REFERENCE

AIRTEL NETWORKS ZAMBIA PLC

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

AIRTEL NETWORKS ZAMBIA PLC
(incorporated in Zambia)

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

CONTENTS

CONTENTS	PAGES
Directors' report	1 - 2
Statement of responsibility for the annual financial statements	3
Independent auditor's report	4 - 7
Financial statements:	
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 – 48

AIRTEL NETWORKS ZAMBIA PLC

DIRECTORS' REPORT
for the year ended 31 December 2025

The Directors present their annual report on the affairs of Airtel Networks Zambia Plc (the 'Company') together with the financial statements and the auditor's report for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of cellular radio telecommunication services. There have been no significant changes in the Company's business during the year.

SHARE CAPITAL

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

DIVIDEND

The Company declared dividends during the year amounting to K1,548.556 million made up of an interim dividend for 2025 of K1,064.956 million and K483.600 million final dividend for the financial year ended 31 December 2024 (2024: K364.000 million). Further, Directors have proposed a final dividend for the year ended 31 December 2025 of K678.080 million (2024: K483.600 million).

RESULTS

The profit for the year ended 31 December 2025 amounted to K1,736.302 million (2024: K1,251.718 million) and the operating profit for the year ended 31 December 2025 amounted to K3,584.800 million (2024: K2,636.949 million).

Roaming revenue is earned from foreign telephone operators when their subscribers utilise the Company's network. The Company accrued roaming revenue amounting to K55.142 million (2024: K49.110 million).

The Company continues to accelerate its revenue growth momentum with a 24.65% year-on-year growth led by growth across all its product lines.

DIRECTORS

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

Name	Role	Date of Appointments/Resignations
K. Monica Musonda (Non-ED)	Chairperson	Resigned on 24 April 2025
Lynda Mataka (Non-ED)	Chairperson	Appointed as Chairperson on 1 May 2025
Hussameldin Baday(ED)	Managing Director	Appointed on 6 September 2023
Monicah Kambo (Non-ED)	Board Member	Appointed on 18 July 2022
Apoorva Mehrotra (Non-ED)	Board Member	Appointed on 1 October 2022
Hamish Chipungu (Non-ED)	Board member	Appointed 1 May 2025
Kamal Dua (Non-ED)	Board Member	Appointed 1 July 2025
Jaideep Paul (Non-ED)	Board Member	Resigned on 30 June 2025

* ED means Executive Director

NUMBER OF EMPLOYEES AND REMUNERATION

The total remuneration of employees during the year amounted to K405.563 million (2024: K324.019 million). The average number of employees for each month of the year was as follows:

Month	2025	2024
January	194	191
February	192	193
March	196	191
April	195	192
May	196	199
June	197	201
July	194	197
August	198	198
September	197	195
October	200	201
November	202	197
December	202	195

HEALTH AND SAFETY

The Company has policies and procedures to safeguard the occupational health, safety and welfare of its employees.

GIFTS AND DONATIONS

During the year the Company made donations of K8.792 million (2024: K0.570 million).

PROPERTY, PLANT AND EQUIPMENT

The Company purchased property, plant and equipment amounting to **K862.746 million** (2024: K782.073 million) during the year. In the opinion of the Directors, the recoverable amount of property, plant and equipment is not less than the carrying value. During the year the Company's investment in international bandwidth on indefeasible right of use (IRU) basis was **K225.998 million** (2024: K116.461 million).

STATEMENT ON CORPORATE GOVERNANCE

Airtel Networks Zambia plc takes the issue of corporate governance seriously in compliance with the LuSE Corporate Governance Code. The Company's focus is to have a sound corporate governance framework that contributes to improved corporate performance and accountability in creating long term shareholder value.

The Board meets at least four times a year and concerns itself with key matters, and the responsibilities for implementing the Company's strategy is delegated to management. The Board of Directors continues to provide considerable depth of knowledge and experience to the business.

There is strong focus by the Audit Committee on matters relating to financial operations, fraud, application of accounting and control standards and results. The Audit Committee also meets at least four times a year.

The Company has put in place a Code of Conduct and Anti-Bribery & Anti-Corruption Policy that sets out the standards on how staff should behave with all stakeholders. An effective monitoring mechanism to support management's objective of enforcing the Code of Conduct and Anti-Bribery & Anti-Corruption has been developed and is being used across the Company.

None of the Directors had a material interest in any significant contracts concluded during the year. Further, no Director held any shares in the Company during the year.

RELATED PARTY TRANSACTIONS

The related party transactions entered during the year with the related parties and resultant year end balances have been disclosed in Note 37 to the financial statements

SUBSEQUENT EVENTS

There were no material subsequent events for the year ended 31 December 2025. The Directors are not aware of any matter or circumstances since the financial year end and the date of this report, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Company and the results of its operations.

AUDITORS

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

By order of the Board.

Sonia Shamwana-Chinganya
Company Secretary

Date: 24 February 2026
LUSAKA

AIRTEL NETWORKS ZAMBIA PLC

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

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

The Directors accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2017 and the Securities Act, 2016.

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

The Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In preparing the company's financial statements, the Directors are required to make an assessment of the Company's ability to continue as a going concern.

In the opinion of the Directors:

- the statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the performance of the Company for the year ended 31 December 2025;
- the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2025;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due;
- based on the assessments, the Company should continue to adopt a going concern basis of accounting in preparing the financial statements;
- the financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act 2017 and the Securities Act of Zambia; and
- the Directors have implemented and further adhered to the corporate governance principles or practices contained in Part VII, Sections 82 to 122 of the Companies Act 2017 and the Securities Act of Zambia.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework described above. Their report is shown on pages 4 to 7.

Approval of the financial statements

The financial Statements of the Company as indicated above, were approved by the Directors on 24 February 2026 and signed on behalf of the Board by:

Lynda Mataka	*Hussameldin Baday*
CHAIRPERSON	MANAGING DIRECTOR

Deloitte.

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Lusaka
Zambia

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Deloitte Square
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Airtel Networks Zambia Plc

Report on the financial statements

Opinion

We have audited the financial statements of Airtel Networks Zambia Plc set out on pages 8 to 48, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policy information.

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

We also have audited, Airtel Networks Zambia Plc's internal controls over financial reporting as of 31 December 2025, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated 4 March 2026 expressed an unqualified opinion on the internal controls over financial reporting.

Basis of opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources on the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter - Revenue recognition	
Description	As set out in note 8, revenue of K8.9 billion (2024: K7.1 billion) is derived from the provision of telecommunication services. The majority of the customers of the Company subscribe to the services on a prepaid basis. Telecommunication service revenues mainly pertain to usage, subscription and customer onboarding charges, which include activation charges and charges for voice, data, messaging and value-added services. The Company's accounting policies on prepaid revenue is set out in note 4 (c). There is an inherent risk of fraud relating to the accuracy of revenue recognition, given the complexity of the Company's revenue recording systems. Consequently, we have identified the complexity of these systems as a key audit matter. Any errors arising from this complexity could affect the accuracy of reported revenue.

How the scope of our audit responded to the key audit matter	Our procedures involved: • Worked with our IT specialists to test the IT environment in which the revenue recording systems reside, including interface controls between different IT applications. • Obtained an understanding of and tested the relevant controls over (a) approvals and maintenance of new plans in the billing system and (b) authorisation of rate changes and the maintenance of rates within the billing systems. • Tested the reconciliation process between the general ledger and revenue recording systems including any manual adjustments posted. • Tested a sample of call record validations to test the accuracy of revenue and the resolution of exceptions. • Sample tested the accuracy of tariff set up in the system. • Performed independent call testing with the objective of testing the accuracy of plans by checking that a sample of each major tariff has been correctly set up. • Detailed substantive testing of journal entries processes around revenue to ensure these were appropriately authorised, complete and accurate. • We assessed management's disclosures around the various revenue streams in the notes to the financial statements.
Key observations	Based on our work, no exceptions noted on the accuracy of revenue recorded in the year and the disclosures made, in respect of the revenue recognised.

Other information

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

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

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

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

We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (Continued)

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

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

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

We also provide the Directors 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, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on other legal and regulatory requirements (Continued)

Rule 18 of the Securities (accounting and financial reporting requirements) Rules of the Securities Act of Zambia requires that we report on whether:

- The annual financial statements of the Company have been properly prepared in accordance with Securities and Exchange Commission rules;
- The Company has, throughout the financial year, kept proper accounting records in accordance with the requirements of Securities and Exchange Commission rules;
- The statement of financial position and statement of comprehensive income are in agreement with the Company's accounting records; and
- We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

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

Deloitte & Touche

DELOITTE & TOUCHE

Alice Jere Tembo
Audit Partner
PC NO: AUD/F000433

Date: 04 March 2026

AIRTEL NETWORKS ZAMBIA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Kwacha'000	Note	For the year ended 31 December 2025	31 December 2024
Income			
Revenue	8	8 871 426	7 117 115
Other income	9	82 358	5 799
		8 953 784	7 122 914
Expenses			
Network operating expenses		(1 311 378)	(1 117 806)
Depreciation and amortisation	12(a)	(1 105 520)	(880 507)
Other operating expense	12(b)	(957 790)	(842 617)
Sales and marketing expenses		(1 053 428)	(846 378)
Employee benefits expenses	13	(405 563)	(324 019)
Impairment loss on financial assets		(5 274)	(3 368)
Access charges		(192 338)	(208 894)
Licence fee/ spectrum usage charges		(337 693)	(262 376)
		(5 368 984)	(4 485 965)
Operating profit		3 584 800	2 636 949
Net exchange losses	10	(92 842)	(138 328)
Finance income	11(a)	25 389	1 257
Finance costs	11(b)	(825 690)	(550 630)
Profit before tax	12	2 691 657	1 949 248
Income tax expense	14	(928 355)	(697 530)
Profit and total comprehensive income for the year		1 763 302	1 251 718
Basic and diluted earnings per share (Kwacha)	15	16.95	12.04

