Deloitte

AIRTEL ZAMBIA TELESONIC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2025

AIRTEL ZAMBIA TELESONIC LIMITED
(incorporated in Zambia)

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2025

CONTENTS

AIRTEL ZAMBIA TELESONIC LIMITED

DIRECTORS' REPORT
for the year ended 31 December 2025

The Directors present their annual report on the affairs of Airtel Zambia Telesonic Limited (the 'Company') together with the financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company was the provision of data connectivity services.

The shareholders resolved to wind up the entity and submitted a formal notice to surrender both the Network (Facilities) Licence and the Service Licence issued by the Zambia Information and Communications Technology Authority (ZICTA) on 11 December 2025. ZICTA subsequently issued a no objection to the surrender of the licence and on 22 January 2026 granted an extension to wind down the operations valid until 22 April 2026.

Management is currently finalising the disposal of the Company's assets, completing all outstanding statutory and tax compliance obligations, and undertaking the remaining closure procedures necessary to wind up Airtel Zambia Telesonic Limited.

The financial statements have been prepared on a break-up basis and the effect of this is explained in note 2 to the financial statements.

FINANCIAL RESULTS

	2025 ZMW	2024 ZMW
Loss before taxation	(3 451 892)	(20 117 591)
Taxation charge	(112 589)	-
Loss for the year	(3 564 481)	(20 117 591)

SHARE CAPITAL

There were no changes to the authorised and issued share capital during the year.

DIRECTORS

The following Directors held office during the year and to the date of this report:

Name	Role	Date of appointment
Hussameldin Baday	Managing Director	Appointed on 6 September 2023
Rama Krishna Lella	Board Member	Appointed on 22 September 2022

HEALTH AND SAFETY

The Company has no employees.

GIFTS AND DONATIONS

The Company did not make any donations during the year. (2024: Nil).

PROPERTY, PLANT AND EQUIPMENT

The Company purchased property and equipment amounting to K92.501 million (2024: K44.000 million) during the year. The assets have been reclassified to held for sale at year end, due to the pending wind up of the entity.

CORPORATE GOVERNANCE

Airtel Zambia Telesonic Limited takes the issue of corporate governance seriously. None of the Directors had a material interest in any significant contracts concluded during the year. Further, no Director held any shares in the Company during the year.

RELATED PARTY TRANSACTIONS

The related party end balances have been disclosed in Note 26 to the financial statements.

GOING CONCERN

During the year ended 31 December 2025, the Company reported a net loss of ZMW 3.564 million (2024: ZMW 20.118 million). As at 31 December 2025, the Company had accumulated losses of ZMW 30.755 million (2024: ZMW 27.190 million). Further, in December 2025, the Company decided to discontinue its operations and has filed notice of surrender of Network (Facilities) license and Service license issued by the Zambia Information and Communications Technology Authority on 27 December 2025. As explained above, ZICTA gave no objection to this matter.

Considering the above, these financial statements have not been prepared under the going concern basis. The financial statements have been prepared on a liquidation basis. Where appropriate, the Company's assets have been written down to net realizable values. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such expenditure was committed as at the reporting date.

SUBSEQUENT EVENTS

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

AUDITORS

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

By order of the Board.

Suzyo Namonga Ndovi-Akatama
Company Secretary

Date: 08 April 2026
LUSAKA

AIRTEL ZAMBIA TELESONIC LIMITED

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2025

The Companies Act, 2017 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its financial performance. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company. The Directors are further required to ensure the Company adheres to the corporate governance principles or practices contained in Part VII's Sections 82 to 122 of the Companies Act, 2017.

The Directors accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2017.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

During the year ended 31 December 2025 the Shareholders of the Company passed a resolution to discontinue the operations.

The directors do not believe that it is appropriate to prepare these accounts on a going concern basis. The Company discontinued local operations and plans are underway to close the business in 2026 as explained in note 2 of the financial statements.

- the financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2017; and
- the Directors have implemented and further adhered to the corporate governance principles or practices contained in Part VII, Sections 82 to 122 of the Companies Act, 2017.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework described above. Their report is shown on pages 4 and 5.

Approval of the financial statements

The financial Statements of the Company as indicated above, were approved by the Directors on 08 April 2026 and signed on behalf of the Board by:

Hussameldin Baday

Rama Krishna Leila

Deloitte.

