AIRTEL RWANDA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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FOR THE YEAR ENDED 31 DECEMBER 2025

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AIRTEL RWANDA LIMITED

CORPORATE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2025

DIRECTORS

The directors who served during the year and to the date of this report were:

Name	Role	Date of appointment/resignation
Mr. Richard Mugisha	Chairman	Appointed 1 December 2014
Mr. Sujay Chakrabarti	Managing Director	Appointed 13 October 2025
Mr. Neeraj Jain	Non-Executive Director	Appointed 1 August 2025
Mr. Apoorva Mehrotra	Non-Executive Director	Appointed 20 October 2022
Mr. Emmanuel Hamez	Former Managing Director	Resigned 12 October 2025
Mr. Alok Bafna	Non-Executive Director	Resigned 31 July 2025

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

Airtel Rwanda Limited
Remera, Gasabo
P.O. Box 4164
Kigali, Rwanda

AUDITORS

BDO East Africa (Rwanda) Ltd
Certified Public Accountants
Career Center Building, 8th Floor
KG 541st Road, PO Box 6953
Kigali, Rwanda

BANKERS

Bank of Kigali Plc
P.O. Box 175
Kigali, Rwanda

Access Bank Rwanda Plc
P.O Box 2059
Kigali, Rwanda

Ecobank Rwanda Plc
P.O. Box 3268
Kigali, Rwanda

Equity Bank Rwanda Plc
P.O. Box 494
Kigali, Rwanda

Deutche Bank
P.O. Box 5230
Kigali, Rwanda

Zigama Credit and Savings Bank
P.O. Box 4772
Kigali, Rwanda

I&M Bank Rwanda Plc
P.O Box 354
Kigali, Rwanda

Kotak Mahindra Bank Ltd
GIFT City Branch,
Gujarat, India

International Finance Corporation (IFC)
2121 Pennsylvania Avenue, N.W.
Washington, D.C. 20433
United States of America

SECRETARY

Mr. Shema Baker
C/O Airtel Rwanda Limited
P.O. Box 4164
Kigali, Rwanda

LEGAL ADVISORS

Trust Law Chambers
P.O Box 6679
Kigali, Rwanda

B&A Advocates
P.O Box 4067
Kigali, Rwanda

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The directors submit their report on the affairs of the Airtel Rwanda Limited ("the Company") together with financial statements and the auditors' report for the year ended 31 December 2025, which disclose the state of affairs of the Company.

1. INCORPORATION INFORMATION

The Company is a limited liability Company incorporated and domiciled in Rwanda and its registered office is Remera, Gasabo, P.O. Box 4164, Kigali Rwanda. The principal activity of the Company is the provision of a public GSM mobile telecommunication network in Rwanda.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of a public mobile telecommunication network.

3. RESULTS

The results for the year are set out on page 8.

4. DIVIDEND

The directors do not recommend payment of dividend with respect to the year ended 31 December 2025 (2024: Nil).

5. RESERVES

The reserves of the Company are set out on page 10.

6. DIRECTORS

The Directors who held office during the year and to the date of this report are set out on page 1.

7. STAFF WELFARE

Management has designed a number of compensation packages in order to recruit and retain good quality and dedicated staff, including advances. Other staff incentives include a health insurance package.

8. RELATIONSHIP WITH STAKEHOLDERS

The Company continues to maintain a good relationship with all stakeholders including the regulators.

9. RELATED PARTIES

All related party transactions and balances are disclosed in note 23 to these financial statements.

10. GOING CONCERN

The Directors are of the opinion that the Company is going concern on the basis that the Company:

a) Will generate cash inflows from operations;

b) Will obtain funding from the third parties; and

c) The Company will be able to obtain from any additional funding from the shareholders required to meet its obligations as and when they fall due.

The Directors are confident that the funds described above will be available to the Company to support its obligations as required and that it is therefore appropriate to prepare the financial statements on a going concern basis.

11. AUDITORS

BDO East Africa (Rwanda) Ltd were appointed initially in the year 2021 and have expressed their willingness to continue in office in accordance with Law No 007/2021 of 05/02/2021 governing companies as amended by Law No 019/2023 of 30/03/2023.

12. DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

By Order of the Board

The financial statements on pages 8 to 51 were approved at a meeting of the Directors held on .....26....March...2026 and signed on its behalf by:

Shema Baker

Company Secretary

airtel
airtel Rwanda Ltd
Kigali

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

Law No 007/2021 of 05/02/2021 governing companies as amended by Law No 019/2023 of 30/03/2023 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for that year. It also requires the directors to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

In preparing the Company's financial statements, the directors are required to:
- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- Present information, including accounting policies, in a way that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when the specific requirements in IFRS Accounting Standards do not enable readers to understand the impact of transactions, other events and conditions on our financial position and financial performance; and
- Make an assessment of the ability of the Company to continue as a going concern

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company as at 31 December 2025 and of its loss and cash flows for the year then ended in accordance with the IFRS Accounting Standards and the requirements of Law No 007/2021 of 05/02/2021 governing companies as amended by Law No 019/2023 of 30/03/2023.

The financial statements set out on pages 8 to 51, which have been prepared on a going concern basis, were approved by the board of directors on 26 March 2026 and were signed on their behalf by:

Sujay Chakrabarti
Managing Director

airtel
airtel Rwanda Ltd
Kigali

Richard Mugisha
Chairman

BDO

Tel: +250 738 304070
Tel: +250 788 309225
rwanda@bdo-ea.com
www.bdo-ea.com

BDO East Africa (Rwanda) Ltd
Career Center Building, 8th Floor
KG 541st Road, P.O. Box 6593
Kigali, Rwanda

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Airtel Rwanda Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Airtel Rwanda Limited (the Company), set out on pages 8 to 51, which comprise:

- the statement of financial position as at December 31, 2025;
- the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of Law No 007/2021 of 05/02/2021 governing companies as amended by Law No 019/2023 of 30/03/2023.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 41 in the financial statements, which indicates that the Company incurred a net loss of Rwf'000 97,289,002 during the year ended December 31, 2025 (2024: Rwf'000 78,981,209) and, as of that date, the Company's total liabilities Rwf'000 853,808,640 (2024: Rwf'000 735,279,139) exceed its total assets Rwf'000 189,803,383 (2024: Rwf'000 168,567,250). As stated in Note 41, these events or conditions, along with other matters as set forth in Note 41, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Report of the Directors and Statement of Directors' Responsibilities, but does not include the financial statements and our auditor's report thereon.

Tel: +250 738 304070
Tel: +250 788 309225
rwanda@bdo-ea.com
www.bdo-ea.com

BDO East Africa (Rwanda) Ltd
Career Center Building, 8th Floor
KG 541st Road, P.O. Box 6593
Kigali, Rwanda

Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a

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BDO

Tel: +250 738 304070
Tel: +250 788 309225
rwanda@bdo-ea.com
www.bdo-ea.com

BDO East Africa (Rwanda) Ltd
Career Center Building, 8th Floor
KG 541st Road, P.O. Box 6593
Kigali, Rwanda

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

As required by the Law No 007/2021 of 05/02/2021 governing companies as amended by Law No 019/2023 of 30/03/2023 we report to you, based on our audit, that:

- We have no relationship, interest or debt with Company. As indicated in our report on the audit of the financial statements, we comply with ethical requirements. These are the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which includes comprehensive independence and other requirements.
- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- We have communicated with those charged with governance our significant audit findings, and significant deficiencies in internal control that we identified during our audit.
- According to the best of the information and the explanations given to us as auditors, as shown by the accounting and other documents of the company, the financial statements comply with Article 125 of Law No 007/2021 of 05/02/2021 governing companies as amended by Law No 019/2023 of 30/03/2023.