AIRTEL NETWORKS ZAMBIA PLC

STATEMENT OF FINANCIAL POSITION

Kwacha'000	Note	As at 31 December 2025	As at 31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	18	2 805 344	2 747 442
Capital work-in-progress	18	525 121	392 650
Right-of-use assets	19	3 049 257	575 618
Intangible assets	20	489 324	562 975
Intangible assets under development	20	7 861	-
Financial assets			
- Others	23	151 967	1 969
Other non-current assets	21	354 020	336 811
		7 382 894	4 617 465
Current assets			
Inventories	22	4 418	21 575
Financial assets			
- Derivative financial instruments	30	-	18 799
- Trade receivables	24	532 378	414 744
- Contract assets	25	148 676	59 613
- Cash and cash equivalents	26	105 360	144 786
- Others	23	104 901	-
Other current assets	27	675 612	360 990
		1 571 345	1 020 507
Total assets		8 954 239	5 637 972
EQUITY AND LIABILITIES			
Equity			
Share capital	16	1 040	1 040
Share premium	16	24 962	24 962
Retained earnings		752 866	538 120
Total equity		778 868	564 122
Non-current liabilities			
Financial liabilities			
- Borrowings	28	1 723 763	328 521
- Lease liabilities	29	2 974 703	537 442
- Others	33	775	-
Provisions	31(b)	15 171	5 149
Deferred tax liabilities (net)	17	428 112	305 170
Contract liabilities	32	4 325	4 883
		5 146 849	1 181 165

AIRTEL NETWORKS ZAMBIA PLC

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Kwacha'000	Note	As at 31 December 2025	As at 31 December 2024
Current liabilities			
Financial liabilities			
- Borrowings	28	1 285 732	1 860 710
- Lease liabilities	29	124 110	403 309
- Derivative financial instruments	30	47 758	7 377
- Trade payables	31(a)	832 596	837 742
- Others	31(b)	172 551	152 072
Provisions	31(c)	36 193	34 753
Contract liabilities	32	150 275	146 039
Current income tax payable (net)	14	47 247	184 794
Other current liabilities	34	332 060	265 889
		3 028 522	3 892 685
Total liabilities		8 175 371	5 073 850
Total equity and liabilities		8 954 239	5 637 972

The responsibilities of the Company's Directors with regard to the preparation of the financial statements are set out on page 3. The financial statements on pages 8 to 48 were approved for issue by the Board of Directors on 24 February 2026 and were signed on its behalf by:

Lynda Mataka
CHAIRPERSON

Hussameldin Baday
MANAGING DIRECTOR

AIRTEL NETWORKS ZAMBIA PLC

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

Kwacha'000

	Share capital	Share premium	Retained earnings	Total
Balance at 1 January 2024	1 040	24 962	413 762	439 764
Total comprehensive income for the year	-	-	1 251 718	1 251 718
Final dividend declared for 2023	-	-	(364 000)	(364 000)
Interim dividend declared for 2024	-	-	(763 360)	(763 360)
Balance at 31 December 2024	1 040	24 962	538 120	564 122
Balance at 1 January 2025	1 040	24 962	538 120	564 122
Total comprehensive income for the year	-	-	1 763 302	1 763 302
Final dividend declared for 2024	-	-	(483 600)	(483 600)
Interim dividend declared for 2025	-	-	(1 064 956)	(1 064 956)
Balance at 31 December 2025	1 040	24 962	752 866	778 868

The profit for the year ended 31 December 2025 amounted to K1,736.302 million (2024: K1,251.718 million) and the Company declared Interim dividend of K10.24 Per Share (2024: K7.34) amounting to K1,064.956 million (2024: K763.360 million). Further, Directors have proposed a final dividend for the year ended 31 December 2025 of K6.52 Per Share (2024: K4.65) amounting to K678.080 million (2024: K483.600 million).

The proposed final dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements.

AIRTEL NETWORKS ZAMBIA PLC

STATEMENT OF CASH FLOWS

Kwacha'000	Note	For the year ended 31 December 2025	31 December 2024
Cash flows from operating activities			
Profit before income tax		2 691 657	1 949 248
Adjustments for:			
Finance income	11	(25 389)	(1 257)
Finance costs	11	825 690	550 630
Depreciation and amortisation	12(a)	1 105 520	880 507
Impairment loss recognised on trade receivables	24	5 274	3 368
Net exchange (gains) losses	10	(328 935)	138 328
Gain on disposal of property, plant and equipment	9	(82 358)	(638)
Operating cash flows before changes in working capital		4 191 459	3 520 186
Changes in working capital:			
Changes in trade and other receivables		(188 272)	(23 009)
Changes in inventories		17 157	13 049
Changes in trade and other payables		38 515	261 365
Changes in other current and non current assets		(635 593)	(208 822)
Changes in other liabilities		111 005	111 531
Net cash generated from operations before tax		3 534 271	3 674 300
Income tax paid	14	(938 385)	(615 027)
Net cash generated from operating activities		2 595 886	3 059 273
Cash flows from investing activities			
Purchase of property and equipment	18	(780 275)	(786 069)
Interest received	11	25 389	1 257
Proceeds from disposal of property and equipment		10	101
Purchase of intangible assets	20	(62 001)	-
Net cash flows used in investing activities		(816 877)	(784 711)
Cash flows from financing activities			
Proceeds from borrowings	28	2 664 000	470 000
Repayment of borrowings	28	(1 494 386)	(600 628)
Interest paid on borrowings	11	(393 364)	(427 257)
Interest paid on lease liabilities	29	(410 923)	(123 373)
Repayment of lease liabilities	29	(195 267)	(420 579)
Dividends paid to shareholders	39	(1 638 857)	(1 037 059)
Net cash flows used in financing activities		(1 468 797)	(2 138 896)
Net increase in cash and cash equivalents		310 212	135 666
Cash and cash equivalents at beginning of the year		(712 271)	(798 516)
Effects of currency translation on cash and cash equivalents		(288)	(49 421)
Cash and cash equivalents at end of the year	26	(402 347)	(712 271)

1. CORPORATE INFORMATION

Airtel Networks Zambia plc (the 'Company') was incorporated in Zambia under the Companies Act, 2017 as a public limited Company, and is domiciled in Zambia. The Company is listed on the Lusaka Stock Exchange and was incorporated in 1997 as Celtel Zambia Plc. In April 2013, the Company changed its name and the registered office address to:

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

The Company's principal activities are disclosed on page 1 of the Director's report. The Company is a subsidiary of Bharti Airtel Zambia Holdings B.V. The Intermediate Parent is Airtel Africa Plc (listed on the London Stock Exchange and the Nigeria Stock Exchange.)

The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 24 February 2026.

2. GOING CONCERN

The Company ended the year 2025 with strong underlying operational performance with revenue growth of 24.65%. On account of a strong underlying operational performance, the Company recorded a net profit of K1,736.302 million (2024: K1,251.718 million). As at 31 December 2025, accumulated profits were K752.866 million (2024: K538.120 million) and the Company was in a net current liability position of K1,457.177 million (2024: K2,872.178 million).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Directors are of the opinion that the Company is a going concern on the basis that the Company:

a) Will generate cash inflows from operations of at least the amount projected in the management's annual operating plan. The generation of sufficient cash flows from operations is driven by and is dependent on stability of the Kwacha/US Dollar exchange rate and on management achieving revenue growth targets. In their assessment, the Directors have assumed that the Kwacha will not depreciate significantly against the US Dollar and that the Company will achieve a revenue growth of at least similar to revenue growth for 2025;

b) Has access to financing facilities and will obtain sufficient funding from banks and holding Company to meet its obligations as and when they fall due. As part of this evaluation, the Company has considered committed undrawn facilities of K1,376.030 million expiring beyond the going concern assessment period, which will fulfil the Company's cash flow requirement;

c) Has a prudent liquidity risk management measure, in which the Company closely monitors its liquidity position and deploys a robust cash management system as disclosed under Note 6 to the financial statements; and

d) The Company has a Framework Loan Agreement with Bharti Airtel Zambia Holdings B.V dated 15 April 2016, in which a Committed facility of US$50 million is in place. The Company is entitled to make a drawdown request under the facility at any time before 31 December 2026. However, the Company has never had to call on this facility as the business has been able to generate adequate cash to settle its obligations as and when they fell due.

On the basis of the above information, the Directors consider that the Company will continue to operate for the foreseeable future within the available financial resources. Accordingly, the Directors are of the opinion that the preparation of these financial statements on the going concern basis is appropriate and confident that the funds described above will be available to the Company to support its obligations if required.

3 ADOPTION OF NEW AND REVISED STANDARDS

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

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

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

3.2 New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and amended IFRS Accounting Standards that have been issued effective for annual periods beginning on or after 1 January 2026. The standards listed below are relevant to the Company.

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 the process of assessing the impact of IFRS 18 and amendments relating to IFRS 7 and IFRS 9 on the Company's financial statements and will present the impact, when available.