PO Box 30030
Lusaka
Zambia

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Airtel Zambia Telesonic Limited

Report on the financial statements

Opinion

We have audited the financial statements of Airtel Zambia Telesonic Limited set out on pages 6 to 25, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of Airtel Zambia Telesonic Limited as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in compliance with the Companies Act, 2017.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)") and other independence requirements applicable to performing audits of financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report and the Statement of Directors' responsibilities, as required by the Companies Act, 2017 which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by of the Companies Act, 2017, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The Companies Act, 2017 requires that in carrying out our audit of Airtel Zambia Telesonic Limited, we report on whether:

- there is a relationship, interest or debt which us, as the Company's auditor, have in the Company;
- there are serious breaches by the Company's Directors, of corporate governance principles or practices contained in Part VII's Sections 82 to 112 of the Zambia Companies Act of 2017; and
- there is an omission in the financial statements as regards particulars of loans made to a Company Officer (a director, Company secretary or executive officer of a Company) during the year, and if reasonably possible, disclose such information in our opinion.

In respect of the foregoing requirements, we have no matters to report.

Deloitte & Touche

DELOITTE & TOUCHE

Alice Jere Tembo
Audit Partner
PC NO: AUD/F000433
Date: 10 April 2026

AIRTEL ZAMBIA TELESONIC LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Kwacha	Note	For the year ended 31 December 2025	31 December 2024
Income			
Revenue	7	11 258 945	842 177
		11 258 945	842 177
Expenses			
Network operating expenses		(430 946)	-
Licence fee charges		(181 517)	-
Impairment loss on financial assets	8(a)	(441 993)	-
Other operating expenses	8(b)	(265 282)	(238 131)
Depreciation and amortisation	8(c)	(9 712 997)	(5 812 693)
		(11 032 735)	(6 050 824)
Operating profit/(loss)		226 210	(5 208 647)
Net exchange gains/(losses)	9	5 714 841	(5 775 403)
Finance costs	10	(9 392 943)	(9 133 541)
Loss before tax		(3 451 892)	(20 117 591)
Income tax expense	11	(112 589)	-
Loss and total comprehensive loss for the year		(3 564 481)	(20 117 591)

AIRTEL ZAMBIA TELESONIC LIMITED

STATEMENT OF FINANCIAL POSITION

Kwacha	Note	As of 31 December 2025	As of 31 December 2024
ASSETS			
Non-current assets			
Property and equipment	12	-	33 548 460
Capital work-in-progress	12	-	10 149 742
Right-of-use assets	13	-	61 012 765
Intangible assets	14		3 093 769
		-	107 804 736
Current assets			
Financial assets			
- Trade and other receivables	15	3 123 510	116 475 610
- Cash and cash equivalents	16	4 320 370	9 755 110
Other current assets	17	13 185 967	2 676 455
Assets held for sale	18	190 592 557	-
		211 222 404	128 907 175
Total assets		211 222 404	236 711 911
EQUITY AND LIABILITIES			
Equity			
Share capital	19	15 000	15 000
Accumulated losses		(30 754 712)	(27 190 231)
Total equity		(30 739 712)	(27 175 231)
Non-current liabilities			
Financial liabilities			
Contract liabilities	22	-	87 902 189
		-	87 902 189
Current liabilities			
Financial liabilities			
- Trade and other payables	20	37 768 567	39 321 342
- Borrowings	21	96 709 420	110 887 191
Contract liabilities	22	104 533 230	9 790 304
Current income tax payable (net)	23	112 589	-
Other current liabilities	24	2 838 310	15 986 116
		241 962 116	175 984 953
Total liabilities		241 962 116	263 887 142
Total equity and liabilities		211 222 404	236 711 911

The responsibilities of the Company's Directors with regard to the preparation of the financial statements are set out on page 3. The financial statements on pages 6 to 25 were approved for issue by the Board of Directors on 08 April 2026 and were signed on its behalf by:

Hussameldin Baday

Rama Krishna Lella

AIRTEL ZAMBIA TELESONIC LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2025

Kwacha

	Share capital	Retained earnings	Total
Balance at 1 January 2024	15 000	(7 072 640)	(7 057 640)
Total comprehensive loss for the year	-	(20 117 591)	(20 117 591)
Balance at 31 December 2024	15 000	(27 190 231)	(27 175 231)
Balance at 1 January 2025	**15 000**	**(27 190 231)**	**(27 175 231)**
Total comprehensive loss for the year	-	(3 564 481)	(3 564 481)
Balance at 31 December 2025	**15 000**	**(30 754 712)**	**(30 739 712)**