BDO East Africa (Rwanda) Ltd
Certified Public Accountants
Career Center Building, 8th Floor
KG 541st, P.O Box 6593
Kigali, Rwanda

BDO EA RWANDA Ltd
Tel: +250 788309225
+250 738304070
P.O Box 6593 Kigali, Rwanda

CPA Roy Kinoti Nkandau
PC/CPA 0647/0134
Engagement Partner

Date: 21 April **2026**

AIRTEL RWANDA LIMITED
FINANCIAL STATEMENTS
For the year ended 31 December 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2025 Rwf'000	2024 Rwf'000
Income			
Service revenue	4	57,524,703	68,848,481
Other income	5	76,000	121,686
		57,600,703	**68,970,167**
Expenses			
Network operating expenses	6	30,498,802	20,248,349
Access charges	7	4,065,080	2,124,386
License fees & spectrum usage charges	8	7,043,628	5,797,313
Employee benefit expenses	9	9,702,207	7,859,948
Sales and marketing expenses	10	12,123,788	11,197,421
Impairment loss on Financial Assets	11	(230,100)	19,025
Other operating expenses	12	5,525,980	6,326,662
Depreciation and amortisation	13	26,550,429	17,915,678
		95,279,814	**71,488,782**
Operating loss		(37,679,111)	(2,518,615)
Foreign exchange losses	14	29,881,895	56,783,689
Finance costs	15	29,727,996	20,465,753
Finance income	15	-	(786,848)
Loss before taxation		**(97,289,002)**	**(78,981,209)**
Income tax expense	32	-	-
Loss for the period		**(97,289,002)**	**(78,981,209)**
Other comprehensive loss		4,365	6,503
Total comprehensive loss		**(97,293,367)**	**(78,987,712)**

AIRTEL RWANDA LIMITED
FINANCIAL STATEMENTS
As at 31 December 2025
STATEMENT OF FINANCIAL POSITION

	Notes	2025 Rwf'000	2024 Rwf'000
Non-current assets			
Property, plant and equipment	16	79,865,970	67,686,391
Capital work-in-progress	16	3,507,669	14,936,571
Right-of-use assets	18	49,968,714	22,524,386
Intangible assets	17	7,225,150	6,410,344
Intangible Assets under development	17	243,904	-
Goodwill	19	10,242,636	10,242,636
Other non-current assets	20	5,671,914	6,535,846
		156,726,014	128,336,174
Current assets			
Inventories	21	118,452	273,234
Financial assets:			
- Trade and other receivables	22	3,483,628	3,776,496
- Due from related parties	23	16,358,903	13,401,174
- Cash and cash equivalents	24	3,817,555	12,826,301
Non-financial assets			
Other non-financial assets (current)	25	9,298,831	9,953,870
		33,077,369	40,231,075
Total assets		189,803,383	168,567,250
Current liabilities			
Financial liabilities			
- Lease liabilities	33	15,924,532	8,005,099
- Borrowings	26	16,675,598	4,941,078
- Trade and other payables	28	20,610,386	27,716,721
- Due to related parties	23	22,514,428	20,404,583
- Bank overdraft	30	3,801,664	4,279,863
Deferred revenue	29	3,240,944	5,573,132
Other non-financial Liabilities (current)	31	3,838,246	2,311,463
		86,605,798	73,231,940
Non-current liabilities			
Financial liabilities			
- Borrowings	26	707,263,092	622,990,139
- Lease liabilities	33	53,926,970	31,924,970
Deferred revenue	29	4,858,627	5,814,425
Other non-financial Liabilities (non-current)	31	1,154,153	1,317,666
		767,202,842	662,047,200
Total liabilities		853,808,640	735,279,139
Net assets		**(664,005,257)**	**(566,711,890)**
Equity			
Share capital	27	100,000	100,000
Accumulated losses		(664,105,257)	(566,811,890)
		(664,005,257)	(566,711,890)
Total equity		**(664,005,257)**	**(566,711,890)**

Sujay Chakrabarti

Sujay Chakrabarti
Managing Director

airtel
airtel Rwanda Ltd
Kigali

Richard Mugisha
Chairman

STATEMENT OF CHANGES IN EQUITY

	Share capital Rwf '000	Accumulated losses Rwf '000	Total Rwf '000
At 1 January 2025	100,000	(566,811,890)	(566,711,890)
Total comprehensive loss	-	(97,293,367)	(97,293,367)
At 31 December 2025	100,000	(664,105,257)	(664,005,257)
At 1 January 2024	100,000	(487,824,178)	(487,724,178)
Total comprehensive loss	-	(78,987,712)	(78,987,714)
At 31 December 2024	100,000	(566,811,890)	(566,711,892)

