direct Taxes</b>	<b>81.71</b>	<b>10.4</b>	<b>690%</b>
Value Added Tax	33.8	5.4	528%
Pay As You Earn	29.5	4.0	640%
Income Tax	18.3	1.0	1782%
Withholding Tax on Non-Executive Directors	0.1	0.02	400%
<b>Indirect Taxes</b>	<b>27.68</b>	<b>8</b>	<b>251%</b>
Special Excise Duty on Airtime	26.4	7.8	239%
Withholding Tax On Local Contracts	0.08	0.1	50%
Non-residents Tax	1.2	0.1	2297%
<b>Direct Non-Tax Contributions</b>	<b>28.2</b>	<b>7.3</b>	<b>290%</b>
Monthly Licence Fees	17.0	4.2	308%
Operating Licence Fees	11.2	3.1	266%

### iii. Network and Infrastructure Investments

Project	Value US\$
Network Rehabilitation	502k
Smart W-iFi	142k
Access ATN Routers	239k
Firewall Upgrade	668k
Fibre to The Home (FTTH)	2.0m
Wireless To the Premises (WTTp)	2.3m
Bulawayo Victoria Falls Backbone (140Km)	1.7m
Power & Aircon Projects	300k

### iv. Corporate Social Investments

Investment Area	Value US\$
Student internships	74k
Community investments	115k



## Our Economic Impact

### Market Presence and Impact; Bridging the digital gap

TelOne's digital transformation initiative significantly enhances the lives of Zimbabweans by improving connectivity in underserved areas. We have made substantial investments in network upgrades, enabling faster speeds and seamless connectivity, thereby promoting sustainable growth and social impact.

#### Market Presence

##### i. Market Share

In 2024 TelOne achieved a market share of 29%, which reflects a slight decline from 32% achieved in 2023. This change highlights intensified competition from new entrants and the resultant price wars in the market. Nevertheless, the company anticipates to retain its key customer base and protect revenues in 2025 as it continues to enhance its offerings and improve on quality of service.

##### ii. Subscriber Base

TelOne's total subscribers for voice and home broadband increased by 3%, from 397,278 in 2023 to 408,492 in 2024. However actual voice minutes declined by 13% to 244,361,216 usage minutes as customers shifted to use OTT solutions in preference to conventional landline use.

##### iii. Network Coverage

TelOne continues to invest in backbone and metro fibre networks to extend coverage, enhance service quality, and facilitate connectivity for local businesses and international markets. It is expected that LTE coverage will also be expanded in 2025 to meet future demands, providing affordable broadband access to Zimbabweans from all walks of life.

#### Impact and Benefits

With a strong market presence, TelOne has established extensive coverage across urban and rural areas, ensuring diverse customer access to services. Key investments detailed below highlight efforts in enhancing network capacity, speed, and reliability thereby improving the overall customer experience:

- **Fibre Optic Technology:** A crucial aspect of the transformation involves transitioning from traditional copper infrastructure to optic fibre technology in selected areas. This upgrade is essential for delivering higher bandwidth and faster internet speeds. Coverage has been expanded with over 800km of fibre with 12,000 homes passed to date.
- **LTE Base Stations:** (Long-Term Evolution) base stations established in selected suburbs in Harare, Beitbridge, Mutare, Bulawayo Kwekwe, and Gweru.
- **Satellite Partnerships:** To further enhance connectivity, TelOne has formed partnerships with satellite providers such as Eutelsat and Starlink. These collaborations are intended to provide internet access in underserved areas where terrestrial infrastructure is challenging to deploy.



Network expansion and upgrades

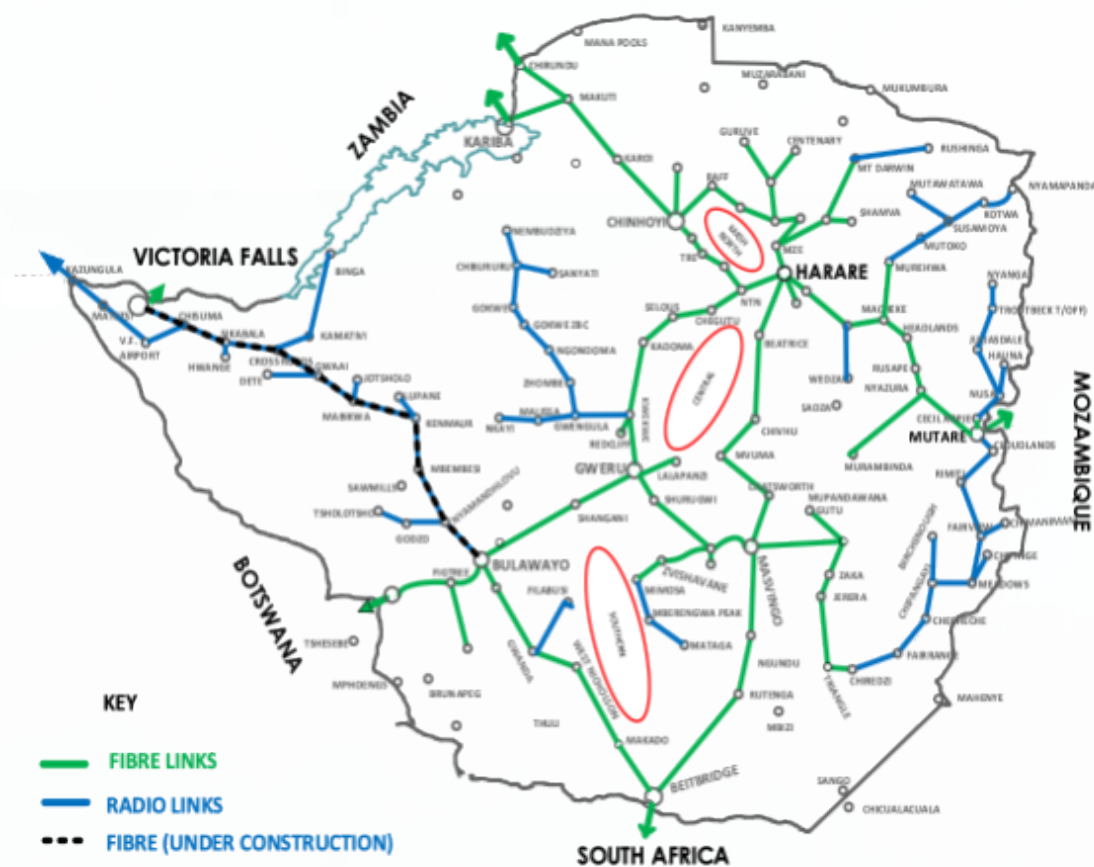
## Our Economic Impact

### 2024 Network Highlights

In 2024, TelOne prioritised upgrading its infrastructure, technological prowess, and innovative customer support frameworks to align with market requirements.

Item	Update	Details
Technical Capabilities improvement	IP/MPLS Metro Ring Upgrade	Upgraded Harare IP/MPLS metro rings to 100G improving internet capacity for Broadband and Enterprise clients
	Wireless Rollout	Total of 26 new base stations have been added, increasing capacity by 7,800 and bringing the total to LTE 39 base stations nationwide. LTE coverage has been extended to urban areas outside the capital city including Bulawayo, Mutare, Gweru, Beitbridge, and Victoria Falls. This expansion enhanced connectivity in the regions
Support and Customer Experience Improvement	Periodic Service Review Sessions with key Corporates. Optimised key account management.	This has significantly improved service restoration timelines through improved communication and elimination of bottlenecks

Network coverage map



## Our Economic Impact

### Delivering Expert Solutions

TelOne is dedicated to providing telecommunications and digital solutions that cater to the diverse needs of its customers segments across various sectors, including industry, business, government, NGOs, and SMEs, while ensuring environmental sustainability, social responsibility, and governance excellence. This in line with the United Nations' Sustainable Development Goals (SDGs), especially SDG 9: Industry, Innovation, and Infrastructure.

As a result, a dedicated Innovation business unit has been created and has expanded significantly over the past four years to provide targeted support to this market, promoting economic growth and social development. An investment of \$8.5 million was allocated in 2024 for network and systems upgrades, as well as alternative power solutions, to better serve all business sectors.

### Our Value Proposition to our Business Clients

We foster client growth by ensuring tailored support that meets each client's unique needs. We have integrated business acumen, industry expertise, and technological advancements to enable delivery of exceptional client experience. Our clients enjoy the following benefits:

- **Reliable Connectivity:** TelOne offers robust and dependable internet and communication services, ensuring uninterrupted connectivity for critical business operations.
- **Diverse Product Range** - a comprehensive suite of ICT solutions, including internet services, VoIP, cloud solutions, and hardware like tablets and laptops, tailored to meet various business needs.
- **Scalability** - flexible service plans that can grow with your business, allowing for easy upgrades as operational demands increase.

- **Cost-Effective Solutions** - competitive pricing structures designed to provide value for money, enabling businesses to optimize their operational budgets.
- **Support and Expertise** – dedicated account managers and customer support teams offering personalised service, assistance and quick resolution of issues.
- **Innovation** - continuous investment in cutting-edge technology to enhance service quality and deliver advanced solutions.
- **Strategic Partnerships** - collaborations with local and international organisations to improve service offerings and expand capabilities, ensuring clients have access to the latest technologies.

### Sustainable ICT Devices

TelOne is committed to providing accessible ICT solutions to all Zimbabweans. As an Original Equipment Manufacturer (OEM) within the Microsoft Ecosystem, TelOne's manufacturing plant sources components from certified Original Design Manufacturers (ODMs) in China and Europe. The plant assembles a range of ICT devices, including tablets, laptops, desktops, and all-in-one devices, with a potential annual production capacity of 100,000 units given sufficient investment.

The plant offers:

- **Alternate Power Solutions:** Offering Mini UPS Systems, designed to provide lightweight and environmentally friendly power for various ICT equipment.
- **Refurbishment Services:** Refurbishing and reselling ADSL modems and telephone handsets at reduced prices.



Our dedicated Corporate Solution team

## Our Economic Impact

### Our Contribution to the Fiscus

#### Approach to Tax

Taxation is crucial for TelOne to fulfill its economic contributions and support national development. Committed to integrity, accountability, and transparency, TelOne's tax strategy aims to be socially responsible, fostering economic and community support through a well-managed tax approach.

The company recognizes the societal benefits of a fair and transparent tax system. The Board and management cultivate a strong culture of compliance, ethics, and good governance throughout the organization. Prioritizing sustainability, tax risk management, stakeholder relations, and accountability, the Board focuses on creating societal value through responsible leadership.

#### The following are key pillars that drive our sustainable and responsible tax governance:

##### Commitment to Full Compliance

TelOne, under the direction of its Board, is committed to full compliance with all tax governance and regulations. This commitment is supported by a multi-layered approach to ensure accuracy and adherence to tax laws.

**Independent Assurance:** Compliance is independently monitored by the Legal, Risk, and Internal Audit departments, providing an additional layer of oversight.

**Dedicated Tax Department:** TelOne employs a dedicated tax department responsible for managing tax-related matters.

**Core Objectives:** TelOne's tax compliance efforts are primarily focused on:

- Maintaining the integrity and transparency of tax calculations and payments.
- Timely adherence to all statutory tax obligations.
- Prompt remittance of all due taxes in accordance with tax laws

##### Tax Risk Management

Aligned with the Company's Risk Management Policy, a tax risk register is maintained and continuously monitored and updated by the Risk Department in collaboration with Tax Function. This ensures that all strategic and tax decisions taken undergo comprehensive risk assessment and adequately supported for the benefit of TelOne's stakeholders. Our Head Financial Reporting leads the tax function. The Company also leverages expert services from reputable Tax Advisory firms, employing tax specialists with accounting, tax and legal qualifications. We operate in a dynamic tax environment and as a result we continuously invest in the upskilling our tax workforce and utilising technology to achieve sustainable value.

##### Delivering Societal Value Through Contributions to Public Finances

As a responsible State-Owned Entity, taxpayer, employer, and investor, TelOne is committed to supporting the government in building a better future for communities,

businesses, and individuals through our contributions to public finances. We are also aware of our obligations to contribute to the national economy. This is a crucial aspect of any sustainable business, as it directly enhances the government's broader service delivery capabilities and supports national development objectives.

##### Settling Tax Obligations

TelOne's contribution to the fiscus is both historical and undisputed. The Company has a proven track record of settling all tax obligations within the required timelines as stipulated by statutory regulations. During the financial year ending 31 December 2024, TelOne made total payments of ZWG137.6 million and US\$13.4 million to settle its tax obligations, as highlighted below;

##### Transparent Operations

As a responsible business, we strictly adhere to responsible taxation principles driven by our transparent relationship with tax authorities and other key stakeholders.

This is endorsed by the Board and Management along with clear presentation and disclosure of all appropriate tax and economic information. Compliance with all legal disclosures and approval requirements is key. Through our tax function, we cooperate and timely provide information to tax authorities or other relevant bodies as requested.

##### Engagement and Collaboration

We believe The Future Is Better Together is realised through professional, timely, transparent, proactive and continuous engagements and cooperation with government, tax authorities and other regulators.

##### Our Core Tax Principles:

- Full compliance with all relevant legal, regulatory and governance laws.
- Upholding integrity in all tax matters, disclosing all relevant facts to tax and regulatory authorities.
- Cooperating and proactively engaging with stakeholders.
- Paying all the tax due.
- Being accountable for our actions.
- Acting as an ethical responsible corporate citizen.

### Our Tax Contribution

#### Direct Taxes

**ZWG33.8 million,  
US\$4.1 million**

Value Added Tax

**ZWG29.5 million  
US\$2.4 million**

Pay As You Earn

#### Direct Non-Tax Contributions

**ZWG7.6 million,  
US\$1.3 million**

Monthly Licence Fees Including Ttms

**ZWG17 million  
US\$1.3 million**

Operating Licence Fees

#### Indirect Taxes

**ZWG26.4 million,  
US\$2.4 million**

Special Excise Duty on Airtime

**ZWG1.2 million  
US\$664k**

Non-Residents Tax

## Our Economic Impact

### Sustainable Procurement Practices

#### Management Approach Disclosures

Management is driving sustainable procurement through:

- Promoting local suppliers.
- Ensuring competitive and transparent procurement practices, so as to achieve value for money
- Providing fair and equitable treatment of all bidders
- Supplier diversification that is the strategic variation of TelOne’s vendors to include more traditionally excluded groups. The diverse supplier program in place enables supplier companies owned by war veterans, detainees, women, youth, People living with Disabilities and other groups to gain a more equal share in the market.
- Conducting supplier vetting. As TelOne we do not procure from bidders who are not ethical for example bidders who practice child labour etc.

#### Policies and Practices Governing Public Procurement and Promoting Sustainability

TelOne adheres to several policies and practices that govern public procurement and promote sustainability, including:

- Public Procurement and Disposal of Public Assets (PPDPA) Act
- PPDPA Regulations
- Affirmative Procurement
- Indigenization & Economic Empowerment Act
- Small and Medium Enterprises (SMEs) Act
- Environmental Management Act (EMA)

#### Procurement Thresholds and Methods

- Request for Quotation (RFQ): For goods valued below US\$10,000, we adopt the RFQ method, inviting local bidders to submit their proposals.
- Domestic Suppliers: For goods valued between US\$10,000 and US\$300,000, the Procurement Management Unit (PMU) may invite only Zimbabwean suppliers to bid.

- International Bidding: For thresholds above US\$300,000, both Zimbabwean and foreign bidders are invited. However, preference is given to bids from Zimbabwe or local suppliers, allowing for a 15% domestic preference on procurement of goods.

#### Consultancy Services

When procuring consultancy services, we may adopt the Selection Among Community Service Organizations method. This process focuses on firms that primarily consist of community service organizations, as the services required often necessitate local participation and understanding of community needs. Evaluation criteria include:

- Unique qualifications of community service organizations
- Voluntarism and non-profit status
- Local knowledge
- Scale of operations
- Reputation

These policies ensure that TelOne not only supports local suppliers but also promotes sustainable practices and community engagement in its procurement processes.

#### Promoting Local Suppliers

Management at TelOne is committed to promoting local suppliers through several initiatives:

- Prioritising Domestic Tenders: We prioritize tenders for domestic and community-based suppliers and offer domestic preferences when procurement methods require inviting both domestic and international suppliers.
- Dividing Tenders into Lots: By splitting tenders into smaller lots, we encourage participation from small and medium-sized suppliers, allowing them to compete for shares of larger contracts.
- Simplifying Tender Requirements: TelOne encourages small players to engage by designing tender documents with less stringent criteria, such as reduced bid bond requirements and fewer years of experience needed.

#### Proportion of Spending on Local and International Tenders

While specific figures on the proportion of spending between local and international tenders may vary, the emphasis remains on maximising procurement from local suppliers to foster economic growth and sustainability within the community. This approach not only supports local businesses but also enhances the overall economic landscape.

Companies Engaged	Suppliers	Supplier %	Tenders	Tenders %	Orders	Orders %
Local	624	99%	1,950	98%	2,352	98%
International	8	1%	36	2%	36	2%
<b>Total</b>	<b>632</b>	<b>100%</b>	<b>1,986</b>	<b>100%</b>	<b>2,388</b>	<b>100%</b>

Annual Spend Analysis	US\$	Weighted Average %
Local	23,912,322	77%
International	7,001,840	23%
<b>Total</b>	<b>30,914,162</b>	

#### Supply chain risks

- Global supply chain disruptions.
- Increased pressure on cash flow resulting in delayed purchases
- Foreign currency shortages.
- Variation of procurement contracts.
- Supply delay and supply failure resulting in materials provisioning
- Slow automation of procurement process in the industry.

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## Sustainable Procurement (Continued)

### Management intervention

- Risk assessment.
- Risk management.
- Negotiating for better payment terms for example payment within 30 days after delivery.

- Prioritizing domestic suppliers to ease pressure on forex
- Deliberately awarding tenders to different suppliers thereby spreading and mitigating none delivery risks. Vigorous follow up of orders.
- Utilise consignment arrangements for procurement to alleviate capital constraints.

## Our Economic Impact

### Anti-Corruption Report



TelOne Executive team took the Integrity Pledge in 2024, facilitated by Zimbabwe Anti-Corruption Commission

### Anti-Corruption Report

At TelOne, we are committed to conducting business with integrity and transparency. We acknowledge that unethical conduct within our organisation hinders economic development and undermines trust in institutions. Our mission is to uphold the highest standards of ethical conduct, contributing to sustainable economic growth in the communities we serve. This report outlines our comprehensive efforts to prevent corruption and promote ethical practices.

### Anti-Corruption Policy

We maintain a zero-tolerance approach to corruption, reflected in our robust anti-corruption policy applicable to all employees, contractors, and third-party agents. This policy is grounded in the principles of transparency, accountability, and fairness.

### Key Initiatives

#### a) Risk Assessment and Due Diligence

We conduct regular risk assessments to identify potential corruption risks within our operations. Due diligence is performed on all third-party agents and contractors to ensure their alignment with our anti-corruption commitments.

#### b) Employee Training and Awareness

We offer regular training programs to all employees, enhancing their understanding of our ethical standards and anti-corruption policies.

#### c) Gifts and Hospitality policy

Our policy on gifts and hospitality is integrated into our Code of Ethics and Conduct, aimed at preventing undue influence and conflicts of interest.

#### d) Whistle-blower Policy

To uphold integrity and transparency, TelOne provides an independent and anonymous fraud reporting hotline, Tip-Offs Anonymous, managed by Axcantium. This tool supports our Integrity Committee in investigating conduct that violates our values.

#### e) Collaboration with Law Enforcement

The TelOne Loss Control Teams actively collaborate with law enforcement agencies to investigate and prevent corruption.

### Performance Indicators

- **Employee Training:** 95% of employees have been trained on ethics and integrity policies.
- **Integrity Pledge:** 100% of Board Members and Executive Management have signed the Integrity Pledge administered by the Zimbabwe Anti-Corruption Commission. Additionally, 100% of employees in Harare have signed the Integrity Pledge.
- **Third-Party Screening:** 100% of third-party agents and contractors are screened for corruption risks.

### Challenges and Opportunities

Despite the progress in our anti-corruption efforts, we recognize that corruption remains a significant risk in our industry. To address this, we will:

- Continuously enhance our anti-corruption policies and procedures.
- Stay vigilant to emerging risks and challenges
- Explore opportunities for greater community engagement and stakeholder collaboration.

## OUR SOCIAL IMPACT

GRI Standard Number	GRI Standard Title
401	Employment
402	Labor/Management Relations
403	Occupational Health and Safety
404	Training and Education
405	Diversity and Equal Opportunity
410	Security Practices
413	Local Communities
417	Marketing and Labeling
418	Customer Privacy

Our priority material topics under the Social GRI Pillar as listed, guided our work as we sought to deliver and create social value:

- For our internal stakeholders through our responsible and fair human resource practices,
- For our communities through sustainable social investments,
- For our clients through responsible business practices.



TelOne's CEO, Eng. Lawrence Nkala and the Minister of ICT Honorable T. Mavetera participating at the National Clean Campaign in Harare

## Focus On Our Team

We aim to be an employer of choice by investing in our people through skill development programs that create advancement opportunities. Our goal is to ensure a workforce that reflects the communities where we live and work.

TelOne provides opportunities that empower employees to grow both professionally and personally. We offer a variety of job opportunities across various fields, including Engineering, Human Resources, Procurement, Logistics, Marketing, and other key areas.

Our team is composed of skilled professionals who are leaders in their respective areas. In 2024, we hired 24 graduate trainees, an increase from 12 new graduates in 2023. The business enhanced the on-boarding process to ensure new recruits found their feet quickly and assimilate into the TelOne culture.