AIRTEL ZAMBIA TELESONIC LIMITED

STATEMENT OF CASH FLOWS

Kwacha	Note	For the year ended 31 December 2025	31 December 2024
Cash flows from operating activities			
Loss before income tax		(3 451 892)	(20 117 591)
Adjustments for:			
Finance costs	10	9 372 154	9 111 184
Depreciation and amortisation	8(c)	9 712 997	5 812 693
Interest capitalised on borrowings	21	-	6 203 145
Net exchange (gains)/ losses on borrowings	21	(24 042 283)	9 621 755
Net unrealised exchange gains on cash and cash equivalents		(23 579)	(910 885)
Operating cash flows before changes in working capital		(8 432 603)	9 720 301
Changes in working capital:			
Changes in trade and other receivables		114 810 686	(116 460 610)
Changes in other current assets		(10 509 512)	(2 676 455)
Changes in trade and other payables		(5 715 876)	18 493 514
Changes in amounts due to related parties		17 264 446	431 427
Changes in contract liabilities		(6 840 737)	97 692 493
Changes in other current liabilities		(13 147 806)	15 986 116
Net cash flows generated from operating activities		87 428 598	23 186 786
Cash flows from investing activities			
Purchase of property and equipment	12	(92 886 917)	(27 196 848)
Net cash flows used in investing activities		(92 886 917)	(27 196 848)
Cash flows from financing activities			
Proceeds from borrowings	21	-	22 714 020
Finance costs paid	10	-	(9 111 184)
Interest paid on borrowings	21	-	(2 208 699)
Net cash flows generated from financing activities		-	11 394 137
Net (decrease)/increase in cash and cash equivalents		(5 458 319)	7 384 075
Cash and cash equivalents at beginning of the year		9 755 110	1 460 150
Effects of currency translation on cash and cash equivalents		23 579	910 885
Cash and cash equivalents at end of the year		4 320 370	9 755 110

1. CORPORATE INFORMATION

Airtel Zambia Telesonic Limited (the 'Company') was incorporated in Zambia under the Companies Act, 2017 as a private limited Company, and is domiciled in Zambia. The Company was incorporated in 2022 and the registered office address is:

Airtel Zambia Telesonic Limited
Airtel House
Corner of Addis Ababa Drive
and Great East Road, Stand 2375
P.O. Box 320001
Lusaka

The Company's principal activities are disclosed on page 1 of the Director's report.

The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 08 April 2026.

2. GOING CONCERN

The Company recorded a net loss of K3.565 million (2024:K20.118 million). As at 31 December 2025, accumulated losses were K30.754 million (2024:K27.190 million) and the Company was in a net current asset position of K30.740 million (2024: K47.078 million) net liability.

The Company resolved to cease its operations and, on 11 December 2025 and submitted a notice to surrender its Network (Facilities) License and Service License issued by the Zambia Information and Communications Technology Authority. The request was granted by ZICTA on 22 January 2026.

Considering the above, these financial statements have not been prepared under the going concern basis. The financial statements have been prepared on a liquidation basis. Where appropriate, the Company's assets have been written down to net realizable values. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such expenditure was committed as at the reporting date.

3. ADOPTION OF NEW AND REVISED STANDARDS

3.1 New and amended IFRS Accounting Standards that are effective for the current year

During the current year, the Company has applied amendments to IFRSs issued by the IASB, that are mandatorily effective for the current year. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. The list of newly issued amendments is as follows:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	Effective 1 January 2025, the amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' relating to lack of exchangeability are applicable. These amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The Company has reviewed the applicability of the IAS 21 amendment and determined that its requirements do not apply to the Company.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared by the directors on a liquidation basis on the assumption that the Company will not continue in business. The financial statements are prepared under the historical cost convention. Historical cost is generally based on the net realizable value. Further, assets and liabilities are not distinguished between current and non-current on the statement of financial position.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Statement of compliance

Except for the matters described in Note 2 (Going Concern), the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act.

(b) Basis of accounting

During the current year, the Company's management resolved to discontinue operations and subsequently surrendered its operating licence. As a result, management has concluded that the going concern assumption is no longer appropriate for the Company and, therefore, it has not been applied in the preparation and presentation of these financial statements. Accordingly, these financial statements have been prepared on a liquidation basis.

All the amounts included in the financial statements are reported in absolute Zambian Kwacha.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or the price paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require measurement of certain financial/non-financial assets and liabilities at fair value (either on a recurring or non-recurring basis).

The Company is required to classify the fair valuation method of the financial/non-financial assets and liabilities, either measured or disclosed at fair value in the Financial Statements, using a three level fair-value hierarchy (which reflects the significance of inputs used in the measurement of fair value). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described below, based on the lowest input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(c) Revenue recognition

The Company's revenue arose from billing customers for monthly data connectivity services.

Revenue is recognised upon transfer of control of promised services to the customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes/duties and discounts. When determining the consideration to which the Company is entitled for providing promised products or services via intermediaries, the Company assesses whether the intermediary is a principal or agent in the onward sale to the end customer. To the extent that the intermediary is considered a principal, the consideration to which the Company is entitled is determined to be that received from the intermediary. To the extent that the intermediary is considered an agent, the consideration to which the Company is entitled is determined to be the amount received from the customer; the discount provided to the intermediary is recognised as a cost of sale.