STATEMENT OF CASH FLOWS

	Note	2025 Rwf'000	2024 Rwf'000
Cash flows from operating activities			
Loss before income tax		(97,293,367)	(78,987,712)
Adjustments for:			
Depreciation on property, plant and equipment	13	14,737,535	11,148,449
Amortizations of intangible asset	13	1,768,078	909,022
Depreciation on right-of-use asset	13	10,044,816	5,858,207
Impairment loss on financial assets	22	(230,100)	19,025
Foreign exchange losses	14	29,881,899	57,620,939
Operating activities before working capital changes		(41,091,139)	(3,432,070)
Working capital changes			
Inventories		154,782	(282)
Trade and other receivables	22	1,731,298	(3,446,372)
Due from related parties	23	(2,957,729)	3,371,646
Trade and other payables	28	(6,738,788)	(15,784,310)
Due to related parties	23	2,109,845	897,225
Grant	31	-	(50,200,747)
Deferred revenue		(3,287,986)	1,203,873
		(50,079,717)	(67,391,038)
Interest paid	15	29,727,996	19,678,905
Income tax paid	32	-	-
Net cash used in operating activities		(20,351,721)	(47,712,133)
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment & Intangible Assets	16	(18,314,997)	(53,659,192)
Interest Income on deposits		-	786,848
Proceeds from maturity of bank deposit		-	31,498,000
Net cash generated from/used in investing activities		(18,314,997)	(21,374,344)
Cash flows from financing activities			
Proceeds from borrowings	26	97,179,547	167,123,418
Repayment of borrowings	26	(28,576,112)	(83,959,477)
Repayment of lease liabilities	33	(14,874,063)	(11,521,935)
Interest and other finance charges paid		(24,007,350)	(15,660,463)
Net cash used in/generated from financing activities		29,722,022	55,981,544
Decrease in cash and cash equivalents		(8,944,694)	(13,104,934)
Cash and cash equivalents at the beginning of the year		8,546,438	22,488,622
Effect of exchange gains/(losses) on cash and cash equivalents		414,147	(837,250)
Cash and cash equivalents at the end of the year		15,891	8,546,438
Represented by:			
Cash and cash equivalents	24	3,817,555	12,826,301
Bank overdraft	30	(3,801,664)	(4,279,863)
		15,891	8,546,438

1. Corporate information

Airtel Rwanda Limited (the Company) is a limited liability Company incorporated and domiciled in Rwanda and its registered office is Airtel Rwanda Limited, Remera, Gasabo, P.O. Box 4164, Kigali Rwanda. The principal activity of the Company is the provision of a public GSM mobile telecommunication network in Rwanda.

The parent Company is Bharti Airtel Rwanda Holdings Limited, which owns 100% shareholding of the Company. The Company is an indirect subsidiary of Bharti Airtel International (Netherlands) B.V. The intermediate parent of the Company is Airtel Africa plc which is listed on London Stock Exchange.

2. Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements of Airtel Rwanda Limited have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards), and the requirements of Law No 007/2021 of 05/02/2021 governing companies as amended by Law No 019/2023 of 30/03/2023. The financial statements are presented in Rwandan Francs, which is the Company's functional currency, and all values are rounded to the nearest thousand unless otherwise indicated.

For purposes of reporting under Law No 007/2021 of 05/02/2021 governing companies as amended by Law No 019/2023 of 30/03/2023, the balance sheet in these financial statements is represented by the statement of financial position and the profit and loss account is represented by the statement of profit or loss and other comprehensive income.

The accounting policies adopted are consistent with those used in the previous year.

The preparation of financial statements in compliance with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

Basis of measurement

The financial statements have been prepared on a 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.

a) New standards, interpretations and amendments adopted from 1 January 2025

No new IFRS Accounting Standards issued during the year are applicable to the Company.

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

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability: Effective 1 January 2025, the amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' relating to lack of exchangeability are applicable. These amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

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

b) New standards, interpretations and amendments 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.