For the 2024 financial year training was conducted as detailed in the table below:

### Skills Development

Category	Executives	Management	Supervisors	General Staff	Target	Total Trained	% Trained	Man-hours
Leadership	10	45	145	-	200	200	100	4,320
Soft Skills	-	55	80	660	800	795	99	3,180
Commercial	2	68	120	410	620	600	97	2,400
Digital/ Technical	4	45	85	550	700	684	98	2,736
Workshops	10	81	100	304	500	495	99	1,980
<b>Total</b>					<b>2,820</b>	<b>2,774</b>		<b>14,616</b>

## Employment, Labour and Management Relations

TelOne increased the rate of new hires in 2024 compared to the prior year.

Employment Creation	2023	2024	% Movement
Specialist Skills	12	24	100% ▲
Brand Ambassadors	427	440	3% ▲
Community short term jobs	1,754	1,950	10% ▲
<b>Total</b>	<b>2,193</b>	<b>2,414</b>	<b>10% ▲</b>

At TelOne, we are helping to create a strong talent pipeline by investing in the future workforce.

### Training and Development

Championing the growth of TelOne requires the collective efforts of our workforce by prioritising the development of our workforce. We aim to strengthen all our teams by equipping them with the contemporary and most in-demand skills of today. The training provides a greater understanding of responsibilities which leads to employees to gain confidence within their role. We maintain an elastic and future ready talent pool to fulfill our organisational mandate. Another important reason for maintaining the training and development in the organisation to build loyalty amongst employees.

Priority is given to digital and technical training as these fields are advancing rapidly than traditional methods of training and development cannot keep up. TelOne made a deliberate move to set up and re-skill existing staff.

At TelOne, we highly value employee development through Leadership, Technical, Commercial and Soft Skills Training.

## Focus On Our Team

### Comments

- The business earmarked to train 2,820 staff in the entire year as staff development initiative. A total of 2,774 staff members were trained, achieving 99% training rate.
- A total of 14,616 man-hours were done in the year 2024.

### Team Building

Team building is fostered through regular refresher sessions organised by the Human Resources to strengthen our collective team spirit. This also helps to build a friendly workplace.

### Wellness

We implemented successful wellness programs focused on mental health, providing counselling and monitoring for individuals with known chronic conditions. Other essential services included Annual Cancer Screening, Cervical, Breast and Prostate health. The organisation offered occupational monitoring services through TelOne clinics. Wellness, Welfare and Work-life balance of our employees are prioritised through various initiatives:

Key Activity	Programme
Wellness	<ul style="list-style-type: none"> <li>• A total of 1,780 members of staff attended fire preparedness training at their respective workstations as part of staff alertness in the event of fire outbreak at work stations.</li> <li>• 1,535 staff attended the Wellness Fairs held across the country in 2024. 16 service providers offered various medical services. Areas covered included checks on Cancer, Diabetes, HIV and major chronic diseases.</li> <li>• Various sports disciplines were supported in all the Regions i.e. Soccer, Netball, Darts, Pool and Chess.</li> <li>• Our Soccer and Netball teams participated in the Ministry of ICT Sports League in 2024.</li> <li>• 35 First Aiders from Harare Region were trained.</li> <li>• 1,230 staff members attended a Becoming Talk show covering Mental Health, Financial, and general etiquette in 2024.</li> </ul> <p>The organization implemented mancave sessions to promote mental health and wellbeing of the employees. The organization’s mancave focused on empowering men to become great versions of themselves. A total of 472 men participated at the mancave session.</p>
Welfare	<ul style="list-style-type: none"> <li>• TCFL Harare Campus clinic was renovated and opened in 2024.</li> <li>• Bulawayo clinic was renovated in 2024 and is scheduled to be opened in Q1 2025.</li> <li>• Reopened the Bulawayo main exchange canteen in 2024.</li> <li>• Staff were assisted with Benevolent Loans for critical needs like medication and assistance with school fees.</li> </ul>



## Focus On Our Team

### Culture and Employee Engagement

Engaged employees are essential to bringing our company's purpose. We are committed to helping our employees feel connected and fulfilled by their work. The annual TelOne Culture and Employee Engagement Survey is a key input of our employee listening program.

Through this survey, we obtain feedback on employee sentiment and gain actionable insights on how to enhance the employee experience at TelOne. The latest Employee Surveys recorded an employee engagement score of 64.2% and a Change Readiness score of 68.7%. The results indicate that employees take pride in being associated with TelOne and feel a sense of personal accomplishment in their work, among other factors.

Engagement scores were shared across the organisation, and leaders are responsible for implementing targeted initiatives based on feedback from their teams.

Culture is the optimal performance driver, it represents an implicit agreement between an organisation and its employees, empowering individuals to achieve goals without the burden of worry or fear of negative consequences.

In TelOne, employees define culture as "how we do things around here." Our latest culture index score was 60.2%. Initiatives that include team building, upskilling, and leadership trainings were implemented to improve the culture index score.



### Occupational Health and Safety

Occupational Health and Safety systems in TelOne were closely examined for years with systems put in place to protect the well-being of employees. We take prudent precautions about occupational health and safety of our employees. We build and install viable safety and health systems throughout the organisation.

We strive to maintain effective communication with our employees and an open door policy is actively practiced in our company. This encourages our employees to communicate any job related issues, especially occupational health and safety issues with the management and supervisors both verbally and in writing. In 2024, policies were reviewed and displayed at all premises to ensure all employees are adequately informed.

As part of providing a safe and healthy workplace to our employees, we organize 2 hours of fundamental occupational health and safety training every year. In addition, official training about emergency equipment, certified first aid and fire safety training are provided for our employees.

Fire wardens maintained work stations safe through fireguards and good housekeeping. Regulatory inspections by NSSA, EMA Fire Brigade and Fire Prevention inspection bureau are carried out and we are excited to report that no penalties were levelled against us. Occupational health and safety meetings are held periodically where findings and respective action plans are discussed to take timely measures. Furthermore, location specific occupational safety activities are executed by a team composed of an occupational safety specialist.

### Accident Statistics

- No fatalities occurred.
- Major hazards in 2024 presented in working at heights and road traffic accidents constituting 56% of the injuries

### Diversity and Inclusion

True success comes from creating an inclusive environment where connection and belonging empower every individual to reach their fullest potential. We strongly believe that embedding Diversity and Inclusion into our culture and talent processes gives our employees a sense of belonging and gives our brand a real competitive advantage. We strive to create an inclusive workplace that is as diverse as the communities we serve. Doing so ensures a broad range of perspectives, helps attract and retain the best talent, and brings deeper insight into our customers and partners. By creating a level playing field for everyone, every individual has an equal opportunity to achieve betterment, maximize their leadership potential and unleash high performance.



## Focus On Our Team

The business is committed to improve diversity in line with the 50-50 threshold. Currently, TelOne employees are 33% female and 67% male. The organisation has made deliberate effort to create a culture of inclusion in our workforce, we encourage female employees to join the organisation.

Output Descriptor	Actual	Target	Comment
<b>Diversity Metrics</b>			
% of Females	33%	37%	4% below target
% age of females in senior leadership positions	28%	30%	2% below target revenue

The goal of the business is to improve representation of minority groups in both leadership positions and the rest of the staff. In 2024, we implemented inclusive hiring practices and developed training programs to raise awareness about gender issues. The organisation is implementing these initiatives to address disparities and promote fairness in areas such as compensation, promotions, and career development.

### TCFL

TelOne Centre for Learning is committed to fostering a sustainable future through education and innovation. Our mandate is to empower individuals and communities with the knowledge and skills needed to thrive in a rapidly changing world. As part of our dedication to sustainability, we strive to integrate innovation, social, and economic considerations into all aspects of our operations.



Our sustainability efforts are guided by the Global Reporting Initiative (GRI) Standards, ensuring transparency and accountability in our reporting. We aim to contribute to the NDS by promoting training and use of ICTs. For 2025 efforts are going to be focused on the following issues.

### Prometric Centre

The prometric centre is going to provide a secure and reliable environment for administering certification exams. The goal is to support the professional development of ICT professionals by offering a wide range of certification exams in a state of the art facility.

### AI and Machine Learning Training

TCFL intends to prioritise training on personalized Learning Path, Implement AI to create personalized training modules tailored to individual learning needs.

Also predictive Analytics Use machine learning to identify areas where students may need additional support or resources.

### Collaborative Platforms

Peer Learning Use collaborative tools to facilitate peer-to-peer learning and knowledge sharing. Online Communities Create communities where trainees can discuss sustainability topics and share best practices.

### Integrate Sustainability into Curriculae

Eight (8) diploma programs have been accredited by HEXCO in 2024.

### Partnerships and Collaboration

TCFL wishes to rope in Industry Partnerships to provide insights and real-world experience, and collaborate with other educational institutions to share resources and best practices.

These partnerships are going to assist in creating shared benefits on conferences, short courses and Innovation activities.

### TCFL Graduation for 2024

Graduation for 2024 combined graduands for 2023 and 2024. Class Statistics for students who graduated are indicated in the table below.

Male	365	52%
Female	336	48%
Total	701	100%

### 2025 Students Enrolment

TCFL is set to attract more students for 2025. The target enrolment is 1608 for both Bulawayo and Harare Campuses.

## Focus On Our Communities

# SUSTAINABLE DEVELOPMENT GOALS

### Our Corporate Social Investment Policy

Our social investment continues to be informed by the company's Corporate Social Responsibility Policy which is informed by Corporate Governance Laws of Zimbabwe. The policy outlines that TelOne should conduct its business in a responsible and ethical manner and commits itself to support CSI activities in support of the broader national and global development goals. Targeted groups or communities are identified and supported in material form, monetary form, training, mentorship and employee participation hours.

### Corporate Social Investment Pillars

Our Corporate Social Investment programs continue to be informed by the Sustainable Development Goals (SDG).

### Social Welfare

The goal is to end poverty in all its forms everywhere across the globe and in Zimbabwe in general. We have maintained our approach in our Social Welfare communities. Our Winter warmer initiative and grocery hamper donations to the needy were the major highlights as we managed to make an impact in Vulnerable communities.

### Health

This goal is to ensure healthy lives and promote wellbeing for all, at all ages. We managed to conduct a series of successful medical outreach programmes during the 2024 year. TelOne participated in four communities: Chikomba West, Mwenezi East, Redcliff and Nyanga North through funding medical outreaches and medicines in needy communities.

### Education

This SDG seeks to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. We managed to support communities by participating in National programmes supporting education.

This year's Girls in ICT celebrations was a major highlight as we supported 30 female ICT University students in the Matebeleland region from Lupane State University, NUST University and Gwanda State University. TelOne also partnered with Action Empowerment Zimbabwe for the National Education Conference and managed to impact different schools within Masvingo.

### Girls and Women Empowerment

Informed by SDG 5, seeks to achieve gender equality and empower all women and girls. TelOne in partnership with Batsi Health and ZimSmart Villages launched a Women Empowerment programme under the name Batsi Women. The programme was launched culminating in the training of 50 women from Zhombe, Redcliff, Silobela and Kwekwe rural. We also managed to continue with the girl's mentorship programme in Mazowe at Shingirirayi High School.

### Environment

Under the environment pillar, which is informed by SDG 13, TelOne runs programmes that include nursery development and tree planting, litter bin provision for local authorities and rehabilitation and maintenance of road islands.






On the first Friday of every month, TelOne participates in the National Clean-Up Day, and this past event saw TelOne FC, our Premier League team, join the community of Ascot in Gweru to address the pressing issues of litter. During this campaign, a total of 100 households benefited from the clean-up efforts, and our commitment to enhancing community cleanliness includes the installation of street litter bins going into 2025.

In a collaborative effort to combat littering, TelOne partnered with Zimbabwe Cricket, donating 100 bins aimed at increasing recycling points within Harare's sports facilities. Gweru has also been identified as the next targeted city for similar initiatives, where additional bins will be strategically placed around the town and in key communities.



## Focus On Our Communities

### Our Community Investment and Impact at a glance

CSI PILLAR	2024 PERFORMANCE		
	Programmes/Activities	Activities	Reach/Impact
<b>3</b> GOOD HEALTH AND WELL-BEING  <b>Health</b>	Medical outreaches	Outreaches conducted in 4 districts (Chikomba West, Redcliff, Mwenezi East and Nyanga North)	20 000 people impacted
<b>1</b> NO POVERTY  <b>Social Welfare</b>	Winter warmer blankets and grocery hampers for the vulnerable	Blankets and Groceries (Chipinge, Cross Dete, Binga Fisheries, Chikomba West, Plumtree). Donated groceries in Bulilima District.	1 000 people impacted
<b>5</b> GENDER EQUALITY  <b>Environment</b>	Nursery Construction at Makanda Secondary School in Hwedza Provide-A-Bin Programme	30 000 tree seedlings distributed Zimplats Partnership revived and 500 drums secured.	30 000 tree seedlings to be planted. 100 bins donated to Zimbabwe Cricket
<b>13</b> CLIMATE ACTION  <b>Girls and Women Empowerment</b>	Girls Mentorship Programme Batsi Women empowerment Program Chikurubi Maximum Prison Women's Day Celebrations	Girls empowerment program in Mazowe at Shingirirayi High School	150 girls reached 50 empowered 500 sanitary pads donated
<b>4</b> QUALITY EDUCATION  <b>Education</b>	Girls in ICT participation National Educational Conference expo participation	<ul style="list-style-type: none"> <li>• Donation of exercise books</li> </ul>	5000 Primary School, Secondary School and University students benefited



# Focus On Clients

## Marketing and Labelling of Our Goods

Our approach focuses on enhancing customer awareness, building brand loyalty, and promoting our diverse range of digital solutions.

### Key Strategies

#### 1. Brand Positioning

- TelOne’s brand promise “The Future is Better Together” highlights the transformative journey that TelOne has undertaken with its valued clients positioning as a trusted provider of affordable and innovative telecommunications solutions.
- Clear communication of our tariffs, packages and validity period for monthly subscriptions to the customer.

#### 2. Market Segments

- These include Internet Access Providers, Internet Service Providers, Government entities, Enterprises, SMEs, households, and individuals.
- Messages are tailor-made to address the specific needs and challenges of each segment.

#### 3. Community Engagement

- TelOne is expanding its network to cater for previously underserved areas, upgrading the network for every Zimbabwean to have access to telecommunication services in order to bridge the digital divide.

These strategies aim to enhance brand recognition, drive sales, and foster customer loyalty while promoting our commitment to quality and sustainability. By effectively communicating our values and offerings, we strive to meet the evolving needs of our customers and contribute positively to the communities we serve.

### Commitment to Privacy

At TelOne, we are committed to safeguarding the privacy of our customers. We recognise the importance of protecting personal information and maintaining the trust of our clients. Our privacy policies are designed to comply with relevant laws and regulations while ensuring transparency in how we handle customer data.

#### Data Collection

- We collect personal information only when necessary for providing our services, such as contact details, billing information, and service preferences.
- Customers are informed about the data we collect and the purpose behind it.

#### Data Use

- Customer information is used solely for the purposes of service delivery, customer support, and marketing communications where consent has been obtained.
- We do not sell or rent customer data to third parties.

#### Data Security

- We implement robust security measures to protect customer data against unauthorized access, breaches, and loss.
- Regular audits and assessments are conducted to ensure the effectiveness of our data protection practices.

#### Customer Rights

- Customers have the right to access their personal information, request corrections, and opt-out of marketing communications.
- Our customer service charter provides clear procedures for customers to exercise their rights regarding their data.

#### Transparency

- Our Client Charter is easily accessible and clearly outlines how we collect, use, and protect customer information.
- We keep customers informed about any changes to our privacy practices.

### Our Commitment:

- **Customer Support:** The company prioritises customer support, ensuring that well-trained engineers and technicians monitor the vast network 24/7 to optimise performance. Dedicated customer service teams are available to address the needs of clients, providing personalised support.
- **Network Reliability:** A high level of network reliability is guaranteed with a 99.9% uptime. To achieve this, the company employs various strategies such as redundant infrastructure, backup systems, fail-over mechanisms, and proactive maintenance.
- **Innovation:** The company has a dedicated Innovation Department that focuses on developing and launching new products and services to meet evolving client needs. Current areas of focus include IoT, AI, and Big Data, with plans to expand into asset tracking and smart cities by 2030.
- **Flexibility:** The pricing model is flexible, allowing for tailor-made packages to meet specific customer requirements. Bundled products come with promotional discounts, providing customers with cost-effective solutions. We also offer payment terms for customer premise equipment.

## OUR ENVIRONMENTAL IMPACT

Environmental	GRI Standard Number	GRI Standard Title
	301	Materials
	302	Energy
	304	Biodiversity
	306	Effluents and Waste
	307	Environmental Compliance

We believe that urgent and sustainable action is essential for TelOne to address the local and global climate emergency. We are committed to ensuring that our business thrives without compromising the environment, which drives our focus on greening our operations.

This principle guided the selection of our key material topics, allowing us to track our environmental impact and inform our interventions in the following areas:

- Choice of materials used in our operations, including alternative technologies to reduce reliance on natural resources.
- Energy consumption and our strategy for utilizing alternative energy sources.
- Our practices for recycling, reusing, and reclaiming materials.
- Our contributions to water and biodiversity conservation.
- Our environmental laws and ethics compliance levels.



## Our Environmental Impact

### Sustainable Sourcing and Use of Materials

Sustainability in materials within TelOne encompasses the sourcing, use, and disposal of materials throughout the product lifecycle. This includes evaluating the environmental impact of materials used in device manufacturing, infrastructure, and packaging, as well as their end-of-life management.

TelOne is committed to sourcing materials ethically and with environmental awareness. We collaborate with suppliers who adhere to sustainability standards and practices, such as using recycled or renewable materials, minimizing waste generation, and reducing the use of hazardous substances. Additionally, we strive to enhance material efficiency by optimising usage during manufacturing processes to reduce waste and excess consumption.

#### How we select materials for use in operations:

As a telecommunications company, our primary materials include copper, optic fibre cable, wooden poles, and accessories.

To minimize environmental impact while also achieving cost savings and resource conservation, TelOne considers the following factors:

- Total lifecycle of the material, including purchase price, maintenance costs, and disposal costs
- Business model
- Mean time to failure
- Energy efficiency
- Fibre efficiency
- Compliance with ITU-T and 3GPP international standards
- Technological advancements
- Sustainability

During the review period, we procured 8,607 wooden poles as follows:

- While the poles were sourced from authorised plantations, the company is re-evaluating its approach to ensure that only sustainably grown, SAZ-certified plantations participate in the tendering process. This is to prevent any contribution to environmental degradation and forest depletion.

### Energy Consumption

As part of our commitment to sustainability and transparency, TelOne conducted an energy consumption audit in accordance with the Global Reporting Initiative (GRI) Standard 302: Energy. This audit provided us with a comprehensive overview of our energy consumption patterns, identified areas for improvement, and outlined strategies for reducing energy usage and mitigating the impacts of climate change.

The audit covered all of TelOne's operations, including our network infrastructure, data centres, exchange and office facilities. The data collected was on energy consumption for 12 months and such data included:

1. Commercial power energy bills
2. Zesa meter readings
3. Solar PV Energy generated
4. Energy Management Systems in the network

### Energy Consumption Overview

Our total energy consumption for the 2024 reporting period is breakdown as follows:

- **Electricity:** An estimated 4 094.7MWh was consumed during the 2024 reporting year.
- **Diesel Fuel:** A total of 1,845,013 litres of diesel (total for both vehicles and standby generators) was consumed in 2024. This was a 24.8% reduction from the 2023 figures.
- **Solar PV:** The total renewable energy generated in 2024 from the installed 11 sites was 27.3MWh

### Energy Efficiency Initiatives

We have implemented several energy efficiency initiatives to reduce our energy consumption, including:

- **LED lighting upgrades:** Replaced traditional lighting with energy-efficient LED lighting in over 85% of our facilities.
- **Energy-efficient equipment:** Installed energy-efficient servers, routers, air conditioning units and other network equipment in our data centers.
- **Power management systems:** Implemented NetEco power management systems to optimize energy usage and reduce waste.
- **Renewable energy sourcing:** We have generated an estimated 27.3 MWh from the 11 solar sites in the network.



## Our Environmental Impact

### Energy Consumption Reduction Targets

TelOne has also set the following energy consumption reduction targets for the 2025 reporting year:

- Reduce energy consumption by 30% compared to the baseline year.
- Increase the number of installed solar energy plants by 50% in 2025.
- Improve energy efficiency in our data centers by 10% through the use of energy-efficient equipment and optimized cooling systems.
- Reduce energy consumption from air conditioners by 40% by upgrading and installing efficient energy efficient air conditioning units at 20 sites in 2025.

### Biodiversity

In an effort to promote biodiversity, due care is given to the extent to which we disturb the environment during our operations. A cautious approach is employed in the different facets of our work as follows;

- During network deployment, effort is made to avoid route markings where most trees are. If there are trees along the path, we avoid cutting them down through trimming encroaching branches.
- Backfilling of all trenched areas is prioritised and is part of our Standard Operating Procedures.
- A tree planting programme targeting project sites and the wider environs is run to help to restore the environment.

### Sustainable Waste Management

In our waste disposal practices, we adhere to the Environment Management Agency Regulations. To streamline this process, we have developed a policy framework that guides the disposal of all waste materials, including electronic waste generated from the decommissioning of outdated telecommunications equipment. These policy guidelines outline how we recover disused materials to minimize environmental impact.

Over time, we have deployed poles and wires along national highways and farms across the country. As part of our environmental cleanup efforts, we are currently recovering wooden and steel poles, particularly along the Harare–Beitbridge road, where they have become an eyesore. We are also reclaiming copper-weld wire to prevent vandals from using it to harm wildlife. All recovered materials are disposed of through auctions and tenders involving licensed and ethical users.

Looking ahead, we aim to continue our efforts to clean up the environment through the recovery and sustainable disposal of redundant network equipment.

