

Airtel Networks Limited

Annual Report and Financial Statements
For the year ended 31 December 2025

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Directors' Report

The Directors present their annual report on the affairs of the Airtel Networks Limited, together with the financial statements and auditor's report for the year ended 31 December 2025.

1. Legal form

The Company is a private limited liability Company, which was incorporated on 21 December 2000 as Econet Wireless Nigeria Limited. By Special Resolutions of the Company at General Meetings held on 2 April 2004 and 10 October 2006, the name of the Company was changed from Econet Wireless Nigeria Limited to Vee Networks Limited and from Vee Networks Limited to Celtel Nigeria Limited respectively. On 22 September 2010, by another Special Resolution of the Company, the name of the Company was changed from Celtel Nigeria Limited to Airtel Networks Limited.

2. Principal activity

The principal activity of the Company is the provision of telecommunication services and products using its licensed platforms.

3. Result for the year

The following is a summary of the Company's operating results:

Gross Subscriber Base

Particulars	Financial Year		YoY
	2025	2024	Growth
	'000	'000	%
Closing subscriber base	62,084	57,683	7.63%
Gross subscriber connections added during the year	17,841	21,256	(16.06%)
Churn during the year	13,440	25,407	47.10%

Active subscribers are determined based on a 90-day revenue generating cycle.

Financial Highlights

Particulars	Financial Year		YoY
	2025	2024	Growth
	N' million	N' million	%
Revenue from operations	2,171,265	1,467,125	47.99%
Operating profit	686,059	439,817	55.99%
Finance income	119	828	(85.59%)
Finance costs	(620,851)	(340,970)	82.08%
Net Derivative and foreign exchange gain/ (losses)	142,842	(571,258)	125.00%
Profit/(Loss) before taxation	208,169	(471,583)	144.14%
Profit/(Loss) after taxation	129,567	(322,166)	140.22%
Capex investment at year end (Net Property, Plant and equipment)	904,159	708,439	27.63%

Directors' Report (cont'd)

4. Business review

The Company experienced a increase in its Revenue Earning Customer during the year ended 31 December 2025 as customer base grew by 7.3% from 57.68million in 2024 to 62.08 million in 2025. Revenue generated in the year increased by 48.0% from N1.47 trillion in 2024 to N2.17 trillion in 2025. The increase in revenue is as a result of tariff increase approved by Nigerian Communications Commission. The Key drivers of growth continue to be Voice and Data revenue growth, Home Broadband expansion and increased uptake in our Enterprise business which all supported us in achieving growth in our numbers. Our retail expansion program continues to be the bedrock of our success, as we continued the strategic initiatives to improve brand visibility and expand retail footprint with focus on excellent service delivery and customer experience. The business currently has a total of one hundred and thirty-three (133) showrooms across Nigeria in addition to its dealer empowerment initiatives tagged "Airtel Express Shops" (AES), spread across the country.

The Nigerian Communications Commission (NCC) approved a tariff adjustment capped at 50% for the telecommunications industry in January 2025 in response to rising operational costs and the need to ensure industry sustainability. This general tariff increase has had a positive impact on the Company's financial performance by helping to bridge the gap between operating costs and existing tariff levels. The adjustment supports the long-term viability of the sector by enabling continued investment in network infrastructure and innovation.

During the year, in a bid to improve network quality, a spectrum lease agreement was entered into with T2 (Emerging Market Telecommunication Service Limited) to lease 10MHz FDD in the 2100MHz Spectrum band in 35 states of the federation and the Federal Capital Territory (FCT), excluding Zamfara State for a period of three (3) years commencing 1st December, 2025

Airtel Nigeria's Corporate Social Responsibility strategy in 2025 went beyond traditional philanthropy and addressed Nigeria's most pressing development challenges head-on. Under our FEED strategy and through Airtel Africa Foundation, ₦1 billion was committed to train 25,000 youth in digital skills; renovated 10 schools with modern ICT infrastructure and awarded 100 undergraduate tech scholarships. Each initiative created measurable impact while strengthening our market position, and the real measure of success is in the lives changed and communities strengthened across Nigeria.

In partnership with SmartCash and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), we developed the Empower Her Campaign to train about 2,000 women in financial literacy. Beyond handouts, it was about giving women in rural areas and informal markets the skills to access mobile banking, make digital payments, and run small businesses.

The program framework was built targeting six regions: North-East, North-West, South-South, South-West, South-East, and Lagos. When women gain financial autonomy, entire households benefit. Small businesses grow. Communities become economically stronger

Through our partnership with UNICEF Nigeria, Airtel connected about 1,250 schools to the internet, giving 946,670 children an experience with digital learning platforms. The numbers are staggering: 5.6 million instances of children accessing online educational content. We deployed two new zero-rated educational sites, ensuring that cost isn't a barrier to learning.

With the UNICEF Nigeria partnership, Airtel trained children on cybersecurity. Our IT team didn't just present slides. They mentored teachers and parents, equipping them with practical tools to keep young people safe online.

This strengthened our reputation as a digital service provider that cares beyond connectivity.

Directors' Report (cont'd)

To promote environmental stewardship, Airtel Nigeria organized a series of activities to mark World Environment Day. In 2025, we launched the UnPlastic Africa campaign across six regions. We organized staff awareness workshops in partnership with Lagos Waste Management Authority (LAWMA), then deployed 300+ employees to clean markets in Oyo (Ibadan), Kano, Lagos, Edo, Enugu, and Abuja.

We partnered with recycling companies to ensure proper waste disposal. We ran internal campaigns on sustainable practices.

Further reinforcing our commitment to sustainability, new waste management bins were strategically installed across all Airtel offices and retail shops nationwide. These bins, categorized as blue (paper, plastic bottles, and cans) and green (food scraps and paper towels), were introduced to foster a cleaner and safer work environment.

Through the Employee Volunteer Scheme (EVS), the programme received renewed focus with a strategic workshop launch. This gave our teams meaningful ways to engage with communities while building internal culture. This special platform, currently comprising over 180 registered Airtel employees, enables staff to donate their time and resources to support the underprivileged and many more.

Over 70 Airtel employees stepped into our adopted schools as volunteer teachers under the theme "Airtel in the Classroom: Building a Legacy of Learning." Over 7,000+ pupils across six regions were engaged, sharing gift items and bringing mentorship to underserved communities and continues to make a significant impact in communities across Nigeria.

We also continued to honored an invitation to football tournament from Parkinson's Africa, founded by Omotola Thomas, to raise awareness about Parkinson's disease. Airtel Nigeria as the only participating telco; our football team played alongside other organizations to raise awareness and support the Parkinson's community.

Directors' Report (cont'd)

5. Directors' interests

The directors and their beneficial interests in the shares of the Company as at 31 December 2025 were as follows:

<u>Names</u>	<u>Designation</u>	<u>Date Appointed/ Resignation</u>	<u>Representing</u>	<u>Number of Ordinary Shares of ₦1.00 each</u>
Mrs. Ajumobia Awuneba Sotonye (Nigerian)	- Chairman	Appointed 07 October 2024	-	Nil
Mr. Sunil Taldar (Indian)	- Director	Appointed 01 July 2024	Bharti Airtel Nigeria B.V	Nil
Mr. Jaideep Paul (Indian)	- Director	Appointed 29 May 2014/ Resigned 30 June 2025	Bharti Airtel Nigeria B.V	Nil
Mr. Kamal Dua (Indian)	- Director	Appointed 01 July 2025	Bharti Airtel Nigeria B.V	Nil
Mr. Dinesh Balsingh (Indian)	- MD/CEO	Appointed 01 November 2024	-	Nil
Mr. Emeka Onwuka (Nigerian)	- Director	Appointed 5 September 2018	-	Nil
Mr. Rama Krishna Lella (Indian)	- Director	Appointed 6 February 2019	Bharti Airtel Nigeria B.V	Nil
Ms. Rogany Ramiah (South African)	- Director	Appointed 12 June 2019	Bharti Airtel Nigeria B.V	Nil
Mr. Patrick Akinwuntan (Nigerian)	- Director	Appointed 5 May 2023	-	Nil

The companies represented by the directors are direct shareholders of Airtel Networks Limited.

6. Directors' interest in contracts

In accordance with Section 303 of the Companies and Allied Matters Act, 2020, no director has direct or indirect interest in contracts and arrangements involving the Company.

Directors' Report (cont'd)

7. Property, plant, and equipment

Information relating to changes in property, plant and equipment is disclosed in Note 17 to the financial statements.

8. Investment in Subsidiary

Airtel Networks Limited owns 99.99% of the shares of Airtel Mobile Commerce Nigeria Limited, a Company incorporated on 31 August 2017. The principal activity of the Company is to act as a provider of electronic commerce (e-commerce) service, facilitate the acceptability of mobile money, act as an agent of financial institutions carrying out the business of agency banking as well as act as aggregator and manager of agents networks for the same purpose. The Company possesses a super-agent license issued by the Central Bank of Nigeria.

Airtel Mobile Commerce Nigeria Limited is yet to commence business as at 31 December 2025. Details of investment in the subsidiary is provided in Note 35(c).

In its commitment to the fulfilment of the financial inclusion agenda of the Central Bank of Nigeria (CBN) and Federal Republic of Nigeria, Airtel Networks Limited acquired 99.99% of the shares of Smartcash Payment Service Bank Limited, a Company duly incorporated on 30 November 2022 and licensed by the CBN as a payment service bank.

In 2024, 25% of the shares of Smartcash Payment Service were sold to Airtel Mobile Commerce Nigeria B.V. During the year, under the requirement of Central Bank of Nigeria, earlier 25% of the shares of Smartcash Payment Service bank sold to Airtel Mobile Commerce Nigeria B.V. were repurchased at par value

9. Charitable contributions

The Company made donations through projects and gifts totalling Nil (2024: ₦79.35 million) to the following charitable activities:

Corporate Social Responsibility Projects

	2025	2024
Activities	N'000	N'000
Adopt-a-School – Textbooks and writing materials	-	3,865
World Environment Day- Waste Sorting Bins	-	7,637
Sustainability Centre-Green Hope Foundation	-	29,903
SERAS Awards 2024	-	5,993
5 days of Love Campaign	-	31,947
Total	-	79,345

In compliance with the Companies and Allied Matters Act 2020, the Company did not make any donations or gifts to any political association or for any political purpose during the year under review.

Directors' Report (cont'd)

10. Employment and employees

(a) Employment of disabled persons

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop. As at 31 December 2025, there was one disabled person in the employment of the Company.

(b) Health, safety and welfare at work

The Company places a high premium on the health, safety and welfare of its employees in their place of work.

To this end, the Company has various forms of insurance policies, including workmen's compensation and Group life insurance, to adequately secure and protect its employees. The Company also has Safety, Health and Environment (S.H.E.) policies that employees are required to adhere to.

(c) Employees' involvement and training

The Company remains committed to engaging employees through its various online, virtual and physical communication channels through which performance on Key Business drivers are shared and recommendations received from employees.

In addition to Function-specific trainings, programmes which are targeted at enhancing Organizational Capabilities were rolled out across various employee levels. These included Project Management, Process Quality Management, and Business Analytics. Various People Management and Leadership Development interventions were also deployed, including Managerial Assessment of Proficiency (MAP), Coaching for Performance, Executive Coaching and Leadership Knowledge Series.

11. Business ethics and compliance code

The Company has instituted a sound Business Ethics and Compliance Code, which ensures that its business is conducted in conformity with highest ethical principles, standards and integrity. It continually creates ethical awareness amongst its directors, officers and business partners to ensure full compliance with Nigerian and applicable international laws and conventions on anti-corruption, anti-money laundering and anti-terrorism.

12. Auditors

Messrs' Deloitte & Touche has expressed their willingness to continue in office as the Company's auditors in accordance with the provision of the Companies and Allied Matters Act 2020.

BY ORDER OF THE BOARD



Shola Adeyemi
Company Secretary
FRC/2016/PRO/NBA/002/00000014257

Plot L2,
Banana Island, Ikoyi,
Lagos
Date: 16 June 2026

Statement of Directors' Responsibilities

The Directors of Airtel Networks Limited accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2025, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act, 2020 of Nigeria and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

In preparing the financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance.

Going Concern:

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead. Details of the going concern is seen in Note 39

Emeka Onwuka
Director
FRC/2020/PRO/ICAN/006/00000020861

Dinesh Balsingh
Director
FRC/2025/PRO/DIR/003/159085

Management's annual assessment of, and report on the entity's internal control over financial reporting

To comply with the provisions of Section 7 (2f) of the Financial Reporting Council of Nigeria Act (Amendment) 2023, we hereby make the following statements regarding the Internal Controls of Airtel Networks Limited for the year ended 31 December 2025.

- i. The Management of AIRTEL NETWORKS LIMITED ("Airtel" or the "Company") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to Management and the Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
- ii. Airtel Networks Limited's system of internal control over financial reporting is supported with written policies and procedures, contains self-monitoring mechanisms, and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.
- iii. Airtel Networks Limited management used the Committee of Sponsoring Organisation of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.
- iv. Airtel Networks Limited's Management has assessed that the entity's ICFR as of the end of 31 December 2025 is effective. Additionally, based upon management's assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as of December 31, 2025.



Dinesh Balsingh
Chief Executive Officer
FRC/2025/PRO/DIR/003/159085



Akeem Salami
Financial Controller
FRC/2013/PRO/ICAN/002/00000002725

Certification of financial statements

In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

- (i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements;

We state that management and directors:

- (i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the Company, particularly during the period in which the audited financial statement report is being prepared,
- (ii) have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements, and
- (iii) certify that Company's internal controls are effective as of that date;

We have disclosed:

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and
- (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control; and
- (iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Company for the year ended 31 December 2025 were approved by the directors on16 June..., 2026.

Signed on behalf of the Board of Directors



Akeem Salami
Financial Controller
FRC/2013/PRO/ICAN/002/00000002725



Dinesh Balsingh
Chief Executive Officer
FRC/2025/PRO/DIR/003/159085

Certification of Management's assessment on internal controls over financial reporting

In compliance with the provisions of section 405 of the Companies and Allied Matters Act, 2020 and provisions of Section 7 (2f) of the Financial Reporting Council of Nigeria Act (Amendment) 2023 on internal control over financial reporting, the directors, whose names are stated below, hereby certify that:

- a. I have reviewed audited financial statements of Airtel Networks Limited for the year ended 31 December 2025;
- b. Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c. Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- d. I also certify that we:
 - are responsible for establishing and maintaining internal controls;
 - have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e. I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - 1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - 2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.
- f. I identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses



Dinesh Balsingh
Chief Executive Officer
FRC/2025/PRO/DIR/003/159085

Certification of Management's assessment on internal controls over financial reporting

In compliance with the provisions of section 405 of the Companies and Allied Matters Act, 2020 and provisions of Section 7 (2f) of the Financial Reporting Council of Nigeria Act (Amendment) 2023 on internal control over financial reporting, the directors, whose names are stated below, hereby certify that:

- a. I have reviewed audited financial statements of Airtel Networks Limited for the year ended 31 December 2025;
- b. Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c. Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- d. I also certify that we:
 - are responsible for establishing and maintaining internal controls;
 - have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e. I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - 3) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - 4) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.
- f. I identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses



Akeem Salami
Financial Controller
FRC/2013/PRO/ICAN/002/00000002725

Assurance Report of Independent Auditor

To the Shareholders of Airtel Networks Limited

Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of **Airtel Networks Limited** as of 31 December, 2025, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the SEC Guidance on Management Report on Internal Control Over Financial Reporting. **Airtel Networks Limited** management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the Company and our report dated 16 June 2026 expressed an unmodified opinion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Company did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the Company's system of internal control over financial reporting for the year ended 31 December 2025. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our limited assurance report is subject to these inherent limitations.



Directors' and Management's Responsibilities

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with the International Financial Reporting Standards (IFRS) and the ICFR framework.

Section 7(2f) of the Financial Reporting Act 2011 (As amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the company's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Company did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

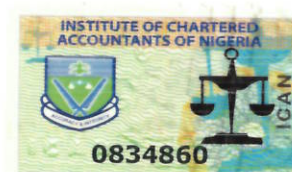
That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Company established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.


Chizoba Onyebuchi, FCA - FRC/2013/PRO/ICAN/00000000869
For: Deloitte & Touche (FRC/2022/COY/091021)
Lagos, Nigeria
16 June 2026



Independent Auditor's Report

To the Shareholders of Airtel Networks Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Airtel Networks Limited** set out on pages 18 to 103, 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, 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 financial position of **Airtel Networks 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, the requirements of the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for 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 requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of public interest entities in Nigeria. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Financial Statements in Nigeria.

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, statement of directors' responsibilities for the preparation and approval of financial statements, the Certification of financial statements, and other national disclosures (Statement of value added and Financial Summary) as required by the Financial Reporting Council of Nigeria, which we obtained prior to the date of this report. 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 and will not express an audit opinion or any form of assurance 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, 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 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, the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine 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, 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.

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 skepticism 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 the directors.
- 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 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 we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth Schedule of the Companies and Allied Matters Act 2020, we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting (this Guidance), and we have issued a report with no exception in our report dated 16 June 2026. That report is included on pages 13 and 14 of the financial statements.

Chizoba Onyebuchi, FCA - FRC/2013/PRO/ICAN/00000000869

For: Deloitte & Touche - (FRC/2022/Coy/091021)

Chartered Accountants

Lagos, Nigeria

16 June 2026



Statement of Profit or Loss and Other Comprehensive Income

	Notes	2025 N'000	2024 N'000
Revenue from operations	6	2,171,264,905	1,467,125,262
Cost of sales	7	(823,805,039)	(653,378,174)
Gross profit		1,347,459,866	813,747,088
Other income	8	9,128,206	5,535,633
Selling and marketing costs	9	(60,722,714)	(40,501,910)
Administrative expenses	10	(132,478,084)	(14,166,356)
Other operating expenses	11	(476,062,317)	(322,959,826)
Net impairment losses on financial assets	22(e)	(1,266,287)	(1,837,590)
Results from operating activities		686,058,670	439,817,039
Finance income	12	119,276	827,763
Finance costs	13	(620,850,631)	(340,969,527)
Net derivatives and foreign exchange gains/(loss)*	13(b)	142,841,678	(571,258,263)
Net finance costs		(477,889,677)	(911,400,027)
Profit/(Loss) before tax		208,168,993	(471,582,988)
Minimum Tax	15(a)(i)	(10,903,933)	(7,371,252)
Profit/(Loss) before Income tax		197,265,060	(478,954,240)
Tax (expense)/benefit	15(a)(ii)	(67,697,909)	156,787,978
Profit/(Loss) for the year after tax		129,567,151	(322,166,263)
Other comprehensive income		-	-
Total comprehensive Profit/(Loss) for the year, net of tax		129,567,151	(322,166,263)
Earnings per share			
Basic and diluted (₦)	16	10.63	(26.42)

The accompanying notes on pages 22 to 103 form an integral part of these financial statements.

