

## Airtel Money Tanzania Limited

### **1. Company profile**

Airtel Money Tanzania Limited (AMTL), a subsidiary of Airtel Africa Plc, was established in 2016 in Tanzania under incorporation number 127040. We hold two pivotal licenses; one from the Bank of Tanzania (BOT) with License number NBEMIL No.0000-04, enabling us to issue electronic money across the country, and another from the Tanzania Communication Regulatory Authority (TCRA) with license number TCRA/NASL/037/2021, authorizing us to provide National Application Services nationwide. Presently, we proudly serve 10,843,285 active customers, facilitating an average of 77,675,870 transactions and processing transactions worth 3,090,731,625,410 Tanzanian Shillings per month. Our headquarters are situated on the Fifth floor of Airtel House, at the intersection of Ali Hassan Mwinyi and Kawawa Roads, Kinondoni, Dar es Salaam.

### **2. Company Objectives:**

Our objectives encompass various aspects of mobile commerce and telecommunications services related to Airtel Money:

1. Facilitating mobile commerce activities and dealing in various forms of electronic and digital currencies.
2. Operating telecommunication and electronic systems for mobile electronic money transfer services.
3. Issuing, implementing, and promoting electronic financial products and services supporting mobile money transfers and ancillary services.
4. Manufacturing and managing data processing systems for mobile money services.
5. Acting as a trustee for the safekeeping of funds related to Airtel Money services.
6. Collaborating with governmental and non-governmental entities to ensure the safe and responsible delivery of financial services.

### **3. Details of Investment Cost:**

3.1. Our total investment equity amounts to TZS 500,000,000 comprising:

1. local equity of TZS 245,510,000
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3.2. The company total cost of investment is now valued at TZS 115,000,000,000

#### 4. Specific Finance Sources of Investment:

We have secured financing from both local and foreign sources, including investments from the Netherlands and Tanzania.

#### 5. Sources of Technology:

We leverage cutting-edge telecommunications and electronic systems to deliver our services efficiently and securely.

AMTL financial services delivery is through USSD technology, Mobile applications as well as web applications.

Mobile money platform is sitting at the core for debiting and crediting respective wallets/accounts.

The core system mobility is sourced from India, Comviva company.

#### 6. Financial Projections:

The company financial projections for the next six years is stipulated in a table below;

	UoM	FY'22	FY'23	FY'24	FY'25	FY'26	FY'27	FY'28	FY'29
<b>Gross Revenue</b>	<b>\$ 000</b>	<b>83,359</b>	<b>93,179</b>	<b>122,573</b>	<b>149,589</b>	<b>182,100</b>	<b>221,583</b>	<b>262,931</b>	<b>306,295</b>
GR Growth %	%		11.8%	31.5%	22.0%	21.7%	21.7%	18.7%	16.5%
<b>Net Revenue</b>	<b>\$ 000</b>	<b>47,565</b>	<b>50,743</b>	<b>67,665</b>	<b>84,397</b>	<b>102,387</b>	<b>125,954</b>	<b>150,577</b>	<b>177,670</b>
GR Growth %	%		6.7%	33.3%	24.7%	21.3%	23.0%	19.5%	18.0%
NR/GR Ratio	%	57.1%	54.5%	55.2%	56.4%	56.2%	56.8%	57.3%	58.0%
Opex	\$ 000	8,064	9,117	9,076	11,332	12,790	14,257	15,707	17,175
Regulatory Fees	\$ 000	1,455	(439)	2,257	2,741	3,336	4,059	4,817	5,611
<b>Total Opex</b>	<b>\$ 000</b>	<b>9,519</b>	<b>8,677</b>	<b>11,333</b>	<b>14,072</b>	<b>16,126</b>	<b>18,316</b>	<b>20,524</b>	<b>22,787</b>
Other Income	\$ 000	(1,024)	(123)	(28)	-	-	-	-	-
<b>EBITDA</b>	<b>\$ 000</b>	<b>39,069</b>	<b>42,188</b>	<b>56,361</b>	<b>70,324</b>	<b>86,260</b>	<b>107,638</b>	<b>130,053</b>	<b>154,884</b>
EBITDA Margin	%	46.9%	45.3%	46.0%	47.0%	47.4%	48.6%	49.5%	50.6%
Mgt Fees	\$ 000	2,626	2,711	3,689	4,237	5,158	6,277	7,448	8,677
<b>EBITDA Post Mgt Fees</b>	<b>\$ 000</b>	<b>36,443</b>	<b>39,477</b>	<b>52,672</b>	<b>66,087</b>	<b>81,102</b>	<b>101,361</b>	<b>122,604</b>	<b>146,207</b>
EBITDA Margin Post Mgt Fees	%	43.7%	42.4%	43.0%	44.2%	44.5%	45.7%	46.6%	47.7%

## 7. Market Strategy:

AMTL market strategies is focusing on creation of the most valuable “Fintech” in Tanzania, this could lead to increased financial inclusion across the country.