### Recovery and Disposal of Copper Weld Wires and Copper Cables

Approximately 249 tonnes of waste material were recovered and disposed of, consisting of 203 tonnes of copper and 46 tonnes of ICT equipment. We are replacing our high-energy consumption and inefficient legacy air conditioning systems with smaller, energy-efficient units, resulting in a 20% reduction in energy usage.

TelOne has not procured R22 systems for the past decade, and our strategic goal is to phase out all R22 systems in our network by 2025, well ahead of the national target set by the Ministry of Environment, Climate Change, Tourism, and Hospitality Industry for 2030. Efforts are underway to replace all legacy central cooling plants and window wall air conditioning units still using R22 refrigerants. To date, over 85% of these systems have been upgraded to environmentally friendly alternatives, with the remaining units set to be replaced by 2028.

TelOne has implemented stringent measures to ensure full compliance with the RoHS (Restriction of Hazardous Substances) regulations in all procurement activities. We carefully evaluate and select network elements, including batteries and telecom equipment, that do not contain environmentally harmful substances, such as mercury and other hazardous materials. By adhering to these rigorous standards, TelOne aims to mitigate risks to both the environment and human health. This commitment reflects our dedication to sustainable practices and responsible corporate governance.

Additionally, by prioritizing RoHS-compliant products, TelOne actively contributes to reducing electronic waste and promoting the use of safer, more sustainable materials in the telecommunications sector.

### Environmental Compliance

TelOne, in collaboration with the Environmental Management Agency (EMA), conducts environmental impact assessments for its network deployments. These assessments evaluate the effects of our operations on the environment. We have integrated environmental awareness throughout the entire lifecycle of project rollouts, from the procurement of materials and civil works to installations and eventual disposal of equipment and materials. Each phase is planned to comply with applicable legislation and best practices.

Below are some initiatives adopted by TelOne to promote environmental preservation in our network deployments:

- **Environmental Impact Assessments:** Obtaining certifications for all potentially environmentally degrading projects, such as fibre rollout and the construction of masts for wireless network deployments.
- **Infrastructure Sharing:** Collaborating with other telecom operators to minimize civil work and reduce environmental impact.
- **Sustainable Supply Chain:** Maintaining a supply chain that selects suppliers who adhere to environmental standards and practices, including the RoHS (Restriction of Hazardous Substances) Directive and the EU WEEE (Waste Electrical and Electronic Equipment) Directive.
- **Electronic Waste Reduction:** Implementing copper recycling programs and deploying equipment designed for longer lifespans to minimize electronic waste.

## Our Environmental Impact

### Heating, Ventilation, and Air Conditioning (HVAC)

TelOne's air conditioning operations are governed by various environmental regulations, including:

**Refrigerant Management:** TelOne adheres to regulations regarding the use, handling, and disposal of refrigerants, such as the Montreal Protocol and the European Union's F-Gas Regulation.

**Unsafe Refrigerants:** TelOne has ceased the procurement of R22-based refrigerants and plans to decommission and remove all remaining R22 air conditioning units from the network by 2028. Currently, over 85% of our air conditioning units utilize environmentally friendly refrigerants like R32, R410A, and R407C, while just under 15% still use the harmful R22 refrigerant. We aim to replace this remaining 15% by 2028.

Air conditioning operations are subject to various environmental regulations, including those related to:

### For Environmental Compliance

Activity	Description
Sewer and wastewater	We ensure that all sewer systems are in working order and sewer is properly disposed through the municipal sewer system.
Hazardous waste	All hazardous waste like fluorescent tubes are disposed using licensed companies that dispose of such wastes.
Solid waste disposal	Solid waste is carefully bagged and disposed through the municipal waste disposal system. Areas where the waste is stored is clearly constructed and demarcated to prevent land pollution.
Chemicals	The chemicals that we use for cleaning (through the private contractors) are bought from licensed stores and have been checked and approved to be environmentally friendly.
Waste from construction activities	Waste from construction activities such as rubble, empty cement and adhesive packaging is disposed in accordance with the municipal by laws in areas approved by the municipality and EMA.
Acts against pollution	We highly discourage and prevent the burning of waste. This is done to prevent air pollution. We engage National Waste Collection to dispose of all our paper waste.
Oil traps at wash bay	On all our wash bays and fuel stations, we have oil traps that prevent oil seepage in the soil or water sources. These are constantly emptied and the oil disposed by licensed oil disposal companies.

At TelOne, we are dedicated to enhancing environmental friendliness in our operations. This commitment involves reducing energy consumption and minimizing the use of environmentally harmful materials during infrastructure development. We continuously monitor and report on our progress toward energy reduction targets alongside our compliance with environmental standards. Additionally, TelOne offers training programs for our staff to obtain relevant certifications, ensuring that environmental sustainability is integrated into our daily activities.



# Risk Management

## Risk Overview

TelOne has aligned its Risk Management practices with the Public Entities Corporate Governance (PECG) Act Chapter 10:31 to ensure that our Risk Management systems are independently assured for effectiveness in strategy delivery. In line with sustainability management, Chapter 4 emphasizes the importance of assessing environmental risks.

Our Enterprise risk management framework is guided by ISO 31000 standards, which incorporate environmental, social, and governance (ESG) factors into the risk assessment landscape. As a result, TelOne has adopted a proactive approach to address anticipated hazards, ensuring that we manage risks effectively while promoting sustainable practices.

## The Risk Management Intersection with Sustainability

TelOne's risk management practice enhances sustainability by identifying environmental risks and analysing strategies to minimize them. The goal is to align our efforts efficiently, addressing potential risks while also seizing opportunities that arise from sustainability initiatives.

To achieve this, our Risk Management practice is driven by six lines of defense, ensuring a comprehensive approach to risk management:



	Line of Defense	Role Player	Purpose	Function/Level
1.	First Line of defense	Heads of Departments, Departmental Managers and Staff	Direct responsibility for the management and control of risk at operational level. Incorporates risk champions	Operational Level
2.	Second Line of defense	Risk Management Function	Develops and leads the enterprise-wide implementation of risk management methodologies and reporting on the changes of the risk profile and outlining recommendations for mitigation strategies.	Co-ordination
3.	Third Line of defense	Internal Audit Function	Provides independent assurance and challenge across all business functions in respect of the integrity and effectiveness of the risk management framework.	Assurance
4.	Fourth Line of Defense	Risk Management Committee	Provides oversight by senior management of the risk profile of the business and tracking of management mitigating interventions.	Supervisory
5.	Fifth Line of Defense	Board	Overall responsibility for ensuring effective risk management systems and processes enterprise wide. It also assesses residual risk status and recommends	Supervisory
6.	Sixth Line of Defense	External Assurance Providers	Evaluates the risk management process and expresses an independent opinion on the business financial reports.	Assurance

## Risk Management

Below are the top risks affecting strategy deployment in 2024

CORPORATE RISK REGISTER & HIGHLIGHTS OF DETAILED MANAGEMENT INTERVENTIONS DECEMBER 2024		
Risk Pillar	Risk Observations & Description	Management Interventions
<b>Strategic Risks</b> <b>Risk Rating: High</b> ○○○	Lack of external funding due to legacy debt is affecting business funding.	<ul style="list-style-type: none"> <li>Engagements with banks continue for the purpose of funding long-term projects.</li> <li>Partnership arrangements are being pursued.</li> <li>US\$8.5m raised from short term loans and own funds from a capital expenditure requirement of US\$31.3m in the 2024 financial year.</li> </ul>
<b>Financial Risks</b> <b>Risk Rating: High</b> ○○○	The business high cost structure mainly driven by staff costs continues to outweigh revenue generation capacity for the business.	<ul style="list-style-type: none"> <li>The business is streamlining non-mission critical expenditures as a cost containment initiative.</li> <li>Implementation of Lean management across the business to eliminate waste is underway.</li> </ul>
<b>Operational Risks</b> <b>Risk rating</b> ○○○	Critical network infrastructure vandalism continues to be a threat to the business. This has affected the quality of experience, increased cost of doing business through replacement of copper and other network components.	<ul style="list-style-type: none"> <li>Continuous replacement of copper with fibre and wireless solutions continues.</li> <li>Network hardening through manhole and cabinet protection and perforating pipes at bridge crossings.</li> <li>Burying overhead routes.</li> <li>Deployment of guards to decrease the number of attacks.</li> <li>Safeguarding cables along construction areas.</li> </ul>
<b>Technological Risks</b> <b>Risk Rating: High</b> ○○○	Power outages are on the increase due to load shedding.	<ul style="list-style-type: none"> <li>Green energy (Solar) deployment done on selected sites and the green energy deployment continues into 2025.</li> <li>Replacement of old power equipment (generators and batteries) across the regions is in progress.</li> </ul>

The business continues to monitor the risk landscape and the effectiveness of Management interventions in line with sustainability goals.



## Risk Management



### Security Practices

#### Background

Telecommunications infrastructure is critical to achieving government objectives, particularly within Zimbabwe's National Development Strategy 1 (NDS1) and Vision 2030, as well as the Ministry of Information Communication and Technology, Postal and Courier Services (MoICTPCS) Strategic Plan.

Protecting the company's assets and infrastructure against theft and vandalism is essential for preserving revenue streams, ensuring smooth service delivery to stakeholders, and minimizing potential losses. To address the growing risks of network theft and vandalism, TelOne has established an internal security services team that collaborates with external private security companies and the Zimbabwe Republic Police.

#### 2024 Key Activities Pursued by the Team

- Ethics and integrity trainings
- Network risk assessments
- Forensic audits
- Anti-vandalism awareness campaigns
- Resolving of internal audit issues
- Network fortification
- Joint operations with other agencies
- Reaction to cable alarms

#### Ethics and Integrity Trainings Held

The objectives of the training program/employee outreach being to raise awareness, reinforce ethical values, and ensure that all employees are aligned with the organization's principles. The table below summarises the trainings:

Date carried out	Exchange	Number of attendees
07/05/2024	Avondale	42
10/05/2024	Hatfield	28
15/05/2024	Marondera	23
16/05/2024	Ruwa	14
24/06/2024	Highlands	42
26/06/2024	Chinhoyi	34
27/06/2024	Norton	14
30/08/2024	Borrowdale	17
08/11/2024	Guruve, Glendale, Concession, Mvurwi and Centenary	11
	<b>TOTAL</b>	<b>225</b>

## Risk Management

### Tip-Off Anonymous Facility

Deloitte Tip-Off Anonymous has withdrawn from Zimbabwe, and their activities have been transitioned to AXCENTIUM Ethics Line. This platform encourages TelOne employees and other stakeholders to report any perceived unethical or illegal behavior within the organisation.

#### Impact of the Initiatives

- Ethics and integrity trainings helped to reveal cases of abuse of company resources and cooperation during investigations.
- Successfully reacted to cable alarms and arrested 6 criminals and in some cases recovered cables.
- Joint operations led to the arrest of copper buyers in Karoi and ticketing of illegal miners in Kariba.
- Awareness campaigns led to the arrest of about 33 criminals by members of the public and about 11 convictions to date.
- Network fortification has led to properly fortified areas being spared from attacks by the criminals.

#### Current Initiatives

Initiative	Issue	Status
Network fortification	Network hardening Hardening of network access points which are being used mostly to carry out network attacks.	<ul style="list-style-type: none"> <li>• 409 manholes were fortified</li> <li>• 60 cabinets were repaired</li> <li>• 52 cabinets were screened</li> <li>• 9 LTE base stations were screened</li> <li>• 1 repaired cable pipes</li> <li>• 22 GI pipes installed at Mupfure River Bridge</li> <li>• 3 locking system installations at the 3 LTE stations at Chitungwiza</li> <li>• 50 fabricated spikes for Mutare River Bridge.</li> </ul>
Deployment of guards	Adhoc surveillance guards were deployed to protect vulnerable network cables.	Deployment of guards has led to a decrease in number of attacks especially on areas undergoing repairs and those that are repeatedly getting attacked.
Network Vandalism Awareness Campaigns	Educating communities on network vandalism, reporting lines and discouraging them from getting involved and alerting them on the rewards payable.	Awareness campaigns have led to more people giving information on network thieves and vandals and in public arrests of some criminals.
Collaborations	Joint operations with the police to flush out network vandals and thieves so as to curb service disruptions.	A joint operation with the police and EMA to deal with network vandalism in Kariba led to some offenders being fined. Other joint operations led to arrests of copper buyer in Karoi and arrests in Hwange among other achievements.
Prosecution	Collaborating with the judiciary to ensure perpetrators are charged under the appropriate legislation.	Cases are no longer being remanded unnecessarily and the mandatory 10-year jail term is being given without fear or favor.
Reaction to Cable Alarm Alerts	Efficient and timely response to alarms by TelOne teams and contracted security companies.	Response to cable alarms resulted in attacked cables being recovered at the scene. Notable recoveries were on 17 May 2024 at Kambanje (Highlands); 22 May 2024 in Luveve (Bulawayo); and 12 June 2024 in Northend (Bulawayo). Route familiarization is an ongoing exercise to enhance timely response. Response to cable alarms resulted in cable recoveries in Kuwadzana, Warren Park, Avondale and Meyrick Park.

#### During the year incidents of network theft and vandalism are highlighted as follows:

- 482 incidents of live network theft and vandalism were recorded
- 61 658 clients were affected by the vandalism and thefts during the year
- US\$766,119 spent on restoration with US\$589,634.

LIVE  
TOGETHER

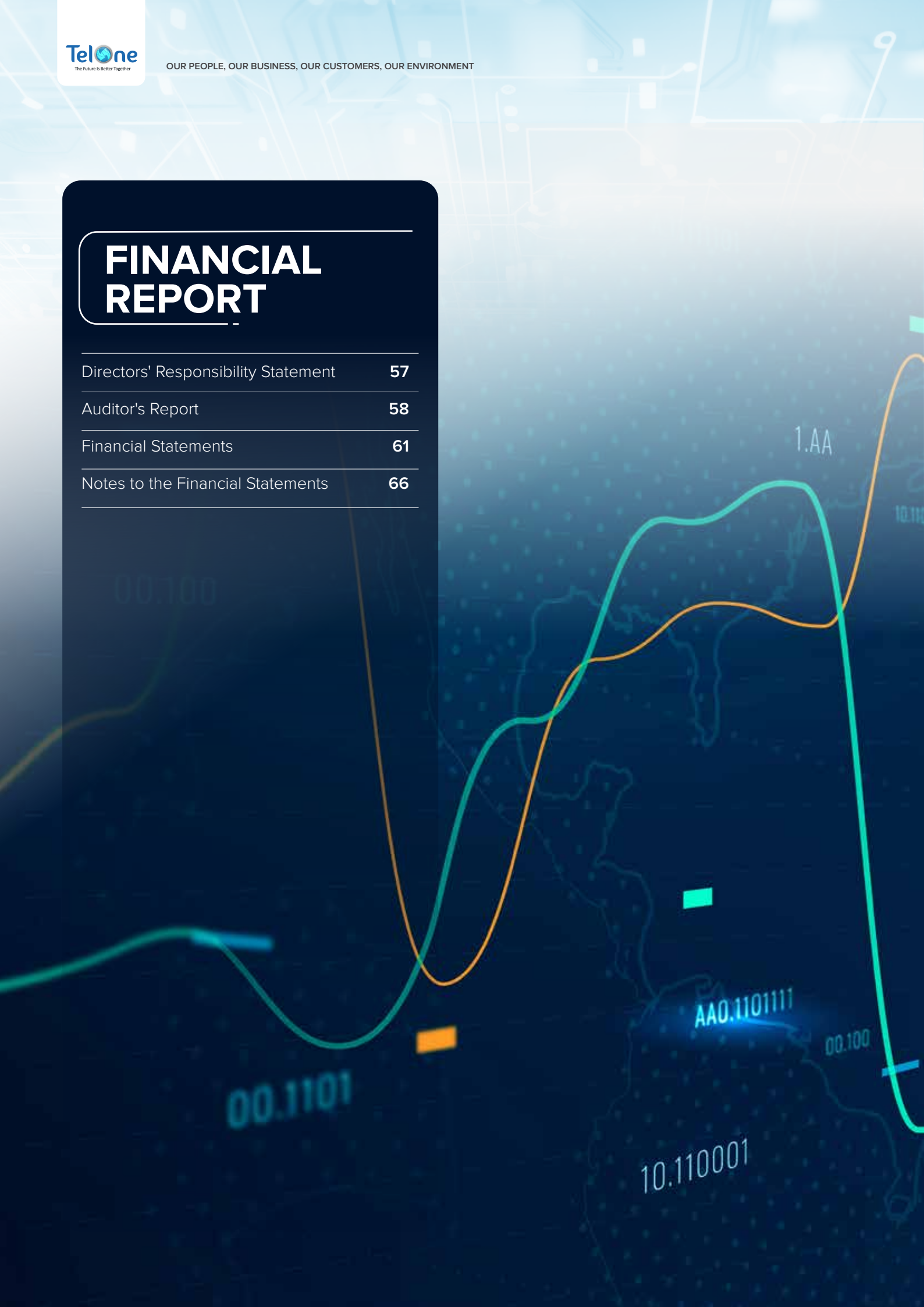
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<https://getservice.telone.co.zw/> or Call: (029) 288 7736, +263 71 280 5452,  
+263 71 280 5617

# FINANCIAL REPORT

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# Directors' Responsibility Statement

## Accounting records and financial statements

The Board of Directors is responsible for the maintenance of adequate accounting records, preparation of financial statements and related information contained in the Annual Report, ensuring that they fairly present the state of affairs of and results of TelOne's operations.

## External Auditor's Role

The Company's external auditor, the Office of the Auditor General, is responsible for carrying out an independent examination of financial statements in accordance with International Standards on Auditing and reporting on findings. The external auditor's report is presented on pages 58 to 60 of the Annual Report.

## Systems of internal control

TelOne's systems of internal financial control give reasonable assurance to the reliability of financial statements, safeguard assets and prevent misstatements to financial information.

## Going concern

The financial statements have been prepared on a going concern basis. The Going Concern basis has been considered to remain an appropriate reporting basis due to plans that are being pursued to recapitalize the Company balance sheet and transform the business. Further, the Directors are aware of Government Guarantees against the Company's legacy loan balances. Further disclosure on the Company's going concern has been made in note 30 to the financial statements.

## Accounting standards and policies

The financial statements have been prepared in accordance to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board. The Financial statements were prepared using appropriate accounting policies which have been consistently applied and modified, where necessary by the impact of new and revised standards. The application of accounting policies is supported by reasonable and prudent judgements and estimates.

## Approval of financial statements

The financial statements were approved by the Board of Directors on 31 May 2025 and are signed on its behalf by:



**Dr. D. Zimbango**  
Board Chairman



**Engineer. L. Nkala**  
Chief Executive Officer



**Mr. B. T. Makanza**  
Chief Finance Officer

These financial statements have been prepared under the supervision of the Chief Finance Officer, Mr. Bernard Makanza CA(Z).

All communication should be addressed to  
“The Auditor-General”  
P.O. Box CY 143, Causeway, Harare  
Telephone No.: 793611/3/4, 762817/8/20-23  
Telegrams: “AUDITOR”  
Fax: 706070  
E-mail: ocag@auditgen.gov.zw



Reference: SB 54

**OFFICE OF THE AUDITOR-GENERAL**  
5th Floor, Burroughs House  
48 George Silundika Avenue  
Harare

**SB54**

**REPORT OF THE AUDITOR GENERAL**  
**TO**  
**THE MINISTER OF INFORMATION COMMUNICATION TECHNOLOGY, POSTAL AND COURIER SERVICES**  
**AND**  
**THE BOARD OF DIRECTORS**  
**IN RESPECT OF THE FINANCIAL STATEMENTS OF THE**  
**TELONE (PRIVATE) LIMITED**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Report on the Audit of the Financial Statements**

**Opinion**

I have audited the financial statements of TelOne (Private) Limited as set out on pages 61 to 95, which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TelOne (Private) Limited as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

I conducted my audit in accordance with International Standards on Auditing (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of my report. I am independent of TelOne (Private) Limited in accordance with the ethical requirements that are relevant to my audit of the financial statements in Zimbabwe, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Emphasis of matter**

**Material uncertainty related to going concern**

I draw your attention to note 29 to the financial statements which indicates that the Company did not service overdue long term legacy loans of ZWG10.04 billion during the year ended December 31, 2024. In addition, the Company’s current liabilities exceeded its current assets by ZWG 470 million as at December 31, 2024. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. My opinion was not modified in respect of this matter.

**Key Audit Matters**

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the TelOne (Private) Limited for the year ended December 31, 2024. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, I have determined the matters described below to be the key audit matters to be communicated in my report.