A contract liability is recognised for amounts received in advance, until the services are provided or when the usage of services becomes remote.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONITINUED)

(d) Foreign currencies

The financial statements are presented in Zambian Kwacha, being the currency of the primary economic environment in which the Company operates (the functional currency). Transactions in foreign currencies are converted into Zambia Kwacha using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the foreign exchange rate ruling at that date. Exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the closing date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – with the resulting foreign exchange difference, on subsequent re-statement/settlement, recognised in the profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

(e) Property, plant and equipment

Until the decision to wind down at the end of the year, categories of property, plant and equipment were initially recorded at cost. All property, plant and equipment was subsequently measured at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that was directly attributable to the acquisition of the items.

The expenditures that were incurred after an item of property, plant and equipment had been put to use, such as repairs and maintenance, were charged to the profit or loss in the period in which such costs were incurred. However, in situations where the said expenditure could be measured reliably, and was probable that future economic benefits associated with it will flow to the Company, it was included in the asset's carrying value or as a separate asset, as appropriate.

When significant parts of property, plant and equipment were required to be replaced in intervals, the Company recognised such parts as a separate component of each asset. When an item of property, plant and equipment was replaced, then its carrying amount was de-recognised from the statement of financial position and cost of the new item is recognised.

Categories	Years	
Buildings	20	
Leasehold improvements	10	or period of lease, as applicable, which ever is less.
Network/Telecom equipment	3 - 25	
Computer/IT equipment	3 - 5	
Office furniture and equipment	1 - 5	

An item of property, plant and equipment was derecognised on disposal or when no future economic benefits were expected from its use or disposal. Gains and losses arising from retirement or disposal of property, plant and equipment were determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement and disposal.

Property, plant and equipment in the course of construction is carried at cost, less any accumulated impairment and presented separately as capital work-in-progress ('CWIP') including capital advances in the statement of financial position until capitalised. Such cost comprised of purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONITINUED)

(f) Discontinued operations

The Company classifies assets and liabilities as held for sale if they are available immediately for sale in their present condition, management is committed to a plan to sell the assets under usual terms, it is highly probable that their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and the sale is expected to be completed within one year from the date of the initial classification.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position and are measured at the lower of their carrying amount and fair value less costs to sell. The assets are not depreciated or amortised while they are classified as held-for-sale.

(g) Leases

At inception of a contract, the Company assessed a contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract involves the use of an identified asset, the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

(a) The Company as lessee

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on index, exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments, including due to changes in CPI or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

(a) The Company as lessee

Subsequent to initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain re-measurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying asset.

In the statement of financial position, the right-of-use assets and lease liabilities are presented separately.

When a contract includes lease and non-lease components, the Company allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Leases (Continued)

I. Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) The Company as lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

The Company enters into indefeasible right-to-use (IRU)arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the statement of financial position.

(h) Cash and cash equivalents

In the statement of financial position cash and cash equivalents include cash in hand, wallet balances, bank balances, cheques in hand and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts which are repayable on demand and form any integral part of the Company's cash management are also included as a component of cash and cash equivalents.

(i) Statement of cash flows

Cash flows are reported using the indirect method as per IAS-7"Statement of cash flows", whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferral or accrual of past or future cash operating receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

(j) Share capital and Share premium

Issued ordinary shares are classified as 'share capital' in equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Taxation

Income tax expense comprises current tax. Current tax is recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(l) Intangible assets

The Company's intangible asset comprise of licenses. Licenses are recognised as an asset when it is probable that future economic benefits from the asset will flow to the Company and the cost of the license can be reliably measured.

Licenses are initially measured at cost and subsequently amortised on a straight-line basis over their useful lives. Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation periods are reviewed annually and adjusted prospectively as required. Gains or losses arising from derecognition of licenses are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised. Licenses are amortised over the relevant license period.

(m) Impairment of non-financial assets

Property, plant and equipment (PPE), right-of-use assets (ROU) and intangible assets

PPE, ROU and intangible assets with definite lives are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro rata basis. Impairment losses, if any, are recognised in statement of profit and loss.

(n) Reversal of impairment losses of non-financial assets

Reversal of impairment losses

Impairment losses are reversed and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset in previous years.

(o) Operating loss

Operating loss is stated as revenue less operating expenditure including depreciation and amortisation and operating exceptional items. Operating profit excludes finance income, finance costs, other non-operating income and foreign exchange gains and losses.