To achieve the above, AMTL marketing strategy is focusing on three pillars as listed below.

7.1. Increase distribution channels by rolling out more than 3000+ Airtel Money Branches with experienced agent network providing effective servicing to customers and providing banking for the unbanked population residing in both rural and urban areas.

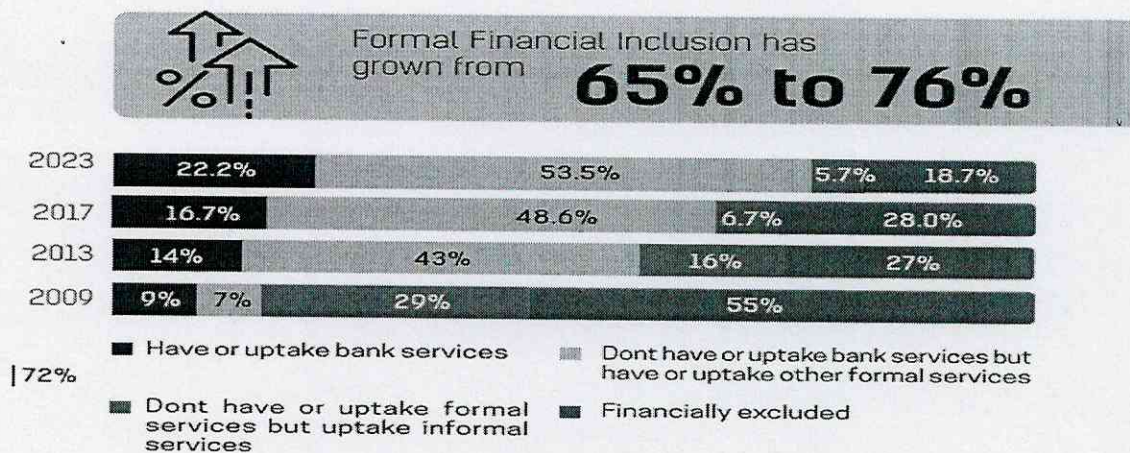
7.2. Positioning the company by being a FinTech of choice across the country by

- Increased Fintech use cases in the Eco systemsuch as loans,savings, insurance services to cite a few
  - Increase Use cases per customer.
  - Grow number of active users.
- Improvement of micro merchant Yield and resolving arbitrage of Cash out revenue due to merchant business to improved gross revenue.

7.3. Financial Products

The Company provides a platform for issuance of various financial products such as Loans, Savings and Insurance the strategy is to increase loan and insurance to eligible customers and disbursement value.

7.4. Potential market for AMTL as illustrated by Finscope report of 2023.



Source: [www.fsdt.or.tz/finscope](http://www.fsdt.or.tz/finscope).

## **8. Employment Generation:**

### **8.1. Direct and Indirect Employments:**

AMTL generates both direct and indirect employment opportunities, contributing to job creation and economic development. AMTL provides direct and indirect employment to over 350,000 Tanzanians across the country

### **8.2. Human Resource Development Strategy:**

Our Learning and Development strategy emphasizes talent effectiveness, integrating with other HR practices such as performance management, succession planning, and rewards. We focus on continuous learning and performance improvement, nurturing high-performing individuals critical to our long-term success.

## **9. Brief Profile of Investors:**

### **9.1. Airtel Mobile Commerce Tanzania BV (Netherlands) - 50.9% shares**

Airtel Mobile Commerce Tanzania BV is a Financial Holding company registered in November 2022 in Netherland. The company is currently owning 50.9% shares in Airtel Money Tanzania Limited.

### **9.2. Government of Tanzania - 48.9% shares**

The Government of Tanzania (GoT) under the custodian of the Office of the Treasury Registrar which is established under section 3(1) of The Treasury Registrar (Powers and Functions) act, R.E,2002 has a mandate to supervise government stakes in both public and private corporations. The Government of Tanzania (GoT) is currently owning 48.9% shares in Airtel Money Tanzania Limited.

### **9.3. Airtel Tanzania PLC (Tanzania) - 0.20% shares**

Airtel Tanzania Plc was launched in November 2001 as Celtel Tanzania Limited. Airtel Tanzania Plc is today in Tanzania's the most affordable and available network providing innovative mobile solutions. Airtel is among the competitive operators offering world-class service in the telecommunication sector. The company is currently owning 0.20% shares in Airtel Money Tanzania Limited,

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