## Report on the Audit of the Financial Statements (cont.)

Key Audit Matter	How the matter was addressed in the audit
<p><b>Revenue recognition. Refer to note 20 of the financial statements</b></p> <p>The Company recognized revenue amounting to ZWG1.96 billion during the year December 31, 2024.</p> <p>The Company has various products that cut across internet, voice and data from which it generates revenue processed using a complex IT based billing system.</p> <p>The huge volume of transactions from numerous revenue streams and the high level of regulation in the Telecoms industry results in revenue recognition being a complex area. The level of complexity and the presumed risk in revenue recognition were considered to be of most significance to the audit.</p> <p>In addition, there is a presumed risk of fraud on revenue recognition as guided by ISA 240.</p> <p>As a result, revenue recognition was considered to be a key audit matter.</p>	<p><b>The audit procedures to address the risk of material misstatement relating to revenue recognition included:</b></p> <ul style="list-style-type: none"> <li>• Tested the data input controls with the assistance of IT specialists.</li> <li>• With assistance of IT specialists, I tested controls over data migration from LEAP billing system to SAP accounting system to ensure accuracy, completeness and integrity of revenue.</li> <li>• Analysed the billing data to confirm the accuracy and completeness of revenue.</li> </ul> <p>Based on evidence gathered, I found the Company's revenue recognition appropriate.</p>
<p><b>Valuation of trade and other receivables refer to note 11 to the financial statements.</b></p> <p>The Company disclosed the recoverable amount of trade and other receivables to be ZWG875.70 million as at December 31, 2024 after adjusting for allowance for credit losses of ZWG31.89 million.</p> <p>With significant amounts of trade and other receivables overdue for payment, allowance for credit losses is an area requiring management to make significant judgement. The application of International Financial Reporting Standards (IFRS) 9 – “Financial Instruments” and the expected credit loss (ECL) model in determining allowance for credit losses involves management judgement.</p> <p>The valuation of trade and other receivables was therefore considered to be a key audit matter.</p>	<p><b>My audit procedures to address the risk of material misstatement relating to the valuation of trade and other receivables included:</b></p> <ul style="list-style-type: none"> <li>• Obtained third party confirmations for material outstanding trade receivables.</li> <li>• Performed a detailed debtor's analysis to verify accuracy and validity of debtor movements and identify irregular debtor balances.</li> <li>• Assessed the reasonableness of the judgements and assumptions made in estimating the allowance for credit losses.</li> <li>• Evaluated the appropriateness of the presentation and disclosure of trade receivables in the financial statements for compliance with IFRS 9 – “Financial Instruments”.</li> <li>• Re-performed of the allowances for credit losses computation to confirm if it was in line with the IFRS 9 - “Financial Instruments” principles.</li> </ul> <p>Based on evidence gathered, I found the valuation, presentation and disclosure of trade receivables to be appropriate.</p>

### Other information

Management is responsible for the other information. The other information comprises all the information in the TelOne (Private) Limited's annual report and does not include the financial statements and my auditor's report thereon.

My opinion on the TelOne (Private) Limited's financial statements does not cover the other Information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the TelOne (Private) Limited's financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

## Report on the Audit of the Financial Statements (cont.)

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard (IFRS) and in a manner required by the Companies and Other Business Entities Act [Chapter 24:31], and the Public Finance Management Act [Chapter 22:19], and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of my audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs 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, I exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I 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 my 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 entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of the management's 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 Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the 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.

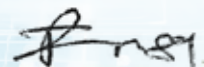
I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am also required to provide those charged with governance with a statement that I have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I 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. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my 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

In my opinion, the financial statements of TelOne (Private) Limited have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies and Other Business Entities Act [Chapter 24:31], the Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.



**R. KUJINGA,**  
**ACTING AUDITOR-GENERAL**

31 May 2025

## Statement Of Financial Position

as at 31 December 2024


Note	Inflation Adjusted			Historic Cost			
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2022 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2022 ZWG	
<b>ASSETS</b>							
<b>Non current assets</b>							
Property, plant and equipment	4	11 053 149 099	11 181 541 702	1 728 807 270	11 053 149 099	1 029 634 770	159 189 726
Capital work in progress	5	94 786 366	57 261 912	5 303 393	71 115 371	5 272 874	488 340
Investment property	6	31 990 140	37 648 571	3 468 296	31 990 140	3 466 810	319 363
Intangible assets	7	1 377 454 639	1 236 117 610	146 072 515	1 377 454 639	113 825 956	13 450 455
Right of use assets	9.1	178 080 041	182 236 888	10 321 292	178 080 041	16 780 998	950 391
Investment in joint venture	8.3	57 359 078	58 042 399	747 023	57 359 078	5 344 744	68 786
Deferred tax asset	16.2	687 920 607	563 239 829	-	-	51 865 058	-
Financial assets	8.2	271 930 366	291 612 497	30 953 953	271 930 366	26 852 680	2 850 261
		<b>13 752 670 336</b>	<b>13 607 701 408</b>	<b>1 925 673 742</b>	<b>13 041 078 734</b>	<b>1 253 043 890</b>	<b>177 317 322</b>
<b>Current assets</b>							
Inventory	10	86 003 565	48 722 263	8 100 978	63 375 235	4 486 513	745 943
Trade and other receivables	11	875 708 155	1 130 591 579	76 948 474	875 708 155	104 108 756	7 085 467
Security deposits	11.1	18 537 464	20 058 246	7 755 485	18 537 464	1 847 032	714 130
Prepayments	11.3	38 761 400	58 916 543	-	27 629 962	5 425 238	-
Cash and cash equivalents	12	26 111 706	37 072 950	6 132 282	26 111 706	3 413 805	564 665
		<b>1 045 122 290</b>	<b>1 295 361 581</b>	<b>98 937 219</b>	<b>1 011 362 522</b>	<b>119 281 344</b>	<b>9 110 205</b>
<b>TOTAL ASSETS</b>		<b>14 797 792 626</b>	<b>14 903 062 989</b>	<b>2 024 610 961</b>	<b>14 052 441 256</b>	<b>1 372 325 234</b>	<b>186 427 527</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Capital and reserves</b>							
Share capital	13	0.14	0.14	0.10	0.01	0.01	-
Fair value reserve		242 028 417	257 911 742	22 748 217	243 159 075	23 749 400	2 094 671
Revaluation reserve		9 470 371 529	9 370 367 636	1 302 416 156	9 450 857 892	862 855 640	119 927 348
Retained loss		(9 744 646 844)	(11 088 187 454)	(1 078 546 665)	(10 783 945 482)	(1 021 038 391)	(99 313 296)
		<b>(32 246 897)</b>	<b>(1 459 908 076)</b>	<b>246 617 708</b>	<b>(1 089 928 515)</b>	<b>(134 433 351)</b>	<b>22 708 723</b>
<b>Non-current liabilities</b>							
Foreign legacy loans	14.1	10 046 568 276	11 150 046 642	1 166 538 589	10 046 568 276	1 026 734 599	107 415 651
Foreign loans long term portion	14.2	2 035 418 538	2 382 910 085	271 207 800	2 035 418 538	219 426 546	24 972 995
Long term payable	17.4	3 134 747	3 391 918	359 913	3 134 747	312 342	33 141
Deferred tax liability	16.2	-	-	79 036 537	312 330 247	-	7 277 737
Operating licence	17.2	943 338 220	939 831 090	105 563 506	943 338 220	86 542 875	9 720 358
Contract liabilities	17.5	100 378 792	138 499 543	15 734 845	100 378 792	12 753 514	1 448 875
Lease liability	9.2	186 057 179	186 638 691	10 396 069	186 057 179	17 186 332	957 277
		<b>13 314 895 752</b>	<b>14 801 317 969</b>	<b>1 648 837 259</b>	<b>13 627 225 999</b>	<b>1 362 956 208</b>	<b>151 826 034</b>
<b>Current liabilities</b>							
Trade and other payables	17.1	680 824 489	735 547 490	65 468 032	680 824 489	67 731 740	6 028 340
Foreign loans current portion	14.2	356 203 759	202 125 323	18 444 056	356 203 759	18 612 394	1 698 341
Operating licence	17.2	126 250 122	192 161 114	18 882 281	126 250 122	17 694 855	1 738 693
Loan interest payable	17.3	116 855 637	98 984 317	7 949 258	116 855 637	9 114 816	731 973
Local loans due within one year	15.1	34 722 788	169 498	169 504	34 722 788	15 604	15 608
Current tax liability	16.3	134 613 716	248 736 334	9 482 718	134 613 716	22 904 496	873 175
Contract liabilities	17.5	27 315 786	29 556 726	2 926 499	27 315 786	2 721 685	269 474
Lease liability	9.2	5 771 240	4 772 014	254 614	5 771 240	439 423	23 445
Provisions	18	32 586 235	49 600 280	5 579 032	32 586 235	4 567 364	513 721
		<b>1 515 143 772</b>	<b>1 561 653 096</b>	<b>129 155 994</b>	<b>1 515 143 772</b>	<b>143 802 377</b>	<b>11 892 770</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14 797 792 626</b>	<b>14 903 062 989</b>	<b>2 024 610 961</b>	<b>14 052 441 256</b>	<b>1 372 325 234</b>	<b>186 427 527</b>



**B. T. MAKANZA**  
(Chief Finance Officer)  
31 May 2025



**ENGINEER L. NKALA**  
(Chief Executive Officer)  
31 May 2025



**DR. D. ZIMBANGO**  
(Board Chairman)  
31 May 2025

## Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

	Notes	Inflation Adjusted		Historical Cost	
		Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
Revenue	19	1 967 269 911	1 651 128 502	1 520 676 418	152 041 584
Payment to other operators	20	(245 504 995)	(198 829 884)	(190 333 639)	(18 308 939)
<b>Net revenue</b>		<b>1 721 764 916</b>	<b>1 452 298 618</b>	<b>1 330 342 779</b>	<b>133 732 645</b>
Other income	21	76 352 317	51 717 170	61 119 629	4 762 295
<b>Operating expenses</b>		<b>(1 381 969 085)</b>	<b>(985 823 877)</b>	<b>(1 031 458 906)</b>	<b>(90 778 049)</b>
Other operating expenses	22	(770 460 252)	(510 513 843)	(563 545 703)	(47 009 868)
Staff costs	22.1	(611 508 833)	(475 310 034)	(467 913 203)	(43 768 181)
<b>Earnings before interest, tax and depreciation and amortisation</b>		<b>416 148 148</b>	<b>518 191 911</b>	<b>360 003 502</b>	<b>47 716 891</b>
Depreciation on property, plant and equipment	4	(300 130 364)	(118 733 936)	(210 230 538)	(10 933 429)
Fair value adjustment on investment property	6	(5 658 431)	34 180 379	28 523 330	3 147 447
Fair value gain on gold coins	8.2	85 737	563 109	650 280	51 853
Depreciation on right of use assets	9	(8 947 282)	(9 152 216)	(6 703 050)	(842 767)
Amortisation of intangibles	7	(62 669 926)	(130 727 296)	(45 515 284)	(12 037 819)
<b>Operating profit</b>		<b>38 827 882</b>	<b>294 321 951</b>	<b>126 728 240</b>	<b>27 102 176</b>
Exchange losses	23.3	(14 945 603 122)	(13 519 177 953)	(12 241 074 883)	(1 244 892 347)
Finance income	23.1	193 721 355	412 557 530	169 356 994	37 989 715
Other finance costs	23.2	(487 890 824)	(480 791 977)	(373 530 738)	(44 272 977)
Monetary gain		16 542 915 981	-	-	-
<b>Profit / (loss) before tax</b>		<b>1 341 971 272</b>	<b>(13 293 090 449)</b>	<b>(12 318 520 387)</b>	<b>(1 224 073 433)</b>
Tax (expense) / Income	16.1	1 569 337	3 283 417 232	2 555 613 296	302 348 338
<b>Profit / (loss) for the year</b>		<b>1 343 540 609</b>	<b>(10 009 673 217)</b>	<b>(9 762 907 091)</b>	<b>(921 725 095)</b>
<b>Other comprehensive income</b>					
Revaluation of assets		134 685 378	10 865 980 649	11 566 333 000	1 000 576 824
Deferred tax revaluation of assets		(34 681 485)	(2 797 990 017)	(2 978 330 748)	(257 648 532)
Fair value re-measurement gain on FVTOCI		(21 391 683)	316 719 468	295 501 246	29 164 617
Deferred tax on remeasurement gain		5 508 358	(81 555 263)	(76 091 571)	(7 509 889)
<b>Total other comprehensive income</b>		<b>84 120 568</b>	<b>8 303 154 837</b>	<b>8 807 411 927</b>	<b>764 583 020</b>
<b>Total comprehensive profit / (loss) for the year</b>		<b>1 427 661 177</b>	<b>(1 706 518 380)</b>	<b>(955 495 164)</b>	<b>(157 142 075)</b>

## Statement of Changes in Equity

for the year ended 31 December 2024

	Share Capital ZWG	Revaluation Reserve ZWG	Fair value Reserve ZWG	Retained Earnings/(Loss) ZWG	Total Equity ZWG
<b>Balance at January 1, 2023</b>	0.14	1 302 377 004	22 747 537	(10 78 514 237)	246 610 304
<b>Total comprehensive income for the year</b>	-	8 067 990 632	235 164 205	(10 009 673 217)	(1 706 518 380)
Loss for the year	-	-	-	(10 009 673 217)	(10 009 673 217)
Revaluation surplus on property plant and equipment	-	8 067 990 632	-	-	8 067 990 632
Fair value on financial assets classified as FVTOCI	-	-	235 164 205	-	235 164 205
<b>Balance at December 31, 2023</b>	0.14	9 370 367 636	257 911 742	(11 088 187 454)	(1 459 908 076)
<b>Balance at January 1, 2024</b>	0.14	9 370 367 636	257 911 742	(11 088 187 454)	(1 459 908 076)
<b>Total comprehensive income for the year</b>	-	100 003 893	(15 883 325)	1 343 540 609	1 427 661 178
Profit for the year	-	-	-	1 343 540 609	1 343 540 609
Revaluation surplus on property plant and equipment	-	100 003 893	-	-	100 003 893
Fair value on financial assets classified as FVTOCI	-	-	(15 883 325)	-	(15 883 325)
<b>Balance at December 31, 2024</b>	0.14	9 470 371 529	242 028 417	(9 744 646 844)	(32 246 897)

## Statement of Changes in Equity

for the year ended 31 December 2024

	Share Capital ZWG	Revaluation Reserve ZWG	Fair value Reserve ZWG	Retained Earnings/ (Loss) ZWG	Total Equity ZWG
<b>Balance at January 1, 2023</b>	0.01	119 927 348	2 094 672	(99 313 296)	22 708 724
<b>Total comprehensive income for the year</b>	-	742 928 292	21 654 728	(921 725 095)	(157 142 075)
Loss for the year	-	-	-	(921 725 095)	(921 725 095)
Revaluation surplus on property plant and equipment	-	742 928 292	-	-	742 928 292
Fair value on financial assets classified as FVTOCI	-	-	21 654 728	-	21 654 728
<b>Balance at December 31, 2023</b>	0.01	862 855 640	23 749 400	(1 021 038 391)	(134 433 351)
<b>Balance at January 1, 2024</b>	0.01	862 855 640	23 749 400	(1 021 038 391)	(134 433 351)
<b>Total comprehensive profit / loss for the year</b>	-	8 588 002 252	219 409 675	(9 762 907 091)	(955 495 164)
Loss for the year	-	-	-	(9 762 907 091)	(9 762 907 091)
Revaluation surplus on property plant and equipment	-	8 588 002 252	-	-	8 588 002 252
Fair value on financial assets classified as FVTOCI	-	-	219 409 675	-	219 409 675
<b>Balance at December 31, 2024</b>	0.01	9 450 857 892	243 159 075	(10 783 945 482)	(1 089 928 515)

## Statement of Cash Flows

for the year ended 31 December 2024

	Note	Inflation adjusted		Historical Cost	
		Dec 31, 2024 ZWG	Dec31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>Cash flows from operating activities</b>					
Operating profit		<b>38 827 882</b>	<b>294 321 951</b>	<b>126 728 240</b>	<b>27 102 176</b>
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment	4	300 130 364	118 733 936	210 230 538	10 933 429
Fair value adjustments	6	5 572 694	(34 743 489)	(29 173 610)	(3 199 300)
Depreciation on right of use assets	9	8 947 282	9 152 216	6 703 050	842 767
Amortisation on intangible assets	7	62 669 926	130 727 296	45 515 284	12 037 819
Allowance for credit losses	11.2	27 066 889	48 988 715	27 066 889	4 511 049
Provision for staff costs		(17 014 045)	44 021 411	28 018 871	4 053 643
Discount allowed	22	53 367	39 623	30 653	3 649
Profit / (loss) on disposal of property, plant and equipment		452 970	(2 994)	286 740	(276)
		<b>426 707 329</b>	<b>611 238 665</b>	<b>415 406 655</b>	<b>56 284 956</b>
<b>Changes in working Capital</b>					
Increase in inventory		(37 281 302)	(40 621 529)	(58 888 722)	(3 740 570)
Increase in receivables		276 559 349	(1 112 561 961)	(810 494 555)	(102 448 527)
Increase / (Decrease) in payables		(120 633 993)	843 360 817	721 648 016	77 659 561
<b>Cash utilised in operations</b>		<b>118 644 054</b>	<b>(309 822 673)</b>	<b>(147 735 261)</b>	<b>(28 529 536)</b>
<b>Net cash from operating activities</b>		<b>545 351 383</b>	<b>301 415 992</b>	<b>267 671 394</b>	<b>27 755 420</b>
<b>Cash flows from investing activities</b>					
Finance income received	23	96 306	75 021	66 998	6 908
Purchase of property, plant and equipment	5	(123 844 351)	(87 312 237)	(93 546 631)	(8 040 011)
Addition to capital works in progress	5	(179 529 804)	(58 892 676)	(125 436 247)	(5 423 040)
Investment in joint venture	8.3	(940 494)	(672 296)	(940 494)	(61 907)
Proceeds from redundant material	21	3 213 418	18 869 880	2 585 804	1 737 602
Proceeds from disposal of assets		30 653 106	1 394 252	19 287 475	128 389
Intangible asset development expenditure	7	(837 615)	(225 840)	(723 230)	(20 796)
<b>Net cash utilised in investing activities</b>		<b>(271 189 434)</b>	<b>(126 763 896)</b>	<b>(198 706 325)</b>	<b>(11 672 855)</b>
<b>Cash flows from financing activities</b>					
Finance costs paid		(10 984 344)	(4 437 454)	(9 601 722)	(408 616)
Principal lease payments	9.2	(120 061)	(2 530 360)	(120 061)	(233 004)
Repayment of local borrowings		(36 078 814)	(47 616 919)	(24 398 255)	(4 384 730)
Repayment of foreign borrowings	14	(16 457 960)	(89 126 511)	(12 147 130)	(8 207 075)
<b>Net cash outflow from financing activities</b>		<b>(63 641 179)</b>	<b>(143 711 244)</b>	<b>(46 267 168)</b>	<b>(13 233 425)</b>
<b>Net increase in cash and cash equivalents</b>		<b>210 520 770</b>	<b>30 940 852</b>	<b>22 697 901</b>	<b>2 849 140</b>
Inflation effects on cash and cash equivalents		(221 482 014)	-	-	-
<b>Cash and cash equivalents at beginning of the year</b>		<b>37 072 950</b>	<b>6 132 098</b>	<b>3 413 805</b>	<b>564 665</b>
<b>Cash and cash equivalents at end of year</b>	12	<b>26 111 706</b>	<b>37 072 950</b>	<b>26 111 706</b>	<b>3 413 805</b>

## Notes to the Financial Statements

for the year ended 31 December 2024

### 1 NATURE OF BUSINESS AND GENERAL INFORMATION

TelOne (Private) Limited was incorporated in Zimbabwe in 2000 in terms of the Companies and Other Business Entities Act [Chapter 24:31] pursuant to the Postal and Telecommunications Act [Chapter 12:05]. The Company is wholly owned by the Mutapa Investment Fund formerly known as the Sovereign Wealth Fund of Zimbabwe which was formulated by the Sovereign Wealth Fund Act [Chapter 22:20]. TelOne is a fixed mobile convergence operator whose principal activities are that of provision of telecommunication services and multimedia services. The Company is registered at the Registrar of Companies under registration number 4658/2000.

The registered offices and address: Runhare House  
107 Kwame Nkrumah Avenue  
P.O Box CY 331  
Harare

### 2 BASIS OF PREPARATION

#### 2.1 Authorisation of financial statements

The financial statements are authorised for issue by the TelOne (Private) Limited Board of Directors and prepared under the supervision of Mr B. Makanza, CA(Z) and have been audited in terms of section 188 of the Companies and Other Business Entities Act [Chapter 24:31].

#### 2.2 Statement of compliance

##### 2.2.1 Compliance with reporting framework

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as issued by the International Accounting Standards Board (IASB).

##### 2.2.2 Compliance with legal and regulatory requirements

The financial statements have been prepared in compliance with the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31].

#### 2.3 Use of significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and formulate assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could require a material adjustment to the carrying amount of the asset or liability in the future. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Estimates and judgements were applied on the following

- i. Useful life of assets, depreciation rates and residual values
- ii. Allowance for credit losses
- iii. Discount rate to be applied for International Financial Reporting Standard (IFRS) 16 – “Leases”
- iv. Functional and presentation currency assessment

#### 2.4 Functional and presentation currency

##### 2.4.1 Change in functional currency

The enactment of Statutory Instrument (SI) 185 of 2020 on July 24, 2020 and the established the multi-currency system into law until December 31, 2025 through Statutory Instrument 118A of 2022 by the government resulted in a gradual increase in the use of foreign currency in the market. On October 27, 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until December 31, 2030, assuring businesses regarding the continuity of the multi-currency system. As a result, management evaluated the appropriateness of continuing to use Zimbabwe Gold (ZWG) as the functional currency, as required by International Accounting Standard (IAS) 21 - “The Effects of Changes in Foreign Exchange Rates.”

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

In the assessment, management considered the following International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates" parameters:

- i. The currency that primarily influences the sales prices for goods and services.
- ii. The currency of the competitive forces and regulations that mainly determine the sales prices of goods and services.
- iii. The currency that predominantly influences labor, material, and other costs of providing goods and services (typically the currency in which these costs are denominated and settled).
- iv. The currency in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained.

During the year 2024, the Company generated at least 70% of its income in local currency, ZWG. Consequently, there have been no fundamental changes to the functional currency.

Additionally, the costs associated with labour material and other costs of providing telecommunication services are predominantly denominated and settled in ZWG which aligns with the Company's revenue generation in the local currency.

Following the assessment of functional currency management concluded that the functional currency is Zimbabwe Gold (ZWG). Therefore, the financial statements are presented in ZWG, which is the Company's functional and presentation currency.