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(p) Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(q) Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

In preparing these financial statements, the Company has made estimates and assumptions based on the information available at the reporting date. Due to the Company's decision to discontinue operations and prepare these financial statements on a liquidation basis, estimates relate primarily to the realisable values of assets and the settlement amounts of liabilities. Actual outcomes may differ from these estimates. The key estimates and assumptions with a significant risk of material adjustment within the next financial period are outlined below:

Taxation provisions

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Determination of residual values and useful lives

Judgement and estimations are used when determining the residual values and useful lives of property and equipment on annual basis.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: Market risk (including Foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Financial risk management is carried out by the finance department under policies approved by the Board of Directors.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk – currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses foreign exchange forward contracts to manage its exposures to foreign exchange fluctuations.

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6. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

(i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities.

Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies and hedging through foreign currency forward contract. Policy is consistent with previous period.

The sensitivity of the statement of profit/loss before tax is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 December 2025 and 31 December 2024.

The following US Dollar exchange rates applied during the period:	**2025**	2024
Average Rate	**27.566**	27.566
Closing Rate	**27.860**	27.860

(ii) Price risk

The Company does not hold any financial instruments subject to price risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt interest obligations with floating interest rates.

The Company's interest bearing financial liabilities was the borrowing of K96.709 million at year end (2024: KK110.887 million). The Company regularly monitors financing options available to ensure optimum interest rates are obtained. At 31 December 2025, if effective interest rates on borrowings had been 2% higher/lower with all other variables held constant, pre tax loss would have been K1.934 million (2024: K2.038 million) lower/higher.

(b) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company and arises from cash equivalents and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables. For banks and financial institutions, only reputable institutions are used.

The amount that best represents the Company's maximum exposure to credit risk at 31 December 2025 is made up as follows:

	Note	2025	2024
Trade and other receivables	15	**3 123 510**	116 475 610
Cash and cash equivalents	16	**4 320 370**	9 755 110
		7 443 880	126 230 720

Amounts due from related parties are assessed regarding credit risk at each reporting date. As the same are closely monitored and controlled by the same management, there is no provision matrix being followed on ageing basis. There have been no instances observed in the past where collection are assumed to be at risk for such related party receivable.

Based on the industry practices and the business environment in which the Company operates, management considers trade receivables are credit impaired if the payments are more than 90 days past due. In determining the amount of impairment, management considers the collateral against such receivables and any amount payable to such customers.

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including term loans. For details on going concern and borrowings, refer to Notes 2 and 21 respectively.

The table below summarises the maturity profile of the Company's financial liabilities and assets based on contractual undiscounted payments.

	Note	Carrying amount	Less than 1 year	Between 1 and 2	Between 2 and 5 years	Over 5 years
Financial liabilities						
At 31 December 2025						
- Trade and other payables	20	**37 768 567**	**37 775 527**	-	-	-
- Borrowings	21	**96 709 420**	**104 887 613**	-	-	-
At 31 December 2024						
- Trade and other payables	20	39 321 342	39 321 342	-	-	-
- Borrowings	21	110 887 191	120 988 494	-	-	-
Financial assets						
At 31 December 2025						
- Trade and other receivables	15	**3 123 510**	**3 123 510**	-	-	-
- Cash and cash equivalents	16	**4 320 370**	**4 320 370**	-	-	-
At 31 December 2024						
- Trade and other receivables	15	116 475 610	116 475 610	-	-	-
- Cash and cash equivalents	16	9 755 110	9 755 110	-	-	-

7. REVENUE

The Company derives its revenue from contracts with customers for provision of data connectivity services.

	2025	2024
Data connectivity revenue	**11 258 945**	842 177
	11 258 945	842 177
Revenue recognised over time:		
Data connectivity revenue	**11 258 945**	842 177

Management of Airtel Networks Zambia PLC has agreed to purchase the assets of Airtel Telesonic Zambia Limited and is currently in the process of obtaining Board and Shareholder approval. All customers on contractual terms will experience no service disruptions as they will be transferred to Airtel Networks Zambia Plc within the next 12 months and will continue to receive the same services.

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	2025	2024
8. LOSS BEFORE TAX		
Loss before tax is stated after debiting:		
(a) Impairment loss on financial assets		
Bad Debts Expense Provision - Wholesale	(441 993)	-
(b) Other operating expenses		
Auditors' remuneration - Statutory audit	153 920	130 000
Rates, fees and taxes	111 362	-
Legal and professional charges	-	108 131
	265 282	238 131
(c) Depreciation and amortisation		
Depreciation on property and equipment (Note 12)	2 201 546	299 369
Depreciation on right-of-use assets (Note 13)	4 417 682	5 249 176
Amortisation of intangible assets (Note 14)	3 093 769	264 148
	9 712 997	5 812 693

9. NET EXCHANGE GAINS/(LOSSES)

	2025	2024
Realized exchange movement	(16 892 435)	113 960
Unrealized exchange movement	22 607 276	(5 889 363)
	5 714 841	(5 775 403)
Net exchange gains/(losses) arose on:		
Borrowings	24 042 283	(9 621 755)
Other balances	(18 351 021)	1 950 593
Cash and cash equivalents	23 579	1 895 759
	5 714 841	(5 775 403)

During the year, the Company recognised increased exchange gains of K5.714 million (2024: losses of K5.775 million). The gains primarily arose from the revaluation of foreign currency denominated monetary liabilities, reflecting movements in exchange rates during the period.