Airtel Networks Limited
Annual Report and Financial Statements
For the year ended 31 December 2025

Statement of Financial Position
As at 31 December 2025

		2025 N'000	2024 N'000
Assets	Notes		
Non-current assets			
Property, plant and equipment	17	904,158,534	708,438,792
Intangible assets	18	226,415,298	231,977,416
Right of use assets	19	2,574,766,644	2,373,306,211
Investment in subsidiary	35(c)	17,550,000	13,175,000
Other financial assets	20	241,552	219,646
Deferred tax assets (net)	15(d)	255,134,437	313,238,917
Other assets	23	44,664,523	35,690,630
Total Non-current assets		4,022,930,988	3,676,046,612
Current assets			
Inventories	21	8,018,522	14,531,066
Trade and other receivables	22	111,150,475	107,295,763
Cash and bank balance	25	24,453,668	22,381,396
Other financial assets	20	143,640	168,064
Income tax recoverable	24	311,873	1,488,136
Other assets	23	60,658,704	53,881,834
Total current assets		204,736,883	199,746,259
Total assets		4,227,667,871	3,875,792,871
Equity and liabilities			
Equity			
Share capital	26.1	13,286,999	13,286,999
Treasury shares	26.3	(67,553,510)	(67,553,510)
Share premium	26.2	67,235,360	67,235,360
Retained earnings	27	(281,919,388)	(411,486,539)
Total Equity		(268,950,539)	(398,517,690)
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	28	240,401,534	377,416,145
Lease liabilities	31	3,140,496,348	2,863,587,926
Provisions	29	130,253	121,781
Deferred revenue	30	191,844	230,652
Employee benefits	32	99,571	10,800
Total non-current liabilities		3,381,319,550	3,241,367,304
Current liabilities			
Interest bearing loans and borrowings	28	355,960,981	330,003,571
Provisions	29	754,104	749,195
Trade and other payables	33	535,090,234	465,825,452
Deferred revenue	30	104,474,550	76,349,535
Derivative financial liabilities	34	-	80,648,481
Employee benefits	32	4,559,321	2,359,860
Income tax payable	15(c)	25,068,054	11,974,407
Lease liabilities	31	89,391,615	65,032,756
Total current liabilities		1,115,298,859	1,032,943,257
Total liabilities		4,496,618,409	4,274,310,561
Total equity and liabilities		4,227,667,871	3,875,792,871

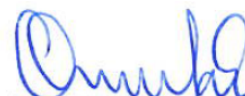
Approved by the Board of Directors on 16 June 2026 and signed on its behalf by:



Akeem Salami
Financial Controller
FRC/2013/PRO/ICAN/002/00000002725



Dinesh Balsingh
Managing Director/Chief Executive Officer
FRC/2025/PRO/DIR/003/159085



Emeka Onwuka
Director
FRC/2020/PRO/ICAN/006/00000020861

The accompanying notes on pages 22 to 103 form an integral part of these financial statements.

Statement of Changes in Equity

	Share Capital N'000	Treasury Shares N'000	Share Premium N'000	Retained Earnings N'000	Total Equity N'000
2025					
As at 1 January 2025	<u>13,286,999</u>	<u>(67,553,510)</u>	<u>67,235,360</u>	<u>(411,486,539)</u>	<u>(398,517,690)</u>
Profit for the year	-	-	-	129,567,151	129,567,151
Other comprehensive income	-	-	-	-	-
Total comprehensive profit	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,567,151</u>	<u>129,567,151</u>
As at 31 December 2025	<u>13,286,999</u>	<u>(67,553,510)</u>	<u>67,235,360</u>	<u>(281,919,388)</u>	<u>(268,950,539)</u>
2024					
As at 1 January 2024	<u>13,286,999</u>	<u>(67,553,510)</u>	<u>67,235,360</u>	<u>(89,320,276)</u>	<u>(76,351,427)</u>
Loss for the year	-	-	-	(322,166,263)	(322,166,263)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(322,166,263)</u>	<u>(322,166,263)</u>
As at 31 December 2024	<u>13,286,999</u>	<u>(67,553,510)</u>	<u>67,235,360</u>	<u>(411,486,539)</u>	<u>(398,517,690)</u>

The accompanying notes on pages 22 to 103 form an integral part of these financial statements.

Statement of Cash Flows

	Note	2025 N'000	2024 N'000
Cash flows from operating activities			
Loss for the year before tax		208,168,993	(471,582,988)
Non cash adjustments:			
Depreciation of property, plant and equipment	17(b)	125,995,485	95,427,668
Depreciation of right of use	19	270,404,448	164,758,959
Amortization of intangible assets	18	36,154,880	32,368,341
Finance income	12	(119,276)	(827,763)
Finance cost	13	620,850,631	340,969,527
Net Derivative and foreign exchange losses	13(b)	(142,841,678)	571,258,263
Gain on disposal of property, plant and equipment	8	(2,288,229)	(4,832,754)
Inventory provision movement	21	(628,816)	378,640
Increase in Employee benefit liability	32	2,288,232	583,303
Net impairment on financial assets	22(f)	726,702	3,389,944
Net foreign exchange differences	38.1	(2,897,903)	(282,192,334)
Other non-cash items	38.2	(9,948,029)	(481,933)
		1,105,865,440	449,216,873
Changes in working capital:			
Decrease/(Increase) in Inventory	21	7,141,360	(8,140,119)
Increase in Trade and other receivables	22(f)	(4,581,414)	(27,421,235)
Increase in Other assets	23	(15,750,762)	(48,945,668)
Increase in Income tax recoverable	24.1	(314,165)	(1,005,518)
Increase in Deferred revenue	30	28,086,207	23,081,062
Increase in Provisions	29	13,382	158,945
Increase in Trade and other payables	33	66,483,103	136,045,190
Decrease in Derivative financial liability	34	(80,648,481)	(52,317,507)
Decrease in Other financial asset	20	2,518	43,278,070
Increase in Derivative financial asset	34	-	6,333,900
Cash generated from operating activities		1,106,297,188	520,283,993
Income tax paid current	15(c)	(5,913,287)	(25,448,617)
Net cash generated from operating activities		1,100,383,901	494,835,376
Cash flows from investing activities			
Investment in subsidiary	35(c)	(4,375,000)	(12,500,000)
Proceeds on disposal of Investment in subsidiary	35(c)	-	4,375,000
Proceeds on disposal of property, plant and equipment	17(a)	2,622,713	5,235,100
Acquisition of property, plant and equipment	17	(336,033,886)	(267,429,071)
Acquisition of intangible asset	18	(16,608,587)	(580,356)
Grant received	30	-	89,361
Interest received	12	112,166	814,584
Net cash used in investing activities		(354,282,595)	(269,995,382)
Cash flows from financing activities			
Short term loan received – trade import facility	28(d)	-	2,260,919
Short term loan paid – trade import facility	28(d)	-	(2,687,224)
Term loan	28(a)	588,485,905	480,191,189
Term loan repaid	28(a)	(509,513,205)	(367,208,315)
Shareholders loan paid	28(b)	(25,640,704)	-
Interest paid on borrowings and lease liabilities	13(a)	(600,931,628)	(340,605,973)
Repayment of principal portion of lease liabilities	31(a)	(45,904,253)	(110,440,257)
Net cash used in financing activities		(593,503,885)	(338,489,661)
Net movement in cash and cash equivalents		152,597,421	(113,649,667)
Cash and cash equivalents at the beginning of year		(181,599,917)	(71,088,440)
Effect of foreign exchange on cash and cash equivalent	38.1	(1,294,473)	3,138,190
Cash and cash equivalents at the end of year	25	(30,296,969)	(181,599,917)

The accompanying notes on pages 22 to 103 form an integral part of these financial statements.

Notes to the Financial Statements

1. Corporate Information

Airtel Networks Limited is a private limited liability Company incorporated and domiciled in Nigeria. The registered office of the Company is located at Plot L2 Banana Island, Ikoyi Lagos, Nigeria. The principal activity of the Company is the provision of telecommunications services and products using its licensed platforms. Airtel Networks Limited is an indirect subsidiary of Bharti Airtel International (Netherlands) B.V. and has Airtel Africa Plc as its intermediate parent.

2. Basis of preparation and measurement

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to companies reporting under IFRS and the requirements of the Companies and Allied Matters Act of Nigeria (CAMA 2020) and Financial Reporting Council of Nigeria (Amendment) Act 2023.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for items measured at fair value as indicated in the policies below.

Historical cost is based on the fair value of the consideration given in exchange for goods and services.

(c) Functional and presentation currency

The financial statements have been presented in Naira which is the Company's functional and presentation currency. The Company determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements are measured using its functional currency. All values are rounded to the nearest thousand, except when otherwise indicated.

(d) Use of estimate and judgement

The preparation of financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosures of contingent assets and liabilities at the reporting date and the reported amount of revenue and expenses during the period.

(e) Current vs. non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realised within twelve months after the reporting period; or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Notes to the Financial Statements

2. Basis of preparation (cont'd)

(e) Current vs. non-current classification (cont'd)

A liability is current when:

- i) It is expected to be settled in the normal operating cycle;
- ii) It is held primarily for the purpose of trading;
- iii) It is due to be settled within twelve months after the reporting period; or
- iv) 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 as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(f) Fair value measurement

The Company measures financial instruments at fair value and amortised cost as may be applicable at each reporting 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 the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) in the principal market for the asset or liability, or
- ii) in the absence of a principal market, in the most advantageous market for the asset or liability

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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(g) Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the Financial Statements

3. Summary of material accounting policies

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

3.1 Property, plant and equipment (PPE) and Capital Work-in-progress (CWIP)

(a) Recognition, measurement and derecognition

Items of property, plant and equipment (PPE) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of an item of PPE comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, and the initial estimate of any decommissioning obligation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Costs also include cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. Capital Work-In-Progress (CWIP) is stated at cost.

The Company also enters into multiple element contracts whereby the vendor supplies plant and equipment and other services. These are recorded on the basis of relative fair value. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as separate components of assets with specific useful lives and provides depreciation over their useful lives.

(b) Subsequent costs

The expenditure incurred after an item of PPE is ready to use, such as repairs and maintenance, are charged to the statement of profit or loss and other comprehensive income in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

(c) Depreciation methods

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives from the date when it is available for use in the manner intended by management. The assets' residual values, useful lives and depreciation methods are reviewed at each financial year end or whenever there are indicators for review, and any adjustment is done prospectively. Freehold land and capital work-in-progress are not depreciated. The attributable cost of each item of capital work-in-progress is transferred to the relevant asset category immediately when the asset is available for use and depreciated accordingly. Estimated useful lives of the assets are as follows:

Assets	Useful life
GSM equipment	3 - 25 years
Information system equipment	3 – 5 years
Building	20 years
Office furniture and equipment	2 - 5 years
Motor vehicles	5 years
Leasehold improvement	Period of lease or 10 –20 years, as applicable, whichever is less

Notes to the Financial Statements

3.1 Property, plant and equipment (cont'd)

(d) De-recognition

Gains and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the statement of comprehensive income on the date of retirement and disposal.

3.2 Intangible assets

Intangible assets are those identifiable non-monetary assets without physical substances. They include those that are acquired separately by the Company including digital mobile licence fees, and other licence fees and software. Intangible assets are measured on initial recognition at cost and subsequently, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Licences are amortised over the useful life of the intangible assets on a straight line basis from the effective date (digital mobile licence from commercial launch date) of the licence except software. Software is amortised from the date the asset is available for use. This closely reflects the expected pattern of usage of the future economic benefits embodied in the asset. Estimated useful lives of the assets are as follows:

Items	Useful Life
1800 MHz Spectrum	10 years
3G/2100 MHz Spectrum Licence	15 years
Universal Access Service Licence (UASL)	10 years
2600 MHz Spectrum (4G LTE)	10 years
Software Licence	3 years
3500 MHz Spectrum	10 years

The useful life or amortisation period and the amortisation method for an intangible asset 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. The amortisation expense on intangible assets is recognised in the statement of profit or loss and other comprehensive income in the other operating expense category.

De-recognition of intangible assets

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit or loss and other comprehensive income when the asset is derecognised.

Notes to the Financial Statements

3.2 Intangible assets (cont'd)

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- The intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

3.3 Impairment of Property, plant and equipment, Right-of-use assets, Intangible assets and intangible assets under development

At each reporting period date, the Company reviews the carrying amounts of its PPE, right-of-use assets, CWIP and finite-lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Intangible assets under development are tested for impairment, at least annually or earlier, in case circumstances indicate that it may be impaired.

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 CGU level to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss representing the excess of recoverable value over the carrying value of the asset/CGU is recognised immediately in profit and loss.

Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. For asset excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Notes to the Financial Statements

3.4 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

In accordance with the exemption requirements of IFRS 10, Airtel Networks Limited has elected not to provide a consolidation of Airtel Mobile Commerce Nigeria Limited and Smart Cash Payment Service Bank Limited due to the following reasons:

- (a) Airtel Networks Limited is an indirect subsidiary of Bharti Airtel International (Netherlands) B.V. which in turn is a subsidiary of Airtel Africa Plc and the owners of the Company has been informed and do not object to the "Airtel Networks Limited" not presenting consolidated financial statements;
- (b) Airtel Networks Limited does not have any debt or equity instruments traded in a public market - either local or foreign as it is a private limited Company;
- (c) Airtel Networks Limited has not filed nor in the process of filing its financials with a securities commission or regulatory for purpose of issuing instruments; and
- (d) Airtel Networks Limited has Airtel Africa Plc as its intermediate parent. Airtel Africa Plc is a listed entity on both the London Stock Exchange and Nigerian Stock Exchange (NSE), and prepares consolidated financial statements for public use in its listed markets in accordance with International Financial Reporting Standards (IFRSs). Airtel Mobile Commerce Nigeria Limited and Smart Cash Payment Service Bank Limited are consolidated in Financial Statements of Airtel Africa Plc.

3.5 Inventories

Inventories are defined as 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. The Company's inventories primarily consist of cellular telephones, accessories, MiFis, routers and SIM packs.

Inventories are measured at the lower of cost (determined on a first in first out ('FIFO') basis) and net realisable value. Inventory costs include purchase price, freight inwards and transit insurance charges and other directly attributable costs incurred in bringing inventories to present location and condition. The cost of inventory is reduced to its net realisable value once the inventories are damaged, wholly or partly obsolete or its selling price has declined. In accordance with IAS 2.28-33, if the inventory value including the purchase price and the refurbishing costs exceeds expected net realizable value, the trade-in value is reduced to the latter. SIM inventories are measured on the lower of cost and net realisable value (NRV).

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

3.6 Leases

At inception of a contract, the Company assesses 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) Company as a 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 consumer price index (CPI), the 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. In some of the contracts, portion of the non-energy lease payments are denominated in US currency but payable in Naira at applicable exchange rate.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments including 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 the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Subsequent to initial recognition, right-of-use asset are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements 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.

Notes to the Financial Statements

3.6 Leases (cont'd)

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.

Sale and lease back

In sale and leaseback transactions, the Company first considers whether the initial transfer of the underlying asset to the buyer-lessor is a sale by applying the requirements of IFRS 15. If the transfer qualifies as a sale and the transaction is on market terms, the Company derecognises the asset, recognises a right-of-use asset (and lease liabilities) and recognises a portion of the total gain or loss on the sale in the statement of profit or loss and other comprehensive income. The right-of-use asset is recognised at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The amount recognised is calculated by splitting the total gain or loss into:

- an amount recognised in the statement of profit or loss and other comprehensive income relating to the buyer lessor's rights in the underlying asset, and
- an unrecognised amount relating to the rights retained by the seller-lessee which is deferred by way of reducing the right-of-use assets initially recognised.

(b) Company as a 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 the 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 leases. 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.

Notes to the Financial Statements

3.7 Financial instruments

Financial instruments are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets into the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The Company does not have any financial instruments classified as fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all non-derivative financial liabilities as measured at amortised cost.

Financial assets with embedded derivatives are considered in their entirety for determining the contractual terms of the cash flow and accordingly, embedded derivatives are not separated. However, derivatives embedded in non-financial instrument /financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the statement of financial position, if and only when, the Company currently has a legally enforceable right to set- off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Financial Statements

3.7 Financial instruments (cont'd)

Measurement – Non-derivative financial instruments - Initial measurement

The transaction price is generally the best evidence of the financial instrument's initial fair value. However, it is possible for an entity to determine that the instrument's fair value is not the transaction price. The difference between the transaction amount and the fair value (if any) is accounted for as follows:

- The difference is recognised as a gain or loss in the statement of profit or loss and other comprehensive income only if fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets.
- In all other cases, an entity recognises the instrument at fair value and defers the difference between the fair value at initial recognition and the transaction price in the statement of financial position.

Subsequent measurement – financial assets

The subsequent measurement of non- derivative financial assets depends on their classification as follows:

- **Financial assets measured at amortised cost**

Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate (EIR) method (if the impact of discounting/any transaction costs is significant). Interest income from these financial assets is included in finance income.

EIR is the rate that exactly discounts the estimated future cash receipts or payments over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Financial assets at fair value through profit or loss (FVTPL)**

All equity instruments and financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVTOCI) are measured at FVTPL. Interest (based on the EIR method) and dividend income from financial assets at FVTPL is recognised in profit and loss within finance income/finance costs separately from the other gains/losses arising from changes in the fair value.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12 month expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL is used.

Notes to the Financial Statements

3.7 Financial instruments (cont'd)

However, in case of trade receivables and contract assets, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Subsequent measurement – financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting/any transaction costs is significant).

Measurement – derivative financial instruments

Derivative financial instruments, including separated embedded derivatives that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised as a separate line in statement of profit and loss under net derivative and foreign exchange losses.

In cases, where the initial fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on observable inputs, on subsequent measurement, the difference between initial fair value and transaction price is recognised in profit or loss on an appropriate basis (e.g. straight line) over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Derecognition

Financial liabilities are derecognised from the Statement of financial position when the underlying obligations are extinguished, discharged, lapsed, cancelled, expired, or legally released. Financial assets are derecognised from the Statement of financial position when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount and consideration is recognised in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

3.8 Employee benefits

(a) Short term benefits

Liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(b) Defined contributions: Pension

In line with the provisions of the Pension Reform Act 2014 of Nigeria, the Company operates a contributory pension scheme (which is a defined contribution plan) for all its employees. Under the scheme, every employee contributes minimum of 8% and the Company contributes minimum of 10% of employee's annual insurable earnings (basic pay, transport and housing) to the pension fund which manages the funds for the benefit of the employee.

Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to profit or loss as employee cost. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits under the scheme.

(c) Defined benefit obligation (Long service award/Leave absence):

The valuation has been carried out using the Project Unit Credit Method as per IAS19 *Employee Benefits* to determine the Present Value of Defined Benefit Obligations and the related Current Service Cost and, where applicable, Past Service Cost.

The Company recognises service costs within profit or loss as employee benefit expenses. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Interest cost is calculated by applying a discount rate to the defined benefit liability and is recognised within finance costs. Remeasurements comprising actuarial gains and losses are recognised immediately as a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are subsequently not reclassified to profit or loss.

3.9 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date with resulting exchange difference recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting).

Notes to the Financial Statements

3.10 Revenue recognition

Revenue is recognised upon the transfer of control of promised products or services to the customer at the consideration which the Company has received or expects to receive in exchange for 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 receivable from the intermediary. To the extent that the intermediary is considered to be an agent, the consideration to which the Company is entitled is determined to be the amount receivable from the ultimate customer. Any upfront discount provided to the intermediary is recognised as a cost of sale.

The Company has entered into certain multiple-element revenue arrangements, which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables within the contract are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their relative standalone selling prices. The stand-alone selling prices are determined based on the list prices at which the Company sells equipment and network services separately.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

(a) Sales of goods

Revenue from sale of handsets and device is recognised when control of the goods has been transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

(b) Service revenues

Service revenue is derived from the provision of telecommunications services and mobile money services to customers. The majority of the Company's customers subscribe to services on a pre-paid basis. Telecommunications service revenue mainly pertains to usage, subscription charges for voice, data, messaging and value added services and customer onboarding charges.

Telecommunications services are considered to represent a single performance obligation as all are provided over the Company's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

Customers primarily pay in advance for services of the Company. These cash amounts are recognised as deferred income in the Statement of financial position and transferred to the statement of profit or loss and comprehensive income when the service obligation has been performed/when the usage of services becomes remote.

Notes to the Financial Statements

3.10 Revenue recognition (cont'd)

The Company recognises revenue from these services over time as they are provided. Revenue is recognised over time based on actual units of telecommunications services provided during the reporting period as a proportion of the total units of telecommunications services to be provided.

Subscription charges are recognised over the subscription pack validity period.

Revenue recognised in excess of amounts invoiced are classified as unbilled revenue. If amounts invoiced/collected from a customer are in excess of revenue recognised, a deferred revenue/advance income is recognised. Service revenue also includes revenue from interconnection/roaming charges for use of the Company's network by other operators for voice, data, messaging and signalling services.

Revenue from long distance operations comprise voice services and bandwidth services (including installation), which are recognised on the provision of services, provided over the period of the respective arrangements.

The Company has interconnect agreements with local and foreign operators. This allows customers from either network to originate or terminate calls to each other's network. Revenue is earned and recognised as per bilateral agreements when other operators' calls are terminated to the Company's network i.e. when the service is rendered.

As part of the mobile money services, the Company earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commissions on the transfer of money from one customer wallet to another. Such commission is recognised as revenue at a point in time on fulfilment of these services by the Company.

(c) Customer loyalty programme

The Company has a customer loyalty programme through which credits (points) are awarded to customers on recharges. These credits (points) entitle customers to data, sms and voice services upon redemption which creates a material right and is therefore considered as a separate performance obligation. Revenue on customer loyalty is recognised on the basis of the fair value of the consideration received or receivable in respect of the initial sale allocated for award credits (points) and the consideration allocated to the award points is measured by reference to their respective fair value. If the Company supplies the awards, it recognises the consideration allocated to award points as revenue when award points are redeemed and the obligation to supply the awards is fulfilled.

A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. If a third party supplies the awards, the Company assesses whether it is acting in the capacity of a principal or agent in the transaction, in which case, it measures revenue as the net amount of the difference between the consideration allocated to the award points and the amount payable to the third party for supplying the awards. Where the award is supplied by the Company, it measures revenue as the gross consideration allocated to the award points and recognises the revenue when the obligation is fulfilled.

Notes to the Financial Statements

3.10 Revenue recognition (cont'd)

(d) Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, classified as financial assets at fair value through profit or loss, interest income is recognised using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'Finance income' in the statement of profit or loss and comprehensive income.

(e) Equipment sales

Equipment sales mainly pertain to sale of telecommunications equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer i.e. transferred at a point in time.

(f) Customer acquisition cost

The Company recognises the cost it incurs to obtain a contract with a customer as an asset in the period these costs are incurred. The amount is amortised over the average anticipated customer life in the profit or loss. The unamortised amount is presented in the statement of financial position as "Other assets". The churn rate is used to estimate the average customer life.

3.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it also excludes items that are never taxable or deductible. The payment made in excess/ (shortfall) of the income tax obligation for the respective periods are recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity or other comprehensive income and not in profit or loss. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Any interest, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

Notes to the Financial Statements

3.11 Taxation (cont'd)

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable or based on expected value approach, as applicable and are presented within current tax liabilities. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum tax is computed at 0.5% of gross turnover. This is in line with the provisions of Section 33 of Company Income Tax Act (CITA) which imposes a minimum tax where Company has no taxable profits, or the tax payable is less than the minimum tax computed.

(a) Deferred tax

Deferred tax liability is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. However, the deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised 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 income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements

3.11 Taxation (cont'd)

(b) Current tax and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(c) Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- i) When the value added tax incurred on a purchase of assets or services is not recoverable from the tax authority, is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.12 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. The Company capitalises borrowing costs on qualifying assets that takes more than one year to get ready for use. All other borrowing costs are expensed in the year they are incurred.

3.13 Provisions and contingencies

(a) 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 an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of the discount due to the passage of time is recognised within finance costs.

Provision for legal matters

The Company is involved in various legal matters, the outcome of which may not be favourable to the Company. Management, in consultation with legal advisers, assesses the likelihood that a pending claim will succeed. The Company recognises a provision in cases where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations arising from such claims.

Notes to the Financial Statements

3.13 Provision and Contingencies (cont'd)

Asset retirement obligation (ARO)

AROs are recognised for those lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises to a condition similar to that at inception of the lease.

AROs are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any change in the estimated future costs or in the discount rate applied are adjusted against the cost of the asset.

(b) 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 unless virtually certain and disclosed only where an inflow of economic benefits is probable.

3.14 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with (The Company has grant majorly base Transceiver Stations constructed at qualifying location). The grant is granted by the Federal Government of Nigeria under the Universal Service Provision Fund (USPF) Projects for;

- (a) BTS Expansion Project for the construction of BTS in rural and unserved areas where there are currently no service providers
- (b) Community Communications Centre (CCC) project for the establishment of CCCs in 109 rural communities nationwide to provide internet access, voice, ICT training, emergency calls and other services; and
- (c) The School Access Programme for the provision of internet enabled personal computers and internet access to participating schools.

When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

3.15 Dividends

Dividends to shareholders of the Company are recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. Interim dividends are deducted from the retained earnings when they are paid.

3.16 Earnings per share

The Company's Earnings per Share ('EPS') is determined based on the net income attributable to the shareholders. Basic earnings per share are computed using the weighted average number of shares outstanding during the year.

Notes to the Financial Statements

3.17 Cash and cash equivalent

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 i.e. that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of a change in value. However, for the purpose of the statement of cash flows, in addition to the above items, any bank overdrafts that are integral part of the Company's cash management and balances held under mobile money trust are also included as a component of cash and cash equivalents.

Term deposits with an original maturity of more than three months are presented within other bank balances.

3.18 Treasury Share

The Company is the sponsoring entity of an Employee Benefit Trust (EBT) which is controlled by the Group. The Company provides funds to the EBT to enable it to satisfy its objectives. The Company's equity instruments held by the EBT are accounted for as if they were the Company's own equity and are treated as treasury shares. Such treasury shares are recorded at cost and deducted from equity. Refer to Note 26.3 for details of treasury shares held by the EBT.

Notes to the Financial Statements

4. Material accounting judgments, estimates and assumptions

4.1 Judgements

Under IFRS, the directors have adopted those accounting policies most appropriate to the Company's circumstances for the purpose of presenting a true and fair view of the Company's financial position, financial performance and cash flows. In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate.

Deferred tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with any future tax planning strategies. Refer to Note 15 for the disclosure of deferred tax assets recognition.

4.2 Estimates and assumptions

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(a) **Revenue recognition and presentation**

The Company assesses its revenue arrangements in line with the requirements of IFRS 15 – *Revenue from Contracts with Customers* which requires the identification of performance obligation, allocation of transaction price amongst performance obligation, and recognising revenue upon satisfaction of each performance obligation agreed with the customer. The Company also assess whether it has exposure to sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction. Where the Company's role in a transaction is that of principal, revenue derived from these transactions are reported gross while the commission is expensed through profit or loss. Otherwise, the net revenue is reported.

Customer loyalty programme

The Company estimates the fair value of points awarded under the loyalty management programme by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences. As at 31 December 2024, the estimated liability for unredeemed points was approximately N361.66 million (2024: N258.08 million) disclosed as part of deferred revenue liability.

Notes to the Financial Statements

4. Material accounting judgments, estimates and assumptions (cont'd)

4.2 Estimates and assumptions (cont'd)

(b) ***Multiple obligation with customers***

The Company has entered into certain multiple performance obligation revenue arrangements. These arrangements involve the delivery or performance of multiple products, services or rights to use assets. The Company evaluates all deliverables in an arrangement to determine whether they represent separately identifiable components at the inception of the arrangement. The evaluation is done based on the criteria as to whether the deliverables in the arrangement have value to the customer on a standalone basis. Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables).

(c) **Customer acquisition cost**

IFRS 15 requires to recognize an asset for customer acquisition cost if the customer life is more than 12 months and then amortise that asset over the customer life. Customer Acquisition costs are cost which would not have been incurred if no new customer would have been acquired. Management has assessed these costs to be the following: Gross acquisition commission costs, KYC costs and SIM and related packing costs.

(d) **Property, plant and equipment (PPE)**

The Company carries its property, plant and equipment at cost in the statement of financial position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Multiple element contracts with vendors

The Company has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the material accounting policies) have been accounted under Property, Plant and Equipment and/or as Intangible assets, since the Company has economic ownership in these assets. The Company believes that the current treatment represents the substance of the arrangement.

Notes to the Financial Statements

4. Material accounting judgments, estimates and assumptions (cont'd)

4.2 Estimates and assumptions (cont'd)

(e) Impairment of non-financial assets

Non-financial assets include majorly property, plant and equipment, right of use and intangible assets. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Allowance for accounts receivable and advances

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. A large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. The Company writes off individual trade receivables when management considers them as uncollectible. The assessment of the age analysis of receivable balances couple with the use of past experience in the calculation of impairments, involve high degree of estimation.

(f) Measurement of loans and borrowings

The Company obtained all its loans at market rates, though tied to Nigeria Interbank Offer Rate (NIBOR) and London Interbank Offer Rate (LIBOR) for local and foreign loans respectively. The re-measurement of those loans are based on a floating interest rates using weighted average of 90 and 180 days of previous NIBOR and LIBOR for repayments of interest while principal is on a straight line basis over the terms of the instruments. Market rate assumes re-measurement using the Effective Interest Rates (EIR) as against floating rates used by management. The judgement is that management has used floating interest rates which approximates to EIR, the impact which is not significantly different from the fair value of those loans. The Company's financial assets such as staff loans are recognised at their fair value amount using applicable market rates and subsequently carried at amortised cost.

(g) Asset Retirement Obligations (ARO)

In determining the present value of the ARO provision the Company uses technical estimates to determine the expected cost of dismantlement and removal of the infrastructure equipment from the site and the expected timing of these costs. The timing and amount of future expenditures are reviewed annually together with the discount rates used in discounting the cash flows. The discount rate used to calculate the obligation at the end of 2024 was 13.82% (2024: 13.82%). The discount rate represents the real rate determined using a pre-tax discount rate that reflects current market assessments of the time value of money and those risks specific to the liability.

(h) Inventory Obsolescence

The Company provides for obsolete and slow-moving inventory based on management estimates of the usability of inventory.

Notes to the Financial Statements

4. Material accounting judgments, estimates and assumptions (cont'd)

4.2 Estimates and assumptions (cont'd)

(i) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

(j) Taxation provisions

The Company's current tax provision relates to management's assessment of the amount of tax payable as at the reporting date based on the Company's performance during the financial year.

Notes to the financial statements

5. Adoption of new and revised standards

5.1 Standards that became effective on 1 January 2025

No new International Financial Reporting Standard (IFRS) issued during the year is applicable to the Company applied. Amendment to existing IFRS's have been applied by the Company as required, however, these amendments do not have any material impacts on the Company's financial statements. The list of newly issued amendments is as follows.

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 evaluated the applicability of the amendment in the standard in the jurisdictions it which it operates, and the Company believes that the IAS 21 amendment's requirements are not met for the said jurisdictions.

5.2 Standards issued but not yet effective

The standards and interpretations that are issued and not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. These pronouncements have been issued by IASB, but are not yet effective:

- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity
- Annual IFRS improvement Volume 11 which includes Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows.
- Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency
- IFRS 18 - Presentation and Disclosure in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The amendments to IFRS 9, IFRS 7 and Annual Improvements are effective for annual periods beginning on or after 1 January 2026 whilst Amendment to IAS 21, IFRS 18 and IFRS 19 are effective for annual periods beginning on or after 1 January 2027.

The Company is assessing the impact of IFRS 18, IFRS 7 and IFRS 9 to the Company's financial statements and will be presented in accordance with these standards from 1 January 2026 or subsequently as applicable.

The amendments relating to IFRS 19 and Annual improvements are not expected to have a material impact on the Company's financial reporting on adoption. Also, the amendments to IAS 21 are not applicable to the Company.

Notes to the Financial Statements

6 Revenue from operations

	2025 N'000	2024 N'000
Airtime revenue (Note 6(a))	1,918,622,994	1,213,400,438
Interconnect revenue (Note 22(a))	195,800,439	212,734,498
SIM connection	5,119,667	6,151,354
Roaming	13,103,788	10,216,464
Leased line revenue (Note 6(b))	32,578,564	21,277,640
Device sales	6,039,453	3,344,868
	<u>2,171,264,905</u>	<u>1,467,125,262</u>

The Company derives its revenue from contracts with customers for the transfer of goods and services in the above product lines.

- (a) Airtime revenue includes revenue from voice, data and value-added services earned by the Company. Airtime revenue is stated net of upfront commissions paid to channel partners of N70.53 billion (2024: N45.22 billion).
- (b) Leased line income relates to income generated from bandwidth and information technology capacity sold to corporate customers. The rentals are paid on monthly or quarterly basis as per the contract terms and recognised over the periods of connectivity. These rentals have no escalation clauses and they are cancellable at the option of the customer. There are no future commitments or restrictions placed upon the customer by entering into contract. This is not a lease as it did not meet definition of a non-cancellable lease. Hence, these are assessed as a service income rather than a lease income.

7 Cost of sales

	2025 N'000	2024 N'000
Transmission cost	538,309,730	410,197,964
Interconnect cost (Note 22(a))	156,334,738	159,801,183
Device cost	17,802,503	8,505,077
Regulatory fees (Note 7(b))	59,041,640	40,097,808
Roaming cost	2,131,884	4,423,580
Bandwidth cost	15,651,428	8,282,712
VAS content provider cost	27,408,986	18,568,398
Other dealer commissions (Note 7(a))	7,124,130	3,501,452
	<u>823,805,039</u>	<u>653,378,174</u>

- (a) Other dealer commissions such as tailing commission are other commissions given to dealers other than one-off commissions accounted as customer acquisition costs and upfront commissions netted off from revenue in Note 6 (a).

Notes to the Financial Statements

7. Cost of sales (cont'd)

- (b) **Regulatory fees** – This includes annual operating levy, spectrum fees and annual numbering plan fees paid to Nigerian Communications Commission (NCC).

	2025	2024
	N'000	N'000
NCC annual levy	51,386,609	33,314,691
Spectrum costs	5,229,531	4,357,617
Annual numbering fees	2,425,500	2,425,500
	59,041,640	40,097,808

8 Other income

	2025	2024
	N'000	N'000
Sale of scrap & Miscellaneous (Note 8(a))	110,611	79,729
Liability written back (Note 8(c))	6,691,197	580,877
Gain on disposal of property, plant & equipment (Note 17(a))	2,288,229	4,832,754
Government grants income (Note 8(b) & Note 30(a))	38,169	32,957
Bad debt recovered	-	9,316
	9,128,206	5,535,633

- (a) Sale of scrap & Miscellaneous items relate to network scrap items sold to third parties
- (b) **Government grants** income relates to amount amortised during the year on deferred grants. Unamortised portion of the grant is shown in Note 30(a).
- (c) Liability written back relates to lease liability writeback on exited leased sites as per terms of the agreement with the Lessor of the sites.

9 Selling and marketing costs

	2025	2024
	N'000	N'000
Customer acquisition expenses (Note 9(a))	27,173,029	22,083,889
Advertising media	9,939,540	7,298,957
Dealer merchandising (POS)	7,436,654	4,700,233
Promotional expenses	11,970,655	3,311,952
Field marketing	1,406,944	1,320,271
Selling and marketing campaigns	1,957,319	1,051,721
Airtel relationship centre expenses	434,634	331,506
Repairs and maintenance	219,763	288,489
Sales force training	108,394	73,233
Printing	75,782	41,659
	60,722,714	40,501,910

- (a) **Customer acquisition expenses:** These relates to amortisation of one-off costs such as sim card, customer verification/know your customer (KYC) and other SIM related costs which are directly identifiable and incurred solely on acquisition of new subscribers. The Company expects to recover these costs by means of earning the revenue from those customers over the customer life of 33 months. The deferred portion is detailed in Other assets - Note 23(c).

Notes to the Financial Statements

10 Administrative expenses

	2025	2024
	N'000	N'000
Customer service delivery	1,782,910	1,601,804
Rent	897,798	748,696
Bank charges	1,882,309	1,802,271
Legal fees	3,689,417	608,851
Statutory audit fees*	284,856	139,781
Management Fee (including VAT)**	116,504,473	3,062,636
Conveyance	1,539,570	1,029,543
Office maintenance and utilities	2,428,389	1,708,906
Insurance	716,367	500,985
Internal audit fees	155,897	421,866
Directors' fees	57,826	41,112
Subscriptions	119,566	631,843
Staff Welfare	2,305,842	1,684,729
Consumables	62,554	74,700
Other administrative expenses***	50,310	108,633
	132,478,084	14,166,356

* The audit fees represent auditors' remuneration as agreed with **Deloitte & Touche** for the final audits of Airtel Networks Limited for the year ended 31 December 2025 and 2024 respectively. The independent auditors report was signed by **Onyebuchi Chizoba**, Partner with the firm, with Financial Reporting Council (FRC) membership numbers **FRC/2013/PRO/ICAN/004/00000000869**. Airtel has engaged Deloitte for the review and attestation of ICFR for the year 2025 for a fee of N58.8million (2024: N15million).