### 2.4.2 Conversion of comparative numbers to the functional and presentation currency

The Company adopted the ZWG as both functional and presentation currency, and converted their comparative financial statements that were denominated in ZWL as follows:

#### Conversion methodology

The Government of Zimbabwe promulgated Statutory Instrument (SI) 60 on April 05, 2024, giving legal effect to the introduction of the Zimbabwe Gold (ZWG) as the legal and prescribed legal tender. The Company implemented the currency changeover process from Zimbabwe Dollar (ZWL) to Zimbabwe Gold (ZWG). Given that ZWG did not exist as a currency in the prior reporting period (2023), a conversion process was applied for all amounts in the financial statements converting the historical ZWL balances as of December 31, 2023 to ZWG using the exchange rate of USD1:ZWL2 498.7242.

### 2.4.3 Transactions and balances

Transactions in currencies other than the ZWG are translated into the functional currency at the rates of exchange prevailing at the dates of the transactions or valuations where items are remeasured. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Foreign exchange gains or losses resulting from the translation at year-end of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income.

### 2.4.4 Revaluation process for items of property plant and equipment

Property, plant and equipment was revalued on December 31, 2024 by Knight Frank, an accredited independent valuer through a desk top assessment undertaken in accordance with the current edition of the Royal Institute of Chartered Surveyors (RICS) Valuation -Professional Standards 2017 (the "Red Book") which incorporates International Valuation Standards.

All other classes of plant and equipment were valued at market values. However, telecommunication equipment has been assessed on the gross replacement cost and the depreciated replacement cost bases because the assets are not commonly traded on the market such that there would be no market evidence to rely on.

### 2.4.5 Going concern basis

The financial statements have been prepared on a going concern basis which assumes that the entity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

## 2.5 Basis of measurement

The Company's annual financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and are adjusted to reflect the effects of inflation in accordance with International Accounting Standard (IAS) 29 - "Financial Reporting in Hyperinflationary Economies". The Financial statements are presented in Zimbabwean Gold Dollar (ZWG), except for certain financial instruments that are carried at fair value, investment property measured at fair value and property, plant and equipment that are carried under the revaluation model.

### 2.5.1 Financial Reporting in Hyperinflationary Economies

On October 11, 2019, the Public Accountants and Auditors Board made a pronouncement on the application of International Accounting Standard IAS 29 – "Financial Reporting in Hyperinflationary Economies" in Zimbabwe. The pronouncement required that companies that prepare and present financial statements for financial periods on or after July 1, 2019 to apply requirements of IAS 29 - "Financial Reporting in Hyperinflationary Economies". Since July 01, 2019, Zimbabwe was considered to be a hyperinflationary economy as the 3-year cumulative inflation figure was above 100%.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

As a result, the financial statements are based on records maintained under historical convention, as restated to take account of the effects of inflation in accordance with the IAS 29, and “Financial Reporting in Hyperinflationary Economy”.

The restatement is based on conversion factors derived after adjusting the published Zimbabwe Consumer Price Index (CPI) with the monthly movements of the Total Consumption Poverty Line (TCPL) compiled by the Zimbabwe Central Statistical Office.

The following general price indices and conversion factors were applied:

Date	General Price Index	Conversion factor before currency change	Conversion factor after currency change
December 31, 2024	166.30		1.00
April 30, 2024	100		1.66305
April 5, 2024	429 220	1	
December 31, 2023	65 704.4	6.5326	

### 2.6 New and Revised Financial Reporting Standards implemented during the year

New standards, amendments and interpretations effective January 1, 2024 which have been adopted.

- i. Supplier Finance arrangements: amendment to International Accounting Standard (IAS) 7 - “Statement of Cashflows” and International Financial Reporting Statements (IFRS) 7 – “Financial Instruments: Disclosures”

On May 25, 2023, The IASB issued supplier finance arrangements which amended (IAS) 7 and IFRS 7 (Financial instruments) The amendment required entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristic of supplier finance arrangements

The amendments are effective January 1, 2024

No significant impact has resulted from these amendments

- ii. Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to International Accounting Standard (IAS) 1, “Presentation of Financial Statements”.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The International Accounting Standards Board (IASB) has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and has substance. Similar to existing requirements in IAS 1, the classification of liabilities is unaffected by management’s intentions or expectations about whether the Company will exercise its right to defer settlement or will choose to settle early. A Company will classify a liability as non-current if it has a right to defer settlement for at least 1 months after the reporting date. This right may be subject to a Company complying with conditions (covenants) specified in a loan arrangement. After reconsidering certain aspects of the 2020 amendments<sup>1</sup>, the IASB reconfirmed that only covenant with which a Company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The amendments are effective January 01, 2024

No significant impact has resulted from these amendments.

- iii. International Financial Reporting Standard (IFRS) 16: Leases – Lease liability in a sale and leaseback

The standard provides a single lessee accounting model requiring the recognition of assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from International Accounting Standard (IAS) 17 – “Leases” and the distinction between operating and finance leases is retained

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

No significant impact has resulted from these amendments.

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

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

The objective of IFRS S1- General Requirements for Disclosure of Sustainability-related Financial Information is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity. (IFRS S1:1).

IFRS S1 requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. (IFRS S1:3).

IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to primary users in making decisions about providing resources to the entity. (IFRS S1:4).

The use of the following four pillars as described by the Financial Stability Board's Task Force on Climate-related Financial Disclosures:

Governance — the governance processes, controls and procedures the entity uses to monitor and manage sustainability-related risks and opportunities;

Strategy — the approach the entity uses to manage sustainability-related risks and opportunities;

Risk management — the processes the entity used to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and

Metrics and targets — the entity's performance in relation to sustainability related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

### v. IFRS S2 — Climate-related Disclosures

The objective of Sustainability Disclosure Standard IFRS S2 – “Climate - related Disclosures” is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. [IFRS S2:1]. These are climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

Sustainability Disclosure Standard IFRS S2 – “Climate - related Disclosures” applies to:

(a) climate-related risks to which the entity is exposed, which are:

(i) climate-related physical risks; and

(ii) climate-related transition risks; and

b) climate-related opportunities available to the entity.

Climate-related risks and opportunities that could not reasonably be expected to affect an entity's prospects are outside the scope of IFRS S2.

## 2.7 New Standards, Amendments and Interpretations issued but not yet effective for financial year beginning January 1, 2024 and not yet adopted

### i. International Accounting Standard (IAS) 21 - “The effects of changes in Foreign Exchange Rates” - Lack of exchangeability

Under International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates”, a Company uses a spot exchange rate when translating a foreign currency transaction.

However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets. Although few jurisdictions are affected by this, it can have a significant accounting impact for those companies affected. In August 2023, the International Accounting Standards Board (IASB) amended International Accounting Standard (IAS) 21– “The Effects of Changes in Foreign Exchange Rates” to clarify: when a currency is exchangeable into another currency and how a Company estimates a spot rate when a currency lacks exchangeability. The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. A currency is exchangeable into another currency when a Company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a Company needs to estimate a spot rate. A Company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate, a Company can use:

a) an observable exchange rate without adjustment; or

b) another estimation technique.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

In light of historical challenges around exchangeability in the Zimbabwean context, this standard may be applicable to the Company in the event of these issues recurring. Management will continue to assess the potential impact of the amendment to International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates” on the Company’s foreign currency denominated transactions and balances.

The amendments apply to annual period beginning on or after January 1, 2025

- ii. International Financial Reporting Standards (IFRS) 9 – “Financial Instruments” and International Financial Reporting Standards (IFRS) 7 – “Financial Instruments: Disclosures”

### Financial assets with an ESG-linked feature could meet Solely Payments of Principal and Interest (SPPI)

The International Accounting Standards Board (IASB) has now amended IFRS 9 – “Financial Instruments” following its post-implementation review (PIR) of the classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with contingent features. The IASB has also amended IFRS 7- “Financial Instruments: Disclosures”. Companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI, which is a condition for measurement at amortised cost. This could have resulted in financial assets with ESG linked features being measured at fair value through profit or loss. Although the new amendments are more permissive, they apply to all contingent features, not just ESG linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met. The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract. Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- a) not related directly to a change in basic lending risks or costs; and
- b) are not measured at fair value through profit or loss.

Settlement of financial liabilities by electronic payments

The IASB has amended IFRS 9- “Financial Instruments” to clarify when a financial asset or a financial liability is recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system. Companies can choose to apply the exception for electronic payments on a system-by- system basis. Given the widespread use of electronic payment systems, determining whether the exception criteria would be met for each one may require significant time and effort. If the derecognition exception criteria are not met, determining the settlement date may also present challenges and companies may be required to change their existing systems and processes. However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Company to derecognise its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- a) no practical ability to withdraw, stop or cancel the payment instruction;
- b) no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- c) the settlement risk associated with the electronic payment system is insignificant.

The amendments apply to annual period beginning on or after January 1, 2026.

## 3 ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the financial statements for the year ended December 31, 2023.

### 3.1 Consistency of presentation and accounting policies

The principal accounting policies applied in the preparation of the entity’s annual financial statements are in terms of IFRS and have been applied consistently in all material respects with those of the previous annual financial statements.

The financial statements of the entity comprise the following:

- the statement of financial position
- the statement of profit or loss and other comprehensive income for the year
- the statement of cash flows for the year
- the statement of changes in equity for the year and
- the notes to the financial statements, which include a summary of significant accounting policies.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

### 3.2 Property, plant and equipment

#### 3.2.1 Recognition and measurement

An item of property, plant and equipment is initially recorded at cost and this includes all costs necessary to bring the asset to working condition for its intended use. Cost includes original purchase price, cost of site preparation, delivery and handling, installation, related professional fees for architects and engineers and the estimated cost of dismantling and removing the asset and restoring the site.

Subsequent to initial recognition, International Accounting Standard (IAS) 16 - "Property, plant and equipment" provides entities with the option of accounting for its property, plant and equipment using the cost model or the revaluation model. The Company revalues its items of property, plant and equipment subsequent to initial recognition.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. The revaluation model is a fair value based model within the scope of International Financial Reporting Standard (IFRS) 13 - "Fair Value Measurement". International Accounting Standard (IAS) 16 - "Property, plant and equipment", paragraph 34 still allows an entity to continue with the policy of determining revalued amounts at regular intervals even after adoption of International Financial Reporting Standard (IFRS) 13 - "Fair Value Measurement".

TelOne (Private) Limited only apply International Financial Reporting Standard (IFRS) 13 - "Fair Value Measurement" if the fair value of a revalued asset differs materially from its carrying amount. The revaluation surplus or deficit is accounted for through the revaluation reserve in the statement of changes in equity. The entity's items of property, plant and equipment is carried at a revalued amount less accumulated depreciation and accumulated impairment losses.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property, plant and equipment, and is recognized in the statement of profit or loss and other comprehensive income.

#### 3.2.2 Depreciation

Items of property, plant and equipment are depreciated using the straight-line method, so as to write off the assets over the anticipated useful lives. The depreciation methods, useful lives and residual values of assets are reviewed and adjusted if appropriate at each reporting date with the effect of any changes in accounting estimate accounted for on a prospective basis. The useful life of the different categories of property, plant and equipment is estimated as follows:

Asset class	Years
Buildings	20 - 40
Telecommunications plant	5 - 40
Stores plant	5 - 15
Fixtures and fitting	5 - 20
Transport equipment	3 - 10
Computer equipment	3 - 5

Subsequent costs are recognized in the statement of profit or loss and other comprehensive income.

The cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

#### 3.2.3 Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income. The revaluation surplus on the disposed asset is maintained in the revaluation reserve in the statement of changes in equity.

### 3.3 Intangible assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the entity. Intangible assets acquired separately are measured on initial recognition at cost. Subsequently they are carried at cost less accumulated amortization and impairment losses. Intangible assets are recorded at fair value less accumulated amortisation.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

The useful lives of intangible assets are assessed as either finite or infinite. The entity only has intangible assets with finite useful lives. These assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss and other comprehensive income from the date it is available for use.

The Company intangible assets comprise mainly of acquired computer software licenses, operating licenses issued by the regulator and Indivisible Rights of Use (IRU), which are capitalized on the basis of the costs incurred to acquire and bring to use the specified assets. Intangible assets are amortized over their estimated useful lives as follows:

Intangible asset	Years
Software licences and leap billing software	5-10
Indefeasible rights of use	20
Operating license	20

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss when the asset is derecognized.

### 3.4 Investment property

Investment properties are properties held to earn rentals or for capital appreciation rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is initially measured at cost. The cost includes purchase price and any directly related cost such as (professional or legal charges, property transfer taxes and any other transaction costs). Subsequent to initial recognition, the entity measures investment property at fair value.

Fair values are determined based on valuation performed by an accredited independent valuer. Where valuation is not determined by an independent valuer that fact will be disclosed.

An investment property shall be derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between net disposal proceeds and the carrying amount is recognized in profit or loss in the year of de-recognition.

### 3.5 Non-current assets held for sale

Non-current assets held for sale are assets whose carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are carried at the lower of carrying amount and fair value less costs to sell. For an asset to qualify for classification under International Financial Reporting Standard (IFRS) 5 - "Non-current assets held for sale" it must meet the following conditions:

- asset must be available for immediate sale in its present condition
- its sale must be highly probable

Defining a highly probable sale

- Appropriate level of management must be committed to a plan to sell the asset (e.g. recommendation to dispose of specific asset in a board of survey is approved at director level)
- An active program to locate a buyer and complete the plan must have been initiated (e.g. advertising through appropriate media platforms)
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of qualification (except where circumstances beyond the entity's control prevent this)
- When a sale does not take place within a year because of circumstances beyond an entity's control that fact shall be stated. Reclassification can also be done to original class when the decision to sell the asset changes. Reclassification shall be at the carrying amount.

### 3.6 Impairment of non-financial assets

The Company at each reporting date assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing is required the Company estimates the recoverable amount. Recoverable amount being the higher of fair value less costs to sell and the value in use of the asset. If the recoverable amount of an asset is less than its

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount and that reduction is an impairment loss. An impairment loss shall be recognized immediately in profit or loss unless the asset is carried at revalued amount. An impairment loss of a revalued amount is treated as a revaluation decrease. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

### 3.7 Leases

With effect from January 1, 2019, International Financial Reporting Standard (IFRS) 16 – “Leases” replaced International Accounting Standard (IAS) 17 and the core principle of IFRS 16 is that the lessee and lessor are required to recognize all rights and obligations arising from leasing arrangements on the statement of financial position. International Financial Reporting Standard (IFRS) 16 – “Leases” eliminates the classification of leases for lessees as either operating or finance leases and introduces a single lessee accounting model where a right of use asset together with a lease liability for future payments is recognized for all leases with a term of more than 12 months, unless the underlying asset is of low value. TelOne leases are payable in USD and the lease liability is denominated in USD. The right of use asset is accounted for at revalued amounts.

#### TelOne (Private) Limited as a lessor

The Company leases out its investment property consisting of its owned commercial property. All leases are classified as operating leases. Lease income from operating leases is recognized in the statement of profit or loss within ‘other income’ on a straight line basis over the lease term. Lease receivables are recognized within “other receivables” in the statement of financial position.

#### TelOne (Private) Limited as a lessee

TelOne (Private) Limited recognizes a lease liability and a right of use asset on all significant leases. This excludes all leases relating to lower value assets and leases for periods less than 12 months which will be treated as operating leases. Payments made under operating leases are charged to the statement of profit or loss on a straight-line basis over the period of the lease. Payments made under the finance leases are deducted from the lease liability. Right of use assets and lease liabilities are presented on the face of the statement of financial position, and the interest charged on lease liability is presented under “Interest expense” in the statement of profit or loss.

### 3.8 Inventory

Inventories are assets held for sale in the ordinary course of business; or in the process of production for such sale; or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories that the Company still carries but which are no longer available on the market are carried at nil value. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. Items accounted for as inventory include installation material, maintenance material and network equipment.

### 3.9 Trade and other receivables

Trade and other receivables are measured at their transaction price initially and subsequently at amortised cost. Trade receivables are composed of an extensive customer base, covering residential, government, wholesale, local authorities and state owned entities. When a trade receivable is uncollectible, it is written off against the allowance for expected losses. Subsequent recoveries of amounts previously written off are credited in profit or loss.

#### 3.9.1 Allowance for expected credit losses

The Company has a credit policy that is applied to all categories of trade receivables. Summary of the credit policy is as follows:

##### TelOne (Private) Limited credit policy

The major impact of the application of IFRS 9 is on trade and other receivables. IFRS 9 – “Financial Instruments”, stipulates three approaches to calculating expected credit losses i.e. the General Approach, the Simplified Approach and the Credit Impaired Approach.

- TelOne (Private) Limited adopted the simplified approach as this is the approach specifically designated for trade receivables or contract assets that arise from transactions that are within the scope of IFRS 15 – “Revenue from contracts with customers” (para 5.5.15).
- TelOne (Private) Limited has a large number of trade receivables (most of them with small balances) and it would be difficult to obtain/monitor forward-looking credit information on each customer hence the Company has applied the portfolio basis when assessing changes in credit risk of its customers.
- Seven markets within the Company’s trade receivables portfolio have been identified as Portfolios as follows:

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

1. Corporates
2. Government
3. Wholesale
4. Local authorities
5. State owned Entities
6. Residential
7. Internet Service Providers (ISPs)
  - The portfolios have been identified on the basis of their shared characteristics (particularly payment patterns) and also that these markets are already demarcated as such in our books for reporting purposes.
  - In calculating the expected credit loss for each portfolio of trade receivables, a default rate for the given portfolio is determined on the basis of the value of trade receivables accounts in default for a particular period divided by the total value of trade receivables. Customers that are in default are those who have not paid their accounts for at least a period of twelve months.
  - Adjustments are made to the default rate in order to take into account reasonable and supportable forecasts affecting collectability. The forecasts may be external e.g. macro-economic conditions or may be portfolio specific.
  - The default rates adjusted in line with forward looking information are then applied on the total value of receivables for the particular market to come up with expected credit losses.

### 3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another. Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the instrument.

#### 3.10.1 Financial assets

A financial asset is a contractual right to receive cash or another financial asset. The Authority have financial assets such as cash and cash equivalents, equity investments and receivables.

Financial Assets	Category
Equity Investments	Financial Asset Measured at Fair Value
Debentures	Financial Asset Measured at Amortised cost
Cash and cash equivalents	Financial Asset Measured at Amortised cost
Trade receivables	Financial Asset Measured at Amortised cost

Financial assets are classified on the basis of both:

- i. The business model for managing the financial assets and
- ii. The contractual cash flow characteristics of the financial asset.

The business model test

The Business Model Test considers the objective/motive of an entity in holding a financial asset as follows:

- is the objective of the entity's business model to hold the financial asset in order to collect contractual cash flows or,
- is the financial asset held to achieve an objective of both collecting contractual cash flows and to sell.

Initially all financial instruments are measured at fair value plus transaction costs (or minus transaction costs in the case of a financial asset/liability not at fair value through profit or loss). On subsequent measurement, IFRS 9 classifies financial assets according to categories that reflect the measurement basis (i.e. measurement determines the category), namely:

- amortized cost
- fair value through other comprehensive income
- fair value through profit or loss

The critical issues that are considered in determining the class of a financial asset on subsequent measurement is the Business Model Test and the Cash Flow Characteristic Test. The Cash Flow Characteristics Test (also known as the SPPI test). This test considers the characteristics of the cash flows of the financial asset whether they are 'solely payments of principal and interest (SPPI)'

Financial assets are classified initially as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

Financial assets are measured at amortized cost if:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

Financial assets shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

An entity can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial instruments carried in the statement of financial position comprise cash and cash equivalents, trade and other receivables, trade and other payables debentures, equity instruments and amounts owing to and from related parties. These instruments are measured initially at fair value, for instruments not at fair value through profit or loss and directly attributable costs.

### 3.10.2 Financial liabilities

Financial liabilities are classified as subsequently measured at amortized cost except for those financial liabilities at fair value through profit or loss. At initial recognition an irrevocable election can be made to designate a financial liability as measured at fair value through profit or loss for hybrid contracts or when doing so results in more relevant information. Financial liabilities of the Company include trade and other payables and loans.

### 3.10.3 Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of past event. It should be probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. The amount of the obligation shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditure expected to be required to settle the obligation. The discount rate applied shall be a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

### 3.10.4 Investment in joint venture

TelOne management assessed the progress and substance of the facts surrounding ownership of Zimbabwe Information Technology Company (ZITCO) and decided to account for TelOne (Private) Limited contributions in ZITCO as an Investment accounted for at fair value through other comprehensive income in terms of IAS 28 par 44 as read with IAS 27 par 10(b) which allows Investments to be accounted for in separate financial statements at fair value in terms of IFRS 9. The Company made an election to designate the investment as such.

## 3.11 Revenue

Revenue is recognized when the following criteria are met:

- The parties to the contract have approved the contract whether in writing, orally or in accordance with other customary business practices and are committed to perform their respective obligations
- The entity can identify each other's rights regarding the goods or services to be transferred
- The entity can identify the payment terms for the goods or services to be transferred
- The contract has commercial substance
- It is probable that the entity will collect consideration to which it will be entitled in exchange for the goods and services that will be transferred to the customer.
- Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognized by applying the 5 step model of International Financial Reporting Standard (IFRS) 15 – “Revenue from contracts with customers” as follows:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is from the provision of telecommunication services, rental, sale and repair of telecommunication equipment. The Company provides five broad categories of goods and services.