10. FINANCE COST

	2025	2024
Interest expense on borrowings	9 372 154	9 111 184
Bank charges	20 789	22 357
	9 392 943	9 133 541

11. INCOME TAX EXPENSE

The tax on the Company's loss before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2025	2024
Loss before income tax	(3 451 892)	(20 117 591)
Tax calculated at the statutory income tax rate of 35%	(1 208 162)	(7 041 157)
Tax effect of:		
Deferred income tax asset not recognised	1 208 162	7 041 157
	-	-
Minimum Alternative Tax of 1% turnover	112 589	-

The financial statements have not been prepared on a going concern basis. There is no deferred tax assets previously or currently recognised as it is no longer probable that sufficient taxable profits will be available to utilise these assets.

Following the implementation of minimum alternative tax on 19 August 2025, current tax liabilities have been recognised in respect of gross revenue earned @ 1% for the financial year ending 31 December 2025.

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12. PROPERTY AND EQUIPMENT

	Telecom Equipment	Total	Capital work in progress (i)
Historical Cost:			
At 1 January 2024	-	-	66 261 941
Additions	-	-	43 997 571
Transfers	33 847 829	33 847 829	(33 847 829)
Transfer to right of use asset (i)	-	-	(66 261 941)
At 31 December 2024	33 847 829	33 847 829	10 149 742
At 1 January 2025	**33 847 829**	**33 847 829**	**10 149 742**
Additions	-	-	**92 500 818**
Transfers	**33 076 051**	**33 076 051**	**(33 076 051)**
At 31 December 2025	**66 923 880**	**66 923 880**	**69 574 509**
Depreciation:			
At 1 January 2024	-	-	-
Charge for the year	299 369	299 369	-
At 31 December 2024	299 369	299 369	-
At 1 January 2025	**299 369**	**299 369**	-
Charge for the year	**2 201 546**	**2 201 546**	-
At 31 December 2025	**2 500 915**	**2 500 915**	-
Carrying amount:			
At 31 December 2025	**64 422 965**	**64 422 965**	**69 574 509**
Reclassification to assets held for sale	**(64 422 965)**	**(64 422 965)**	**(69 574 509)**
At 31 December 2025	-	-	-
At 31 December 2024	**33 548 460**	**33 548 460**	10 149 742

(i) Upon certification of usage, the dark fibre was transferred from CWIP to right of use assets(see note 13).

During the year, following the decision to discontinue operations, all relevant assets were reclassified as assets held for sale in accordance with the liquidation basis of preparation. Further details are provided in Note 18.

13. RIGHT-OF-USE ASSETS

	Telecom equipment	Total
At 1 January 2024	-	-
Additions (Note 12)	**66 261 941**	**66 261 941**
Charge for the year	**(5 249 176)**	**(5 249 176)**
At 31 December 2024	**61 012 765**	**61 012 765**
At 1 January 2025	**61 012 765**	**61 012 765**
Charge for the year	**(4 417 682)**	**(4 417 682)**
At 31 December 2025	**56 595 083**	**56 595 083**
Reclassification to assets held for sale	**(56 595 083)**	**(56 595 083)**
At 31 December 2025	-	-

The Company owns optic fibre cables that were leased to customers under 15-year arrangements. Following the decision to discontinue operations, the fibre assets currently on lease will be transferred to Airtel Networks Zambia plc, which will assume responsibility for the remaining lease term.

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14. INTANGIBLE ASSETS

	Network license	Total
Cost		
At 1 January 2024	-	-
Additions	3 357 917	3 357 917
At 31 December 2024	3 357 917	3 357 917
At 1 January 2025	3 357 917	3 357 917
At 31 December 2025	3 357 917	3 357 917
Amortization		
At 1 January 2024	-	-
Charge for the year	264 148	264 148
At 31 December 2024	264 148	264 148
At 1 January 2025	264 148	264 148
Charge for the year*	3 093 769	3 093 769
At 31 December 2025	3 357 917	3 357 917
Carrying amount		
At 31 December 2025	-	-
At 31 December 2024	3 093 769	3 093 769

In December 2025, the Company resolved to discontinue its operations and, on 11 December 2025, submitted a notice to surrender its Network (Facilities) Licence and Service Licence issued by the Zambia Information and Telecommunications Authority. Following this decision, the carrying value of the licence was fully amortised, resulting in an expense of ZMW 3.094 million.