** Pursuant to a moratorium granted on management service fees for 2024 under the Management & Technical Services Agreement (MTSA), no expense was recognized in that period. However, following the lifting of the moratorium in 2025 and resumption of fee charging, the related cost of 2024 has been recognized in 2025 in accordance with contractual terms.

*** Other administrative expenses majorly relate to write-off on CPE equipment N46.8 million and scorporate social responsibility donations Nil (2024: N 79.3 million)

11 Other operating expenses

	2025	2024
	N'000	N'000
Depreciation of property, plant and equipment - (Note 17)	125,995,485	95,427,668
Depreciation of right of use assets (Note 19)	270,404,448	164,758,959
Amortisation of intangible assets (Note 18)	36,154,880	32,368,341
Employee costs*	41,356,479	27,745,488
Travel costs	912,491	1,191,554
Other regulatory cost - (Note 42)	134,000	-
Inventories written down	1,423,210	1,110,143
Net Inventories provision reversal/(addition)	(628,816)	378,640
(Reversal)/Allowance of trade receivables	298,453	(20,967)
Bad debt written off	11,687	-
	476,062,317	322,959,826

Notes to the Financial Statements

11 Other operating expenses (cont'd)

*Employee cost

	2025	2024
	N'000	N'000
Basic salaries	24,211,801	15,663,372
Allowances	7,428,369	5,593,557
Regulatory Contribution*	1,906,280	1,649,726
Bonus and incentives	6,099,322	4,737,130
Employee share option	1,672,308	-
Other employee cost**	38,399	101,703
	<u>41,356,479</u>	<u>27,745,488</u>

*Regulatory contribution relates to Employer Pension Contribution, Industrial Trust Fund and Nigeria Social Insurance Trust Fund

**Other employee cost relates to employee professional and social subscription payment during the year.

Information relating to employees is detailed in Note 40.

12. Finance income

	2025	2024
	N'000	N'000
Interest income - banks	112,166	400,219
Interest Income - Subsidiaries	-	414,365
	<u>112,166</u>	<u>814,584</u>
Interest income - Employee loans*	7,110	13,179
	<u>119,276</u>	<u>827,763</u>

* The employee loan is interest free and it is a notional adjustment as per IFRS 9.

13. Finance costs

Interest on debts and borrowings (Note 28(a))	184,807,608	112,050,308
Interest on lease Liability (Note 31(c))	436,025,426	228,854,456
Other finance charges (Note 29.1)*	8,472	57,845
Interest on long service award & leave encashment (Note 32)	9,125	6,918
	<u>620,850,631</u>	<u>340,969,527</u>

*Other finance charges relate to unwinding of discount for the asset retirement obligation (Note 29.1).

Notes to the Financial Statements

13. Finance costs (cont'd)

13a. Interest Paid

	2025 N'000	2024 N'000
Interest paid on debts and borrowings	182,025,929	104,212,566
Interest paid on trade import facility	-	6,400,785
Interest paid on lease (Note 31(a))	418,905,699	229,992,622
	<u>600,931,628</u>	<u>340,605,973</u>

13b Net Derivative and foreign exchange (Profit)/loss

	2025 N'000	2024 N'000
Net Derivative and foreign exchange (profit)/loss	<u>(142,841,678)</u>	<u>571,258,263</u>

In February 2024, the CBN announced changes in its closing rate calculation methodology amid some other announcements which impacted the exchange rate of the Nigerian Naira to the USD. The Nigerian Naira plunged by about 62% due to announcement at the end of December 2024. However, during 2025, USD availability have been stable with appreciation of Nigerian naira to USD. Exchange rate closed at N1,447.10 at the end of December, 2025 compared to N1,544.75 at the end of December, 2024.

During the year, Naira gained against the US Dollar resulted in a foreign exchange gain of N142.84b (2024: loss N571.26b) on the translation of US Dollar monetary items held by the Company at the new exchange rate referenced above.

14. Loss before tax is after charging/(crediting):

	2025 N'000	2024 N'000
Depreciation of Property, Plant & Equipment (Note 17(b))	125,995,485	95,427,668
Depreciation of right of use asset (Note 19)	270,404,448	164,758,959
Amortisation of intangible assets (Note 18)	36,154,880	32,368,341
Finance Income (Note 12)	(119,276)	(827,763)
Finance costs (Note 13)	620,850,631	340,969,527
Net Derivative & foreign exchange (gain)/losses (Note 13b)	(142,841,678)	571,258,263
Impairment of trade and other receivables (Note 22e)	1,266,287	1,837,590
Inventories written down (Note 11)	794,393	1,488,784
Statutory audit fee (Note 10)	284,856	139,781
Directors' fees (Note 10)	57,826	41,112
Gain on disposal of property, plant & equipment (Note 17(a))	<u>(2,288,229)</u>	<u>(4,832,754)</u>

Notes to the Financial Statements

15. Taxation

(a) Tax expense

The income tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

	2025 N'000	2024 N'000
(i) Minimum Tax	<u>10,903,933</u>	<u>7,371,252</u>
	2025 N'000	2024 N'000
(ii) Income tax	-	-
Education tax	6,778,443	-
National Information Technology Development tax (Note 15(c)(i))	2,081,690	-
Nigeria Police Trust Fund Levy	10,408	-
National Agency for Science and Engineering Infrastructure Levy (Note 15(c)(iii))	520,420	-
Capital Gains Tax	<u>202,468</u>	<u>467,115</u>
	9,593,429	467,115
Deferred tax expense/(benefit) (Note 15(d))	<u>58,104,480</u>	<u>(157,255,093)</u>
	<u>67,697,909</u>	<u>(156,787,978)</u>

(b) Reconciliation of effective tax rate

	2025 N'000	%	2024 N'000	%
Profit/(Loss) before tax	<u>208,168,993</u>		<u>(471,582,988)</u>	
Income tax using statutory tax rate	62,450,701	30%	(141,474,896)	30%
Impact of tertiary education tax	6,778,443	3%	-	0%
Impact of NITDA Tax	2,081,690	1%	-	0%
Impact of Nigeria Police Trust Fund Levy	10,408	0%	-	0%
National Agency for Science and Engineering Infrastructure Levy	520,420	0%	-	0%
Effect of tax incentives	47,930	0%	-	0%
Effect of proceed taxed under capital gains tax	(404,934)	0%	(934,230)	0%
Non-deductible expenses	(586,440)	0%	(108,375)	0%
Impact of Rate change	(1,885,848)	(1%)	(1,328,509)	0%
Effect of IFRS 16 lease and other items	(8,870,146)	(4%)	(1,305,642)	0%
Effect of change in education tax from 2.5% to 3% on Non-PPE Items	15,805,622	8%	(11,636,326)	2%
Effect of change in development levy 4% on Non-PPE	(8,249,937)	(4%)	-	-
	<u>67,697,909</u>	<u>33%</u>	<u>(156,787,978)</u>	<u>32%</u>

Notes to the Financial Statements

15. Taxation (cont'd)

(c) Movement in Income tax payable

	2025	2024
	N'000	N'000
Balance as at 1 January	11,974,407	30,791,586
Charge for the year:		
Income tax	-	-
Education tax	6,778,443	-
Minimum tax	10,903,933	7,371,252
NITDA (Note 15(c)(i))	2,081,690	-
Nigeria Police Trust Fund Levy	10,408	-
Capital gains tax	202,468	467,115
National Agency for Science and Engineering Infrastructure Levy (Note 15(c)(ii))	520,420	-
	<u>20,497,362</u>	<u>7,838,367</u>
Payments during the year	(5,913,287)	(25,448,617)
Withholding tax credit notes utilized	<u>(1,490,428)</u>	<u>(1,206,929)</u>
Balance as 31 December	<u>25,068,054</u>	<u>11,974,407</u>

(i) National Information Technology Development Agency (NITDA) Act

National Information technology tax is imposed on companies engaging in information communication technology. Section 12(2) of the National Information Technology Development Agency (NITDA) Act provides that certain companies are under obligation to pay information technology tax and such companies include telecommunications companies. The tax is payable by specified companies with turnover of N100 million and above. Tax is 1% of profit before tax for the year. The tax when paid is tax deductible for Company income tax purposes. NITDA has therefore been included in the tax note.

(ii) National Agency for Science and Engineering Infrastructure Levy

National Agency for Science and Engineering Infrastructure levy is imposed on companies operating in banking, mobile telecommunication, ICT, oil and gas, aviation and maritime industries with turnover of N100m and above. Finance Act 2022 provides clarity on companies liable to the National Agency for Science and Engineering Infrastructure levy of 0.25% of profit before tax. The tax when paid is tax deductible for Company income tax purposes. NASEI has therefore been included in the tax note.

Notes to the Financial Statements

15. Taxation (cont'd)

(d) The movement in the deferred tax asset/(liabilities) account was as follows:

	2025	2024
	N'000	N'000
Deferred tax assets/(liabilities) at 1 January	313,238,917	155,983,824
Movement during the year:		
Deferred tax (expenses)/benefit:		
Property, plant and equipment	15,783,448	30,037,076
Foreign exchange	(138,453,258)	56,618,711
Employee benefits	717,579	229,114
Provisions	3,419,492	1,324,146
IFRS 16 - lease and deferred gain	101,647,663	19,548,515
Losses	(49,469,340)	49,497,531
	(66,354,416)	157,255,093
Impact of Rate change:		
Foreign exchange loss	3,487,943	-
Employee benefits	48,179	-
Provisions	286,665	-
IFRS 16 - lease and deferred gain	4,417,751	-
Losses	9,398	-
	8,249,936	-
Total Movement during the period	(58,104,480)	157,255,093
Deferred tax assets at 31 December	255,134,437	313,238,917

Deferred tax assets are attributable to the following:

Property, plant and equipment	(25,081,489)	(40,864,937)
Foreign exchange	118,590,115	253,555,430
Employee benefits	1,638,092	872,334
Provisions	9,746,601	6,040,444
IFRS 16 - lease and deferred gain	150,203,528	44,138,114
Losses	37,590	49,497,532
Net deferred tax assets	255,134,437	313,238,917

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The Company has, accordingly, recognised a deferred tax asset of ₦255.13 billion (2024: ₦313.24 billion) relating to net deductible temporary difference that are considered to be realisable against the Company's taxable profits, which is expected to arise in future periods. The unrecognised portion of deferred tax asset as at 31 December 2025 is Nil (2024: Nil).

Notes to the Financial Statements

15. Taxation (cont'd)

Effective 1 January 2026, while the corporate income tax (CIT) rate has remained unchanged at 30%, the Government has rationalised the applicable levy framework. Under the previous regime, multiple levies were applicable, including Tertiary Education Tax (3% of assessable profit), NITDA levy (1% of profit before tax), NASENI levy (0.25% of profit before tax), and Nigeria Police Force levy (0.005% of profit before tax). These levies have now been consolidated into a single Development Levy of 4% on assessable profits. In line with applicable accounting standards, deferred tax balances have been reassessed considering the revised levy structure. To the extent that the Development Levy forms part of income taxes within the scope of deferred tax, the Company has reflected the impact of the revised rate and base in measuring deferred tax balances, based on the rate expected to apply when the related temporary differences reverse.

16. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computation:

	2025 N'000	2024 N'000
Net Profit/(Loss) attributable to ordinary equity holders	129,567,151	(322,166,263)
	Number of shares '000	Number of shares '000
Weighted average number of shares N1 each (Note 16(a))	12,194,501	12,194,501
Earnings per share (N)	10.63	(26.42)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements. There was no dilutive instrument during the year.

16 (a) Weighted average number of shares

	2025			2024		
	Outstanding shares N'000	Period covered %	Weighted shares N'000	Outstanding shares N'000	Period covered %	Weighted shares N'000
Shares	12,194,501	100	12,194,501	12,194,501	100	12,194,501
Weighted Balance		100	12,194,501		100	12,194,501

Notes to the Financial Statements

17. Property, plant and equipment

	GSM Equipment	Information System Equipment	Land	Building	Office Furniture & Equipment	Motor Vehicles	Capital work in- progress	Total
Cost	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
As at 1 Jan 2024	1,035,400,578	81,070,314	1,236,246	7,143,125	13,505,448	431,346	70,417,943	1,209,205,000
Additions	-	-	-	-	-	-	267,429,071	267,429,071
Disposals	(957,658)	(85,952)	-	-	(8,758)	(157,496)	-	(1,209,864)
Transfers from CWIP	247,586,225	10,120,296	-	-	7,574,498	-	(265,281,019)	-
Balance at 31 Dec 2024	1,282,029,145	91,104,658	1,236,246	7,143,125	21,071,188	273,850	72,565,995	1,475,424,207
Additions	-	-	-	-	-	-	336,033,886	336,033,886
Disposals	(3,331,748)	(21,880,290)	-	-	(27,463)	-	-	(25,239,501)
Reclass to Intangibles	-	(14,937,649)	-	-	-	-	(1,727,347)	(16,664,996)
Transfers from CWIP	273,936,537	14,155,594	-	-	7,505,468	-	(295,597,599)	-
Balance at 31 Dec 2025	1,552,633,934	68,442,313	1,236,246	7,143,125	28,549,193	273,850	111,274,935	1,769,553,596
Accumulated Depreciation								
As at 1 Jan 2024	(580,755,065)	(74,411,519)	-	(5,660,320)	(11,313,865)	(224,496)	-	(672,365,265)
Depreciation	(87,133,567)	(5,508,345)	-	(195,894)	(2,549,848)	(40,014)	-	(95,427,668)
Disposals	604,008	82,916	-	-	8,549	112,045	-	807,518
Balance at 31 Dec 2024	(667,284,624)	(79,836,948)	-	(5,856,214)	(13,855,164)	(152,465)	-	(766,985,415)
Depreciation	(116,653,552)	(3,553,137)	-	(192,122)	(5,564,049)	(32,625)	-	(125,995,485)
Reclass to Intangibles	-	2,680,821	-	-	-	-	-	2,680,821
Disposals	3,004,628	21,878,870	-	-	21,519	-	-	24,905,017
Balance at 31 Dec 2025	(780,933,548)	(58,830,394)	-	(6,048,336)	(19,397,694)	(185,090)	-	(865,395,062)
Net Book Value								
As at 31 Dec 2025	771,700,386	9,611,919	1,236,246	1,094,789	9,151,499	88,760	111,274,935	904,158,534
As at 31 Dec 2024	614,744,521	11,267,710	1,236,246	1,286,911	7,216,024	121,385	72,565,995	708,438,792

Notes to the Financial Statements

17. Property, plant and equipment (cont'd)

During the year software with cost of N16.66bn and accumulated depreciation of N2.68bn was reclassified from Property, plant and equipment to intangible assets.

Capital Work in Progress Breakdown		
Particulars	2025	2024
GSM Equipment	104,670,124	61,367,442
Information Systems Equipment	3,626,371	1,966,609
Land	8,889	8,126,566
Office Furniture & Equipment	2,969,552	1,105,378
Grand Total	111,274,936	72,565,995

(a) Disposal of property, plant and equipment

	2025 N'000	2024 N'000
Cost of assets disposed	25,239,501	1,209,864
Accumulated depreciation of assets disposed	(24,905,017)	(807,518)
Net book value of assets disposed	334,484	402,346
Gain on sale of property, plant & equipment (Note 8)	2,288,229	4,832,754
Gain on disposal of property, plant and equipment	2,288,229	4,832,754
Sales proceeds on disposal	2,622,713	5,235,100

(b) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is shown in the statement of profit or loss as follows:

	2025 N'000	2024 N'000
Operating expenses (Note 11)	125,995,485	95,427,668
Total depreciation as per property, plant and equipment	125,995,485	95,427,668

(c) Capital Work in progress:

The carrying value of the capital work in progress amounts to N111.27billion (2024: N72.57 billion). The land value in CWIP is undergoing title perfection before ready for use.

(d) Impairment of property, plant and equipment

There is no impairment of property, plant and equipment during the year.

(e) Assets pledged as security

All assets Debenture on the fixed assets of the Company are shared pari-passu with all lenders managed by first trustees for the term loan facility. The terms loans are included in all-asset debenture while overdrafts are unsecured

(f) Capitalised borrowing cost

There was no capitalization of borrowing cost in the year

Notes to the Financial Statements

18. Intangible assets

Airtel Networks Limited was assigned Spectrum frequency licences: an additional 2X10MHz in the 2600MHz band (4G/LTE, valid 26th January 2023 to 25 January 2033) and 100MHz in the 3500MHz band (5G, valid 1st March 2023 to 28 February 2033) each for a 10-year term.

The Nigerian Communications Commission (NCC) discontinued the Digital Mobile Licence (DML) issued in February 2001 for a 15-year term. However, the spectrum licences (900MHz and 1800MHz bands) originally bundled with the DML were subsumed under the Unified Access Service Licence (UASL) and renewed in November 2021 for another 10 years, from 1 December 2021 to 30 November 2031. Additionally, the UASL issued on 1 December 2006 for a 15-year term was renewed upon expiry for ten years, from 1 December 2021 to 30 November 2031. Separately, the NCC renewed Airtel's spectrum licence in the 2100MHz band for 15 years until 30 April 2037.