- Voice
- Broadband
- Satellite
- Centre for learning services
- Sale of accessories and client premise equipment

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

### 3.11.1 Voice

The Company provides voice telephone services. Revenue includes installation fees for first time service, monthly rentals and usage charges. The service can be prepaid or postpaid. For the postpaid service billing is done monthly and revenue is recognized when the client is billed. For the prepaid service revenue is based on actual usage or upon expiration of the usage period. Installation fees revenue is recognized on date of connection to our service. Monthly rentals are recognized as revenue as the clients are provided access to network based on the agreed fixed charges.

### 3.11.2 Broadband

The Company provides internet services in the form of broadband services. The Company provides broadband connectivity through Asymmetric Digital Subscriber Line (ADSL), Long-term Evolution (LTE) and Fibre to the Home/Premise (FTTH). These are prepaid services and revenue is recognized when the services have been used or when period of service has expired. The Company provides leased circuit services. The service is a data service. Revenue includes installation fees and rental fees for the data services. The service is postpaid and revenue is recognized on accrual basis that is when the client is billed at the end of each month

### 3.11.3 Satellite

The Company offers satellite services that can deliver voice, data and video services. The service can also provide broadband via satellite through the Ka Band VSAT. Satellite services are postpaid and revenue is recognized on accrual basis that is when the client is billed at the end of each month.

### 3.11.4 Other income

This is income from non-core activities for the business that is it is income from the sale of goods and services that are non-telecommunication. Income from the sale of goods is recognized when the performance obligations under the contract have been satisfied. Income from services rendered is recognized by reference to the stage of completion of the transaction at the reporting date. Other income also includes income from the rental of properties and income from training services.

### 3.11.5 Finance income

This is income earned from financial assets, money market placements and accounts at financial institutions. As a way of encouraging customers to settle all current bills on time interest is now being levied on all overdue accounts in line with the client service contracts.

### 3.11.6 Deferred revenue

Revenue from WIOCC is deferred when revenue has not yet been earned. The Company has deferred income arising from long term service agreements with WIOCC. Revenue is deferred over the period of service agreement. Revenue is realized as the service is rendered over the period of the agreement.

## 3.12 Taxation

### 3.12.1 Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or to be paid to the tax authorities. The tax rates and tax laws used to compute the tax amount are those that are enacted or substantially enacted at the reporting date. Current income tax relating to items recognized directly in equity shall also be recognized in equity and not in the statement of comprehensive income. Current tax for current and prior periods shall to the extent unpaid be recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset.

### 3.12.2 Deferred tax

Deferred tax is provided using the financial position approach on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liability is recognized for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credits. Deferred tax asset is recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carry forward of unused tax losses and unused tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled based on tax rates and tax laws that are enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current liabilities and deferred taxes relate to the same taxable authority.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

### 3.12.3 Value Added Tax (VAT)

Expenses and assets are recorded net of amount of VAT except when the VAT incurred on the purchase of assets or services is not recoverable from tax authorities, in which case, the tax is recognized as part of the expenses items as applicable. All receivables and payables are stated with the amount of Value Added Tax included. The Company remits output VAT to the revenue authority on a cash basis.

### 3.13 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

#### 3.13.1 Short term employee benefits

Employee benefits other than termination benefits that are expected to be settled wholly before twelve months after the year end of the annual reporting period in which the employees render the related service. The short term benefits comprise remuneration in the form of salaries, wages, bonuses, employee entitlement to leave pay and medical aid. When an employee has rendered service during an accounting period the entity shall recognize the undiscounted amount of the short term benefits expected to be paid in exchange for that service as an expense or as a liability (accrued expense).

#### 3.13.2 Post-employment benefits

Employee benefits other than termination benefits and short term benefits that are payable after the completion of service. They comprise of retirement benefits provided through a Defined Benefit Plan administered by the Communication and Allied Industries Pension Fund, a multi-employer plan. The Company also contributes to National Social Security Authority. When an employee has rendered service during the reporting period the entity shall recognize the contribution payable to a defined contribution plan as an expense or as a liability (accrued expense).

#### 3.13.3 Termination benefits

Employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Company recognizes a liability and expense at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes costs for restructuring that is within the scope of IAS 37 – "Provisions, Contingent Liabilities and Contingent Assets", and involves the payment of termination benefits. Termination benefits are measured according to the terms of the termination contract.

### 3.14 Fair value measurement

The Company measures financial instruments such as financial assets at fair value through other comprehensive income at each balance sheet date. 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 measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or in the absence of a principal market in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Company. The fair value of the asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The valuation techniques that are used are those that are appropriate in the circumstances and for which sufficient data are available to measure fair value maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

### 3.15 Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

External valuers are engaged for the valuation of significant assets like property, plant and equipment and investment property. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The valuation of investment property and property plant and equipment involves the use of unobservable market inputs.

The following table analyses within the fair value hierarchy the entity's assets and liabilities (by class) measured at fair value at December 31, 2024. All fair value measurements disclosed are recurring fair value measurements.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

ASSET	LEVEL 1 ZWG	LEVEL 2 ZWG	LEVEL 3 ZWG	TOTAL ZWG
Financial assets (FVPL)				
ZB shares	6 384 866	-	-	6 384 866
Gold Coins	707 537	-	-	707 537
Financial assets (FVOCI)				
WIOCC shares	-	264 830 031	-	264 830 031
Tasimba properties shares	-	-	414	414
Hwange debentures	-	-	7,518	7,518
Investment property	-	-	31 990 140	31 990 140
Intangible assets	-	-	1 377 454 639	1 377 454 639
Property, plant and equipment	-	-	11 053 149 099	11 053 149 099
Investment in Joint Venture	-	-	57 359 078	57 359 078
<b>TOTAL</b>	<b>7 092 403</b>	<b>264 830 031</b>	<b>12 519 960 888</b>	<b>12 791 883 322</b>

### 3.16 Foreign currency transactions.

The Company's presentation currency is the Zimbabwean Gold (ZWG). The functional currency is also the Zimbabwean Gold (ZWG). Foreign currency transactions are recorded on initial recognition in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction period. At each reporting date monetary items are translated using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Non-monetary items measured at fair value shall be translated using the exchange rates at the date when the fair value was measured.

### 3.17 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants including non-monetary grants at fair value shall not be recognized until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no related costs shall be recognized in profit or loss of the period in which it becomes receivable. Grants related to income are presented as part of profit or loss. Grants related to assets shall be presented in the statement of financial position as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

### 3.18 Current and non-current classification

The Company presents assets and liabilities in the statement of financial position using the current and non-current classification.

An asset is current when it is expected to be realized or intended to be sold or consumed in the normal operating cycle or

- held primarily for the purpose of trade
- expected to be realized within twelve months after the reporting period
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets that do not meet the above definition as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities that do not meet the above definition as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

### 4 PROPERTY, PLANT AND EQUIPMENT

#### 4.1 Property, plant and equipment - Inflation Adjusted

	Land ZWG	Buildings ZWG	Telecoms Plant ZWG	Stores Plant ZWG	Fixtures and Fittings ZWG	Computer Equipment ZWG	Transport Equipment ZWG	Total Dec31, 2024 ZWG	Total Dec31, 2023 ZWG
<b>Opening carrying amount</b>	<b>456 221 718</b>	<b>1 235 864 941</b>	<b>9 164 475 577</b>	<b>20 998 925</b>	<b>39 955 907</b>	<b>45 822 445</b>	<b>218 202 189</b>	<b>11 181 541 702</b>	<b>1 728 755 308</b>
Gross carrying amount	456 221 718	1 251 400 341	9 260 735 112	21 535 025	45 691 640	50 203 863	228 930 832	11 314 718 531	1 743 549 095
Accumulated depreciation	-	(15 535 400)	(96 259 535)	(536 100)	(5 735 733)	(4 381 418)	(10 728 643)	(133 176 829)	(14 793 787)
Additions	-	24 710 550	82 250 834	108 274	2 376 035	6 156 898	8 241 760	123 844 351	87 312 237
Revaluation surplus / (deficit)	23 469 915	18 670 554	(87 059 317)	263 165	33 286 231	13 590 340	(65 226 753)	(63 005 865)	9 478 665 351
Reclassification from capital works in progress (Note 5)	-	-	142 005 350	-	-	-	-	142 005 350	6 934 001
<b>Carrying amount of disposed items</b>	-	<b>(525 796)</b>	<b>(30 470 512)</b>	<b>(20 865)</b>	<b>(73 234)</b>	<b>(15 669)</b>	-	<b>(31 106 076)</b>	<b>(1 391 259)</b>
Deemed cost	-	(5 257 954)	(31198 784)	(208 645)	(300 231)	(16 407)	-	(36 982 021)	(1 742 153)
Accumulated depreciation	-	4 732 158	728 272	187 780	226 997	738	-	5 875 945	350 894
Depreciation charge for the year	-	(30 014 771)	(221 307 152)	(1 854 930)	(3 855 259)	(5 586 127)	(37 512 125)	(300 130 364)	(118 733 936)
<b>Closing carrying amount</b>	<b>479 691 633</b>	<b>1 248 705 479</b>	<b>9 049 894 780</b>	<b>19 494 569</b>	<b>71 689 680</b>	<b>59 967 887</b>	<b>123 705 071</b>	<b>11 053 149 099</b>	<b>11 181 541 702</b>
Gross carrying amount	479 691 633	1 289 523 492	9 366 733 195	21 697 819	81 053 675	69 934 694	171 945 839	11 480 580 347	11 314 718 531
Accumulated depreciation	-	(40 818 013)	(316 838 415)	(2 203 250)	(9 363 995)	(9 966 807)	(48 240 768)	(427 431 248)	(133 176 829)

#### 4.2 Property, plant and equipment - Historical Cost

	Land ZWG	Buildings ZWG	Telecoms Plant ZWG	Stores Plant ZWG	Fixtures and Fittings ZWG	Computer Equipment ZWG	Transport Equipment ZWG	Total Dec 31, 2024 ZWG	Total Dec 31, 2023 ZWG
<b>Opening carrying amount</b>	<b>42 010 463</b>	<b>113 802 689</b>	<b>843 896 392</b>	<b>1 933 653</b>	<b>3 679 277</b>	<b>4 219 488</b>	<b>20 092 808</b>	<b>1 029 634 770</b>	<b>159 189 727</b>
Gross carrying amount	42 010 463	115 233 242	852 760 301	1 983 019	4 207 443	4 622 944	21 080 738	1 041 898 150	160 551 990
Accumulated depreciation	-	(1 430 553)	(8 863 909)	(49 366)	(528 166)	(403 456)	(987 930)	(12 263 380)	(1 362 263)
Additions	-	19 867 666	61 141 231	81 699	1 754 440	4 261 596	6 439 999	93 546 631	8 040 010
Revaluation surplus	437 681 170	1 135 294 059	8 260 149 542	18 759 006	69 276 266	55 470 674	123 547 984	10 100 178 701	872 828 066
Reclassification from capital work in progress (Note 5)	-	-	59 593 750	-	-	-	-	59 593 750	638 507
<b>Carrying amount of disposed items</b>	-	<b>(330 780)</b>	<b>(19 169 123)</b>	<b>(13 126)</b>	<b>(46 072)</b>	<b>(15 114)</b>	-	<b>(19 574 215)</b>	<b>(128 113)</b>
Deemed cost	-	(3 307 800)	(19 627 281)	(131 260)	(188 877)	(15 826)	-	(23 271 044)	(160 423)
Accumulated depreciation	-	2 977 020	458 158	118 134	142 805	712	-	3 696 829	32 312
Depreciation charge for the year	-	(19 928 155)	(155 717 012)	(1 266 663)	(2 974 231)	(3 968 757)	(26 375 720)	(210 230 538)	(10 933 429)
<b>Closing carrying amount</b>	<b>479 691 633</b>	<b>1 248 705 479</b>	<b>9 049 894 780</b>	<b>19 494 569</b>	<b>71 689 680</b>	<b>59 967 887</b>	<b>123 705 071</b>	<b>11 053 149 099</b>	<b>1 029 634 770</b>
Gross carrying amount	479 691 633	1 267 087 167	9 214 017 543	20 692 464	75 049 272	64 339 388	151 068 721	11 271 946 188	1 041 898 150
Accumulated depreciation	-	(18 381 688)	(164 122 763)	(1 197 895)	(3 359 592)	(4 371 501)	(27 363 650)	(218 797 089)	(12 263 380)

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

	Inflation adjusted		Historical Cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>5 CAPITAL WORK IN PROGRESS</b>				
Opening carrying amount	57 261 912	5 303 237	5 272 874	488 341
Additions	179 529 804	58 892 676	125 436 247	5 423 040
Reclassification- Property, plant and equipment	(142 005 350)	(6 934 001)	(59 593 750)	(638 507)
<b>Closing carrying amount</b>	<b>94 786 366</b>	<b>57 261 912</b>	<b>71 115 371</b>	<b>5 272 874</b>

TelOne Private Ltd completed some projects to modernise the telecommunications network which have been transferred to Property, Plant and Equipment.

	Inflation adjusted		Historical Cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>6 INVESTMENT PROPERTY</b>				
Opening balance	37 648 571	3 468 192	3 466 810	319 363
Fair value adjustment	(5 658 431)	34 180 379	28 523 330	3 147 447
<b>Closing balance</b>	<b>31 990 140</b>	<b>37 648 571</b>	<b>31 990 140</b>	<b>3 466 810</b>

The investment property portfolio comprises of commercial property (Memorial Building) leased to third parties. Leases have varied running periods and all renewals are negotiated with the lessee. Contingent rentals are chargeable for all the tenants equivalent to the monthly rental charge. Owner occupancy is less than 20% of the total leasable area for the building classified as investment property.

The investment property value was based on valuations done by an independent valuer, Knight Frank Property Valuers. The valuation was subject to TelOne (Private) Limited management assessment to ensure accuracy and reliability of the values.

### Operating leases

Included in the statement of profit or loss and other comprehensive income is the following rental income and expenses:

	Inflation adjusted		Historical Cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
Rental income	23 513 869	12 100 119	20 666 799	1 114 220
Operating expenses that generated rental income	(10 738 283)	(10 462)	(7 610 091)	(963)
<b>Net rental income</b>	<b>12 775 586</b>	<b>12 089 657</b>	<b>13 056 708</b>	<b>1 113 257</b>
<b>Future rental income</b>				
Up to 1 year	23 513 869	12 100 119	20 666 799	1 114 221
Over 1 year; less than 5 years	94 055 477	48 400 475	82 667 198	4 456 882
Over 5 years	117 569 346	60 500 593	103 333 997	5 571 102
<b>Total expected receipts</b>	<b>235 138 692</b>	<b>121 001 187</b>	<b>206 667 994</b>	<b>11 142 205</b>

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

### 7. INTANGIBLE ASSETS

	Indefeasible right of use ZWG	Unified Operating licence ZWG	Software Licences ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>Inflation adjusted</b>					
<b>Opening carrying amount</b>	<b>287 599 314</b>	<b>947 436 147</b>	<b>1 082 149</b>	<b>1 236 117 610</b>	<b>146 068 123</b>
Gross carrying amount	303 408 518	1 064 995 785	1 504 482	1 369 908 785	149 132 002
Accumulated amortisation	(15 809 204)	(117 559 638)	(422 333)	(133 791 175)	(3 063 879)
Additions other	-	-	837 615	837 615	225 840
Fair value movement	(21 134 495)	(78 777 273)	303 081 108	203 169 340	1 220 550 943
Amortisation for the year	(20 337 197)	(42 268 196)	(64 533)	(62 669 926)	(130 727 296)
<b>Closing carrying amount</b>	<b>246 127 622</b>	<b>826 390 678</b>	<b>304 936 339</b>	<b>1 377 454 639</b>	<b>1 236 117 610</b>
Gross carrying amount	282 274 023	986 218 512	305 423 205	1 573 915 740	1 369 908 785
Accumulated amortisation	(36 146 401)	(159 827 834)	(486 866)	(196 461 101)	(133 791 175)
<b>Historical Cost</b>					
<b>Opening carrying amount</b>	<b>26 483 133</b>	<b>87 243 175</b>	<b>99 648</b>	<b>113 825 956</b>	<b>13 450 455</b>
Gross carrying amount	27 938 899	98 068 470	138 538	126 145 907	13 732 587
Accumulated amortisation	(1 455 766)	(10 825 295)	(38 890)	(12 319 951)	(282 132)
Additions: Spectrum Licence					
Additions other	-	-	723 230	723 230	20 796
Fair value movement	234 446 036	769 796 707	304 177 994	1 308 420 737	112 392 524
Amortisation for the year	(14 801 547)	(30 649 204)	(64 533)	(45 515 284)	(12 037 819)
<b>Closing carrying amount</b>	<b>246 127 622</b>	<b>826 390 678</b>	<b>304 936 339</b>	<b>1 377 454 639</b>	<b>113 825 956</b>
Gross carrying amount	262 384 935	867 865 177	305 039 762	1 435 289 874	126 145 907
Accumulated amortisation	(16 257 313)	(41 474 499)	(103 423)	(57 835 235)	(12 319 951)

Intangible assets were accounted for using the revaluation model. In respect of the closing balances valuations were carried out as at 31 December 2024 by Knight Frank and these were based on market values. The carrying amount of that would have been recognised had the revalued assets been measured after recognition using cost model is ZWG1 094 592 956.

### 8. FINANCIAL ASSETS

	Inflation adjusted		Historical Cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>8.1 Financial assets at fair value through other comprehensive income</b>				
<b>Opening balance</b>	<b>290 990 697</b>	<b>30 894 331</b>	<b>26 795 423</b>	<b>2 844 856</b>
ZB Shares	4 420 786	482 442	2 259 666	44 425
WIOCC Shares	286 561 979	30 406 233	24 527 825	2 799 910
Hwange Debentures	7 518	5 607	7 518	516
Tasimba properties shares	414	49	414	5
Fair value adjustment	(19 767 868)	260 096 366	244 427 406	23 950 567
<b>Closing balance</b>	<b>271 222 829</b>	<b>290 990 697</b>	<b>271 222 829</b>	<b>26 795 423</b>

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

	Inflation adjusted		Historical Cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>8.2 FINANCIAL ASSETS</b>				
<b>Financial assets at fair value through Profit and Loss</b>				
Opening balance	621 800	58 691	57 257	5 404
Fair value adjustment	85 737	563 109	650 280	51 853
<b>Closing balance</b>	<b>707 537</b>	<b>621 800</b>	<b>707 537</b>	<b>57 257</b>
<b>Total financial assets</b>	<b>271 930 366</b>	<b>291 612 497</b>	<b>271 930 366</b>	<b>26 852 680</b>
<b>8.3 Investment in Joint Venture</b>				
<b>ZITCO INVESTMENT</b>				
Opening balance	58 042 399	747 001	5 344 744	68 787
Additions	940 494	672 296	940 494	61 907
Fair value adjustment	(1 623 815)	56 623 102	51 073 840	5 214 050
<b>Closing balance</b>	<b>57 359 078</b>	<b>58 042 399</b>	<b>57 359 078</b>	<b>5 344 744</b>

Zimbabwe Information Technology Company (ZITCO) was formed and incorporated in 2019. ZITCO was incorporated as a joint venture between TelOne (Private) Limited, Government of Zimbabwe, through Flushcord Enterprises and National Venture Capital Company of Zimbabwe (NVCCZ) to run the Zimbabwe Information Technology Company(ZITCO) through an assumption that parties were to make an initial capital contribution of US\$5.6 million (TelOne Private Limited-US\$1.7 million, Flushcord Enterprises -US\$2.2 million and National Venture Capital Company of Zimbabwe (NVCCZ) –US\$1.7 million) which would result in 30%, 40% and 30% respectively. However up to 31 December 2024, the contributions have not yet been aligned to the assumed shareholding. As at 31 December 2024, formal establishment of ZITCO was still pending Cabinet approval. Management is continuously following all the processes and facts involved in ZITCO establishment. Having assessed the progress and substance of the facts surrounding ownership of ZITCO, management applied judgement and decided to account for TelOne (Private) Limited contributions in ZITCO as an Investment accounted for at fair value through other comprehensive income in terms of IAS 28 par 44 as read with IAS 27 par 10(b) which allows Investments to be accounted for in separate financial statements at fair value in terms of IFRS9. TelOne (Private) Limited contributed ZWG57.3m equivalent to US\$2.2 million by 31 December 2024 towards preliminary operational activities and capital expenditure which according to the arrangement was capitalised as its investment contribution. Up to 31 December 2024, there were no significant trading transactions done by ZITCO hence immaterial share of earnings after its incorporation.