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

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

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

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

3. Critical accounting estimates and judgements

The directors make certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. 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 discussed below:

Estimates and assumptions

Key sources of estimation uncertainty

i. *Income Taxes*

The Company is subject to income taxes under the Income Tax Act 1997 (as amended). Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii. *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 recognized liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

iii. *Inventory obsolescence*

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

Critical judgements

The critical judgements, which the management has made in the process of applying the Company's accounting policies and have the most significant impact on the amounts recognised in the Financial Statements, are discussed below:

i. *Separating lease and non-lease components*

The consideration paid by the Company in telecommunication towers lease contracts include the use of land and passive infrastructure as well as maintenance, security, provision of energy etc. services. 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.

ii. *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 Company operates, the Company has used judgement in determining the IBR by taking into consideration risk free borrowing rate.

iii. *Determining the lease term*

Under IFRS 16 if it is reasonably certain that a lease will be extended, the Company is required to estimate the expected lease period in excess of the current contractual terms. The Company has various lease agreements with a right to extend /renew wherein it considers the nature of the contractual terms and economic factors to determine lease term.

The Company has used judgement in determining the lease period considering such factors and the lease liability has been calculated using the remaining contractual lease period for all of such lease contracts.

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.

The three levels of the fair value hierarchy are described below:

- Level 1 - Fair values derived on the basis of quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 - Fair values derived on the basis significant inputs other than quoted prices within level 1 that are directly or indirectly observable; and
- Level 3 - Fair values derived on the basis valuation techniques that used significant inputs that are not based upon observable market data (unobservable inputs).

3.1. *Revenue recognition*

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

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

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their relative standalone selling prices. The standalone selling prices are the prices at which the Company would sell a promised good or service separately to a customer.

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

Service revenue

Service revenue is derived from the provision of telecommunications services to customers. The majority of the Company's customers subscribe to services on a pre-paid basis.

Telecommunications service revenue mainly pertains to usage, subscription charges for voice, data, messaging and value added services and customer onboarding charges.

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

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

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

Subscription charges are recognised over the subscription pack validity period. Customer onboarding revenue is recognised upon successful onboarding of customers i.e., upfront.

Revenue recognised in excess of amounts invoiced are classified as unbilled revenue. If amounts invoiced/collected from a customer are in excess of revenue recognised, a deferred revenue/advance income is recognised.

Service revenue also includes revenue from interconnection/roaming charges for use of the Company's network by other operators for voice, data, messaging and signalling services.

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

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

Equipment sales

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.

3.2. *Foreign currencies*

Functional and presentation currency

The items included within the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e., 'functional currency').

The Financial Statements are presented in Rwandan Francs, which is also the functional, and presentation currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement/settlement, recognised in the statement of profit or loss and other comprehensive income within finance costs/finance income. 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.

The equity items denominated in foreign currencies are translated at historical exchange rate.

3.3. *Property, plant and equipment ('PPE')*

The cost of an item of property, plant and equipment is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably.

PPE is initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes and after deducting trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location of its intended use. Further, it includes assets installed on the premises of customers where the associated risks, rewards and control remain with the Company.

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Company recognises such parts as a separate component of each asset. When an item of PPE is replaced, its carrying amount is de-recognised from the statement of financial position and the cost of the new item of PPE is recognised.

The expenditure incurred after an item of PPE is ready to use, such as repairs and maintenance, are charged to the profit and loss in the period in which such costs are incurred. However, in situations where the expenditure can be measured reliably and it 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.

Depreciation on PPE is computed using the straight-line method over the PPE's estimated useful lives.

Freehold land is not depreciated as it has an unlimited useful life. The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	**Period (Years)**
Buildings and leasehold improvements	20
Network equipment	3-25
Computer equipment	3-5
Furniture and fixture	1-5
Motor vehicles	5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least, at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and/or depreciation method are accounted for prospectively, with depreciation calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired, or otherwise disposed of are de-recognised from the statement of financial position and the resulting gains/(losses) are included in the profit and loss within other income/other expenses, respectively.

PPE in the course of construction less any accumulated impairment is carried at cost and presented separately as CWIP (including capital advances) in the statement of financial position until ready for use at which point it is transferred to PPE and subsequently depreciated. Such cost comprises the purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any other directly attributable costs.