During the year, in a bid to improve network quality, a spectrum lease agreement was entered into with T2 (Emerging Market Telecommunication Service Limited) to lease 10MHz FDD in the 2100MHz Spectrum band in 35 states of the federation and the Federal Capital Territory (FCT), excluding Zamfara State for a period of three (3) years commencing 1st December, 2025

Notes to the Financial Statements

18. Intangible assets (cont'd)

The movement on this account during the year for the Company was as follows:

Cost	900 & 1800 MHz Spectrum N'000	2600 MHz Spectrum N'000	3500 MHz N'000	3G/2100 MHz Licence N'000	Software licence N'000	10 MHz Spectrum N'000	National Destination Code N'000	Intangible under development* N'000	Total N'000
As at 1 Jan. 2024	93,285,756	12,672,000	185,894,050	19,020,000	38,224	49,938,979	1,155,000	9,011	362,013,020
Additions	-	-	-	-	500,888	-	9,011	70,457	580,356
Reclassification	-	-	-	-	-	-	(1,278)	1,278	-
As at 31 Dec. 2024	93,285,756	12,672,000	185,894,050	19,020,000	539,112	49,938,979	1,162,733	80,746	362,593,376
Additions	-	-	-	-	1,503,241	15,135,062	-	(29,716)	16,608,587
Transfer from Property, plant and equipment	-	-	-	-	14,937,649	-	-	1,727,347	16,664,996
As at 31 Dec. 2025	93,285,756	12,672,000	185,894,050	19,020,000	16,980,002	65,074,041	1,162,733	1,778,377	395,866,959
Accumulated Amortisation									
As at 1 Jan. 2024	(39,752,640)	(5,801,346)	(14,188,150)	(19,020,000)	(38,224)	(18,848,504)	(598,755)	-	(98,247,619)
Amortisation	(8,233,482)	(1,267,200)	(16,962,860)	-	(153,277)	(5,740,895)	(10,627)	-	(32,368,341)
As at 31 Dec. 2024	(47,986,122)	(7,068,546)	(31,151,010)	(19,020,000)	(191,501)	(24,589,399)	(609,382)	-	(130,615,960)
Amortisation	(8,233,482)	(1,267,200)	(16,962,860)	-	(3,297,478)	(6,388,546)	(5,314)	-	(36,154,880)
Transfer from Property, plant and equipment	-	-	-	-	(2,680,821)	-	-	-	(2,680,821)
As at 31 Dec. 2025	(56,219,604)	(8,335,746)	(48,113,870)	(19,020,000)	(6,169,800)	(30,977,945)	(614,696)	-	(169,451,661)
Carrying amount									
As at 31 Dec 2025	37,066,152	4,336,254	137,780,180	-	10,810,202	34,096,096	548,037	1,778,377	226,415,298
As at 31 Dec 2024	45,299,634	5,603,454	154,743,040	-	347,611	25,349,580	553,351	80,746	231,977,416

*The intangible under development relates to payment for software N1,778 million (2024: N81million) which is not ready for use by Airtel as at 31 December 2025. During the year Software with cost of N16.66bn and accumulated amortisation of N2.86 was reclassified from Property, plant and equipment to intangible assets.

Notes to the Financial Statements

19. Right of use assets

The movement on this account during the year for the Company was as follows:

Cost	Plant & Equipment N'000	Building N'000	Motor Vehicles N'000	Total N'000
As at 1 Jan. 2024	619,367,390	2,930,747	300,824	622,598,961
Addition	2,171,113,469	-	-	2,171,113,469
Retirement (Note 19.2)	(308,300)	-	-	(308,300)
Balance 31 Dec. 2024	2,790,172,559	2,930,747	300,824	2,793,404,130
Additions	494,070,851	43,547	-	471,864,881
Retirement (Note 19.2)	(25,662,260)	-	-	(25,662,260)
Balance 31 Dec. 2025	3,258,581,150	2,974,294	300,824	3,261,856,268
Accumulated Depreciation				
As at 1 Jan. 2024	(254,014,973)	(1,263,217)	(300,824)	(255,579,014)
Depreciation charge	(164,618,050)	(140,909)	-	(164,758,959)
Retirement ((Note 19.2)	240,054	-	-	240,054
Reclassification	-	(17,478)	17,478	-
Balance 31 Dec. 2024	(418,392,969)	(1,421,604)	(283,346)	(420,097,919)
Depreciation charge	(270,312,814)	(91,634)	-	(270,404,448)
Retirement ((Note 19.2)	3,412,743	-	-	3,412,743
Balance 31 Dec. 2025	(685,293,040)	(1,513,238)	(283,346)	(687,089,624)
Net Book Value				
As at 31 Dec 2025	2,573,288,110	1,461,056	17,478	2,574,766,644
As at 31 Dec 2024	2,371,779,590	1,509,143	17,478	2,373,306,211

The Company leases several assets including buildings, GSM equipment and motor vehicles. The useful life is detailed in Note 3.6 of the accounting policies. The Company's obligations are secured by the lessors' title to the leased assets for such leases. The maturity analysis of lease liabilities is presented in Note 31 – Lease liabilities.

19.1 Amount recognised in profit and loss

	2025 N'000	2024 N'000
Depreciation of right of use assets (Note 11 – Other operating expenses)	<u>270,404,448</u>	<u>164,758,959</u>

Notes to the Financial Statements

19. Right of use assets (cont'd)

19.2 Retirement of Right of use assets – GSM Equipment

In 2025, the Company exited some leased sites as per terms of the agreement with the Lessor. The carrying amount of the exited sites derecognised is nil (2024: N55.07 million)

19.3 Sale and lease back transactions

As at 31 December 2025, included in the right of use assets – GSM equipment is the carrying value of assets held under a sale and lease back transaction of N1.18 trillion (2024: N1.25 trillion) and nil deferred gain on sale of towers (2024: N3.3 billion). The deferred gain is a deduction from the fair value of the leased back asset on initial recognition which is being amortised over the leased term.

20. Other financial assets

	2025 N'000	2024 N'000
Non- Current	241,552	219,646
Current	143,640	168,064
	385,192	387,710
Security deposit	1,250	1,250
Paid under protest	626	626
Staff car loan	383,316	385,834
	385,192	387,710

Security deposit represents amount held by a vendor as deposit for use of its facility. This is recoverable in cash after the termination of the contract.

The staff car loans are given by the Company as upfront payment under a scheme to support car acquisition for qualifying staff. The loan attracts no interest and the initial transaction price has been re-measured in line with IFRS 9 at amortised cost. The tenors of the loans range from 24 months to 48 months based on the underlying agreement. IFRS 9 requires that loans and receivables should be measured at amortised cost using the Effective Interest Rate (EIR). The loans given by the Company to the employees are measured using the Effective Interest Rate method under IFRS. The net resulting difference from the re-measurement at effective interest rate and the nominal rate of the loan has been recognised as finance income and costs (Note 12(b)) and deferred for amortisation over the life of the loans.

Notes to the Financial Statements

21. Inventories

	2025 N'000	2024 N'000
SIM Cards	2,680,757	6,518,832
Accessories & Devices	5,337,765	8,012,234
	<u>8,018,522</u>	<u>14,531,066</u>

Inventories are stated at lower of cost and net realisable value.

* During the year, N1.42 billion was recognised as write-off and provision/reversal for inventories carried at net realisable value (2024: N1.11 billion). This is recognised as part of other operating expenses in Note 11.

Inventory Movement reported in statement of cash flows

	2025 N'000	2024 N'000
Inventory Provision Reconciliation		
Opening Stock Provision	(930,200)	(551,560)
Net reversal/(addition)	628,816	(378,640)
Closing Stock Provision	<u>(301,384)</u>	<u>(930,200)</u>
Inventory Reconciliation		
Opening Balance (Gross)	15,461,266	7,321,147
Addition	31,729,388	17,755,339
Sales	(37,447,536)	(8,505,077)
Write-Off	(1,423,210)	(1,110,143)
	8,319,908	15,461,266
Less: Stock Provision	(301,384)	(930,200)
Net Closing Balance	<u>8,018,522</u>	<u>14,531,066</u>

22. Trade and other receivables

	2025 N'000	2024 N'000
Interconnect	21,595,251	23,350,619
Subscribers	6,284,752	10,402,596
Dealers	21,190,149	20,250,407
Leased line	274,859	2,325,350
Roaming	2,315,537	1,966,853
Bank USSD	631,689	887,979
	52,292,237	59,183,804
Due from related companies	60,947,575	62,267,947
Trade receivables	113,239,812	121,451,751
Allowance for impairment of receivables (Note 22(b))	(15,409,537)	(14,932,176)
Net trade receivables	97,830,275	106,519,575
Other receivables		
Due from related companies	12,675,660	372,929
Other receivables	1,105,624	615,003
Less: Allowance for other receivables (Note 22(d))	(461,084)	(211,744)
	<u>111,150,475</u>	<u>107,295,763</u>

Notes to the Financial Statements

22. Trade and other receivables (cont'd)

Other receivables

	2025	2024
	N'000	N'000
Staff Advance & Others	718,168	220,270
Interest Receivables	387,456	394,733
	<u>1,105,624</u>	<u>615,003</u>

Trade receivables, consisting of interconnect, roaming, leased lines and subscribers are non-interest bearing and are generally on 30 days' term. For terms and conditions relating to related party payables, refer to Note 35.

The Company applies the simplified approach which uses a provision matrix to measure the expected credit loss (ECL) of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due except for interconnect of 270 days past due. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers.

Trade receivables (days past due)					
	0-90 days	91-180 days	181-270 days	>270 days	
Expected credit loss rate					
Interconnect	0%	0%	0%	100%	
Bank USSD	0%	100%	100%	100%	
Non Interconnect	0%	100%	100%	100%	
Other Receivables	0%	100%	100%	100%	

	0-90 days	91-180 days	181-270 days	>270 days	Total
	N'000	N'000	N'000	N'000	N'000
At December 2025					
Interconnect	6,473,306	2,896,433	1,497,838	10,727,674	21,595,251
Bank USSD	563,713	29,352	2,758	35,866	631,689
Non Interconnect	25,451,409	3,166,436	722,614	724,838	30,065,297
	<u>32,488,428</u>	<u>6,092,221</u>	<u>2,223,210</u>	<u>11,488,378</u>	<u>52,292,237</u>
Expected Credit Loss	-	3,195,787	725,372	11,488,378	15,409,537

Notes to the Financial Statements

22. Trade and other receivables (cont'd)

	0-90 days	91-180 days	181-270 days	>270 days	Total
	N'000	N'000	N'000	N'000	N'000
At December 2024					
Interconnect	14,069,124	2,465,052	643,992	6,172,451	23,350,619
Bank USSD	-	10,791	1,651	875,537	887,979
Non Interconnect	27,073,460	4,115,438	278,347	3,477,961	34,945,206
	41,142,584	6,591,281	923,990	10,525,949	59,183,804
Expected Credit Loss	-	4,126,229	279,998	10,525,949	14,932,176
	0-90 days	91-180 days	181-270 days	>270 days	Total
	N'000	N'000	N'000	N'000	N'000
At December 2025					
Other receivables	644,540	-	-	461,084	1,105,624
Expected Credit Loss	-	-	-	(461,084)	(461,084)
	0-90 days	91-180 days	181-270 days	>270 days	Total
	N'000	N'000	N'000	N'000	N'000
At December 2024					
Other receivable	403,259	48,542	86,231	76,971	615,003
Expected Credit Loss	-	(48,542)	(86,231)	(76,971)	(211,744)

The Company writes off a trade receivable to the extent that there is no realistic prospect of recovery e.g. when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. The Company however continues to engage in enforcement activity to attempt to recover the receivable due. There was no write off of trade receivables for the year 2025 (2024: Nil).

Notes to the Financial Statements

22. Trade and other receivables (cont'd)

(a) Statement of the interconnect receivables and payables for the year:

	2025	2024
	N'000	N'000
Receivables		
Balance as at 1 January	23,350,619	27,685,023
Revenue for the year (Note 6)	195,800,439	212,734,498
Impairment during the year	1,001,353	4,457,902
Balance as at 31 December (Note 22)	<u>(21,595,251)</u>	<u>(23,350,619)</u>
Payment received in the year	<u>198,557,160</u>	<u>221,526,804</u>
 Payables		
Balance as at 1 January	2,324,981	609,789
Cost for the year (Note 7)	156,334,738	159,801,183
Balance as at 31 December (Note 33)	<u>(966,193)</u>	<u>(2,324,981)</u>
Payment made in the year	<u>157,693,526</u>	<u>158,085,991</u>
Net receipt for the year	<u>40,863,634</u>	<u>63,440,813</u>

(b) Allowance for impairment of trade receivables

Movement in allowance for impairment of trade receivables is as follows:

	2025	2024
	N'000	N'000
Individually impaired	<u>15,409,537</u>	<u>14,932,176</u>
	N'000	N'000
Balance as at 1 January	14,932,176	11,586,180
Net Addition during the year	1,266,287	1,799,040
Exchange differences	<u>(788,926)</u>	<u>1,546,956</u>
Balance as at 31 December	<u>15,409,537</u>	<u>14,932,176</u>

Notes to the Financial Statements

22. Trade and other receivables (cont'd)

(c) Due from related companies

	2025	2024
	N'000	N'000
Airtel Tchad S.A.	991,754	984,783
Airtel Congo S.A.	1,086,052	1,119,686
Airtel Congo (RDC) S.A.	4,165,980	2,998,745
Airtel Gabon S.A.	428,381	403,540
Airtel Kenya Networks Limited	399,291	410,225
Airtel Madagascar S.A.	15,289	16,357
Airtel Malawi Plc	92,195	97,549
Celtel Niger S.A.	15,222,063	14,774,676
Airtel Tanzania Networks Limited	263,005	130,506
Airtel Uganda Limited	69,900	76,867
Airtel Networks Zambia Plc	404,525	431,567
Airtel Seychelles Mobile Limited	43,057	94,574
Airtel Rwanda Networks Limited	255,075	272,422
Airtel Mobile Commerce Nigeria B.V	29,091	29,091
Smartcash Payment Service Bank Limited	21,302,504	9,685,407
Airtel Africa Plc	5,404,800	5,004,400
Airtel Africa services (UK) LTD (AASUKL)	2,098,982	1,973,983
Bharti Airtel International (Netherlands) Kenya Branch	382,664	408,488
Bharti Airtel (France) SAS	20,581	21,970
Bharti Airtel (UK) Limited	6,916,052	22,758,786
Bharti Airtel Limited	770,246	713,934
Bharti Hexacom Limited	2,219	622
Bharti International (Singapore) Pte. Limited	233,091	190,165
Jersey Airtel Limited	10	19
Airtel Africa Foundation	-	42,511
Bharti Airtel Lanka (Pvt.) Ltd	1	3
Airtel Nigeria Telesonic Limited	14,382	-
Nextra Africa Data (Nigeria) FZE	12,147,548	-
Nextra Data Limited	27,041	-
Bharti Airtel International (Netherlands) B.V.	837,456	-
	73,623,235	62,640,876

For terms and conditions relating to related party transactions, refer to Note 35.

At December 2025	0-90 days	91-180 days	181-270 days	>270 days	Total
	N'000	N'000	N'000	N'000	N'000
Due from related companies	51,034,665	12,473,364	155,490	9,959,716	73,623,235

At December 2024	0-90 days	91-180 days	181-270 days	>270 days	Total
	N'000	N'000	N'000	N'000	N'000
Due from related companies	1,157,960	9,665,509	1,720,289	50,097,118	62,640,876

	2025	2024
	N'000	N'000
Due from related Company		
Trade receivables	60,947,575	62,267,947
Other receivables	12,675,660	372,929
Balance as at 31 December	73,623,235	62,640,876

Notes to the Financial Statements

22. Trade and other receivables (cont'd)

(d) Allowance for impairment of other receivables

Movement in allowance for impairment of other receivables is as follows:

	2025 N'000	2024 N'000
Individually impaired	<u>461,084</u>	<u>211,744</u>
Balance as at 1 January	211,744	167,795
Movement during the year	-	(35,720)
Exchange difference	<u>249,340</u>	<u>79,669</u>
Balance as at 31 December	<u>461,084</u>	<u>211,744</u>

(e) Impairment of financial assets

	2025 N'000	2024 N'000
Allowance of trade receivables (Note 22b)	1,266,287	1,799,040
(Reversal)/Allowance of other receivables (Note 22d)	-	(35,720)
Impairment for cash and cash equivalent (Note- 25)*	<u>-</u>	<u>74,270</u>
	<u>1,266,287</u>	<u>1,837,590</u>

Impairment reported in statement of profit and loss is the net impairment movement for financial assets. Trade and other receivables and cash and cash equivalent movement in the statement of cash flows is reported net of impairment.

*Impairment represents irrecoverable cash and cash equivalents held in a distressed financial institution.

(f) Trade and other receivables movement reported in statement of cash flows

	2025 N'000	2024 N'000
Opening Balance	107,295,763	83,264,472
Movement in trade and other receivables	4,581,414	27,421,235
Movement in Impairment on trade and other receivables	<u>(726,702)</u>	<u>(3,389,944)</u>
Closing Balance	<u>111,150,475</u>	<u>107,295,763</u>

Notes to the Financial Statements

23. Other assets

	2025	2024
	N'000	N'000
Non-current	44,664,523	35,690,630
Current	60,658,704	53,881,834
	<u>105,323,227</u>	<u>89,572,464</u>
Prepaid expenses (Note 23(a))	8,980,877	5,282,061
Prepaid site lease/rent (Note 23(b))	18,494,808	8,651,659
Customer acquisition cost (Note 23(c))	39,812,201	35,571,313
HBB Acquisition Cost (Note 23(d))	30,456,616	22,828,364
Advance payment to suppliers/regulators (Note 23(e))	7,578,725	17,239,067
	<u>105,323,227</u>	<u>89,572,464</u>

- (a) Prepaid expenses include prepaid annual maintenance charges, prepaid insurance and advance office rent.
- (b) Prepaid site lease represents prepaid amount to vendors from contracts mainly pertaining to lease arrangements for telecommunication infrastructure.
- (c) **Customer acquisition cost** – This relates to balance of verification / know your customer (KYC) and other SIM related costs incurred in acquiring new customers amortized over the average life cycle of the customer within the network.
- (d) **HBB acquisition cost** – This relates to direct HBB cost on acquisition of new HBB customers amortized over the average life cycle of the customer
- (e) Advance payments are made to strategic vendors for normal business operations and are backed up by Advance Payment Guarantee from the Vendors bankers and advance payment for statutory liabilities.

24. Income tax recoverable

	2025	2024
	N'000	N'000
Unutilised WHT credit notes	<u>311,873</u>	<u>1,488,136</u>

This represents unutilised withholding tax credit notes received from Federal Inland Revenue service (FIRS).

Notes to the Financial Statements

24.1 Movement in income tax recoverable

	2025	2024
	N'000	N'000
Balance as at 1 January	1,488,136	1,689,547
Additions during the year	314,165	1,005,518
Utilized during the year (Note 15c)	<u>(1,490,428)</u>	<u>(1,206,929)</u>
Un-utilized WHT credit notes	<u>311,873</u>	<u>1,488,136</u>

25. Cash and Bank Balances

	2025	2024
	N'000	N'000
Cash in hand	134,124	53,550
Wallet Balances	18,966	158,470
Bank balances	24,374,848	22,203,968
Restricted Cash (Note 25.1)	-	39,678
Allowance for Bank Balance	<u>(74,270)</u>	<u>(74,270)</u>
Cash and bank balance	<u>24,453,668</u>	<u>22,381,396</u>

For the purpose of statement of Cash flow, cash and cash Equivalent are as follows:

	2025	2024
	N'000	N'000
Cash and bank balance	24,453,668	22,381,396
Bank Overdraft (Note 28 (c))	<u>(54,750,637)</u>	<u>(203,981,313)</u>
Cash and Cash Equivalents	<u>(30,296,969)</u>	<u>(181,599,917)</u>

25.1 Restricted cash

This represents cash set aside as per court order 2025: Nil (2024: N39.68 million).