The amendments relating to Annual improvements are not expected to have a material impact on the Company's financial reporting on adoption.

Further, the Company's equity instruments are publicly traded, hence the requirements under IFRS 19 are not applicable. Also, the amendments to IAS 21 are not applicable to the Company.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

(b) Basis of accounting

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All the amounts included in the financial statements are reported in Zambian Kwacha, with all values rounded to the nearest thousands (K'000) except when otherwise indicated. Further, amounts which are less than half a thousand are appearing as '0'.

Fair value measurement

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

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

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

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

(c) Revenue recognition

The Company's revenue arises from billing customers for monthly subscription, airtime usage, connections, reconnection fees and sale of Sim cards, handsets and accessories and interconnection revenue.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Revenue recognition (continued)

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 therein 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.

Service revenue is derived from the provision of telecommunication services to customers. The majority of the customers of the Company subscribe to the services on a pre-paid basis. Telecommunication service revenues mainly pertain to usage, subscription and customer onboarding charges, which include activation charges and charges for voice, data, messaging and value added services.

Telecommunication services (comprising voice, data and SMS) 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.

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

The Company recognises revenue from these services when performance obligation has been met. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services consumed.

Subscription charges are recognised over the subscription pack validity period.

Revenues recognised in excess of amounts invoiced are classified as unbilled revenue which are part of contract assets.

Service revenues also includes revenue from interconnection/roaming charges for usage of the Company's network by other operators for voice, data, messaging and signalling services. These are recognised upon transfer of control of services being transferred over time.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of 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 others' network. Revenue is earned and recognised as per bilateral agreements when other operators' calls are terminated to the Company's network i.e. the service is rendered.

Equipment sales mainly pertain to sale of telecommunication 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.

Costs to obtain or fulfil a contract with a customer

The Company defers costs to obtain or fulfil a contract with a customer over expected average customer life determined based on churn rate specific to such contracts.

The Company has estimated that the historic average customer life is longer than 12 months and believes that its churn rate provides the best indicator of anticipated average customer life and costs are deferred over the expected average customer life.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Segment Reporting

Management has determined the operating segments based on the reports reviewed by the Managing Director that are used to make strategic decisions. The Managing Director considers the business as a single operating segment, being Zambia operations, as the information reported to the Managing Director for the purpose of strategic decision making is not presented per product line. The Company does not at present, have distinguishable business segments.

The Managing Director reviews financial information based on the performance of the Company as a single operating segment with revenue analysed by category whilst expenses and assets are reported on a combined basis for the entire operating unit. The financial information does not include profit or loss information for the individual product lines. The Managing Director and the Board assess the performance of the Company based on profit for the period or year.

(e) Foreign currencies

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

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

(f) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. All property, plant and equipment is subsequently measured at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The expenditures that are incurred after an item of property, plant and equipment has been put to use, such as repairs and maintenance, are normally charged to the profit or loss 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.

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

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. The assets' residual values, depreciation method and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

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

An item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. 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 on the date of retirement and disposal.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) **Property, plant and equipment (continued)**

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

(g) 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) The Company as lessee

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

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

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

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

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

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

i. Short-term leases

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Leases (continued)

(b) The Company as lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.
Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.
The Company enters into indefeasible right-to-use (IRU)arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the statement of financial position.

(h) Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing it to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

The amount of any write down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write down or loss occurs.

(i) Cash and cash equivalents

In the statement of financial position cash and cash equivalents include cash in hand, wallet balances, bank balances, cheques in hand and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.
However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts which are repayable on demand and form any integral part of the Company's cash management are also included as a component of cash and cash equivalents.

(j) Statement of cash flows

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

(k) Financial instruments

i. Recognition, classification and presentation

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

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.

ii. Measurement - Non-derivative financial instruments

(a) Initial measurement

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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 and loss.

Difference between fair value at initial recognition and transaction price

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 (if any) between the transaction amount and the fair value is accounted for as follows:

(a) The difference is recognised in the profit and loss only if fair value is evidenced by a quoted price in an active market for an identical asset or liability (level 1 input) or based on a valuation technique that uses only data from observable markets.

(b) 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.

(b) 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 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 payments or receipts 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 measured fair value through other comprehensive income (FVTOCI)

Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVTOCI. Changes to carrying amount as a result of foreign exchange gains and losses, impairment gains and losses and interest income calculated using effective interest method are recognised in profit or loss. All other changes in carrying amount are recognised in other comprehensive income and accumulated under the heading 'other components of equity' reserve. When these assets are derecognized, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Financial instruments (continued)

ii. Measurement - Non-derivative financial instruments (Continued)

(b) Subsequent measurement - financial assets (Continued)

- 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 along with other gains/losses arising from changes in the fair value is recognised in profit and loss within finance income/finance costs.

(c) 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.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables. Provision is made for outstanding amounts over 90 days and 270 days for interconnect receivables.

III. 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).

iii. Measurement - derivative financial instruments

Derivative financial instruments, including separately 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 in profit or loss within finance income/finance costs.

iv. Derecognition

Financial liabilities are derecognised from the statement of financial position when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The 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.

(l) Share capital and Share premium

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

(m) Employee benefits

1. Defined Contribution Plan

The Company operates a defined contribution scheme for all its employees. The Company and all its employees also contribute to the National Pension Scheme Fund, a State managed retirement benefit plan which is a defined contribution scheme. Membership is compulsory and monthly contributions by both employer and employees are made. A defined contribution plan is a retirement benefit plan under which the Company pays fixed contributions into a separate company. 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 relating to employee service in the current and prior periods.

Payments to defined contribution retirement plans are recognised as an expense when employees have rendered service entitling them to the contributions.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Employee benefits (cont'd)

2. Other entitlements

The estimated liability for employees' accrued gratuity and annual leave entitlement at the reporting date is recognised as an expense accrual, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(n) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax are recognised for all taxable temporary differences, except: When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable Company.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

Other intangible assets are recognised at cost which includes its purchase price and cash price equivalent of deferred payments beyond normal credit terms, if any. Intangible assets with definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit and loss as incurred.

The Company has established the estimated useful lives of different categories of intangible assets as follows:

Software

Software is amortised over the software license period, generally not exceeding three years.

Licences (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction over the relevant licence period. The useful lives generally range from two to twenty-five years.

In addition, the Company incurs a fee on licenses/spectrum that is calculated based on the revenue/usage parameters of the licensee entity. These fees are recognised as a expense in profit and loss when incurred.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(p) Impairment of non-financial assets

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

PPE, ROU and intangible assets with definite lives are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development are tested for impairment, at least annually or earlier, if circumstances indicate that those 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 cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro rata basis. Impairment losses, if any, are recognised in statement of profit and loss.

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

Reversal of impairment losses

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

(r) Operating profit

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

(s) Dividends

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

(t) Provisions

(a) General

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 discounting due to the passage of time is recognised within finance costs.

(b) Provision for legal, tax and regulatory matters

The Company is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Company. Management, in consultation with legal, tax and other advisers where required, assesses the likelihood that a pending claim will succeed against the Company. 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.

(u) Contingencies

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

(v) Earning per share (EPS)

The Company presents the Basic and Diluted EPS data. Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(w) Employee Stock Option Plan (Share Based Payment)

Employees (including senior executives) of the Company have received remuneration from the ultimate holding company in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The company recognizes the expense over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, with corresponding credit taken to payables since the cost will be subsequently reimbursed to the parent.

(x) Current versus non-current classification

The Company classifies assets and liabilities in the statement of financial position as current or non-current.

Deferred tax assets and liabilities, and all assets and liabilities which are not 'current' (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the Company's normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, is a cash or cash equivalent unless restricted from being exchanged or is used to settle a liability for at twelve least months after the reporting period.

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or the Company does not have the right to defer the settlement of the liability at the end of the reporting period for at least 12 months after the reporting period.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Receivables

Critical estimates are made by the Directors in determining the recoverable amount of impaired receivables. The Company uses a provision matrix to measure the expected credit loss of trade receivables. Factors taken into consideration in making such judgments include historical trends and the number of days a debt is past its due date for

When measuring the expected credit loss (ECL), the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. If the ECL rates on trade receivables between 61 and 90 days past due had been 5% higher/lower as of December 2025, the loss allowance on trade receivables would have been K2.255 million (2024: K0.544 million) higher/lower. If the ECL rates on trade receivables between 31 and 60 days past due had been 5% higher/lower as of December 2025, the loss allowance on trade receivables would have been K1.935 million (2024: K1.372 million) higher/lower. The carrying amount of impaired receivables is set out in Note 24.

On the basis of an assessment made no impairment has been made or been found to be necessary on related party balances, contract assets and other receivables.

Contingent liabilities and provisions

The Company is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Company. Management in consultation with the legal, tax and other advisers assess the likelihood that a pending claim will succeed. The Company has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable. However, given the nature of these matters, there may be a risk of a material change within the next financial year.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(ii) Critical judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made judgments in determining:

(a) Determining the incremental borrowing rate for lease contracts

The Company has recognised lease liabilities at present value using the incremental borrowing rate (IBR) based on considerations specific to the lease agreement. Since determination of incremental borrowings is not directly available for the given markets in which the Company operates, the Company has used judgement in determining the IBR by taking into consideration risk free borrowing rate based on US$ bonds and adjusting it for country and Company specific risk premiums. The IBR used across the Company is 11.77% for USD leases and 16.67% for ZMW leases.