3.4. *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.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets acquired. Goodwill is not amortised; however, it is tested for impairment and carried at cost less accumulated impairment losses, if any. The gains/(losses) on the disposal of a cash-generating unit (group of CGUs) includes the carrying amount of goodwill relating to the group of CGUs sold. In case goodwill has been allocated to group of CGUs, allocation of goodwill is determined based on the relative value of the operations sold in order to compute the gain/(losses).

Intangible assets that are acquired in a business combination are initially recognised at fair value at the acquisition date. 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 (3) 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 license period. The useful life generally ranges from ten to twenty years.

In addition, the Company incurs a fee on licenses/spectrum that is calculated based on the revenue amount of the period. These fees are recognised as an expense in the statement of profit or when incurred.

Internally-generated intangible assets – research and development expenditure

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

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

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

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

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

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

Other acquired intangible assets

Other acquired intangible assets include customer relationships - over the estimated life of such relationships which ranges from one (1) year to five (5) years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and/or amortisation method is accounted prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

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.

3.5. *Accounting for 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.

Company as a lessee

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

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

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

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

Company as a lessor

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

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.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery 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.

3.6. *Inventories*

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis.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 costs comprise its purchase price and any directly attributable cost of bringing it to its present location and condition.

3.7. *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, wallet balances, bank balances, cheque 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). However, for the purpose of the statement of cash flows, in addition to the above items, any bank overdrafts that are integral part of the Company's cash management is also included as a component of cash and cash equivalents.

3.8. *Provisions*

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.

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.

3.9. *Employee benefits*

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, other long-term benefits including compensated absences. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees. Short-term employee benefits are recognised in statement of profit or loss and other comprehensive income at undiscounted amounts during the period in which the related services are rendered. Details of long-term employee benefits are provided below:

Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

i. Provident Fund

The Company contributes to a Staff Provident Fund. Under this voluntary scheme, the employee contributes 5% of their basic salary while the employer contributes 5% of each employee's basic salary. There is an option for employees to contribute over and above the mandatory 5% upto maximum of 15%. The minimum total remittance to the fund per month in respect of each employee is 10%. The contribution is charged to the profit or loss in the year in which it is incurred.

ii. Rwanda Social Security Board

The company contributes to the Rwanda Social Security Board a state mandated savings scheme. Under this scheme, the employee contributes 5% of their gross salary while the employer contributes 10% of each employee's gross salary to NSSF.

Defined benefit plans

The Company has defined benefit plans in form of 'Retirement Benefits' and 'Severance Pay' wherein, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each quarterly reporting periods. The obligation towards the said benefits is recognised in the balance sheet under provisions, at the present value of the defined benefit obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using appropriate discount rate.

Defined benefit costs are split into the following categories:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements.
- interest expense; and
- remeasurements.

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

Other long-term employee benefits

Compensated absences benefit comprises encashment and the availing of leave balances that were earned by the employees over the period of past employment.

The employees of the Company are entitled to compensated absences as well as other long-term employee benefits.

The Company provides for the liability (presented under provisions) towards the said benefits on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

i. Employee Stock Option Plan (ESOP)

Employees (including senior executives) of the Company have received remuneration from the intermediate parent 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.

3.10. *Taxation*

The income tax expense comprises current and deferred income tax. Income tax is recognised in the profit and loss, except to the extent that it relates to items recognised outside profit and loss, in other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly within other comprehensive income or directly in equity.

Current income tax

Current income tax expense is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in accordance with the Rwandan Income Tax Act.

The payment made in excess/ (shortfall) of income tax obligation for the respective periods are recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.

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

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

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

Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Further, deferred tax liabilities are not recognised, if they arise from the initial recognition of goodwill.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and tax credits can be utilised. To assess such probability, the Company considers profit generation capability of the taxable entity based on historical trends as well as forecast profitability for the foreseeable future. When it is probable that there will be future taxable profits, an evaluation is performed to assess the availability of sufficient deductible temporary differences during the foreseeable future.

Deferred income tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of taxable profits for the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities exist.

3.11. *Borrowing costs*

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs include costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

3.12. *Financial instruments*

Recognition, classification and presentation

Financial instruments are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.
The Company determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets into the following categories:

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

- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cashflows.