Notes to the Financial Statements

26. Share capital and Share premium

26.1 Share capital

	2025 ₦'000	2024 ₦'000
Authorised:		
13,500,000,000 ordinary shares of ₦1 each	13,500,000	13,500,000
Issued, called up and fully paid:		
13,286,998,758 ordinary shares of ₦1 each	13,286,999	13,286,999
Less: Shares bought back	1,092,497	1,092,497
Total Share Capital	12,194,502	12,194,502

The remaining 213,001,242 shares are rights issue shares which were not taken up during the first right issue done in the early days of the Company and were not re-distributed since then.

26.2 Share premium

	2025 ₦'000	2024 ₦'000
As at 31 December	67,235,360	67,235,360

26.3 Treasury Shares (Share Buy-Back)

In 2021 the shareholders passed a resolution pursuant to the provisions of the Companies and Allied Matters Act 2020 to effect a buy-back of not more than cumulative 10% of the fully paid ordinary shares of the Company from all existing shareholders on a proportionate basis at the price of ₦55.81 per share, this Share Buy-back process was concluded in December 2021 when the Board approved the share transfers from participating shareholders. A total of 1,092,497,868 unit of shares were bought back representing 8.22% of the issued shares. The sum of N60.97 billion was paid to the shareholders and transaction cost involved in the buyback is N6.58 billion.

According to CAMA 2020, a Company shall not hold more than 15% of the nominal value of the issued share capital of any class of its shares as treasury shares and where a Company buys more than 15% of the issued share capital of any class of its shares as treasury shares, the Company shall, before the end of 12 months beginning with the date on which the contravention occurs, reissue or cancel the shares. However, in the case of the share bought back by the Company in 2021, it has not exceeded the 15% threshold. Hence, the condition for reissuance or cancellation is not mandatory.

At an Extra-ordinary General Meeting held on 12 November 2025, the Company passed a special resolution, approving the cancellation the Treasury Shares and the unissued shares, ultimately resulting in a reduction of the share capital of the company from 13,500,000,000 to 12,194,500,890 ordinary shares of N1.00. On 23 February 2026, the Federal High Court approved the share reduction scheme. The Company has filed the approved documents with the Corporate Affairs Commission for updating of the company's records.

	2025 ₦'000	2024 ₦'000
As at 31 December	(67,553,510)	(67,553,510)

Notes to the Financial Statements

27. Retained earnings

	2025 ₦'000	2024 ₦'000
As at 1 January	(411,486,539)	(89,320,276)
Profit/(Loss) for the year	<u>129,668,013</u>	<u>(322,166,263)</u>
As at 31 December	<u>(281,818,526)</u>	<u>(411,486,539)</u>

27.1 Dividend – During the year 2025 no dividend was declared by the Board of Directors (2024: Nil).

28 Interest bearing loans and borrowings

	2025 N'000	2024 N'000
Non-current		
Term loans and borrowings (Note 28 (a))	240,401,534	342,971,183
Shareholder loan (Note 28 (b))	-	34,444,962
	<u>240,401,534</u>	<u>377,416,145</u>
Current		
Term loans and borrowings (Note 28 (a))	301,210,344	126,022,258
Bank Overdraft (Note 28 (c))	<u>54,750,637</u>	<u>203,981,313</u>
	<u>355,960,981</u>	<u>330,003,571</u>

(a) Term loans and borrowings

	2025 N'000	2024 N'000
Balance at 1 January	468,993,441	239,649,035
Additions in the year	<u>588,485,905</u>	<u>480,191,189</u>
	1,057,479,346	719,840,224
Repayment	(509,513,205)	(367,208,315)
Exchange difference	<u>(6,354,263)</u>	<u>116,361,532</u>
Balance at 31 December	<u>541,611,878</u>	<u>468,993,441</u>
Current	301,210,344	126,022,258
Non-current	<u>240,401,534</u>	<u>342,971,183</u>
	<u>541,611,878</u>	<u>468,993,441</u>

Interest Movement on term loans and borrowings

	2025 ₦'000	2024 ₦'000
Opening balance	13,881,792	9,400,314
Accrued Interest for the year (Note 13)	<u>184,807,608</u>	<u>112,050,308</u>
	198,689,400	121,450,622
Interest paid in the year (Note 13(a))	(182,025,929)	(110,613,351)
Exchange Difference	<u>(486,743)</u>	<u>3,044,521</u>
	<u>16,176,728</u>	<u>13,881,792</u>

Notes to the Financial Statements

28 Interest bearing loans and borrowings (cont'd)

Stanbic IBTC Bank (Stanbic) – This is local currency facility of ₦45Billion from Stanbic IBTC Bank granted in 2024. It has a fixed interest rate which is reset intermittently to reflect the prevailing market conditions. The facility is short-term unsecured loan, with a tenor of 1 year and a cleanup cycle of between 90days to 180 days

The balance of the loan as at December 2025 is ₦45 Billion (2024: ₦15 Billion). Although the Bank has an option to extend the tenor or re- disburse the facility following the final maturity date.

Greenwich Merchant Bank (GMB) – This is an unsecured local currency loan of ₦4.5Billion from Greenwich Merchant Bank in 2024 was renewed in 2025. It has a fixed interest rate which is reset intermittently to reflect the prevailing market conditions. This is a short-term facility with a tenor of 1 year from drawdown date, with a 90day cleanup cycle.

The balance of the loan as at December 2025 is Nil (2024: ₦4.5 Billion) with a final maturity date in September 2026.

Ecobank Bank Limited (Ecobank) – This is revolving local currency long term loan of ₦25Billion from Ecobank Bank with a maximum tenor of three years. It has a fixed interest rate which is reset intermittently to reflect the prevailing market conditions. The facility is secured by All-assets Debenture.

The balance of the loan as at December 2025 is ₦25 Billion (2024: ₦2.5 Billion).

Standard Chartered Bank (SCB) – This is a foreign currency revolving loan facility of \$125 million from Standard Chartered Bank Dubai in 2024. it is a variable interest loan, linked to average 3-month SOFR plus margin of 2.75% repayable monthly. The facility is secured by Corporate Guarantee given by BAIN B.V., the parent Company of Airtel Networks Limited. The balance of the loan as at December 2025 is Nil (2024: Nil) with a final maturity date in February 2027.

CITI Bank Dubai - This is a foreign currency revolving loan facility of \$55million from CITI Bank Abu Dhabi in 2024 repayable quarterly, it is a variable interest loan, linked to average 3-month SOFR plus margin of 2.6%. The facility is secured by Corporate Guarantee given by BAIN B.V, the parent Company of Airtel Networks Limited. The balance of the loan as at December 2025 is \$33.5m (2024: Nil) with a final maturity date in September 2026.

Bank of America Hong Kong - This is a foreign currency loan of \$100 million from Bank of America in 2022.It has a variable interest rate linked to 3- month SOFR plus a margin of 2.5% per annum The facility has a tenor of 4 years and is secured by Corporate Guarantee given by BAIN B.V.

The balance of the advance as at December 2025 is \$22.750 million (2024: \$30 million) with a final maturity date of June 2026.

Zenith Bank Plc- This is local currency loan of N50Bn from Zenith Bank in 2019. It has a fixed interest rate which is reset intermittently to reflect the prevailing market conditions. The facility has a tenor of 5 years from drawdown date including a moratorium of 2 years. In 2024 the facility was enhanced to N100Bn, and the bank granted another tranche of N100Bn facility. An additional Short-Term facility of N50billion was given for 180days in October 2025 resulting in total limit of N250Bn which has been fully drawn.

The balance of the loan as at December 2025 is N246Bn (2024: N150Bn) with a maturity dates ranging from April 2028 to May 2029.

Notes to the Financial Statements

28 Interest bearing loans and borrowings (cont'd)

UBA- This is local currency loan of N28Bn from UBA in 2023. It has a fixed interest rate which is reset intermittently to reflect the prevailing market conditions. The facility has a tenor of 3 years from drawdown date including a moratorium of 6 months. The bank granted a second tranche of N100Bn in September 2024. A total of N113Bn has been drawn from the total limit of N128Bn.

The balance of the loan as at December 2025 is N82.750Bn (2024: N45.2Bn) with a final maturity date in December 2027.

Rand Merchant Bank (RMB) – This is an unsecured local currency loan of ~~N~~3.5Billion from Rand Merchant Bank in 2024 was renewed in 2025. It has a fixed interest rate which is reset intermittently to reflect the prevailing market conditions. This is a short-term facility with a tenor of 1 year from drawdown date, and a 90day cleanup cycle.

The balance of the loan as at December 2025 is N3.5billion (2024: ~~N~~Nil Billion).

Notes to the Financial Statements

28 Interest bearing loans and borrowings (cont'd)

(b) Shareholder loan

	2025 N'000	2024 N'000
Balance as on 1 January	34,444,962	19,072,455
Additions in the year	-	-
	<u>34,444,962</u>	<u>19,072,455</u>
Repayment	(25,640,704)	-
Exchange difference	(8,804,258)	15,372,507
Balance as on 31 December	<u>-</u>	<u>34,444,962</u>

Interest and charged cost outstanding to shareholders were capitalized as per agreement with the shareholders.

(c) Bank overdraft

	Commitment N'000	Drawn-down N'000	Available N'000	Outstanding N'000
2025	<u>366,000,000</u>	<u>54,750,637</u>	<u>311,249,363</u>	<u>54,750,637</u>
2024	<u>277,500,000</u>	<u>203,981,313</u>	<u>73,518,687</u>	<u>203,981,313</u>

The Company's overdraft facilities are revolving having a structure of 12 months' term with a rate of interest ranging between 26% and 35% (2024: 26% and 35%) per annum. These facilities are unsecured.

(d) Letter of Credit (LC's) – Trade Import Facilities

The Company has a trade import facilities arrangement with banks in the form of confirmed letter of credit. Under this arrangement the bank guarantees and pay the Company foreign vendors pending when foreign exchange (FX) is available / sourced from Central bank due to the shortage of FX in the country. All LCs have been cleared for the year (2024: Nil).

	2025 N'000	2024 N'000
Balance at 1 January	-	1,189,961
Additions in the year	-	2,260,919
Exchange difference	-	(763,656)
	<u>-</u>	<u>2,687,224</u>
Repayment in the year	-	(2,687,224)
Balance as at 31 December	<u>-</u>	<u>-</u>

Notes to the Financial Statements

29 Provisions

	2025	2024
	N'000	N'000
Non-current		
Asset retirement obligation (Note 29.1)	<u>130,253</u>	<u>121,781</u>
Current		
Provision for Tax cases (Note 29.2)	241,770	241,770
Provision for litigations (Note 29.3)	<u>512,334</u>	<u>507,425</u>
	<u>754,104</u>	<u>749,195</u>

29.1 Asset Retirement obligation

	2025	2024
	N'000	N'000
Balance at 1 January:		
ARO liability	28,369	8,152
Finance cost	<u>93,412</u>	<u>35,567</u>
	121,781	43,719
Additions during the year:		
ARO liability	-	20,217
Finance cost	<u>8,472</u>	<u>57,845</u>
	8,472	78,062
Balance at 31 December:		
ARO liability	28,369	28,369
Finance cost	<u>101,884</u>	<u>93,412</u>
	<u>130,253</u>	<u>121,781</u>

The Asset retirement obligation is recognised for Base Transceiver Stations (BTS) constructed by the Company which will be decommissioned when the leased site becomes un-renewable.

Notes to the Financial Statements

29.1 Asset Retirement obligation (cont'd)

Provision during the period for asset retirement obligation is after considering the impact of unwinding of the discount over time. The discount rate used to calculate the obligation at the end of 2025 was 13.82% (2024: 13.82%). The discount rate represents the real rate determined using a pre-tax discount rate that reflects current market assessments of the time value of money and those risks specific to the liability. Finance cost portion of the asset retirement obligation is shown in Note 13.

29.2 Provision for Tax Cases

	2025 N'000	2024 N'000
Balance at 1 January	241,770	241,770
Addition during the year	-	-
Utilisation during the year	-	-
Balance at 31 December	<u>241,770</u>	<u>241,770</u>

These provisions relate to tax audit liabilities received from State Internal Revenue Service (IRS) and Federal Inland Revenue Service (FIRS) in respect of tax administration under their respective jurisdiction. The claims are subject to providing relevant documents and explanations in line with relevant tax laws and guidelines as at the period of tax subject. The amount is regarded as current because it could crystallize upon judgement

29.3 Provision for litigations

	2025 N'000	2024 N'000
Balance at 1 January	507,424	426,541
Addition during the year	34,538	93,146
Utilization during the year	(29,628)	(12,262)
Balance at 31 December	<u>512,334</u>	<u>507,424</u>

These provisions relate to claims in respect of court cases for which there is probable likelihood of the claims crystallising based on the available evidence. The claims are subject to legal arbitration and as at the reporting date, the provisions were reassessed and the impact reflected accordingly. These claims by nature relate to disputes over tower/mast installations and general litigations. Movement in the year is included in legal expenses.

Notes to the Financial Statements

30 Deferred revenue

	2025	2024
	N'000	N'000
Customer advances	104,418,285	75,950,349
Grants (Note 30(a))	230,014	268,183
Customer loyalty claims (Note 30(b))	18,095	361,655
	<u>104,666,394</u>	<u>76,580,187</u>
Non-current	191,844	230,652
Current	<u>104,474,550</u>	<u>76,349,535</u>
	<u>104,666,394</u>	<u>76,580,187</u>
(a) Grants		
Balance at 1 January	268,183	211,779
Addition during the year	-	89,361
Amortised for the year (Note 8)	<u>(38,169)</u>	<u>(32,957)</u>
Balance at 31 December	<u>230,014</u>	<u>268,183</u>
Non-current	191,844	230,652
Current	<u>38,170</u>	<u>37,531</u>
	<u>230,014</u>	<u>268,183</u>

Notes to the Financial Statements

30 Deferred revenue (cont'd)

Grants was received for the construction of Base Transceiver Stations in remote regions. There are no unfulfilled conditions or contingencies in relation to these grants. This grant is amortised on a straight-line basis over the useful life of the related asset. The amortised portion of the deferred grant has been included in other income as stated in Note 8.

(b) Customer loyalty

The Company operates a customer loyalty programme, which allows customers to accumulate points when they recharge airtime. The points can be redeemed for free airtime, subject to a minimum number of points being obtained. Consideration received is allocated between the airtime revenue and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed. As at 31 December 2025, the estimated liability for unredeemed points was approximately ₦18.09 million (2024: ₦361.66 million) disclosed as part of deferred revenue liability.

	2025 ₦'000	2024 ₦'000
Balance as at 1 January	361,655	258,075
Accrued	2,251,665	421,990
Utilization	(2,595,225)	(318,410)
Balance as at 31 December	<u>18,095</u>	<u>361,655</u>

31 Lease liabilities

	2025 ₦'000	2024 ₦'000
Non-current	3,140,496,348	2,863,587,926
Current	89,391,615	65,032,756
	<u>3,229,887,963</u>	<u>2,928,620,682</u>

The Company has lease contracts for network passive infrastructure and technical capacities of the dedicated part of the towers on which the Company's equipment is located. These leases have terms of renewal but no purchase options and have escalation clauses. Renewals are at the option of the Company. Refer to Note 19 for the leased assets included in the right of use.

Notes to the Financial Statements

31 Lease liabilities (cont'd)

a. Movement in lease liabilities

	2025	2024
	N'000	N'000
As at 1 January	2,928,620,682	699,624,459
Additions during the year	490,572,167	2,179,839,505
Lease -Exited Sites	(28,644,828)	(498,595)
Interest accrued	436,025,426	228,854,456
Interest repayment	(418,905,699)	(229,992,622)
Principal repayment	(45,904,253)	(110,440,257)
Exchange difference	(131,875,532)	161,233,736
Lease liabilities included in the statement of financial position	<u>3,229,887,963</u>	<u>2,928,620,682</u>

Included in the addition during the year is N3.54billion (2024: N8.73billion) representing lease liability adjustment for loading.

b. Maturity analysis: Undiscounted lease liabilities

	2025	2024
	N'000	N'000
Less than one year	533,067,052	462,519,497
Later than one year but not later than two years	544,976,096	463,342,640
Later than two years but not later than five years	1,959,349,978	1,594,681,688
Later than five years but not later than nine years	2,151,992,352	2,030,233,864
Later than nine years	1,623,477,546	1,432,143,359
Total undiscounted lease liabilities	<u>6,812,863,024</u>	<u>5,982,921,048</u>
Lease liabilities included in the statement of financial position	<u>3,229,887,963</u>	<u>2,928,620,682</u>

c. Amount recognised in statement of profit or loss

	2025	2024
	N'000	N'000
Interest on Lease Liability	<u>436,025,426</u>	<u>228,854,456</u>

Notes to the Financial Statements

32 Employee benefit liability

	2025	2024
	N'000	N'000
Leave encashment (Note 32.1)	93,456	75,540
Staff bonus	2,903,962	2,261,002
Employee Stock option	1,626,267	-
Other employee benefit	290	16,717
Long service award (Note 32.2)	34,917	17,401
	4,658,892	2,370,660
Non-current	99,571	10,800
Current	4,559,321	2,359,860
	4,658,892	2,370,660

Staff bonus represents the accrued bonus for the employee based on performance as at 31 December 2025 and 2024 respectively.

Other employee benefits includes deposits made by Staff for car and loan deductions.

Notes to the Financial Statements

32 Employee benefit liability (cont'd)

The assumptions as at the reporting date are used to determine the present value of the long service award and leave encashment at that date and the defined benefit cost for the following year.

32.1 Leave encashment

Key assumptions:	31 December 2025	31 December 2024
Discount rate*	16.75% p.a	20.25% p.a
Salary increase rate	15.3% p.a	19.0% p.a
Rate of return on plan assets	Not applicable	Not applicable
Mortality Table	Assumed to be implicit in withdrawal rate assumption	
Withdrawal (rate of employee turnover)	18% p.a	17% p.a
Retirement Age	60 years	60 years
	20% (2024: 15%) p.a from available accrued leave balance	
Leave encashment rate	of employee	
Weighted average duration	1 year	1 year

*Discount rate for evaluation has been selected on yield of latest issue of bonds of local government.