(b) Separating lease and non-lease components

The consideration paid by the Company in telecommunication towers lease contracts include the use of land, passive infrastructure as well as maintenance, security services, etc. Therefore, in determining the allocation of consideration between lease and non-lease components, for the additional services that are not separately priced, the Company performs detailed analysis of cost split to arrive at relative stand-alone prices of each of the components.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Details of key risks as applicable to the Company are summarised below:

(a) Market risk

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

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

(i) Foreign exchange risk

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

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

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

At 31 December 2025, if the Kwacha had weakened/strengthened by 5% against the US dollar with all other variables held constant, profit before tax for the period would have been K86.260 million (2024: K32.840 million) lower/higher, mainly as a result of US dollar denominated trade receivables, payables, lease liability and cash and cash equivalents.

	2025 K'000	2024 K'000
Exposure to currency risk		
The Company's exposure to foreign currency risk was as follows:		
Cash and cash equivalents (net)	57 108	100 301
Trade and other receivables	468 318	375 553
Trade and other payables	(381 322)	(435 499)
Lease liabilities	(1 869 306)	(697 158)
	(1 725 202)	(656 803)

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk

The following US Dollar exchange rates applied during the period:	2025 K'000	2024 K'000
Average Rate	22.807	27.566
Closing Rate	22.230	27.860

(ii) Price risk

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

(iii) Interest rate risk

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

The Company's interest bearing financial liabilities were the overdraft of **K507.707 million** (2024: K857.057 million) and the borrowing of **K2,501.788 million** at year end (2024: K1,332.174 million). The Company regularly monitors financing options available to ensure optimum interest rates are obtained. At 31 December 2025, if effective interest rates on borrowings had been 2% higher/lower with all other variables held constant, pre tax profit would have been **K56.286 million** (2024: K43.785 million) lower/higher.

(b) Credit risk

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

The Company is not significantly exposed to credit risk on the retail side since the majority of its customers are on the prepaid plan and majority of the distributors /dealers are primarily on cash basis, or their credit is covered by a bank guarantee.

The interconnection between the Company and other telecommunications operators (both local and foreign) is on credit basis and the number of credit days is governed by the agreement between the parties. The utilisation of credit limits is regularly monitored.

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

	Note	2025 K'000	2024 K'000
Cash and cash equivalents	26	105 360	144 786
Contract assets	25	148 676	59 613
Amounts due from related parties	24	439 127	371 371
Trade receivables (net)	24	93 251	43 373
		786 414	619 143

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

Impairment losses

The ageing of trade receivables at the reporting date was:

	2025 K'000 Gross amount	2025 K'000 Impaired	2024 K'000 Gross amount	2024 K'000 Impaired
Up to 30 days	4 142	-	524	-
30 to 90 days	44 002	-	31 964	-
90 days and above	156 522	111 415	118 802	107 917
	204 666	111 415	151 290	107 917

Collateral is held for some of the above assets namely distributors with Nil bank guarantees, K1.033 million post-paid deposits as at 31 December 2025 (2024: Nil million distributors with bank guarantees, K1.101 million post-paid deposits). Trade receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Impairment losses (continued)

Based on the industry practices and the business environment in which the Company operates, management considers trade receivables are credit impaired if the payments are more than 270 days past due in case of interconnect customers and 90 days past due in other cases. In determining the amount of impairment, management considers the collateral against such receivables and any amount payable to such customers.

	2025 K'000	2024 K'000
Past due but not impaired:		
- by up to 30 days	4 142	524
- by 31 to 90 days	44 002	31 964
- by 91 days and over	45 107	10 885
Total past due but not impaired	93 251	43 373

The counter-parties of the Company's other receivables carry either no or very minimal credit risk. Further, the Company reviews the creditworthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the assets on an ongoing basis, and if required, takes necessary mitigation measures.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including term loans and overdraft facility from both domestic and international banks at an optimised cost and the availability of funding from the principal shareholders. For details on going concern and borrowings, refer to Notes 2 and 28 respectively.

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

Financial liabilities	Note	Carrying amount	Less than 1 year K'000	Between 1 and 2 years K'000	Between 2 and 5 years K'000	Over 5 years K'000	Total (Including K'000
At 31 December 2025							
- Trade payables	31	832 596	832 596	-	-	-	832 596
- Bank overdrafts	26	507 707	507 707	-	-	-	507 707
- Term loans	28	2 501 788	1 131 421	1 688 578	452 741	-	3 272 740
- Lease liabilities	29	3 098 813	550 175	559 257	1 759 072	2 920 845	5 789 349
- Derivative financial liabilities	30	47 758	47 758	-	-	-	47 758
- Other financial liabilities	31	172 551	172 551	-	-	-	172 551
At 31 December 2024							
- Trade payables	31	837 742	837 742	-	-	-	837 742
- Bank overdrafts	26	857 057	857 057	-	-	-	857 057
- Term loans	28	1 332 174	1 102 796	289 007	138 986	-	1 530 789
- Lease liabilities	29	940 751	488 939	136 827	371 195	252 470	1 249 431
- Derivative financial liabilities	30	7 377	7 377	-	-	-	7 377
- Other financial liabilities	31	152 072	152 072	-	-	-	152 072
Financial assets							
At 31 December 2025							
- Trade receivables	24	532 378	643 793	-	-	-	643 793
- Contract assets	25	148 676	148 676	-	-	-	148 676
- Cash and cash equivalents	26	105 360	105 360	-	-	-	105 360
- Other financial assets	23	256 868	133 162	116 910	52 371	-	302 443
At 31 December 2024							
- Trade receivables	24	414 744	522 661	-	-	-	522 661
- Contract assets	25	59 613	59 613	-	-	-	59 613
- Cash and cash equivalents	26	144 786	144 786	-	-	-	144 786
- Derivative financial assets	30	18 799	18 799	-	-	-	18 799
- Other financial assets	23	1 969	1 969	-	-	-	1 969

Kwacha'000

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The gearing ratios at 31 December 2025 and 31 December 2024 were as follows:

	2025	2024
Total borrowings (including bank overdraft and lease liabilities)	6 108 308	3 129 982
Less: cash and cash equivalents	(105 360)	(144 786)
Net debt	6 002 948	2 985 196
Total equity	778 868	564 122
Total capital	6 781 816	3 549 318
Gearing ratio	89%	84%

8. REVENUE

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines:

	2025	2024
Analysis of revenue by category:		
Airtime revenue	4 718 317	3 510 342
Data revenue	3 243 963	2 881 319
Interconnect revenue	356 424	347 729
Other services	249 506	189 445
Value added services content	188 765	96 249
Roaming revenue	55 142	49 110
Connection revenue	37 327	32 170
Handsets and accessories	21 015	33 550
Short Messaging Services	18 473	18 698
Trade discount	(17 506)	(41 497)
	8 871 426	7 117 115
Revenue recognised over time:		
Airtime revenue	4 718 317	3 510 342
Data revenue	3 243 963	2 881 319
Interconnect revenue	356 424	347 729
Other services	249 506	189 445
Value added services content	188 765	96 249
Roaming revenue	55 142	49 110
Short Messaging Services	18 473	18 698
Trade discount	(17 506)	(41 497)
	8 813 084	7 051 395
Revenue recognised at a point in time:		
Connection revenue	37 327	32 170
Handsets and accessories	21 015	33 550
	58 342	65 720

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8. REVENUE (CONTINUED)

Performance obligations that are unsatisfied (or partially unsatisfied) amounting to K154.600 million at 31 December 2025 and K150.922 million as at 31 December 2024 will be satisfied within a period of one year, respectively.

Revenue recognised that was included in the contract liability balance at the beginning of the year is K146.039 million (2024: K142.117 million). Transfers from contract assets recognized at the beginning of the period to receivables is K59.613 million for the year ended 31 December 2025 (2024: K41.725 million).

9. OTHER INCOME

	2025	2024
Gain on disposal of property, plant and equipment	80 410	638
Miscellaneous income	1 948	5 161
	82 358	5 799

10. NET EXCHANGE LOSSES

Net exchange (losses)/gains arose on:

	2025	2024
Realized exchange (losses)/gains	(422 065)	94 369
Unrealized exchange gains/(losses)	329 223	(232 697)
	(92 842)	(138 328)
Category breakdown for the net exchange losses:		
Lease liabilities	429 821	(63 414)
Borrowings and cash and cash equivalents *	(492 467)	(49 421)
Other balances	(30 196)	(25 493)
	(92 842)	(138 328)

* Majority includes financial derivatives

11. FINANCE COST AND INCOME

	2025	2024
(a) Finance income		
Interest income on deposits	(25 389)	(1 257)
(b) Finance costs		
Interest expense on borrowings	411 922	423 685
Interest on lease liability	410 923	123 373
Bank and other finance charges	2 845	3 572
	825 690	550 630

12. PROFIT BEFORE TAX

Profit before tax is stated after debiting:

	2025	2024
(a) Depreciation and amortisation		
Depreciation on property and equipment (Note 18)	606 780	547 730
Depreciation on right-of-use assets (Note 19)	307 572	170 247
Amortisation of intangible assets (Note 20)	191 168	162 530
	1 105 520	880 507
(b) Other operating expenses		
Content charges	596 678	445 158
Management fees	253 270	257 158
IT expenses	67 433	59 027
Cost of goods sold	19 392	39 426
Other expenses	14 007	36 733
Statutory Auditor's remuneration - audit and ICFR assurance	4 673	4 352
Internal Audit and others	2 337	763
	957 790	842 617

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13. EMPLOYEE BENEFITS EXPENSE	2025	2024
Salaries and bonuses	279 407	226 340
Staff welfare expenses	78 307	70 969
Others	16 697	8 095
Aon Zambia Pension Fund Administrators Limited	15 453	13 039
National Pension Scheme Authority	8 789	5 576
Employee Share Options (Share Based Payment) (Note 37)	6 910	-
	405 563	324 019

14. INCOME TAX

Current income tax	804 840	621 594
Deferred income tax (Note 17)	122 942	75 661
Rental turnover tax	573	275
Income tax expense	928 355	697 530

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

Profit before income tax	2 691 657	1 949 248
Tax calculated at the statutory income tax rate of 35%	942 080	682 237
Tax effect of:		
Expenses not deductible for tax purposes (net)	(11 090)	11 206
Rental turnover tax	573	275
Other adjustments	(3 208)	3 812
Income tax expense	928 355	697 530

Current income tax payable

Current income tax movement in the statement of financial position:

At January	184 794	178 585
Current income tax charge	804 840	621 594
WHT recoveries in respect of current	(4 002)	(358)
Payments during the year	(938 385)	(615 027)
At end of the year	47 247	184 794

Income tax provisional returns have been filed with the Zambia Revenue Authority ("ZRA") for the year ended 31 December 2025. Quarterly payments for the year ended 31 December 2025 were made on the due dates during the year.

15. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. There were no potentially dilutive shares outstanding at 31 December 2025 and 31 December 2024. Diluted earnings per share is therefore the same as basic earnings per share.

	2025	2024
Profit attributable to the equity holders of the Company	1 763 302	1 251 718
Weighted average number of ordinary shares (Nos '000)	104 000	104 000
Basic/diluted earnings per share (Kwacha)	16.95	12.04

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16. SHARE CAPITAL

	Number of shares (million)	Ordinary shares (K 000)	Share premium (K 000)
At 31 December 2025	104	1 040	24 962
At 31 December 2024	104	1 040	24 962

The total authorised number of ordinary shares is **150 million** (2024: 150 million) with a par value of K0.01 per share. The issued and fully paid ordinary shares is **104 million** (2024: 104 million).

Terms/rights attached to equity shares

The Company has only one class of ordinary equity shares having par value of K0.01 per share. Each holder of equity shares is entitled to cast one vote per share and carry a right to dividends.

17. DEFERRED TAX

Deferred tax is calculated using the tax rate of 35% (2024:35%). The balances on the deferred tax account are as follows:

	2025	2024
1 January	305 170	229 509
Charge to profit or loss (Note 14)	122 942	75 661
At 31 December	428 112	305 170

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 the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax (assets)/liabilities, deferred tax charge/(credit) in profit or loss, and deferred tax charge/(credit) in equity are attributable to the following items:

	At 1 January	Charged/ (credited) to income statement	At 31 December
31 December 2025			
Deferred tax liabilities			
Property and equipment	531 259	49 476	580 735
Unrealised exchange gains	48 129	15 705	63 834
Leases	239 490	994 506	1 233 996
Deferred tax assets			
Other temporary deductible differences	(76 478)	(138 012)	(214 490)
Other provisions	(55 637)	(10 292)	(65 929)
Unrealised exchange losses	(41 353)	(21 317)	(62 670)
Leases	(340 240)	(767 124)	(1 107 364)
Net deferred tax	305 170	122 942	428 112
31 December 2024			
Deferred tax liabilities			
Property and equipment	469 886	61 373	531 259
Unrealised exchange gains	47 923	206	48 129
Leases	265 374	(25 884)	239 490
Deferred tax assets			
Other temporary deductible differences	(60 649)	(15 829)	(76 478)
Other provisions	(52 954)	(2 683)	(55 637)
Unrealised exchange losses	(24 955)	(16 398)	(41 353)
Leases	(415 116)	74 876	(340 240)
Net deferred tax	229 509	75 661	305 170

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18. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold Improvements	Telecom equipment	Fixture, fittings, office & other IT equipment	Total	Capital work in progress (i)
Historical Cost:						
At 1 January 2024	115 299	22 312	5 950 865	821 770	6 910 246	151 787
Additions	-	-	-	-	-	782 073
Transfers	-	-	436 637	104 573	541 210	(541 210)
Adjustments/ disposals	-	-	(1 321)	-	(1 321)	-
At 31 December 2024	115 299	22 312	6 386 181	926 343	7 450 135	392 650
At 1 January 2025	115 299	22 312	6 386 181	926 343	7 450 135	392 650
Additions	-	-	-	-	-	862 746
Transfers	-	-	595 517	134 758	730 275	(730 275)
Disposals (ii)	-	-	(10 225)	(222 674)	(232 899)	-
Transfers to Intangibles (Note 20) (iii)	-	-	-	(94 158)	(94 158)	-
At 31 December 2025	115 299	22 312	6 971 473	744 269	7 853 353	525 121
Depreciation						
At 1 January 2024	62 039	18 868	3 369 828	704 531	4 155 266	-
Charge for the year	5 757	689	466 916	74 368	547 730	-
Adjustments/ disposals	-	-	(303)	-	(303)	-
At 31 December 2024	67 796	19 557	3 836 441	778 899	4 702 693	-
At 1 January 2025	67 796	19 557	3 836 441	778 899	4 702 693	-
Charge for the year	5 757	909	499 695	100 419	606 780	-
Disposals (ii)	-	-	(8 031)	(222 652)	(230 683)	-
Transfers to Intangibles (Note 20) (iii)	-	-	-	(30 781)	(30 781)	-
At 31 December 2025	73 553	20 466	4 328 105	625 885	5 048 009	-
Carrying amount:						
At 31 December 2025	41 746	1 846	2 643 368	118 384	2 805 344	525 121
At 31 December 2024	47 503	2 755	2 549 740	147 444	2 747 442	392 650

A schedule listing of the properties as required by section 279 and the second schedule of the Companies Act, 2017 is available for inspection by the members or their authorised representatives at the registered office of the Company.

(i) The carrying value of CWIP as at 31 December 2025 and 2024 is K525.122 million and K392.650 million respectively, which mainly pertains to telecom equipment.

(ii) Related to the reversal of gross carrying value and accumulated depreciation on retirement/disposal of PPE.

(iii) During the year Software with Gross block of K94.158 million and accumulated amortisation of K30.781 million was reclassified from property, plant & equipment (computers) to intangible assets.

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19. RIGHT-OF-USE ASSETS

	Leasehold buildings	Network and Telecom equipment	Total
At 1 January 2024	5 039	627 271	632 310
Additions	-	110 923	110 923
Charge for the year	(1 792)	(168 455)	(170 247)
Adjustments	-	2 632	2 632
At 31 December 2024	3 247	572 371	575 618
At 1 January 2025	3 247	572 371	575 618
Additions	-	2 783 946	2 783 946
Charge for the year	(1 233)	(306 339)	(307 572)
Adjustments	-	(2 735)	(2 735)
At 31 December 2025	2 014	3 047 243	3 049 257

Leases of plant & machinery: The Company leases passive infrastructure for providing telecommunications services under composite contracts which include lease of passive infrastructure and land on which the passive infrastructure is built as well as maintenance, security, provision of energy and other services. These leases typically run for a period of 2 -10 years. Lease contracts include an option to renew the lease after the end of the initial contract term based on renegotiation of lease rentals. A portion of certain lease payments change on account of changes in macro economic indexes. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

On 21 January 2025, the Company renewed its tower lease agreement with IHS Zambia Limited ('IHS'). This renewal covers approximately 1,172 sites for a further 10-year term, resulting in a significant addition to leases during the year.

Other leases: The Company's other leases comprise of land, shops, showrooms, warehouse and vehicles.

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20. INTANGIBLE ASSETS

	Cellular license	Internet service provider license	IT Software	Total	Intangible assets under development
Cost					
At 1 January 2024	970 056	125	-	970 181	-
At 31 December 2024	970 056	125	-	970 181	-
At 1 January 2025	970 056	125	-	970 181	-
Additions	-	-	-	-	62 001
Transfer	-	-	54 140	54 140	(54 140)
Transfers from Property, Plant and Equipment (i) (Note 18)	-	-	94 158	94 158	-
At 31 December 2025	970 056	125	148 298	1 118 479	7 861
Amortization					
At 1 January 2024	244 551	125	-	244 676	-
Charge for the year	162 530	-	-	162 530	-
At 31 December 2024	407 081	125	-	407 206	-
At 1 January 2025	407 081	125	-	407 206	-
Charge for the year	162 464	-	28 704	191 168	-
Transfers from Property, Plant and Equipment (i) (Note 18)	-	-	30 781	30 781	-
At 31 December 2025	569 545	125	59 485	629 155	-
Carrying amount					
At 31 December 2025	400 511	-	88 813	489 324	7 861
At 31 December 2024	562 975	-	-	562 975	-

(i) During the year Software with Gross block of K94.158 million and accumulated amortisation of K30.781 million was reclassified from property, plant & equipment (computers) to intangible assets.

The weighted average remaining amortisation period of the Company's licences as of 31 December 2025 and 2024 is 2.39 years and 3.39 years respectively.