## 9 LEASES

Leases consists of two properties leased from the Communications and Allied Industries Pension Fund(CAIPF) . The properties are Runhare House and the Msasa factory. On initial adoption of IFRS 16 on 1 January 2019 the terms were as follows:

	Runhare House	Msasa Factory
Lease term	40	10
Rate per annum	13%	13%
Payment per month (US\$)	70 110	28 000
Rate per month	1.0833%	1.0833%

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

	Inflation Adjusted			Historical		
	Runhare House ZWG	Msasa Factory ZWG	Total ZWG	Runhare House ZWG	Msasa Factory ZWG	Total ZWG
<b>9.1 Right of use assets</b>						
<b>Opening carrying amount 01 January 2023</b>	<b>8 364 488</b>	<b>1 956 493</b>	<b>10 320 981</b>	<b>770 231</b>	<b>180 161</b>	<b>950 392</b>
Depreciation charge	(364 960)	(512 195)	(877 155)	(33 607)	(47 165)	(80 772)
Carrying amount 28 February 2023	7 999 528	1 444 298	9 443 826	736 624	132 996	869 620
Remeasurement adjustment	12 151 134	2 152 634	14 303 768	1 118 918	198 222	1 317 140
<b>Carrying amount after remeasurement 28 February 2023</b>	<b>20 150 662</b>	<b>3 596 932</b>	<b>23 747 594</b>	<b>1 855 542</b>	<b>331 218</b>	<b>2 186 760</b>
Depreciation charge 2023	(3 705 945)	(4 569 116)	(8 275 061)	(341 256)	(420 740)	(761 996)
Fair value movement	138 834 387	27 929 968	166 764 355	12 784 347	2 571 887	15 356 234
<b>Carrying amount 31 December 2023</b>	<b>155 279 104</b>	<b>26 957 784</b>	<b>182 236 888</b>	<b>14 298 633</b>	<b>2 482 365</b>	<b>16 780 998</b>
<b>Opening carrying amount 01 January 2024</b>	<b>155 279 104</b>	<b>26 957 784</b>	<b>182 236 888</b>	<b>14 298 633</b>	<b>2 482 365</b>	<b>16 780 998</b>
Depreciation charge 2024	(260 807)	(333 480)	(594 287)	(199 440)	(255 012)	(454 452)
Carrying amount 28 February 2024	155 018 297	26 624 304	181 642 601	14 099 193	2 227 353	16 326 546
Remeasurement adjustment	8 227 281	2 041 250	10 268 531	8 227 281	2 041 250	10 268 531
<b>Carrying amount after remeasurement 28 February 2024</b>	<b>163 245 578</b>	<b>28 665 554</b>	<b>191 911 132</b>	<b>22 326 474</b>	<b>4 268 603</b>	<b>26 595 077</b>
Depreciation charge 2024	(3 519 428)	(4 833 567)	(8 352 995)	(2 742 245)	(3 506 353)	(6 248 598)
Fair value adjustment	(4 931 638)	(546 458)	(5 478 096)	135 210 283	22 523 279	157 733 562
<b>Carrying amount 31 December 2024</b>	<b>154 794 512</b>	<b>23 285 529</b>	<b>178 080 041</b>	<b>154 794 512</b>	<b>23 285 529</b>	<b>178 080 041</b>

### 9.2 Lease Liability balance 2023

Long term portion	161 353 676	25 285 015	186 638 691	14 858 001	2 328 331	17 186 332
Short-term portion	244 193	4 527 821	4 772 014	22 486	416 937	439 423
	<b>161 597 869</b>	<b>29 812 836</b>	<b>191 410 705</b>	<b>14 880 487</b>	<b>2 745 268</b>	<b>17 625 755</b>

### Lease liability balance 2024

Long term portion	164 618 376	21 438 803	186 057 179	164 618 376	21 438 803	186 057 179
Short-term portion	284 012	5 487 228	5 771 240	284 012	5 487 228	5 771 240
	<b>164 902 388</b>	<b>26 926 031</b>	<b>191 828 419</b>	<b>164 902 388</b>	<b>26 926 031</b>	<b>191 828 419</b>

	Inflation adjusted		Historical	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>Amounts recognised in the profit and loss</b>				
Interest on lease liabilities	17 307 739	23 122 717	17 307 739	2 129 219
Depreciation on right of use asset	8 947 282	9 152 216	6 703 050	842 767
	<b>26 255 021</b>	<b>32 274 933</b>	<b>24 010 789</b>	<b>2 971 986</b>
<b>Amounts recognised in the cash flow statement</b>				
Cash outflow for leases-principal	120 061	2 530 360	120 061	233 004
Cash outflow for leases-finance costs	6 100 387	4 437 454	6 100 387	408 616
<b>Total cash outflows</b>	<b>6 220 448</b>	<b>6 967 814</b>	<b>6 220 448</b>	<b>641 620</b>

Maturity Analysis-contractual undiscounted cash flows	Runhare	Msasa Factory	Total
Less than 1 year	21 704 794	8 668 296	30 373 090
One to five years	108 523 970	43 341 480	151 865 450
More than five years	759 667 791	43 341 480	803 009 271

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

	Inflation adjusted		Historical Cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>10 INVENTORY</b>				
Manufacturing	364 517	611 121	284 147	56 274
Telecoms	72 648 660	35 945 142	54 309 340	3 309 952
Transport	7 748 814	9 177 241	5 133 405	845 072
General	5 241 574	2 988 759	3 648 343	275 215
	<b>86 003 565</b>	<b>48 722 263</b>	<b>63 375 235</b>	<b>4 486 513</b>

Inventories are carried at the lower of cost and net realisable values. All inventories are expected to be consumed within 12 months.

	Inflation adjusted		Historical Cost	
	Dec31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>11 TRADE AND OTHER RECEIVABLES</b>				
Trade receivables	739 019 058	1 067 870 568	739 019 058	98 333 191
Other receivables	168 587 867	115 193 865	168 587 867	10 607 446
Allowance for credit losses	(31 898 770)	(52 472 854)	(31 898 770)	(4 831 881)
Net trade receivables	875 708 155	1 130 591 579	875 708 155	104 108 756
<b>11.1 Security deposits</b>				
Stanbic Escrow	18 537 464	20 058 246	18 537 464	1 847 032
	<b>18 537 464</b>	<b>20 058 246</b>	<b>18 537 464</b>	<b>1 847 032</b>

Restricted funds in Stanbic Escrow Account and The Debt Service Reserve Accounts are classified as such as they are not accessible for the company's use in the short term and are pledged as security for the China Exim loan. Stanbic Escrow Account has USD718 548.

	Inflation adjusted		Historical Cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>11.2 Allowance for credit losses</b>				
Opening balance 01 Jan 2024	52 472 854	3 484 139	4 831 881	320 832
Charge for the year	27 066 889	48 988 715	27 066 889	4 511 049
Inflation (IAS 29) adjustment	(47 640 973)	-	-	-
Closing balance 31 Dec 2024	<b>31 898 770</b>	<b>52 472 854</b>	<b>31 898 770</b>	<b>4 831 881</b>
<b>11.3 Prepayments</b>				
Network equipment	38 761 400	58 916 543	27 629 962	5 425 238
	<b>38 761 400</b>	<b>58 916 543</b>	<b>27 629 962</b>	<b>5 425 238</b>
Prepayments were made towards network equipment				
<b>12 CASH AND CASH EQUIVALENTS</b>				
Cash	109 076	-	109 076	-
Bank	26 002 630	37 072 950	26 002 630	3 413 805
	<b>26 111 706</b>	<b>37 072 950</b>	<b>26 111 706</b>	<b>3 413 805</b>
<b>13 AUTHORISED SHARE CAPITAL</b>				
32 000 ordinary shares of ZWG0.001	0.14	0.14	0.01	0.01
	<b>0.14</b>	<b>0.14</b>	<b>0.01</b>	<b>0.01</b>
<b>Issued and fully paid</b>				
32 000 ordinary shares of ZWG0.001 each	0.14	0.14	0.01	0.01
	<b>0.14</b>	<b>0.14</b>	<b>0.01</b>	<b>0.01</b>

The issued shares are held by nominees on behalf of the Government of Zimbabwe.

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## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

### 14. FOREIGN LOANS AS AT 31 DECEMBER 2024

#### 14.1 Foreign Legacy Loans

NAME OF LOAN	PROJECT	INTEREST RATE %	CURRENCY	REDEMPTION COMMENCING	FINAL REDEMPTION DATE	TOTAL DRAWDOWN FOREIGN CURRENCY	PRINCIPAL OUTSTANDING 31.12.2023 ZWG	INTEREST AS AT 31.12.2023 ZWG	OVERDUE CHARGES 31.12.2023 ZWG
AFRICAN DEVELOPMENT BANK (ADB II)	2TELECOMMUNICATIONS II	7.45%	US	1 999	2 014	UA26 378 360	101 974 196	128 093 688	237 055
BANQUE NATIONALE DE PARIS (BNP)	WIRELESS LOCAL SYSTEM	7.68%	EURO	1 997	2 005	FRF 61 464 391	26 755 932	3 013 911	91 998 177
EKSPORTFINANS	EXTENSION OF MUTARE	8.30%	NOK	1 993	2 003	NOK 41 211 400	8 450 887	537 340	44 432 724
KREDITANSTALT FUR WIEDERAUFBAU (KFW) I PORTION I	HARARE UNIT 5 EXCHANGE	0.75%	EURO	1 993	2 033	DM 10 500 000	13 545 911	2 083 240	4 643 343
KREDITANSTALT FUR WIEDERAUFBAU (KFW) II PORTION I	HARARE WESTERN SATELITE EXCHANGE	2.00%	EURO	1 994	2 014	DM 15 000 000	17 804 376	6 913 884	10 223 822
KREDITANSTALT FUR WIEDERAUFBAU (KFW) III	TELEPRINTERS SOUTHERTON EXCHANGE	4.50%	EURO	1 995	2 012	DM 12 000 000	15 615 094	6 085 160	8 482 402
KREDITANSTALT FUR WIEDERAUFBAU (KFW) V PORTION I	RURAL TELECOM	0.75%	EURO	2 003	2 032	DM 13 000 000	19 799 733	3 069 336	5 387 816
PORTION II	MATEBELELAND	2.00%	EURO	2 003	2 022	DM 6 738 304	12 335 616	4 840 257	5 173 056
OVERSEAS ECONOMIC CO-OPERATION FUND (OECF) III	MATEBELELAND DIGITALISATION	3.00%	YEN	2 003	2 023	YEN 9 189 121 756	190 384 334	54 347 415	141 968 734
OVERSEAS ECONOMIC CO-OPERATION FUND (OECF) IV	DIGITAL TRANS SYSTEMS	2.60%	YEN	2 005	2 025	YEN 269 382 754	5 500 450	1 631 474	3 450 671
OVERSEAS ECONOMIC CO-OPERATION FUND (OECF) V	MASH & MANICALAND DIGITALISATION	2.30%	YEN	2 006	2 026	YEN 1 744 969 851	35 126 022	9 834 499	18 928 354
EXIMBANK OF JAPAN (SUMITOMO II)	2ND MAZOE EARTH STATION	6.00%	YEN	1 995	2 004	YEN 934 718 650	9 206 000	813 825	14 045 865
							<b>456 498 551</b>	<b>221 264 029</b>	<b>348 972 019</b>

#### 14.2 China Exim Bank Loan

CHINA EXIM BANK	NATIONAL BROADBAND PROJECT	5.00%	US	2 017		USD 98 495 973	18 612 394	9 114 816	219 426 546
TOTAL FOREIGN LOANS							<b>475 110 945</b>	<b>230 378 845</b>	<b>568 398 565</b>

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

HISTORICAL CLOSING BALANCE 31.12.2023 ZWG	INFLATION ADJUSTED CLOSING BALANCE 31.12.2023 ZWG	CAPITAL MOVEMENTS 31.12.2024 ZWG	PAYMENTS 31.12.2024 ZWG	Effects of IAS 29 ZWG	SUB TOTAL 31.12.2024 ZWG	INTEREST AS AT 31.12.2024 ZWG	OVERDUE CHARGES 31.12.2024 ZWG	HISTORICAL CLOSING BALANCE 31.12.2024 ZWG	INFLATION ADJUSTED CLOSING BALANCE 31.12.2024 ZWG
230 304 939	2 501 046 344	414 578 096	-	(1 285 992 332)	1 629 632 108	750 232 184	1 262 456	2 381 126 748	2 381 126 748
121 768 020	1 322 366 167	70 716 195	-	(679 936 521)	713 145 841	13 980 492	515 897 540	1 243 023 873	1 243 023 873
53 420 951	580 136 385	13 668 836	-	(298 295 529)	295 509 692	2 269 027	243 441 717	541 220 436	541 220 436
20 272 494	220 153 524	53 429 554	-	(113 198 920)	160 384 159	10 526 185	24 817 641	195 727 985	195 727 985
34 942 082	379 461 113	66 491 727	-	(195 111 972)	250 840 868	34 934 265	53 634 597	339 409 730	339 409 730
30 182 656	327 775 090	58 522 408	-	(168 535 964)	217 761 535	30 746 940	44 544 026	293 052 501	293 052 501
28 256 885	306 861 755	78 724 266	-	(157 782 706)	227 803 314	15 508 792	29 353 106	272 665 212	272 665 212
22 348 929	242 703 031	46 901 036	-	(124 793 464)	164 810 603	24 471 844	27 332 738	216 615 185	216 615 185
386 700 483	4 199 457 617	636 596 852	-	(2 159 284 376)	2 676 770 093	233 424 694	728 247 244	3 638 442 031	3 638 442 031
10 582 595	114 923 977	18 662 090	-	(59 091 809)	74 494 257	7 074 031	17 947 207	99 515 495	99 515 495
63 888 875	693 815 071	120 886 668	-	(356 747 033)	457 954 706	42 933 812	99 490 124	600 378 642	600 378 642
24 065 690	261 346 568	28 209 183	-	(134 379 630)	155 176 122	3 496 755	66 717 561	225 390 438	225 390 438
<b>1 026 734 599</b>	<b>11 150 046 642</b>	<b>1 607 386 911</b>	<b>-</b>	<b>(5 733 150 256)</b>	<b>7 024 283 298</b>	<b>1 169 599 021</b>	<b>1 852 685 957</b>	<b>10 046 568 276</b>	<b>10 046 568 276</b>
247 153 757	2 684 019 729	-	(12 147 130)	(2 315 668 840)	356 203 759	116 855 637	2 035 418 538	2 508 477 934	2 508 477 934
1 273 888 356	13 834 066 371	1 607 386 911	(12 147 130)	(8 048 819 096)	7 380 487 057	1 286 454 658	3 888 104 495	12 555 046 210	12 555 046 210

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

### China EximBank Loan

The loan was received from the EximBank of China. The proceeds of the loan were used for the National Backbone and Broadband Project. As 31 December 2024 the loan interest outstanding amounted to USD4 529 552 (ZWG116 855 637) while principal amount due and payable was USD13 807 150 (ZWG356 203 759). The principal amount not yet due and payable was USD78 896 778 (ZWG2 035 418 538).

Amortizable amount	98 617 482
Loan currency	US\$
First drawdown date	14-Mar-17
Drawdown to date	98 495 973
Tenor (Years)	15
Number of Payments	30
Grace Period (Years)	5
Interest Rate	2%

	Inflation adjusted		Historical cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>14.3 Borrowing costs</b>				
Expensed	92 793 568	66 153 609	70 365 929	6 091 652
<b>Total for the year</b>	<b>92 793 568</b>	<b>66 153 609</b>	<b>70 365 929</b>	<b>6 091 652</b>

### 15 LOCAL LOANS

15.1	FBC ZWG	Government ZWG	IDBZ ZWG	Inflation adjusted		Historical cost	
				Dec 31, 2024 TOTAL ZWG	Dec 31, 2023 TOTAL ZWG	Dec 31, 2024 TOTAL ZWG	Dec 31, 2023 TOTAL ZWG
<b>Opening balance</b>	-	152 111	17 387	169 498	169 498	15 604	15 604
Additions	34 707 184	-	-	34 707 184	-	34 707 184	-
Effects of Inflation	-	(138 108)	(15 786)	(153 894)	-	-	-
<b>Closing balance</b>	<b>34 707 184</b>	<b>14 003</b>	<b>1 601</b>	<b>34 722 788</b>	<b>169 498</b>	<b>34 722 788</b>	<b>15 604</b>

**15.2** The IDBZ local loan is in respect of the loan that was received from the Government of Zimbabwe through the Infrastructure Development Bank for the Mutare-Harare and Harare-Bulawayo Optic fibre projects. The terms of the loan are as follows:

Interest rate	5% p.a
Repayment period	18 months
Interest calculation period	Monthly
Penalty rate	1% p.a

### 15.3 Government of Zimbabwe (GoZ) Loan Facility

TelOne (Private) Limited owed Telcom Capital Finance (TCF) of Mauritius the sum of USD3 400 293 and the lender had issued a Pre-enforcement notice to attach shares in WIOCC of Mauritius. TelOne (Pvt) Ltd applied to Ministry of Finance for a loan amounting to ZWG14 016 for the purpose of purchasing foreign currency to pay off the debt to TCF. The terms of the loan are as follows:

Loan Amount	ZWG 14 016
Interest rate	0%

TelOne (Pvt) Ltd has not yet made any payment towards the Government loan

### 15.4 FBC Loan Facility

TelOne (Private) Limited has a composite loan facility arrangement with FBC bank in ZWG and USD currency arrangements. The facility is meant to assist the organisation meet its working capital requirements. The ZWG composite facility consists of revolving acceptance credits, cash advance/overdraft facility and short term loan facility which can be used interchangeably. The USD composite facility consists of letter of credit facility, guarantee by bank facility, AFREXIM bank facility, short term loan facility and cash advance/overdraft facility which can be used interchangeably.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

16 INCOME TAX EXPENSE	Inflation adjusted		Historical cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>16.1 Net income tax expense/ (income)</b>	<b>(1 569 337)</b>	<b>(3 283 417 232)</b>	<b>(2 555 613 296)</b>	<b>(302 348 338)</b>
Current tax expense	152 284 570	239 253 897	134 613 716	22 031 321
Deferred tax expense/ (income)	(153 853 907)	(3 522 671 129)	(2 690 227 012)	(324 379 659)
<b>TAX RATE RECONCILIATION</b>				
<b>Accounting profit/ loss</b>	<b>1 341 971 271</b>	<b>(13 293 090 450)</b>	<b>(12 318 520 387)</b>	<b>(1 224 073 432)</b>
Notional tax charge based on profit for the year at 25.75%	345 557 602	(3 286 051 959)	(3 172 019 000)	(302 590 953)
Changes in tax rate from 24.72% to 25.75%	-	814 053	-	74 961
Net effect of temporary/permanent differences	(347 126 939)	1 820 674	616 405 703	167 654
	<b>(1 569 337)</b>	<b>(3 283 417 232)</b>	<b>(2 555 613 296)</b>	<b>(302 348 338)</b>
<b>16.2 Deferred taxation</b>				
<b>Analysis of deferred tax asset</b>				
Property, plant and equipment accelerated	3 234 260 593	3 231 835 787	3 220 873 415	297 598 541
Fair value remeasurement gain	126 972 707	447 590 400	420 522 115	41 215 662
Provisions and others	(90 709 627)	(104 110 575)	(90 709 629)	(9 586 859)
Unrealized exchange losses	(3 950 230 347)	(4 125 043 681)	(3 230 141 721)	(379 848 193)
Allowance for credit losses	(8 213 933)	(13 511 760)	(8 213 933)	(1 244 209)
<b>Net deferred tax asset</b>	<b>(687 920 607)</b>	<b>(563 239 829)</b>	<b>312 330 247</b>	<b>(51 865 058)</b>
<b>16.3 Current tax liability</b>				
Opening balance	248 736 334	9 482 438	22 904 496	873 175
Charge for the year	134 613 716	239 253 896	134 613 716	22 031 321
Inflation (IAS 29) adjustment	(248 736 334)	-	(22 904 496)	-
	<b>134 613 716</b>	<b>248 736 334</b>	<b>134 613 716</b>	<b>22 904 496</b>
<b>17 TRADE AND OTHER PAYABLES</b>				
<b>17.1 Trade payables</b>				
Local	260 576 791	172 168 002	260 576 791	15 853 821
Foreign	231 551 586	364 314 965	231 551 586	33 547 374
	<b>492 128 377</b>	<b>536 482 967</b>	<b>492 128 377</b>	<b>49 401 195</b>
Other payables	106 094 696	52 442 262	106 094 696	4 829 064
Statutory payables	82 601 416	146 622 261	82 601 416	13 501 481
	<b>680 824 489</b>	<b>735 547 490</b>	<b>680 824 489</b>	<b>67 731 740</b>
<b>17.2 Operating licence</b>				
Current portion	126 250 122	192 161 114	126 250 122	17 694 855
Long term portion	943 338 220	939 831 090	943 338 220	86 542 875
	<b>1 069 588 342</b>	<b>1 131 992 204</b>	<b>1 069 588 342</b>	<b>104 237 730</b>
<b>17.3 Loan interest payable</b>	<b>116 855 637</b>	<b>98 984 317</b>	<b>116 855 637</b>	<b>9 114 816</b>
<b>17.4 Long-term payable</b>	<b>3 134 747</b>	<b>3 391 918</b>	<b>3 134 747</b>	<b>312 342</b>

The company has completed the National Broadband Project (NBB) and Huawei was the supplier of the equipment for project. The NBB was being funded by a loan from the China Exim Bank. The loan was secured through an on-lending facility with the Government of Zimbabwe. The long term payable represents equipment received as part of the NBB Project which had not yet been paid for at year end.