Amount shown in statement of financial position

	2025 N'000	2024 N'000
Opening obligation	75,540	46,522
Current service cost	68,873	83,189
Interest expense	5,819	4,069
Benefits paid	(56,776)	(58,240)
Total leave encashment	93,456	75,540
Current liability	93,456	75,540
Non-current liability	-	-
	93,456	75,540

Notes to the Financial Statements

32.1 Leave encashment (cont'd)

Sensitivity Analysis

The sensitivity analysis of significant assumptions as of reporting period December 31, 2025 is shown below:

	2025	2024
	₦	₦
Discount Rate - 50 basis point	93,103,649	75,697,131
Discount Rate + 50 basis point	92,702,145	75,383,183
Salary Rate - 50 basis point	92,902,907	75,539,867
Salary Rate + 50 basis point	92,902,907	75,539,867
Withdrawal Rate - 50 basis point	92,001,850	74,600,285
Withdrawal Rate + 50 basis point	93,804,038	76,479,450
Discount Rate - 100 basis point	93,304,825	75,856,176
Discount Rate + 100 basis point	92,501,817	75,227,451
Salary Rate - 100 basis point	92,902,907	75,539,867
Salary Rate + 100 basis point	92,902,907	75,539,867
Withdrawal Rate - 100 basis point	91,109,532	73,660,702
Withdrawal Rate + 100 basis point	94,713,910	77,419,033

32.2 Long service award

Key assumptions:	31 December 2025	31 December 2024
Discount rate*	16.75% p.a	20.25% p.a
Salary increase rate	Not applicable	Not applicable
Rate of return on plan assets	Not applicable	Not applicable
Mortality Table	Assumed to be implicit in withdrawal rate assumption	
Withdrawal (rate of employee turnover)	18% p.a	17% p.a
Retirement Age	60 years	60 years
Weighted average duration	1 year	1 year

*Discount rate for evaluation has been selected on yield of latest issue of bonds of local government.

Amount shown in statement of financial position

	2025	2024
	₦'000	₦'000
Opening obligation	17,401	19,497
Current service cost	15,958	(1,953)
Interest expense	3,306	2,849
Benefits paid	(1,748)	(2,992)
Total long service awards	34,917	17,401
Current liability	9,400	6,601
Non-current liability	25,517	10,800
	34,917	17,401

Notes to the Financial Statements

33 Trade and other payables

	2025	2024
	N'000	N'000
Interconnect creditors (Note 22 (a))	966,193	2,324,981
Roaming creditors	1,322,539	1,716,629
Trade creditors	82,016,202	218,256,799
VAT & WHT Payables	40,587,381	22,590,870
Due to related companies (Note 33 (a))	217,976,445	111,314,543
Interest accrued (Note 28 (a))	16,176,728	13,881,792
Accruals	175,328,165	95,023,257
Dividend payable (Note 33 (b))	716,581	716,581
	<u>535,090,234</u>	<u>465,825,452</u>

Trade Creditors are non-interest bearing and are normally settled between 30-60 day terms. For terms and conditions relating to related party transactions, refer to Note 35.

Accruals relates to amount due to service vendors in respect of various expenditure at year end but yet to be invoiced.

Notes to the Financial Statements

33. Trade and other payables (cont'd)

(a) Due to related companies

	2025	2024
	N'000	N'000
Airtel Tchad S.A.	17,923	8,769
Airtel Congo S.A.	379,966	405,342
Airtel Congo (RDC) S.A.	3,267,504	3,024,893
Airtel Gabon S.A.	876,327	936,489
Airtel Kenya Networks Limited	590,441	1,716,504
Airtel Madagascar S.A.	53,481	62,326
Airtel Malawi Plc	83,912	89,360
Celtel Niger S.A.	4,401,307	5,238,537
Airtel Tanzania Networks Limited	1,210,176	1,251,635
Airtel Uganda Limited	565,159	890,001
Airtel Networks Zambia Plc	427,848	368,828
Airtel Seychelles Mobile Limited	334	450
Airtel Rwanda Networks Limited	282,999	255,117
Airtel Africa Telesonic Limited - Dubai Branch	1,388,072	955,787
Airtel Mobile Commerce Nigeria B.V	12,732,985	13,592,238
Bharti Airtel International (Netherlands) B.V.	35,180,828	11,212,017
Bharti Airtel Nigeria B.V.	121,797	38,640
Airtel Africa services (UK) LTD (AASUKL)	150,590,641	67,135,046
Bharti Airtel International (Netherlands) Kenya Branch	18,433	19,676
Bharti Airtel (France) SAS	1,773,934	163,189
Bharti Airtel (UK) Limited	1,832,954	1,729,132
Bharti Airtel Limited	60,187	1,841,096
Airtel Mobile Commerce B.V.	20,676	22,072
Bharti International (Singapore) Pte. Limited	398,620	35,410
Network i2i Limited	104,419	185,952
Nxtra Data Limited	3,623	135,369
Jersey Airtel Limited	48	38
Emtel Mauritius	134	131
Bharti Hexacom Limited	486	499
Smartcash Payment Service Bank Limited	25,016	-
XTELIFY LIMITED	1,566,215	-
	217,976,445	111,314,543

(b) Dividend payable (net of tax)

	2025		2024	
	Gross	Net	Gross	Net
Opening balance		716,581		716,581
Dividend paid during the year-Cash	-	-	-	-
Closing balance		<u>716,581</u>		<u>716,581</u>

* Trade and other payables movement in statement of cash flows, changes in working capital is reported net of dividend paid. Dividend paid is reported as cash flows from financing activities.

Notes to the Financial Statements

34 Derivative financial instruments

	2025 N'000	2024 N'000
<i>Derivative financial assets</i>		
Non-Current	-	-
Current	-	-
Derivatives that are not designated as hedging instruments carried at fair value through profit or loss:		
Foreign currency forward contracts	<u>-</u>	<u>-</u>
<i>Derivative financial liabilities</i>		
Non-Current	-	-
Current	<u>-</u>	<u>80,648,481</u>
Derivatives that are not designated as hedging instruments carried at fair value through profit or loss:		
Cross Currency Swap/Foreign currency forward contracts	<u>-</u>	<u>80,648,481</u>

The Company has entered into master netting agreements which involves a foreign currency forward contract of Naira and Dollars with the Citi Bank London.

	2025 N'000	2024 N'000
Derivative financial assets	-	-
Derivative financial liabilities	<u>-</u>	<u>(80,648,481)</u>
Net amount of derivatives liabilities	-	(80,648,481)
Cash collateral paid	<u>-</u>	<u>-</u>
Net amount	<u>-</u>	<u>(80,648,481)</u>

The Company did not enter into any other enforceable netting arrangements other than disclosed above.

Notes to the Financial Statements

35 Related Party

The Company entered into the following trade transactions with the below listed related parties during the year:

(a) Related Party Transactions

(i) Purchase/rendering of services

Name of Related Party	Relationship	2025 N'000	2024 N'000
Bharti Airtel (UK) Limited	Fellow Subsidiary	11,225,370	21,844,046
Airtel Africa Telesonic Limited - Dubai Branch	Fellow Subsidiary	4,923,913	1,723,709
Smartcash Payment Service Bank Limited	Subsidiary	4,223,121	1,498,990
Nxtra Data Limited	Fellow Subsidiary	-	918,325
Bharti Airtel Limited	Intermediate Parent	3,102	801,444
Airtel Uganda Limited	Fellow Subsidiary	10,129	641,054
Airtel Congo (RDC) S.A.	Fellow Subsidiary	470,942	464,151
Celtel Niger S.A.	Fellow Subsidiary	253,220	362,226
Airtel Networks Zambia Plc	Fellow Subsidiary	90,781	231,846
Network i2i Limited	Intermediate Parent	184,131	136,136
Bharti Airtel (France) SAS	Intermediate Parent	5,137	109,707
Xtelify Limited	Fellow Subsidiary	728,498	92,036
Airtel Tchad S.A.	Fellow Subsidiary	43,399	69,173
Airtel Rwanda Limited	Fellow Subsidiary	52,300	59,465
Airtel Tanzania Public Limited Company	Fellow Subsidiary	21,353	36,145
Airtel Madagascar S.A.	Fellow Subsidiary	1,508	26,594
Airtel Networks Kenya Limited	Fellow Subsidiary	13,743	26,017
Airtel Gabon S.A.	Fellow Subsidiary	3,403	19,036
Airtel Malawi PLC	Fellow Subsidiary	1,556	4,827
Airtel Congo S.A.	Fellow Subsidiary	4,683	1,824
Bharti Hexacom Limited	Fellow Subsidiary	-	1,277
Airtel (Seychelles) Limited	Fellow Subsidiary	1,717	424
Jersey Airtel Limited	Other related party	103	135
Airtel Africa Services (UK) Limited	Fellow Subsidiary	-	-
		<u>22,262,109</u>	<u>29,068,587</u>

Notes to the Financial Statements

35 Related Party (cont'd)

(ii) **Sales/rendering of services**

Name of Related Party	Relationship	2025 N'000	2024 N'000
Bharti Airtel (UK) Limited	Fellow Subsidiary	23,020,793	40,324,962
Celtel Niger S.A.	Fellow Subsidiary	2,245,094	2,270,858
Airtel Congo (RDC) S.A.	Fellow Subsidiary	1,444,318	1,386,778
Bharti Airtel Limited	Intermediate Parent	136,326	128,026
Smartcash Payment Service Bank Limited	Subsidiary	107,457	104,408
Bharti International (Singapore) Pte. Limited	Intermediate Parent	76,379	70,809
Airtel Gabon S.A.	Fellow Subsidiary	51,711	65,759
Airtel Tchad S.A.	Fellow Subsidiary	62,747	32,139
Airtel Uganda Limited	Fellow Subsidiary	18,259	27,858
Airtel Networks Kenya Limited	Fellow Subsidiary	30,433	22,290
Airtel Congo S.A.	Fellow Subsidiary	17,374	13,556
Airtel Networks Zambia Plc	Fellow Subsidiary	3,964	4,981
Airtel Malawi PLC	Fellow Subsidiary	3,844	4,923
Airtel Tanzania Public Limited Company	Fellow Subsidiary	2,360	2,554
Airtel Rwanda Limited	Fellow Subsidiary	1,707	2,336
Bharti Hexacom Limited	Fellow Subsidiary	2,185	1,125
Airtel (Seychelles) Limited	Fellow Subsidiary	282	503
Airtel Madagascar S.A.	Fellow Subsidiary	92	333
Jersey Airtel Limited	Other related party	33	39
Bharti Airtel Lanka (Pvt.) Ltd	Other related party	0	7
		27,225,358	44,464,244

(iii) **Management Fee (Income)/Expense**

Name of Related Party	Relationship	2025 N'000	2024 N'000
Smartcash Payment Service Bank Limited	Subsidiary	(13,541)	(9,547)
Airtel Africa Services (UK) Limited – Dubai Branch	Fellow Subsidiary	115,414,370	-
		115,400,829	(9,547)

(iv) **Interest Income on Loan**

Name of Related Party	Relationship	2025 N'000	2024 N'000
Smartcash Payment Service Bank Limited	Subsidiary	-	414,365
		-	414,365

(v) **Rent and Other Charge**

Name of Related Party	Relationship	2025 N'000	2024 N'000
Smartcash Payment Service Bank Limited	Subsidiary	98,392	56,843
		98,392	56,843

Notes to the Financial Statements

35. Related Party (cont'd)

Other non-trade related due to related parties

			2025	2024
Item	Name	Relationship	N'000	N'000
Dividend Payable	Bharti Airtel Nigeria B.V.	Parent Entity	716,291	716,291
Loan Payable	Bharti Airtel Nigeria B.V.	Parent Entity	-	34,444,962
			<u>716,291</u>	<u>35,161,253</u>

(b) Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables except for Bharti Airtel International, (Netherlands) B.V which has guaranteed some of the foreign currency loan of the Company. The receivables and payables due to and from related parties are disclosed in Note 22 and Note 33 respectively.

(c) Investment in Subsidiaries

In the year 2019, Airtel Networks Limited invested in 99.99% of the shares of Airtel Mobile Commerce Nigeria Limited, a limited liability Company registered under the laws of Nigeria. As at 31 December 2025, the Company is yet to commence operations. The Company has paid for the acquisition of the licence from the Central Bank of Nigeria.

In its commitment to the fulfilment of the financial inclusion agenda of the Central Bank of Nigeria (CBN) and Federal Republic of Nigeria, the Company acquired 99.99% of the shares of SmartCash Payment Service Bank in 2022.

In 2024, 25% of the shares of Smartcash Payment Service were sold to Airtel Mobile Commerce Nigeria B.V. During the year, under the requirement of Central Bank of Nigeria, earlier 25% of the shares of Smartcash Payment Service bank sold to Airtel Mobile Commerce Nigeria B.V. were repurchased at par value

The IFRS 10 exemption on preparation of a consolidated financial statements have been followed as per the Company' policy in Note 3.4. Both companies are consolidated by Airtel Africa Plc.

The value of the Company's investment in the subsidiaries is shown below:

Investment in Subsidiary	2025	2024
	N'000	N'000
Balance as at January 1	13,175,000	5,050,000
Addition during the year	4,375,000	12,500,000
	<u>17, 550,000</u>	<u>17,550,000</u>
Disposal during the year	-	(4,375,000)
Balance as at December 31	<u>17,550,000</u>	<u>13,175,000</u>

Notes to the Financial Statements

35. Related party (cont'd)

Subsidiaries	2025	2024
	N'000	N'000
Airtel Mobile Commerce Nigeria Limited	50,000	50,000
Smart Cash Payment Service Bank	17,500,000	13,125,000
	17,550,000	13,175,000

(d) Key management personnel (Directors)

Key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of Company. The Company's key management personnel are the members of the Board.

Compensation to Directors

	2025	2024
	N'000	N'000
Short term compensation		
Fees	53,316	36,939
Sitting allowance	4,510	4,173
	57,826	41,112

Chairman emoluments (excluding pension contribution)	22,554	16,672
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The fees and emoluments of the highest paid Director	22,554	16,672
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There are no long-term benefits, post-employment benefits, share based payment and terminal benefits given to the Non-Executive Directors members of the board of the Company except for the Chief Executive Officer (CEO) who is member of the board and whose benefits are listed below;

	2025	2024
	N'000	N'000
CEO's Benefits		
Long Term Benefits	232,333	40,202
Terminal Benefits	-	7,458
Share Based Payment	-	-
	232,333	47,660

	2025	2024
	Number	Number
Directors' mix		
Executive Director	1	1
Non-executive Directors	4	4
Independent Directors	3	3
	8	8

The Non-Executive Directors that received compensation as at 31 December 2025 were three (3) (2024: 3) in numbers. The other Non-Executive Directors are representative of the parent Company and are not entitled to receive compensation.

Notes to the Financial Statements

35. Related party (cont'd)

(d) Key management personnel (Directors)

The number of Directors who received emoluments (excluding pensions and pension contributions) are in the following range:

Range (₦)	2025 Number	2024 Number
0 – 9,999,999	-	-
10,000,000 – 19,999,999	-	3
20,000,000 – 29,999,999	-	-
30,000,000 – 39,999,999	2	-
40,000,000 – 49,999,999	1	-
50,000,000 – 59,999,999	-	-
	<u>3</u>	<u>3</u>

36 Guarantee and financial commitments

(a) Bank guarantee

The Company obtained a bank guarantee amounting to ₦550 million from United bank of Africa for perfection of a Security Trust Deed in respect of loan facilities which it obtained from some Nigerian Banks, financial institutions and certain offshore lenders. The maximum exposure to credit risk is N550million (2024: N550million) and has a tenor of 12 months which is renewable on yearly basis.

(b) Capital Commitment

The Company had committed and contracted purchase orders amounting to ₦279.41billion (2024: ₦98.14billion) as at the reporting date.

Notes to the Financial Statements

37 Financial instruments

a. Categories of financial instruments and their fair value

The table below show the carrying amount and fair value of financial instruments by their measurement categories.

	Amortised cost N'000	Fair value through profit or loss N'000	Carrying value N'000
<u>As at 31 December 2025</u>			
Trade and other receivables (Note 22)	111,150,475	-	111,150,475
Other financial asset (Note 20)	385,192	-	385,192
Cash and bank balance	24,453,668	-	24,453,668
Total financial assets	135,989,335	-	135,989,335
Trade and other payables (Note 33)	535,090,234	-	535,090,234
Derivative financial liabilities (Note 34)	-	-	-
Interest bearing loans and borrowings (Note 28)	596,362,515	-	596,362,515
Total financial liabilities	1,131,452,749	-	1,131,452,749
<u>As at 31 December 2024</u>			
Trade and other receivables (Note 22)	107,295,763	-	107,295,763
Other financial asset (Note 20)	387,710	-	387,710
Cash and bank balance	22,381,396	-	22,381,396
Derivative financial assets (Note 34)	-	-	-
Total financial assets	130,064,869	-	130,064,869
Trade and other payables (Note 33)	465,825,452	-	465,825,452
Derivative financial liabilities (Note 34)	-	80,648,481	80,648,481
Interest bearing loans and borrowings (Note 28)	707,419,716	-	707,419,716
Total financial liabilities	1,173,245,168	80,648,481	1,253,893,649

Notes to the Financial Statements

37. Financial instruments (cont'd)

37.1 Categories of financial instruments and their fair value (cont'd)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalent, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate borrowings and/or receivable are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2025, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

As at 31 December 2025, the changes in counterparty credit risk had no material effect on the financial instruments recognised at fair value.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

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

The Company have measured the below assets at fair value on the statement of financial position.

	Total N'000	Level 1 N'000	Level 2 N'000	Level 3 N'000
At 31 December 2025				
Derivative financial assets	-	-	-	-
Derivative Financial liabilities	-	-	-	-
At 31 December 2024				
Derivative financial assets	-	-	-	-
Derivative Financial liabilities	80,648,481	-	-	80,648,481

During the reporting period ending 31 December 2025, there were no transfers between Level 1 and Level 2 (2024: Nil). The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Financial Statements

37. Financial instruments (cont'd)

37.1 Categories of financial instruments and their fair value (cont'd)

Fair Value (cont'd)

Fair value methods and assumptions

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

Long-term fixed-rate and variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and the risk characteristics of the financed project.

The Company enters into derivative financial instruments with various counterparties. Interest rate swaps and foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty risk and the Company's own non-performance risk.

As at 31 December 2025, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from long-term sales contracts where the transaction currency differs from the functional currencies of the involved parties. However, as these contracts are not collateralized, the Company also takes into account the counterparties' credit risks (for the embedded derivative assets) or the Company's own non-performance risk (for the embedded derivative liabilities) and includes a credit valuation adjustment or debit value adjustment, as appropriate, by assessing the maximum credit exposure and taking into account market-based inputs concerning probabilities of default and loss given default.

Notes to the Financial Statements

37. Financial instruments (cont'd)

37.1 Categories of financial instruments and their fair value (cont'd)

Fair Value (cont'd)

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the level 2 financial assets/liabilities as of 31 December 2025 and 31 December 2024.