21. OTHER NON-CURRENT ASSETS

	2025	2024
Prepayments (i)	306 240	283 840
Deferred customer acquisition cost (ii)	47 780	52 971
	354 020	336 811
(i) Prepayments		
At 31 December		
- Current prepayment*	145 826	98 456
- Non-current prepayment	306 240	283 840
	452 066	382 296
(ii) Deferred customer acquisition cost		
At the beginning of the year	174 453	145 862
Expenses deferred	137 905	160 665
Amortisation	(153 530)	(132 074)
At the end of the year	158 828	174 453
Deferred customer acquisition cost		
- Current*	111 048	121 482
- Non-current	47 780	52 971
	158 828	174 453

* Current is included in prepayments under other current assets in note 27.

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22. INVENTORIES	2025	2024
Merchandise held for sale	18 920	28 105
Less provision for obsolete stock	(14 502)	(6 530)
	4 418	21 575

The cost of inventories recognized as an expense and included in 'other expenses' amounted to K19.392 million (2024: K39.426 million).

23. FINANCIAL ASSETS - OTHERS		
Current		
Loan to IHS Zambia Limited (i)	104 901	-
	104 901	-
Non-current		
Security deposit	1 944	1 969
Loan to IHS Zambia Limited (i)	150 023	-
	151 967	1 969

(i) Loan to IHS Zambia Limited of K250.038 million (2024: Nil). IHS Zambia Limited is a third party supplier responsible for constructing and managing BTS sites under the Master Tower Services and Licence Agreement (MTSLA).

> The loan bears a variable interest rate equal to the Bank of Zambia Monetary Policy Rate (MPR) plus a 2% margin, equivalent to 16.5% per annum at the time of approval, with interest accruing monthly and payable on the last day of each month until 30 June 2028.

> The facility is unsecured, although the Company holds a significant commercial protection through a contractual set off right permitting the deduction of overdue principal and interest from monthly tower service invoices payable to IHS Zambia Limited.

24. TRADE RECEIVABLES		
Trade receivables	204 666	151 290
Less provision for impairment losses	(111 415)	(107 917)
Net trade receivables	93 251	43 373
Amounts due from related parties (refer note 37)	439 127	371 371
	532 378	414 744

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables. The expected credit loss (ECL) is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case to case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

The Company uses a provision matrix to measure the expected credit loss of trade receivables. Based on the industry practices and the business environment in which the Company operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due (Interconnect more than 9 months).

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.

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24. TRADE AND OTHER RECEIVABLES (CONTINUED)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivable has crossed the law of limitation period past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

	2025	2024
Balance as at 1 January	107 917	104 883
Transfer to credit-impaired	5 274	3 368
Foreign exchange gain	(1 776)	(334)
Balance as at 31 December	111 415	107 917

Trade Receivables - Days Past Due

At 31 December 2025

	Not Past Due	<30	31-60	61-90	91-120	>120	Total
Expected credit loss rate	0%	0%	0%	0%	100%	100%	
Estimated total gross carrying amount at default	4 142	23 690	20 312	45 107	13 953	97 462	204 666
Lifetime ECL					13 953	97 462	111 415

At 31 December 2024

	Not Past Due	<30	31-60	61-90	91-120	>120	Total
Expected credit loss rate	0%	0%	0%	0%	100%	100%	
Estimated total gross carrying amount at default	524	4 533	27 431	10 885	4 175	103 742	151 290
Lifetime ECL	-	-	-	-	4 175	103 742	107 917

25. CONTRACT ASSETS

	2025	2024
Revenue from post paid customers	108 541	23 157
Revenue from interconnect customers	21 746	19 216
Revenue from sale of handsets to corporate/enterprise customers	12 551	14 794
Revenue from roaming customers	5 838	2 446
Current	148 676	59 613
Non-Current	-	-

Amounts relating to contract assets are balances due from customers under Sale of Bundled Handsets Contracts, Post Paid contracts, Interconnect Contract and Roaming Contract that arise when the Company receives payments from customers in line with a series of performance related milestones. The Company will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

The Directors of the Company always measure the Expected Credit Loss on the amounts due from customers, taking into account the ageing of receivables, historical default experience and the industry practices and the business environment in which the Company operates. None of the amounts due from customers at the end of the reporting period is past due.

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26. CASH AND CASH EQUIVALENTS	2025	2024
Balances in banks		
- Current accounts	60 230	107 555
- Cash on hand	45 130	37 231
	105 360	144 786

For the purpose of the statement of cash flows, cash and cash equivalents are as follows:

Cash and bank balances	105 360	144 786
Bank overdrafts (Note 28)	(507 707)	(857 057)
	(402 347)	(712 271)

The Company has five overdraft facilities with limits of up to K730 million and US$12 million as shown below. These facilities are subject to annual review. Overdraft facility from Citibank Zambia Limited is available for utilization in both USD and ZMW.

(i)	Citibank Zambia Limited	$ 12 million (K269 million)	MPR+ liquidity premium + 2.25% margin
(ii)	Standard Chartered Bank Zambia Plc	K 180 million	MPR + 0% margin
(iii)	Absa Bank Zambia Plc	K 50 million	MPR + 1% margin
(iv)	Stanbic Bank Zambia Limited	K 200 million	MPR +liquidity premium + 1.5% margin
(v)	Indo Zambia Bank	K 300 million	MPR + 2% margin

The Company had drawn amounts as at the year-end of K507.707 million and US$ Nil (2024: K857.057 million and US$ Nil). The overdrafts are utilised in operations as part of working capital management.

The overdraft limit was not exceeded at any time during the period and all the overdraft facilities are unsecured.

27. OTHER CURRENT ASSETS	2025	2024
Advances to suppliers	110 417	39 616
Advance to related parties (Note 37)	211 082	-
Deferred customer acquisition cost	111 048	121 482
Prepayments	145 826	98 456
Others assets	97 239	101 436
	675 612	360 990

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28. BORROWINGS

	2025	2024
Non-current		
Term loans	2 501 788	1 332 174
Less : current	(778 025)	(1 003 653)
	1 723 763	328 521
Current maturity of term debts	778 025	1 003 653
Bank overdraft (Note 26)	507 707	857 057
Total current borrowings	1 285 732	1 860 710

The term loans are due to the following commercial banks:

	First National Bank Zambia	Standard Chartered Bank Zambia Plc	Stanbic Bank Zambia Limited	ABSA Bank Zambia Plc	International Finance Corporation	Access Bank Zambia Limited	UBA Bank Zambia Limited	Ecobank Zambia Limited	Total
At 1 January 2024	40 000	190 000	400 000	400 000	260 250	172 552	-	-	1 462 802
Drawn down during the year		220 000	-	250 000	-	-	-	-	470 000
Repayments in the year	(40 000)	(190 000)	-	(176 389)	(21 687)	(172 552)	-	-	(600 628)
At 31 December 2024	-	220 000	400 000	473 611	238 563	-	-	-	1 332 174

	First National Bank Zambia	Standard Chartered Bank Zambia Plc	Stanbic Bank Zambia Limited	ABSA Bank Zambia Plc	International Finance Corporation	Access Bank Zambia Limited	UBA Bank Zambia Limited	Ecobank Zambia Limited	Total
At 1 January 2025	-	220 000	400 000	473 611	238 563	-	-	-	1 332 174
Drawn down during the year	300 000	220 000	700 000	450 000	-	600 000	194 000	200 000	2 664 000
Repayments in the year	-	(220 000)	(699 308)	(473 611)	(43 375)	(40 818)	(17 274)	-	(1 494 386)
At 31 December 2025	300 000	220 000	400 692	450 000	195 188	559 182	176 726	200 000	2 501 788

> In December 2022, the Company obtained a long term credit facility from the International Finance Corporation for K260.25 million. The loan carries a fixed interest rate of 18.50% per annum. The facility is repayable within 96 months. The loan is guaranteed by Bharti Airtel International (Netherlands) BV (Intermediate parent) and the outstanding balance was K195.188 million.

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28. BORROWINGS

> In April 2025, the Company obtained a revolving credit facility from Stanbic Bank Zambia Limited amounting to K400 million. The facility bears interest at MPR +2%. As at 31 December 2025, the outstanding balance was K193 million and unutilized facility amount is K207 million. The facility is unsecured.

> In September 2023, the Company obtained a medium term credit facility from Absa Bank Zambia Plc for K400 million. The loan carries an interest rate of Monetary Policy Rate + 2.5% per annum. The facility was repayable semi-annually within 36 months and as of 31 December 2024, the outstanding balance was K311.11 million and is unsecured. The facility was paid off during the year.

> In January 2024, the company obtained a short term loan facility from Absa Bank Zambia Plc for K250 million. The loan carries an interest rate of Monetary Policy Rate + 1% per annum. The facility is repayable semi-annually within 12 months and as of 31 December 2024, the outstanding balance was K162.50 million and is unsecured. The facility was paid off during the year.

> In November 2025, the Company obtained a medium-term loan facility of K250 million from Absa Bank Zambia Plc, followed by an additional drawdown of K200 million in December 2025. The loan carries interest at the Monetary Policy Rate plus 1.5% per annum. The facility is repayable semi-annually within a 12-month period. As at 31 December 2025, the outstanding balance was K450 million. The loan is unsecured.

> In August 2024, the Company obtained a short-term loan facility of K220 million from Standard Chartered Bank Zambia Plc. The loan bears interest at the Monetary Policy Rate less a margin of 2.25% per annum. The facility is subject to roll forward every three months. As at 31 December 2025, the outstanding balance was K220 million. The facility is unsecured.