15. TRADE AND OTHER RECEIVABLES

	2025	2024
Trade receivables	3 326 225	-
Less provision for impairment losses * (Note 8a)	(441 993)	-
Net trade receivables	2 884 232	-
Amounts due from related parties (Note 26)	239 278	116 475 610
	3 123 510	116 475 610

*The impairment recognised relates to data service receivables from customers that remained unpaid as at 31 December 2025 and had been outstanding for more than 90 days.

16. CASH AND CASH EQUIVALENTS

Balances in banks		
- Current accounts	4 320 370	9 755 110
For the purpose of the statement of cash flows, cash and cash equivalents are as follows:		
Cash and bank	4 320 370	9 755 110

The Company does not have any overdraft facilities with any bank.

17. OTHER CURRENT ASSETS

Others assets	13 185 967	2 676 455

Other current assets relate to Input Value Added Tax of **K13,186 million** (2024: K2,676 million) as at 31 December 2025.

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18. ASSETS HELD FOR SALE

	2025	2024
As at 31 December 2025, the major classes of assets included as held for sale are as follows:		
Property and equipment (Note 12)	64 422 965	-
Capital work-in-progress (Note 12)	69 574 509	-
Right-of-use assets (Note 13)	56 595 083	-
	190 592 557	-

Following the Directors' decision to discontinue operations, the Company classified all applicable non-current assets and liabilities within disposal groups as 'assets held for sale' in their present condition. Management is committed to a plan to dispose of these assets within the next 12 months, and they are expected to be realised at their carrying amounts.

19. SHARE CAPITAL

	Number of shares	Ordinary shares
At 31 December 2025	1 500 000	15 000
At 31 December 2024	1 500 000	15 000

The total authorised number of ordinary shares is **1.5 million** (2023: 1.5 million) with a par value of K0.01 per share. The issued and fully paid ordinary shares is **1.5 million** (2023: 1.5 million).

20. TRADE AND OTHER PAYABLES

	2025	2024
Trade payables	14 327 341	32 662 724
Amounts due to related parties (Note 26)	21 211 621	3 947 175
Accrued expenses	2 229 605	2 711 443
	37 768 567	39 321 342

Trade payables are non interest bearing and are normally settled on 60 day average terms. Accrued expenses and other payables are non interest bearing and have an average term of six months.

The carrying amount of the above payables and accrued expenses approximate their fair values because of their short term nature.

21. BORROWINGS

Non-current		
Term loan	96 709 420	110 887 191
Less : current	(96 709 420)	(110 887 191)
	-	-
Current maturity of term debts	96 709 420	110 887 191

The term loan is due to the following related party:

	Airtel Africa Telesonic Limited Dubai Branch	Total
At 1 January 2024	74 556 970	74 556 970
Drawn down during	22 714 020	22 714 020
Interest on loan capitalised during the year	6 203 145	6 203 145
Interest paid on borrowings	(2 208 699)	(2 208 699)
Net exchange loss	(9 621 755)	(9 621 755)
At 31 December 2024	91 643 681	91 643 681
At 1 January 2025	91 643 681	91 643 681
Interest on loan capitalised during the year	9 864 512	9 864 512
Net exchange gain	24 042 283	24 042 283
At 31 December 2025	125 550 476	125 550 476

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21. BORROWINGS (CONTINUED)

> In December 2023, the Company obtained a medium term credit facility from the related party Airtel Africa Telesonic Limited - Dubai Branch for USD$3.800 million. The loan carries a fixed interest rate at 3 months Secured Overnight Financing Rate (SOFR) + 4.5% per annum and interest is capitalised into the principal amount every 1 January, 1 April, 1 July and 1 October . As at 31 December 2023, USD$2.900 million had been drawn down and a further USD$0.900 million was drawn down in May 2024. USD$0.084 million was repaid in July 2024, the outstanding balance is due for full repayment by 19 December 2026 and is unsecured. Following the decision to discontinue operations, the loan together with the accrued interest will be transferred to Airtel Networks Zambia Plc within the next 12 months, where it will be fully settled.

22. CONTRACT LIABILITIES

	2025	2024
Amounts received in advance from customer for delivery of connectivity service.		
Current	104 533 230	9 790 304
Non-current	-	87 902 189
Deferred revenue	104 533 230	97 692 493

The deferred liability represents amounts received from customers in advance of service delivery. Following the decision to discontinue operations, these balances will be transferred to Airtel Networks Zambia plc within the next 12 months. Customers will continue to receive the services for which they have already paid, for the remainder of their contract period, and therefore no adverse impact is expected for customers. The entire balance relating to 2025 has been disclosed as current.