Financial assets/liabilities	Inputs used
- Currency swaps, forwards and option contracts, and other bank balances	Forward Foreign currency exchange rates, interest rates
-Other financial assets/fixed rate borrowings/Other financial liabilities	Prevailing interest rates in market, future payouts, interest rates

Key inputs for level 3

The fair value of cross currency swap (CCS) has been estimated based on the contractual terms of the CCS and parameters such as interest rates, foreign exchange rates etc. Since the data from any observable markets in respect of interest rate is not available, the interest rates are considered to be significant observable inputs to the valuation of the CCS.

Reconciliation of fair value measurement of derivative assets and liabilities

	Derivative financial assets	Derivative financial liabilities	Net derivative liabilities
	N'000	N'000	N'000
As at 1 January 2024	6,333,900	(132,965,987)	(126,632,087)
Recognised in statement of profit or loss during the year	(6,333,900)	52,317,506	45,983,606
As at 31 December 2024	-	(80,648,481)	(80,648,481)
Recognised in statement of profit or loss during the year	-	80,648,481	80,648,481
As at 31 December 2025	-	-	-

Notes to the Financial Statements

37. Financial instruments (cont'd)

37.2 Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company has trade and other receivables, cash and short-term deposits that are derived directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and Company's risk appetite. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of interest rate risk and foreign currency risk. Financial instruments affected by market risk include loans and borrowings, forward foreign currency contracts to hedge the exchange rate risk and deposits. The sensitivity analysis in the following sections relate to the position as at 31 December in 2025 and 2024. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in market variables on the carrying value of provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks

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 long-term debt obligations with changes in interest rates.

Notes to the Financial Statements

37.2 Financial risk management (cont'd)

Interest rate sensitivity

The following demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. Holding other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

	2025 N'000	2024 N'000
Interest bearing loans and borrowings		
Term loans (with floating interest rate)	542,715,899	323,455,949
Bank Overdraft	54,750,638	203,981,313
	<u>597,466,537</u>	<u>527,437,262</u>
 Effective Interest Rate	 <u>21.63%</u>	 <u>23.79%</u>
 Basis point	 Strengthening	 Weakening
2025	N'000	N'000
	+1 59,747	(59,747)
	+5 <u>298,733</u>	<u>(298,733)</u>
 2024	 N'000	 N'000
	+1 52,744	(52,744)
	+5 <u>263,719</u>	<u>(263,719)</u>

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility MPR in the current year.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency) and financing activities. The Company manages its foreign currency risk through derivative financial instruments such as interest rate swaps, cash flow hedges and embedded derivatives exchange rate adjustments in recognising gains or losses arising from foreign currency.

Foreign currency sensitivity

The following demonstrates the sensitivity to a reasonably possible change in the US dollar and Euro exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives). The Company's exposure to foreign currency changes for all other currencies is not material.

Notes to the Financial Statements

37.2 Financial risk management (cont'd)

(a) Market risk (cont'd)

Exposure to currency risk

The Company's transactional exposure to US dollar and Euro was based on the closing amount as follows:

	31 December 2025		31 December 2024	
	USD'000	EUR'000	USD'000	EUR'000
Financial asset				
Trade and other receivables	14,011	-	38,119	79
Derivative financial assets	-	-	-	-
Bank Balance	8,390		7,996	
Financial liability				
Borrowings	(56,250)	-	(105,798)	-
Lease liabilities	(1,343,384)	-	(1,296,110)	-
Trade and other payables	(103,705)	(216)	(230,367)	(586)
Derivative financial liabilities	-	-	(52,208)	-
Net statement of financial position exposure	(1,480,939)	(216)	(1,638,368)	(507)

The Company's profit before tax is affected through the impact of currency rates as follows:

		Effect on profit before tax
		₹'000
As at 31 December 2025	USD (5 per cent strengthening)	107,153,319
	Euro (5 per cent strengthening)	18,404
	USD (5 per cent weakening)	(107,153,319)
	Euro (5 per cent weakening)	(18,404)
As at 31 December 2024	USD (5 per cent strengthening)	126,543,497
	Euro (5 per cent strengthening)	41,382
	USD (5 per cent weakening)	(126,543,497)
	Euro (5 per cent weakening)	(41,382)

Notes to the Financial Statements

37. Financial instruments (cont'd)

37.2 Financial risk management (cont'd)

(a) Market risk (cont'd)

The following exchange rates were applied during the year:

	Average rate		Closing rate	
	2025	2024	2025	2024
	₹	₹	₹	₹
US Dollar	1,523.67	1,567.02	1,447.10	1,544.75
Euro	1,721.28	1,665.66	1,700.27	1,630.33

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables), other financial asset and from financing activities on the part of the Company including cash and cash equivalents with banks and financial institutions and other financial instruments. At the level of operations, the outstanding debts are continuously monitored in each area and taken into account through individual and collective allowances.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and credit sales to major channel partners are covered by bank guarantees while significant post-paid customers are covered by cash deposit.

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

Notes to the Financial Statements

37. Financial instruments (cont'd)

37.2 Financial risk management (cont'd)

(b) Credit risk (cont'd)

At the end of each respective year, the balance of the net trade receivables are as follows:

	2025	2024
	N'000	N'000
Net trade receivables	111,150,475	107,295,763
Cash and Bank Balance	<u>24,453,668</u>	<u>22,381,396</u>
	<u>135,604,143</u>	<u>129,677,159</u>

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with designated collection banks and within credit limits assigned to each banks. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential failure to make payments.

(c) Liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity plan. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, shareholder loans, foreign loans and leases.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available. The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

Notes to the Financial Statements

37. Financial instruments (cont'd)

37.2 Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

	Total N'000	On demand N'000	Less than 3 months N'000	3 to 12 months N'000	1 to 3 years N'000	Greater than 3 years N'000
31 December 2025						
Interconnect	10,867,576	-	6,473,306	4,394,270	-	-
Non-Interconnect	26,015,124	-	26,015,124	-	-	-
Other Receivables	644,540	-	644,540	-	-	-
Due from related parties	73,623,235	-	50,340,138	13,323,381	9,959,716	-
Net trade receivables	111,150,475	-	83,473,108	17,717,651	9,959,716	-
Cash and Bank Balance	24,453,668	-	24,453,668	-	-	-
	135,604,143	-	107,926,776	17,717,651	9,959,716	-
Interest bearing loans and borrowings	596,362,515	-	281,291,048	132,804,801	157,266,667	25,000,000
Lease liabilities	6,812,863,024	-	133,266,763	399,800,289	1,198,092,756	5,081,703,217
Trade and other payables	534,373,653	-	534,373,653	-	-	-
Derivative financial liabilities	-	-	-	-	-	-
Dividend payable	716,582	-	-	-	716,582	-
Total	7,944,315,774	-	948,931,464	532,605,090	1,356,076,005	5,106,703,217
31 December 2024						
Interconnect	17,178,168	-	14,069,124	3,109,044	-	-
Bank USSD	-	-	-	-	-	-
Non-Interconnect	27,073,460	-	27,073,460	-	-	-
Other Receivables	403,259	-	403,259	-	-	-
Due from related parties	62,640,876	-	1,157,961	11,385,798	10,019,423	40,077,694
Net trade receivables	107,295,763	-	42,703,804	14,494,842	10,019,423	40,077,694
Cash and Bank Balance	22,381,396	-	22,381,396	-	-	-
	129,677,159	-	65,085,200	14,494,842	10,019,423	40,077,694
Interest bearing loans and borrowings	707,419,716	-	239,356,689	88,838,292	258,668,662	120,556,073
Lease liabilities	5,982,921,049	-	115,629,875	346,889,623	994,903,203	4,525,498,348
Trade and other payables	442,518,001	-	442,518,001	-	-	-
Derivative financial liabilities	80,648,481	-	80,648,481	-	-	-
Dividend payable	716,581	-	-	-	716,581	-
Total	7,214,223,828	-	878,153,046	435,727,915	1,254,288,446	4,646,054,421

Notes to the Financial Statements

37. Financial instruments (cont'd)

37.2 Financial risk management (cont'd)

(d) Capital risk management

Capital is the equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings (including loans from parent Company), trade and other payables, lease liabilities less cash and bank balances. The Company is not subject to any minimum capital requirement.

	2025	2024
	N'000	N'000
Gearing Ratio		
Interest-bearing loans and borrowings	596,362,515	707,419,716
Lease liabilities	3,229,887,963	2,928,620,682
Less: cash and bank balances	(24,453,668)	(22,381,396)
Net debt	3,801,796,809	3,613,659,002
Total Equity	(268,843,773)	(398,517,690)
Equity and net debt	3,532,953,036	3,215,141,312
Gearing ratio	108%	112%

38. Net cash adjustment – statement of cash flow

38.1 Net foreign exchange difference

	2025	2024
	N'000	N'000
Net foreign exchange differences (Note 13(b))	142,841,678	(571,258,263)
Lease Liability Exchange Difference (Note 31(a))	(131,875,532)	161,233,736
Term Loan Exchange Difference (Note 28(a))	(6,354,263)	115,597,876
Share Holder Loan Exchange Difference (Note 28(b))	(8,804,258)	15,372,507
Effect of foreign exchange on cash and cash equivalent	1,294,473	(3,138,190)
	(2,897,903)	(282,192,334)

Other foreign exchange difference relates to exchange difference on trade receivables and payables.

Notes to the Financial Statements

38.2 Other Non-Cash Item

	2025	2024
	N'000	N'000
Staff loan re-measurement (Note 12)	7,110	13,179
Interest on long service award and leave encashment (Note 13)	(9,125)	(6,918)
Lease adjustment (Note 31a)	(32,187,059)	(498,595)
Right of use cost retirement (Note 19)	25,662,260	308,300
Right of use accumulated depreciation retirement (Note 19)	(3,412,743)	(240,054)
Interest on asset retirement obligation (Note 13)	(8,472)	(57,845)
	<u>(9,948,029)</u>	<u>(481,933)</u>

39 Going concern

The Company reported a net profit for the year ended 31 December 2025 of N129.57 billion (2024: Net Loss of N322.17 billion). The reported profit was arrived at after taking a benefit of N142.84 billion in exchange difference. As at that date, the current liabilities exceeded its current assets by N910.56 billion (2024: N833.20 billion). There was a foreign exchange profit for the year which is due to a appreciation of the Naira from N1,544.75/\$ in December 2024 to N1,483.86/\$ in December 2025. Total foreign exchange profit recognised for the year ended 31 December 2025 is N142.84 billion (2024: N571.26 billion loss).

Management continued its growth initiatives for the future quarters / years through renewed sustainability of the non-voice revenue growth by the acquisition of 5G spectrum which was launched in mid-2023 and extending its 4G services across Nigeria during the financial year which has improved the revenue growth of the Company. There was the introduction of a separate product line to focus on data and to capitalise on the expanding 4G network. Extensive media campaigns to enhance market visibility in an effort to grow market share was also adopted. Cost saving optimization strategies initiated by the Company are also still in place to ensure consistent growth in EBITDA. The Company hopes to continue to leverage on these advantages, as well as explore additional initiatives to further drive down cost and increase profitability.

As at 31 December 2025, the Company has N482.23billion credit line comprising the overdraft facilities with local banks and \$146.5 million with foreign banks which it could access and all the long-term loans of the Company have been guaranteed either by the Company's All Assets Debenture or the holding Company (BAIN). The Company also has a \$300 million shareholder loan commitment from the holding Company that is undrawn and is available for drawdown.

The financial statements are prepared on the basis that the Company will continue as a going concern. The Company continues to have the support of the holding Company through the loan facilities mentioned above and the realization of assets and settlement of liabilities will occur in the ordinary course of business. The cash flow assessment for the next twelve (12) months indicates that the Company will be able to generate sufficient cash to maintain the operations and service current debt obligations.

Notes to the Financial Statements

40 Information relating to employees

- (a) The average number of persons in the Company's employment at the end of the financial year was as follows:

	2025 Number	2024 Number
CEO's office and corporate affairs	46	44
Engineering /operation	136	131
Sales and marketing	445	418
Customer experience	31	33
Information systems	27	38
Human resources	11	13
Finance	48	48
	<u>744</u>	<u>725</u>

- (b) Employees of the Company, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

Range (N)	2025 Number	2024 Number
Less than – N5,000,000	77	50
N5,000,001- N10,000,000	155	178
N10,000,001- N15,000,000	114	126
N15,000,001- N20,000,000	114	107
N20,000,001 and above	284	264
	<u>744</u>	<u>725</u>

41 Contingent liabilities and Contingent assets

As at 31 December 2025, the Company had contingent liabilities of ~~N~~108.17 billion (2024: ~~N~~4.89 billion) in respect of legal cases. No provision has been made in these financial statements as management does not consider that there is a probable loss.

There was no contingent asset as at 31 December 2025 (2024: NIL).

42 Regulatory Sanctions - Nigerian Communications Act of 2003

In compliance with the directive of the Nigerian Communication Commission (NCC), pursuant to the provisions of Section 53(1) of the Nigerian Communication Act 2003, during the year ended 31 December 2025, ~~N~~134 million sanctions were levied on the Company (2024: NIL).

Notes to the Financial Statements

43 Subscriber base

	2025	2024
	Numbers	Numbers
	'000	'000
Opening subscriber base	57,683	61,834
Net subscriber connection added / reduction during the year	4,401	(4,151)
Closing subscriber base	62,084	57,683

Active subscribers are determined based on a 90-day revenue generating cycle.

44 Segment reporting

The Company carries out its operations entirely in Nigeria which is considered one geographical segment. Based on the scope of IFRS 8, the Company does not have publicly traded instruments. Accordingly, no operating segment information is presented.

45 Events after the balance sheet date

Subsequent to the period end date, the Nigerian Communications Commission (NCC) imposed a sanction on the Company for non-compliance with prescribed Quality of Service (QoS) standards. These sanctions relate to the period from November 2025 to January 2026, during which certain QoS key performance indicators fell below the regulatory thresholds in specific Local Government Areas (LGAs) across Nigeria.

The Company acknowledges the observations of the Regulator and has commenced remedial actions, including:

- Network optimization and infrastructure upgrades
- Enhanced monitoring of service quality metrics
- Increased investment in capacity expansion and network redundancy

The Company remains committed to full compliance with regulatory requirements and to maintaining high service quality standards for its customers. Management does not anticipate that the penalty will have a material adverse effect on the Company's overall financial position or operations.

46 Reclassification of prior year balances

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations in prior year.

47 Non-Audit Services

The Company engaged its external auditor, Deloitte & Touche, to provide permissible non-audit services (review and attestation of ICFR) during the year. The Board and the Audit Committee satisfied themselves that the provision of these services did not impair the auditor's independence and complied with applicable ethical and regulatory requirements.

OTHER NATIONAL DISCLOSURES

Value Added Statement

	2025		2024	
	N'000	%	N'000	%
Revenue	2,171,264,905		1,467,125,262	
Bought-in-materials and services				
- Local	(879,213,527)		(821,441,980)	
-Imported	(155,580,753)		(163,533,150)	
Value added by operating activities	<u>1,136,470,625</u>		<u>482,150,132</u>	
<i>Non trading items:</i>				
Other income	9,128,206		5,535,633	
Finance income	119,276		827,763	
Value Added	<u>1,145,718,107</u>	<u>100</u>	<u>488,513,528</u>	<u>100</u>
Applied as follows:				
To pay employees' salaries, wages and fringe benefits	41,356,479	4	27,745,489	(27)
To pay providers of capital – interest	620,841,506	54	340,962,609	(121)
Current taxation	(136,706,320)	(12)	306,671,817	(36)
Deferred Tax	58,104,478	5	(157,255,093)	204
To provide for depreciation of fixed assets	125,995,485	11	95,427,668	(94)
To provide for depreciation of right of use assets	270,404,448	24	164,758,959	(114)
To provide for amortisation of intangible assets	36,154,880	3	32,368,341	(36)
(Loss)/Profit sustained/retained for operations	<u>129,567,151</u>	<u>11</u>	<u>(322,166,263)</u>	<u>324</u>
Value Added	<u>1,145,718,107</u>	<u>100</u>	<u>488,513,528</u>	<u>100</u>

The value-added statement represents the wealth created through the efforts of the Company and its employees, and the distribution of created wealth amongst various interest groups.

Five-Year Financial Summary

	2025	2024	2023	2022	2021
	N'million	N'million	N'million	N'million	N'million
Statement of Comprehensive Income					
Revenue from operations	2,171,265	1,467,125	1,088,075	893,889	734,819
Gross profit	1,347,460	813,747	640,046	515,021	443,000
EBITDA	1,118,613	732,372	436,600	362,320	346,145
Profit/(Loss) before taxation	208,169	(471,583)	(384,800)	213,918	251,527
Taxation	(78,602)	149,417	131,508	(67,714)	(80,842)
Profit/(Loss) for the year	129,567	(322,166)	(253,292)	146,204	170,685
Statement of financial position					
Property, plant and equipment	904,159	708,439	536,840	420,622	385,340
Right of use	2,574,767	2,373,306	367,020	344,306	172,038
Intangible assets	226,415	231,977	263,765	233,508	106,445
Deferred tax assets / (liabilities)	255,134	313,239	155,984	(3,366)	23,405
Derivative financial assets	-	-	-	-	169
Investment in subsidiary	17,550	13,175	5,050	5,050	50
Other Non-current assets	44,906	35,910	32,821	17,053	5,431
Net current liabilities	(910,562)	(833,197)	(586,681)	(359,119)	(145,516)
Interest bearing loans and borrowings (non-current)	(240,402)	(377,416)	(254,370)	(91,879)	(20,533)
Employee benefits liability (non-current)	(100)	(11)	(14)	(16)	(55)
Deferred revenue - (non-current)	(192)	(231)	(651)	(606)	(131)
Provisions (non-current)	(130)	(122)	(44)	(41)	(39)
Derivative financial liabilities	-	-	(61,096)	(10,173)	(1,551)
Finance leases obligation (non-current)	(3,140,496)	(2,863,588)	(534,977)	(378,399)	(228,477)
Net assets	(268,951)	(398,519)	(76,353)	176,940	296,576
Equity					
Share capital	13,287	13,287	13,287	13,287	13,287
Treasury Shares	(67,554)	(67,554)	(67,554)	(67,553)	(67,554)
Share premium	67,235	67,235	67,235	67,235	67,235
Retained earnings/(loss)	(281,919)	(411,487)	(89,321)	163,971	283,608
Equity attributable to owners of the Company	(268,951)	(398,519)	(76,353)	176,940	296,576
Earnings/(loss) per share:					
- Basic	N10.63	(N26.42)	(N20.77)	N11.99	N12.93
- Diluted	N10.63	(N26.42)	(N20.77)	N11.99	N12.93