> In September 2025, the Company obtained a long-term credit facility of K300 million from First National Bank Zambia. The loan carries interest at the Monetary Policy Rate plus 1.5% per annum. As at 31 December 2025, the outstanding balance was K300 million.

> In February 2025, the Company obtained a medium-term credit facility of K400 million from Access Bank Zambia Limited. In June 2025, the facility was enhanced to a long-term facility amounting to K600 million. The loan carries interest at the Monetary Policy Rate plus 2% per annum. The facility is repayable semi-annually over a 60-month period. As at 31 December 2025, the outstanding balance was K559 million.

> In December 2025, the Company obtained a medium-term credit facility of K200 million from ECO Bank Zambia Plc. The loan carries interest at the Monetary Policy Rate plus 1% per annum. As at 31 December 2025, the outstanding balance was K200 million.

> In February 2025, the Company obtained a medium-term credit facility of K300 million from Stanbic Bank Zambia Plc. The loan carries interest at the Monetary Policy Rate plus 2.25% per annum. As at 31 December 2025, the outstanding balance was K208 million.

> In May 2025, the Company obtained a short term credit facility of K194 million from United Bank for Africa (UBA) Zambia Plc. The loan carries interest at the Monetary Policy Rate plus 1.5% per annum and has a contractual tenor of 36 months. As at 31 December 2025, the outstanding balance was K177 million.

> In December 2025, the Company obtained a short term revolving facility of K680 million from Standard Chartered Bank Zambia Plc. The facility carries interest at the Monetary Policy Rate minus 0.5% per annum and has a contractual tenor of 1 year, revolving every 3 months. As at 31 December 2025, the facility had not been drawn.

> There was no breach of any loan agreement during the year.

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29. LEASE LIABILITIES

	2025	2024
(a) Analysed as:		
Non-current	2 974 703	537 442
Current	124 110	403 309
	3 098 813	940 751
(b) Maturity analysis:		
Less than one year	550 175	488 939
Later than one year but not later than two years	559 257	136 827
Later than two years but not later than five years	1 759 072	371 195
Later than five years but not later than nine years	2 477 423	242 939
Later than nine years	443 422	9 531
Total undiscounted lease liabilities	5 789 349	1 249 431
Lease liabilities included in the statement of financial position	3 098 813	940 751
(c)The movement for the year is as follows:		
At the beginning of the year	940 751	1 186 993
Additions during the year	2 783 946	110 923
Interest repayments during the year	410 923	123 373
Adjustments	(4 175)	-
Repayments during the year	(606 190)	(543 952)
Exchange (gains)/losses	(426 442)	63 414
Net obligations under lease liabilities	3 098 813	940 751

The Company has renewed its existing lease for the towers and the average term of lease liabilities entered into is 10 years.

The interest rate inherent in the leases is fixed/variable at the contract date for all of the lease term.

The Directors consider that the fair value of the leases is equal to their carrying values as reflected in the statement of financial position.

30. DERIVATIVE FINANCIAL INSTRUMENTS

	2025	2024
The details of derivative financial instruments are as follows:		
Foreign currency forward contracts (assets)	-	18 799
Foreign currency forward contracts (liabilities)	(47 758)	(7 377)

31. TRADE PAYABLES, PROVISIONS AND OTHER FINANCIAL LIABILITIES

	2025	2024
(a) Trade payables		
Trade payables	307 856	345 295
Amounts due to related parties (refer note 37)	275 684	378 976
Accrued expenses	249 056	113 471
	832 596	837 742

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

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

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31. TRADE PAYABLES, PROVISIONS AND OTHER FINANCIAL LIABILITIES (CONTINUED)	2025	2024
(b) Other financial liabilities		
Equipment supply payables	137 749	55 301
Others	24 708	93 617
Due to related parties (Note 37)	6 646	-
Dues to employees	2 333	1 970
Security deposits	1 115	1 184
	172 551	152 072

(i) Employee Share Options (Shared Based Payment) payable to Airtel Africa plc of K6.646 million as at 31 December 2025 (2024: nil).

(c) Provisions	2025	2024
Current provisions		
- Provisions for employee benefits	36 090	34 650
- Provisions for legal and other obligations	103	103
	36 193	34 753
Non-current provisions		
- Provisions for employee benefits	12 101	2 479
- Provisions for asset retirement obligations	3 070	2 670
	15 171	5 149
	51 364	39 902

32. CONTRACT LIABILITIES

Amounts received in advance from prepaid customers for delivery of internet and voice service.

	2025	2024
Current	150 275	146 039
Non-current	4 325	4 883
Deferred income	154 600	150 922

Revenue relating to internet and voice services is recognised over time, when a customer makes use of the talk-time that was carried forward.

33. FINANCIAL LIABILITIES - OTHERS

Non-current	2025	2024
Dues to employees *	775	-
	775	-

* The majority comprises the Employee Deferred Cash Plan liability.

34. OTHER CURRENT LIABILITIES

	2025	2024
Tax payable	329 866	264 677
Others	2 194	1 212
	332 060	265 889

Other current liabilities mainly include Value Added Tax of K145.596 million and Excise Duty of K111.128 million as at 31 December 2025.

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35. CONTINGENT LIABILITIES

Legal proceedings

The Company had some pending legal proceedings as at 31 December 2025. Management is of the opinion, having obtained relevant legal advice, that it is possible, but not probable, that contingent liability of **K10.002 million** (2024: K0.002 million) arising from pending proceedings against the Company will crystalise.

Tax proceedings

At 31 December 2025, there were two open assessments issued by the Zambia Revenue Authority (ZRA) relating to Income tax, Excise Duty and Value Added Tax (VAT). Based on management's evaluation, contingent liability was nil (2024: nil).

Regulatory proceedings

The Company has appealed a CCPC decision and the outcome of the appeal remains pending as at 31 December 2025. Management is of the opinion, having obtained relevant legal advice, that it is possible, but not probable, that a contingent liability of **K133.541 million** is reported (2024: nil).

36. CAPITAL COMMITMENTS

Capital expenditure contracted (gross) for at the reporting date but not recognised in the financial statements is as follows:

	2025	2024
At 31 December	709 435	299 524

37. RELATED PARTY DISCLOSURES

Airtel Networks Zambia Plc is part of the Bharti Airtel Group of Companies. The Group's direct shareholder owning 90.00% is Bharti Airtel Zambia Holdings BV (BAZHBV), a Group incorporated and domiciled in the Netherlands. The Company is listed on the Lusaka Stock Exchange (LuSE). Ultimate controlling entity is Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Mittal's family trust effectively controlling the Group.

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

	2025		2024	
Name of shareholder	Number of shares	% shareholding	Number of shares	% shareholding
Bharti Airtel Zambia Holdings BV	93 600 048	90.00%	97 653 142	93.90%
Public (institutions and individual investors)	10 399 952	10.00%	6 346 858	6.10%
	104 000 000	100.00%	104 000 000	100.00%

Please refer to Note 2 for Credit line available to the Company from the shareholder.

The following transactions were carried out with related parties:

All the transactions with related parties are in the ordinary course of business and all these transactions are on arm's length basis.

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37. RELATED PARTY DISCLOSURES (CONTINUED)

i) Purchase of goods and services

Name of related party	Country of incorporation	Relationship to Company	2025	2024
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	1 354 503	1 075 016
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	241 144	43 356
Airtel Zambia Telesonic Limited	Zambia	Fellow subsidiary	117 046	858
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	15 939	18 128
Network i2i Ltd.	Mauritius	Intermediate parent	14 579	10 436
Xtelify Limited	India	Fellow subsidiary	9 325	-
Airtel International LLP	India	Fellow subsidiary	8 110	210 137
Airtel Tanzania plc	Tanzania	Fellow subsidiary	6 809	3 709
Airtel Malawi plc	Malawi	Fellow subsidiary	6 218	3 131
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	4 866	3 393
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	2 146	125
Bharti Airtel (France) SAS	France	Fellow subsidiary	2 116	379
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	2 103	473
Bharti Airtel Limited	India	Intermediate parent	1 968	4 420
Nxtra Data Limited	India	Fellow subsidiary	1 375	1 699
Airtel Uganda Limited	Uganda	Fellow subsidiary	518	355
Airtel Networks Limited	Nigeria	Fellow subsidiary	417	60
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	24	10
Emtel Limited	Mauritius	*Other related party	10	8
Bharti Hexacom Limited	India	Fellow subsidiary	9	13
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	5	17
Airtel Gabon S.A.	Gabon	Fellow subsidiary	2	-
Airtel Congo S.A	Congo B	Fellow subsidiary	1	2
Airtel Tchad S.A.	Chad	Fellow subsidiary	1	-
Centum Learning Limited	India	*Other related party	-	3 317
Total			1 789 234	1 379 042

ii) Sale of goods and services

Name of related party	Country of incorporation	Relationship to Company	2025	2024
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	167 823	100 378
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	118 485	147 410
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	26 794	19 665
Airtel Malawi plc	Malawi	Fellow subsidiary	4 494	20 837
Airtel International LLP	India	Fellow subsidiary	3 630	-
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	3 178	2 434
Airtel Tanzania plc	Tanzania	Fellow subsidiary	3 032	16 627
Airtel Networks Limited	Nigeria	Fellow subsidiary	1 486	4 125
Bharti Airtel Limited	India	Intermediate parent	1 342	677
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	1 239	114
Airtel Uganda Limited	Uganda	Fellow subsidiary	268	519
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	246	708
Singapore Telecommunications Limited	Singapore	*Other related party	76	54
Bharti Hexacom Limited	India	Fellow subsidiary	21	17
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	16	22
Airtel Congo S.A	Congo B	Fellow subsidiary	4	-
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	3	7
Jersey Airtel Limited	Jersey	*Other related party	3	3
Airtel Gabon S.A.	Gabon	Fellow subsidiary	3	-
Airtel Tchad S.A.	Chad	Fellow subsidiary	1	-
Total			332 144	313 597