23. CURRENT INCOME TAX PAYABLE

	2025	2024
Current income tax movement in the statement of financial position:		
At start of the year	-	-
Current income tax cha	112 589	-
At end of the year	112 589	-

Following the introduction of the Minimum Alternative Tax (MAT) by the Zambia Revenue Authority on 19 August 2025, the Company recognised an income tax liability calculated at 1% of gross revenue for the period 1 January to 31 December 2025.

24. OTHER CURRENT LIABILITIES

	2025	2024
Other current liabilities relate to Value Added Tax of **K2,838 million** (2024: K15,986 million) as at 31 December 2025.	2 838 310	15 986 116

25. CAPITAL COMMITMENTS

Following decision to discontinue the operations, the Company had no capital commitments as of 31 December 2025.

	2025	2024
At 31 December	-	50 244 526

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26. RELATED PARTY DISCLOSURES

Airtel Zambia Telesonic Limited is part of the Airtel Africal Telesonic Group of Companies. The Group's direct shareholder owning 99.99% is Airtel Zambia Telesonic Holdings (UK) Limited, a Group incorporated and domiciled in the United Kingdom. Ultimate controlling entity is Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Mittal's family trust effectively controlling the Group.

The shareholding of the Company as at 31 December 2025 and 2024 is as stated below:

Name of shareholder	2025 Number of shares	2025 % shareholding	2024 Number of shares	2024 % shareholding
Airtel Zambia Telesonic Holdings (UK) Limited	**1 499 999**	**99.99%**	1 499 999	99.99%
Airtel Africa Telesonic Holdings Limited	1	**0.01%**	1	0.01%
	1 500 000	**100.00%**	1 500 000	100%

The following transactions were carried out with related parties:

i) Receivable from related parties

Name of related party	Country of incorporatio	Relationship to Company	2025	2024
Airtel Networks Zambia Plc	Zambia	Fellow subsidiary	**224 278**	116 460 610
Airtel Zambia Telesonic Holdings (UK) Limited	United Kingdom	Intermediate parent	**14 999**	14 999
Airtel Africa Telesonic Holdings Limited	United Kingdom	Fellow subsidiary	**1**	1
Total			**239 278**	116 475 610

ii) Payable to related parties

Name of related party	Country of incorporatio	Relationship to Company	2025	2024
Airtel Networks Zambia Plc	Zambia	Fellow subsidiary	**21 211 621**	3 947 175
Total			**21 211 621**	3 947 175

No provisions for impairment losses have been required in 2025 and 2024 for any related party receivables.

Amounts due from/to related parties carry no interest, are receivable/payable on demand.

During the year, Airtel Telesonic Zambia Limited made an additional loan drawdown of K22.714 million from Airtel Telesonic Dubai in May 2024 and made a repayment of K2.209 million towards the outstanding loan balance in July 2024.

27. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (FINANCIAL INSTRUMENTS)

Set out below is a comparison by class of the carrying amount and fair value of the financial instruments that are recognised in the financial statements. The carrying amount of the financial assets and financial liabilities approximate their fair values because of their short term nature as shown below.

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.
- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

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27. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (FINANCIAL INSTRUMENTS) (CONTINUED)

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2025	Carrying value	Fair value
Trade and other receivables	**3 123 510**	**3 123 510**
Cash and cash equivalents	**4 320 370**	**4 320 370**
Trade and other payables	**(37 768 567)**	**(37 768 567)**
Borrowings	**(96 709 420)**	**(96 709 420)**
31 December 2024		
Trade and other receivables	116 475 610	116 475 610
Cash and cash equivalents	9 755 110	9 755 110
Trade and other payables	(39 321 342)	(39 321 342)
Borrowings	(110 887 191)	(110 887 191)

The following methods/assumptions were used to estimate the fair values:

- The carrying value of bank deposits, trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
- The fair value of non-current financial assets, long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- The fair values of derivatives are estimated by using readily observable market parameters. The valuation reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as foreign exchange rates. The valuation does not contain a high level of subjectivity as the valuation techniques used don't require significant judgement and inputs thereto are readily observable.

During the year ended 31 December 2025 and year ended 31 December 2024 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. The fair value of financial assets and liabilities above are classified under Level 3 fair value measurement.

28. EVENTS AFTER REPORTING DATE

There were no material subsequent events for the year ended 31 December 2025. Following the decision to discontinue operations, the Directors are not aware of any matters or circumstances arising after the reporting date and up to the date of approval of these financial statements that would materially affect the Company's financial position on a liquidation basis, other than those already disclosed.