17.5 Contract liabilities	Inflation adjusted		Historical cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
Current portion	27 315 786	29 556 726	27 315 786	2 721 685
Non current portion	100 378 792	138 499 543	100 378 792	12 753 514
	<b>127 694 578</b>	<b>168 056 269</b>	<b>127 694 578</b>	<b>15 475 199</b>

This is income received in advance from West Indian Ocean Cable Company for backhaul lease of the Harare Kariba link. WIOCC and UbuntuNet contracts are running for 10 years. The total balance for deferred income as at December 31, 2024 is USD4 949 689.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

	Inflation adjusted		Historical cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>18 PROVISIONS</b>				
Leave pay	17 678 266	22 483 700	17 678 266	2 070 376
Gratuity	4 523 982	10 080 489	4 523 982	928 246
Bonus	8 134 364	10 089 293	8 134 364	929 057
Other provisions	2 249 623	6 946 798	2 249 623	639 685
	<b>32 586 235</b>	<b>49 600 280</b>	<b>32 586 235</b>	<b>4 567 364</b>
<b>19 REVENUE</b>				
Voice revenue	193 183 781	130 271 783	142 759 191	11 995 873
Data revenue	306 405 265	191 123 002	242 200 210	17 599 263
Internet revenue	1 321 794 241	1 202 113 868	1 027 322 818	110 694 774
V-Sat revenue	50 861 781	37 122 100	38 079 633	3 418 330
Interconnection revenue	33 119 208	48 815 338	25 695 389	4 495 084
Centre for Learning revenue	47 279 076	25 191 282	33 741 529	2 319 700
Accessories sales	14 626 559	16 491 129	10 877 648	1 518 560
	<b>1 967 269 911</b>	<b>1 651 128 502</b>	<b>1 520 676 418</b>	<b>152 041 584</b>
<b>20 PAYMENTS TO OTHER OPERATORS</b>				
VSAT handling costs	26 385 519	25 079 360	20 301 619	2 309 394
Telephone foreign handling costs	15 725 931	15 911 726	12 709 953	1 465 206
Internet and data handling costs	79 040 352	52 056 046	60 902 288	4 793 500
CPE purchase	27 533 649	28 537 451	22 501 294	2 627 826
Regulatory fees	50 793 691	32 625 856	39 673 122	3 004 301
Local interconnection costs	46 025 853	44 619 445	34 245 363	4 108 712
	<b>245 504 995</b>	<b>198 829 884</b>	<b>190 333 639</b>	<b>18 308 939</b>
<b>21 OTHER INCOME</b>				
Profit on disposal		2 994		276
Insurance recoveries	19 523	30 963	14 531	2 851
Rental income	23 513 869	12 100 119	20 666 799	1 114 221
Innovation income	11 749 396	3 667 878	10 529 412	337 751
Manufacturing sales	4 731 952	4 442 408	3 678 361	409 072
Infrastructure income	5 126 430	758 646	3 911 405	69 859
Redundant materials sales	3 213 418	18 869 880	2 585 804	1 737 602
Sundry income	27 997 729	11 844 282	19 733 317	1 090 663
	<b>76 352 317</b>	<b>51 717 170</b>	<b>61 119 629</b>	<b>4 762 295</b>
<b>22 OTHER OPERATING EXPENSES</b>				
Electricity,rent and rates	46 610 063	18 551 708	31 959 841	1 708 305
Transport costs	187 920 472	93 355 646	137 023 211	8 596 509
Write off expenses	130 445 080	96 909 972	98 281 381	8 923 803
Discounts allowed	53 367	39 623	30 653	3 649
Office and admin expenses	183 147 707	130 388 243	122 042 237	12 006 597
Software licences and maintenance				
contract compensation fees	22 313 528	21 657 766	16 599 109	1 994 321
Marketing expenses	40 371 702	27 994 452	32 335 507	2 577 825
Allowances for credit losses	27 066 889	48 988 715	27 066 889	4 511 049
Loss on asset disposal	452 970	-	286 740	-
Operational costs	132 078 474	72 627 718	97 920 135	6 687 810
	<b>770 460 252</b>	<b>510 513 843</b>	<b>563 545 703</b>	<b>47 009 868</b>

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

	Inflation adjusted		Historical cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>22.1 Staff costs</b>				
Wages and salaries	152 209 977	168 747 851	114 704 460	15 538 882
Retirement obligations	60 969 235	7 256 123	46 412 416	668 169
Social security costs	83 637 954	57 204 760	65 851 442	5 267 611
Bonus and incentives	249 190 711	239 148 326	192 230 631	22 021 599
Other staff costs	62 742 764	15 202	46 678 752	1 400
Board costs	2 758 192	2 937 772	2 035 502	270 520
	<b>611 508 833</b>	<b>475 310 034</b>	<b>467 913 203</b>	<b>43 768 181</b>
<b>23 FINANCE INCOME AND COSTS</b>				
<b>23.1 Finance income</b>	<b>193 721 355</b>	<b>412 557 530</b>	<b>169 356 994</b>	<b>37 989 715</b>
Interest income received	96 306	75 021	66 998	6 908
Interest income receivable	193 625 049	412 482 509	169 289 996	37 982 807
Interest was charged on overdue receivables at 16.67% interest per month				
<b>23.2 Other finance Costs</b>	<b>(487 890 824)</b>	<b>(480 791 977)</b>	<b>(373 530 738)</b>	<b>(44 272 977)</b>
Interest expense on current loans	(49 474 296)	(33 176 119)	(37 452 194)	(3 054 971)
Interest expense on trade payables	(43 319 272)	(32 977 490)	(32 913 735)	(3 036 681)
Interest expense on foreign legacy loans	(395 097 256)	(414 638 368)	(303 164 809)	(38 181 325)
<b>23.3 Exchange losses</b>	<b>(14 945 603 122)</b>	<b>(13 519 177 953)</b>	<b>(12 241 074 883)</b>	<b>(1 244 892 347)</b>
Exchange loss on foreign loans	(8 578 706 052)	(9 741 020 154)	(6 405 663 780)	(896 986 598)
Net exchange losses from payables and receivables	(6 366 897 070)	(3 778 157 799)	(5 835 411 103)	(347 905 749)
<b>24 NET EXCHANGE LOSSES FROM PAYABLES AND RECEIVABLES</b>	<b>(6 366 897 070)</b>	<b>(3 778 157 799)</b>	<b>(5 835 411 103)</b>	<b>(347 905 749)</b>
Exchange gain arising from foreign receivables balances	(6 671 517 492)	-	(6 136 011 435)	-
Exchange loss arising from foreign payables balances	304 620 423	-	300 600 331	-
<b>25 EMPLOYEE BENEFITS</b>				
<b>25.1 Pension Fund</b>				

The Company makes contributions for all eligible employees to a multi employer defined benefit plan administered by the Communications and Allied Industries Pension Fund(CAIPF). The fund is run collectively for the former Postal and Telecommunications Corporations successor companies.

	Inflation adjusted		Historical cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>Employee benefits</b>				
Short term benefits	497 639 540	458 117 960	379 850 952	42 185 075
Post employment benefits	109 965 141	12 809 630	85 142 694	1 179 555
Other long term benefits	3 904 151	4 382 444	2 919 557	403 551
	<b>611 508 832</b>	<b>475 310 034</b>	<b>467 913 203</b>	<b>43 768 181</b>

The Company contributes to a defined benefit plan which is administered by the Communication and Allied Industry Pension Fund (CAIPF). The fund is run collectively for the former Posts and Telecommunication Companies. Employee benefits are determined by the length of their service and the participating entities have no realistic means of withdrawing from the plan without paying a contribution for the benefits earned by employees up to the date of withdrawal. Such a plan creates actuarial risk for the entity if the ultimate cost of benefits earned at the end of the reporting period is more than the expected amounts. The entity will have either to increase its contributions or to persuade employees to accept a reduction in benefits. The defined benefit plan is being accounted for based on actuarial valuations that estimate the future cost of benefits earned by employees for their service in current and prior periods, in accordance with International Accounting Standard 19 (IAS 19).

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

The was no Actuarial Valuation performed for the Fund as at December 31, 2024. The latest Actuarial Valuation was performed by Quantum Consultants and Actuaries as at 31 December 2023. TelOne's share of deficit amounted to ZWG 227 359 603. The following are the details of the distribution of deficit as at December 31, 2023:

- The fair value of TelOne plan assets as at December 31, 2023 was ZWG221 546 451.
- The defined benefit obligation as at December 31, 2023 was ZWG448 906 055.
- The expense for the year ended December 31, 2023 amounted to ZWG 2 141 372.

In 2024, the Company made contributions amounting to ZWG5.6 million to the Defined Benefit plan.

### 25.2 National Social Security Authority Scheme

This is a defined contribution scheme promulgated under the National Social Security Act of 1989. The Company's obligations under the scheme are limited to specific contributions as legislated from time to time. Contributions by employees are 4.5% per month of the pensionable monthly emoluments. As of the year 2024 insurable earnings are now reviewed on a monthly basis by NSSA. The contributions for the year ended December 31, 2024 amounted to ZWG 10.49 million (2023: ZWG 3.2 million).

## 26 RELATED PARTY TRANSACTIONS

### 26.1 Nature of related parties

TelOne's related parties include, CAIPF - Pension contributions, NetOne - cellphone charges, leased circuits and internet, Zimpost - rental of property, postage and use of telecom products.

	Inflation adjusted		Historical cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>26.2 Transactions</b>				
Communications and Allied Industries Pension Fund Pension fund contributions	8 033 522	11 197 141	5 613 137	1 031 071
Net One (Private) Limited - lease of microwave sites Cell phone charges, leased circuits and interconnect income	13 078 049	147 946 027	9 137 821	13 623 378
Zimpost -rental of property and postage and use of telecom products	-	1 233 989	-	113 630
	<b>21 111 571</b>	<b>160 377 157</b>	<b>14 750 958</b>	<b>14 768 079</b>
<b>26.3 Amounts owing from related parties (debtors)</b>				
NetOne (Private) Limited	58 490 666	632 019	58 490 666	58 198
Government of Zimbabwe departments and parastatals	609 183 095	668 864 653	609 183 095	61 591 355
Zimpost (Private) Limited	2 697 510	6 718 797	2 697 510	618 690
	<b>670 371 271</b>	<b>676 215 469</b>	<b>670 371 271</b>	<b>62 268 243</b>
<b>26.4 Amounts owing to related parties (creditors)</b>				
Communication and Allied Industries Pension Fund	29 928 645	11 197 141	29 928 645	1 031 071
	<b>29 928 645</b>	<b>11 197 141</b>	<b>29 928 645</b>	<b>1 031 071</b>
<b>26.5 Compensation to the Board of Directors and Key Management personnel</b>				
The remuneration of Directors and members of Key Management during the year was as follows:				
<b>Board of Directors</b>				
Non executive directors' fees	906 190	1 279 455	633 168	117 817
<b>Members of Key Management</b>				
Short term employee benefits	5 724 179	6 661 673	3 999 566	613 430
Long term benefits	254 758	2 370 886	178 003	218 319
Post employment benefits	84 092	351 782	58 756	32 393
<b>Total emoluments</b>	<b>6 969 219</b>	<b>10 663 796</b>	<b>4 869 493</b>	<b>981 959</b>

Compensation to key management is in respect of senior management and is determined by the Board of Directors with reference to individual performance, company performance and market trends.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

### 26.6 Investment in Joint Venture

TelOne has investments in Zimbabwe Information Technology Company (ZITCO) which was formed and incorporated in 2019 as a joint venture between TelOne (Private) Limited, Government of Zimbabwe, through Flushcord Enterprises and National Venture Capital Company of Zimbabwe (NVCCZ). The arrangement was for parties to make a total initial capital contribution of US\$5.6 million (TelOne Private Limited-US\$1.7 million, Flushcord Enterprises -US\$2.2 million and National Venture Capital Company of Zimbabwe (NVCCZ) – US\$1.7 million) which would result in 30%, 40% and 30% shareholding respectively. TelOne has made investments totaling US\$2.2million as at December 31, 2024. There were no transactions and balances owing between TelOne and Zimbabwe Information Technology Company (ZITCO) during the year ended December 31, 2024 apart from additional capital investment amounting to US\$36.5k in 2024.

## 27 FINANCIAL RISK MANAGEMENT

### 27.1 Exposure to credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The entity is exposed to credit risk from its operating activities primarily from trade receivables, financing activities including deposits with banks and from other financial instruments. Financial assets which are subject to credit risk include cash resources, trade and other receivables and other financial assets.

The maximum exposure to credit risk at the reporting date was:

	Inflation adjusted		Historical cost	
	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG	Dec 31, 2024 ZWG	Dec 31, 2023 ZWG
<b>Carrying amount</b>				
Trade and other receivables	875 708 155	1 130 591 579	875 708 155	104 108 756
Financial Instruments	271 930 366	291 612 497	271 930 366	26 852 680
Cash and cash equivalents	26 111 707	37 072 950	26 111 707	3 413 805
	<b>1 173 750 228</b>	<b>1 459 277 026</b>	<b>1 173 750 228</b>	<b>134 375 241</b>

Exposure to credit risk was increased by the poor economic performance, however, adequate provision was made against trade receivables considered doubtful. The Company's exposure to credit risk on government debtors is reduced by the fact that Government Treasury has promised to pay all government outstanding amounts.

### Impairment losses

The ageing of trade receivables at the reporting date was as follows:

	Historical cost			
	Gross ZWG	Impairment ZWG	Dec 31, 2024 Net ZWG	Dec 31, 2023 Net ZWG
Not past due	267 610 748	6 279 555	261 331 193	33 403 026
Past due 0-30 days	272 987 053	5 930 887	267 056 166	34 084 084
Past due 31-120 days	195 888 641	10 002 667	185 885 974	27 452 111
More than 120 days	171 120 483	9 685 661	161 434 822	9 169 535
	<b>907 606 925</b>	<b>31 898 770</b>	<b>875 708 155</b>	<b>104 108 756</b>

The allowance account in respect of trade receivables records impairment losses up to the point the company is satisfied that no recovery of the amount owing is possible. At that point, the amount is considered irrecoverable and written off against the financial asset directly.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

### 27.2 Liquidity risk

The entity manages liquidity risk by continuously monitoring forecast and actual cash flows. The ability of the entity to settle its foreign creditors remained a key consideration although with the support of the Reserve Bank of Zimbabwe on foreign exchange market the company's position with its foreign creditors improved during the financial period. The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

December 31, 2024	Carrying Amount ZWG	Contractual cash flows ZWG	0-12 Months ZWG	12 Months or more ZWG
Non-derivative financial liabilities				
Trade payables	492 128 377	492 128 377	492 128 377	-
Other payables	1 258 284 454	1 258 284 454	314 946 234	943 338 220
Loans	12 589 768 998	12 589 768 998	473 059 396	12 116 709 602
	<b>14 340 181 829</b>	<b>14 340 181 829</b>	<b>1 280 134 007</b>	<b>13 060 047 822</b>
December 31, 2024				
Non-derivative financial liabilities				
Trade payables	49 401 195	49 401 195	49 401 195	-
Other payables	122 568 275	122 568 275	36 025 401	86 542 874
Loans	13 834 235 869	13 834 235 869	61 559 323	13 772 676 546
	<b>14 006 205 339</b>	<b>14 006 205 339</b>	<b>146 985 919</b>	<b>13 859 219 420</b>

The above non derivative financial liabilities are all classified as financial liabilities measured at amortized cost. The Company had no derivative financial liabilities as at December 31, 2024.

### 27.3 Currency risk

#### Exposure to currency risk

The company's exposure to foreign currency risk is attributable to the Euro (EURO), Japanese Yen (YEN), and Norwegian Kroner (NOK) denominated monetary assets and liabilities. The exposure was as follows at December 31, 2024, based on notional amounts:

	Receivables ZWG	Payables ZWG	Net exposure ZWG
<b>2023</b>			
EURO	-	408 089 842	408 089 842
YEN	-	1 171 793 595	1 171 793 595
NOK	-	20 175 119	20 175 119
USD	-	483 411 354	483 411 354
<b>2024</b>			
EURO	-	2 560 494 487	2 560 494 487
YEN	-	4 563 726 606	4 563 726 606
NOK	-	541 220 435	541 220 435
USD	-	4 889 604 682	4 889 604 682

The following significant exchange rates applied during the year:

	Dec 31, 2024	Dec 31, 2023
EURO	26.85	5,805.30
YEN	6.06	45.43
NOK	0.41	629.63
USD	25.80	6,422.99

### 27.4 Currency risk

#### Sensitivity analysis

A 10% fluctuation of the Zimbabwe dollar against the Euro, Japanese Yen United States dollar and Norwegian Kroner would have increased/decreased equity and profit or loss by the amounts reflected below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes all variables remain the same.

## Notes to the Financial Statements (cont'd)

for the year ended 31 December 2024

Effect Dec 31, 2024	Equity ZWG	Profit or loss ZWG
<b>EURO</b>		
10% appreciation	(256 049 449)	(256 049 449)
10% depreciation	256 049 449	256 049 449
<b>YEN</b>		
10% appreciation	(456 372 661)	(456 372 661)
10% depreciation	456 372 661	456 372 661
<b>NOK</b>		
10% appreciation	(54 122 044)	(54 122 044)
10% depreciation	54 122 044	54 122 044
<b>USD</b>		
10% appreciation	(488 960 468)	(488 960 468)
10% depreciation	488 960 468	488 960 468
<b>Historical</b>		
<b>28 INTEREST RATE RISK</b>	<b>Dec 31, 2024 ZWG</b>	<b>Dec 31, 2023 ZWG</b>
As at December 31, 2024, the interest rate profile of the company's interest bearing- financial instruments was:		
<b>Fixed rate risk</b>		
Financial assets	271 930 366	175 348 003
Financial liabilities	12 589 768 998	13 834 081 975
	<b>12 861 699 364</b>	<b>14 009 429 978</b>

### 28.1 Treasury and financial risk management

The main risks arising from the company's financial instruments are market risk (which includes currency risk and interest rate risk), credit risk and liquidity risk. The company does not use derivative financial instruments for speculative purposes. The Board of Directors has the overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are reviewed by management on a regular basis for adequacy in being able to manage any changes in risks arising from changes in the operating environment.

### 29 GOING CONCERN

The Company has been affected negatively by the current macro-economic environment in the country. The Company has been faced with increased costs of doing business caused by the depreciation in the local currency which has led to price speculation and instability. The shortage of foreign currency has also affected Company performance as the telecoms industry relies mostly on imported infrastructure and equipment to enable service delivery.

The Company's current liabilities exceeded current assets by ZWG470 million in 2024 in inflation adjusted terms.

The legacy loans as well as other foreign currency denominated loans negatively affected the Company's ability to attract additional investments to the Company. Directors and management are doing the following to mitigate the current situation in the company:

- i) The Company's foreign and local investments reported through other comprehensive income have managed to offset the exchange losses on the foreign obligations.
- ii) Continuously engage with the Ministry of Finance and Economic Development for the warehousing of the legacy loans amounting to USD389 million (ZWG10.04 billion).
- iii) The Company through participation on the foreign currency auction market has been able to service the foreign loans.
- iv) The introduction and adoption of the USD products and services has also enabled the company to service some of the foreign obligations.
- v) As a parastatal owned by Mutapa Investment Fund, the company also has adequate support from its shareholders and have no reason to believe that the said shareholders will not support the discharge of the company's obligations.

The Directors and management are continuously monitoring and evaluating the operating environment to re-assess and appropriately adapt its strategies to ensure the continued operation of the Company into the foreseeable future. The Directors have reviewed the Company's cash flow forecasts to December 31, 2025 and, in light of this review and the current financial position, are satisfied that the Company has access to adequate resources to continue in operational existence for a foreseeable future.

### 30 EVENTS AFTER THE REPORTING PERIOD

The financial statements have been prepared up to December 31, 2024 being the end of the reporting period. Management is not aware of any events subsequent to the Company's reporting date, which occurred and are reportable under International Accounting Standard (IAS) 10 - "Events after Reporting Period".

# ANNEXURES

Annexures

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# Annexures

## General Corporate Information

Head Office  
Runhare House  
107 Kwame Nkrumah Avenue  
Harare  
Telephone: +263-24-2798111  
Website: [www.telone.co.zw](http://www.telone.co.zw)

## Auditors

The Auditor General  
5th Floor, Burroughs House  
48 George Silundika Avenue  
Harare  
Telephone: +263-24-2793611/4  
Website: [www.auditorgeneral.gov.zw](http://www.auditorgeneral.gov.zw)

## Main Bankers

Stanbic Bank  
Stanbic Centre  
59 Samora Machel Avenue  
Harare  
Telephone: +263 4 799 20051  
Website: [www.stanbicbank.co.zw](http://www.stanbicbank.co.zw)

## FBC Bank

FBC Centre  
45 Nelson Mandela Avenue  
Harare  
Telephone: +263-24-2700312  
Website: [www.fbc.co.zw](http://www.fbc.co.zw)

## Legal Advisors

Dube, Manikai and Hwacha  
6th Floor, Goldbridge Eastgate Complex  
Sam Nujoma Street/Robert Mugabe Road  
Harare  
Telephone: +2634-24-2250909-11  
Website: [www.dmh.co.zw](http://www.dmh.co.zw)

## Annexures

### Glossary of Terms

The following abbreviations are used through-out the report, they have been explained below for ease of reference.

ADSL	Asymmetric Digital Subscriber Line	MVNO	Mobile Virtual Network Operator
ARPL	Average Revenue Per Line	MPLS	Multi-protocol Label Switching
ARPU	Average Revenue Per User	MSAN	Multi-Service Access Node
ASTT	Average Service Turnaround Time	NOC	Network Operations Center
BoP	Beginning Opening Balance	OPEX	Operating Expenditure
CAPEX	Capital Expenditure	OPGW	Optical Ground Wire
CPE	Customer Premise Equipment	PABX	Private Automated Branch Exchange
CRM	Customer Relationship Management	RBM	Result Based Management
EBIT	Earnings Before Interest and Tax	RFP	Request For Proposal
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation	ROI	Return On Investment
EBIT	Earnings Before Tax	SME	Small to Medium Enterprise
FMC	Fixed Mobile Convergence	SOHO	Small Office Home Office
FMCG	Fast Money Consumer Goods	TMT	Telecoms, Media and Technology
GIS	Geographical Information System	TandS	Travel and Subsistence
GISP	Government Internet Service Provider	USF	Universal Service Fund
GoZ	Government of Zimbabwe	VAS	Valued Added Services
GRI	Global Reporting Initiative	VAT	Value Added Tax
GSM	Global System for Mobile	VOBB	Voice Over Broadband
HSPA	High Speed Packet Access	VoIP	Voice Over Internet Protocol
ICT	Information Communication Technology	VPN	Virtual Private Network
IP	Internet Protocol	VSAT	Very Small Aperture Terminal
IMS	IP-Multimedia Subsystem	Wi-Fi	Wireless Fidelity
KPI	Key Performance Indicators	WiMAX	Worldwide Interoperability for Microwave Access
KRA	Key Result Area	WIOCC	West Indian Ocean Cable Company
LTE	Long Term Evolution	ZIM CODE	National Code on Corporate Governance (Zimbabwe)