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37. RELATED PARTY DISCLOSURES (CONTINUED)

iii) Management fees expenses

			2025	2024
Bharti Airtel International (Netherlands) BV	Netherlands	Intermediate parent	253 270	257 158

iv) Receivable from related parties

Name of related party	Country of incorporation	Relationship to Company	2025	2024
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	91 414	30 810
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	74 640	55 279
Airtel Malawi plc	Malawi	Fellow subsidiary	71 643	106 078
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	64 464	52 434
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	59 157	70 884
Airtel Tanzania plc	Tanzania	Fellow subsidiary	22 096	24 557
Airtel Zambia Telesonic Limited	Zambia	Fellow subsidiary	21 212	3 947
Airtel Africa Services (UK) Limited	United Kingdom	Fellow subsidiary	8 091	2 633
Airtel Networks Limited	Nigeria	Fellow subsidiary	6 785	6 662
Bharti Airtel Limited	India	Intermediate parent	5 411	4 302
Network i2i Ltd.	Mauritius	Intermediate parent	5 402	6 770
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	3 530	4 048
Airtel International LLP	India	Fellow subsidiary	2 904	-
Airtel Congo S.A	Congo B	Fellow subsidiary	1 058	1 324
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	743	989
Airtel Uganda Limited	Uganda	Fellow subsidiary	423	475
Bharti Airtel Services Limited	India	Fellow subsidiary	74	-
Bharti Hexacom Limited	India	Fellow subsidiary	34	16
Airtel Gabon S.A.	Gabon	Fellow subsidiary	21	25
Singapore Telecommunications Limited	Singapore	*Other related party	13	104
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	9	10
Jersey Airtel Limited	Jersey	*Other related party	2	4
Airtel (Seychelles) Limited	Seychelles	Fellow subsidiary	1	20
Total (Note 24)			439 127	371 371

v) Payable to related parties

Name of related party	Country of incorporation	Relationship to Company	2025	2024
Airtel Mobile Commerce Zambia Limited	Zambia	Fellow subsidiary	108 663	50 742
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	61 759	75 155
Airtel Africa Services (UK) Limited	United Kingdom	Fellow subsidiary	37 136	60 801
Bharti Airtel (France) SAS	France	Fellow subsidiary	12 501	6 150
Bharti Airtel International (Netherlands) BV	Netherlands	Intermediate parent	11 467	24 994
Airtel Tanzania plc	Tanzania	Fellow subsidiary	9 835	9 887
Airtel Networks Limited	Nigeria	Fellow subsidiary	6 427	7 791
Airtel Networks Kenya Limited	Kenya	Fellow subsidiary	6 237	6 697
Bharti Airtel (UK) Limited	United Kingdom	Fellow subsidiary	5 936	5 220
Network i2i Ltd.	Mauritius	Intermediate parent	5 325	4 043
Airtel Malawi plc	Malawi	Fellow subsidiary	4 119	1 782
Airtel Zambia Telesonic Limited	Zambia	Fellow subsidiary	3 574	116 461
Bharti Airtel Limited	India	Intermediate parent	1 173	1 282
Airtel Congo (RDC) S.A.	Congo (DRC)	Fellow subsidiary	723	615
Airtel Rwanda Limited	Rwanda	Fellow subsidiary	581	2 141
Balance carried forward			275 456	373 761

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37. RELATED PARTY DISCLOSURES (CONTINUED)

v) Payable to related parties (Continued)

Name of related party	Country of incorporation	Relationship to Company	2025	2024
Balance brought forward			275 456	373 761
Airtel Madagascar S.A.	Madagascar	Fellow subsidiary	150	187
Airtel Uganda Limited	Uganda	Fellow subsidiary	57	44
Bharti Hexacom	India	Fellow subsidiary	11	3
Airtel Tchad S.A.	Chad	Fellow subsidiary	5	4
Airtel (Seychelles)	Seychelles	Fellow subsidiary	5	2
Nxtra Data Limited	India	Fellow subsidiary	-	83
Airtel International	India	Fellow subsidiary	-	4 892
Total (Note 31 a)			275 684	378 976

vi) Advance to related parties

Name of related party	Country of incorporation	Relationship to Company	2025	2024
Airtel Africa Telesonic Limited	United Kingdom	Fellow subsidiary	211 082	-
Total (Note 27)			211 082	-

vii) Payable to related parties (Share Based Payment)

Name of related party	Country of incorporation	Relationship to Company	2025	2024
Airtel Africa plc	Unite United Kingdom	Intermediate Parent	6 646	-
Total (Note 31 c)			6 646	-

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

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

* Other related parties' though not 'Related Parties' as per the definition under IAS 24, 'Related party disclosures', have been included by way of a voluntary disclosure, following the best corporate governance practices.

viii) Key management compensation

	2025	2024
Short-term employee benefits	6 595	5 902
Performance linked incentive	6 099	4 328
Share Based Payment	1 223	439
Sitting fees	1 363	1 364
Other benefits	7 823	6 728
	23 103	18 761

ix) Compensation of directors for the year ended 31 December 2025

Name of director	Hamish Chipungu	Monica K. Musonda	Lynda Mataka	Hussameldin Baday	Total
Type of director	Non-Executive	Non-Executive	Non-Executive	Executive	
Sitting fees	353	325	685	-	1 363
Basic salary	-	-	-	6 595	6 595
Performance bonus	-	-	-	6 099	6 099
Share Based Payment	-	-	-	1 223	1 223
Child school fees benefit	-	-	-	2 307	2 307
Housing allowance	-	-	-	1 838	1 838
Car and air travel	-	-	-	3 366	3 366
Medical and health insurance	-	-	-	209	209
Other benefits*	-	-	-	103	103
	353	325	685	21 740	23 103

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37. RELATED PARTY DISCLOSURES (CONTINUED)

2025 2024

Compensation of directors for the year ended 31 December 2024

Name of director	Monica K. Musonda	Lynda Mataka	Hussameldin Baday	Total
Type of director	Non-Executive	Non-Executive	Executive	
Sitting fees	778	586	-	1 364
Basic salary	-	-	5 902	5 902
Performance bonus	-	-	4 328	4 328
Share Based Payment	-	-	439	439
Child school fees benefit	-	-	949	949
Housing allowance	-	-	1 560	1 560
Car and air travel	-	-	2 976	2 976
Medical and health insurance	-	-	202	202
Other benefits*	-	-	1 041	1 041
	778	586	17 397	18 761

* Other benefits includes retirement benefit, airtime and handset allowance.

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

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

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

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

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

		Carrying value	Fair value
31 December 2025			
Derivative financial liabilities	Level 2	(47 758)	(47 758)
Cash and cash equivalents		105 360	105 360
Trade receivables		532 378	532 378
Contract assets		148 676	148 676
Bank overdraft		(507 707)	(507 707)
Trade payables		(832 596)	(832 596)
Term loans		(2 501 788)	(2 501 788)
Lease liabilities		(3 098 813)	(3 098 813)
Other financial assets		256 868	256 868
Other financial liabilities		(173 326)	(173 326)

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

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

31 December 2024		Carrying value	Fair value
Derivative financial liabilities	Level 2	(7 377)	(7 377)
Derivative financial assets	Level 2	18 799	18 799
Cash and cash equivalents		144 786	144 786
Trade receivables		414 744	414 744
Contract assets		59 613	59 613
Bank overdraft		(857 057)	(857 057)
Trade payables		(837 742)	(837 742)
Term loans		(1 332 174)	(1 332 174)
Lease liabilities		(940 751)	(940 751)
Other financial assets		1 969	1 969
Other financial liabilities		(152 072)	(152 072)

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

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

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

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Valuation technique(s) and key inputs(s)	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
Foreign currency forward contracts	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A

Foreign exchange forward contracts

It is the policy of the Company to enter into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated sale and purchase transactions of the exposure generated.

Foreign currency forward contract assets and liabilities are presented in the line 'Derivative financial instruments' (either as assets or as liabilities) within the statement of financial position.

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39. DIVIDENDS

	2025	2024
Balance at 1 January	90 301	-
Final dividend for previous year	483 600	364 000
Interim dividend	1 064 956	763 360
Dividend Paid	(1 638 857)	(1 037 059)
Balance at 31 December	-	90 301

40. SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the Executive management committee that are used to make strategic decisions. The committee considers the business as a single operating segment, being Zambia operations, as the information reported to the executive management committee for the purpose of strategic decision making is not presented per product line.

The reportable operating segment derives its revenue primarily from the sale of voice and data services to subscribers of the network and to foreign telephony operators when their subscribers utilise the Airtel Zambia network. Other revenue consists of connection and subscription charges and sale of mobile handsets to customers.

The executive management committee assesses the performance of the operating segment based on a measure of Earnings before Interest, Tax, Depreciation and Amortisation.

The breakdown of the revenue from all services is shown in note 8.

41. EVENTS AFTER REPORTING DATE

There were no material subsequent events for the year ended 31 December 2025. The Directors are not aware of any matter or circumstances since the financial year end and the date of this report, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Company and the results of its operations.