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 amortized 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 recognized amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Measurement - Non-derivative financial instruments

i. Initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Other transaction costs are expensed as incurred in the statement of profit or loss and other comprehensive income.

ii. Subsequent measurement - financial assets

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

Financial assets measured at amortised cost

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

EIR is the rate that exactly discounts the estimated future cash 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 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 (basis

EIR method) and dividend income from financial assets at FVTPL is recognised in the profit and loss within finance income/finance costs separately from the other gains/losses arising from changes in the fair value.

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.

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 and contract assets, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the 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).

Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised 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.

3.13. *Impairment of non-financial assets*

Goodwill

Goodwill is tested for impairment, at least annually or earlier, in case circumstances indicate that the carrying value may exceed the recoverable amount (higher of fair value less costs of sell and the value -in- use).

For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGUs') which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, but not higher than an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

At Impairment occurs when the carrying value of a CGU/CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU/CGUs. The recoverable amount of a CGU/CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU/CGUs.

The total impairment loss of a CGU/CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU/CGUs and then to the other assets of that CGU/CGUs - on pro-rata basis of the carrying value of each asset.

Property, plant and equipment, right-of-use assets, intangible assets and intangible assets under development

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

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If individual assets or a CGU are considered to be impaired, the impairment recognised in the statement of profit or loss and other comprehensive income is measured by the amount by which the carrying value of the asset/CGU exceeds the estimated recoverable amount and is allocated on pro-rata basis.

Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

3.14. *Asset Retirement obligation (ARO)*

This is a provision for costs expected in the future to dismantle telecommunication towers and retail shops and restore the sites to their condition prior to installation of the Company's equipment. The costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset.

The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the asset retirement liability. The unwinding of the discount is expensed as incurred and recognised in profit or loss as a finance cost. The estimated future costs of ARO are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

3.15. *Statement of cash flow*

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.

3.16. *Share capital and share premium*

Issued ordinary shares are classified as 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.

3.17. *Current versus non-current classification*

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

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, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 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 there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

3.18. *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.

3.19. *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.

	2025 Rwf'000	2024 Rwf'000
4. Service Revenue		
Voice	21,277,662	24,721,669
Data	21,188,466	14,954,997
Messaging and value-added-services	2,499,167	2,930,444
Lease line	3,780,966	4,129,518
Roaming	1,330,965	797,647
Interconnect	2,910,738	2,204,867
Site share	364,668	30,007
Activation & others	312,648	-
Revenue from services	53,665,280	49,769,149
Sale of goods	3,859,423	19,079,332
Total	57,524,703	68,848,481

Performance obligations that are unsatisfied or partially satisfied amounts to Rwf 8,100 million as at 31 December 2025 (2024: Rwf 11,388 million). Contract assets (unbilled debtors) amount to Rwf 1,198 million as at 31 December 2025 (2024: Rwf 1,081 million).

Costs to obtain or fulfil a contract with a customer

At start of the year	4,993,493	4,821,964
Costs incurred and deferred	3,233,572	4,703,217
Less: Costs amortised	(5,132,722)	(4,531,687)
At end of the year	3,094,343	4,993,493
Current	2,722,390	3,957,364
- Customer acquisition cost	2,260,331	3,828,584
- HBB Device Cost	462,089	128,780
Non-current	371,954	1,036,129
	3,094,343	4,993,493

5. Other Income		
Other Income	76,000	121,686
	76,000	121,686

Other income includes scrap sale and liabilities written back

6. Network operating expenses		
Site running expenses	15,661,396	11,832,899
Repairs & maintenance including managed service	9,762,340	6,093,491
Bandwidth/lease line charges	3,379,854	1,950,506
Other network expenditure	1,695,212	371,453
	30,498,802	20,248,349

7. Access charges		
Interconnection international costs	1,150,372	1,463,364
Interconnection Local costs*	2,800,527	298,653
Fees on international interconnect traffic (IGTVS fees)	114,181	362,369
	4,065,080	2,124,386

* Mobile Termination Charges, which were not applicable during FY 2024, have been reintroduced by the regulator with effect from August 2025.

	2025 Rwf'000	2024 Rwf'000
8. License fees & spectrum usage charges		
License fees & Spectrum usage charges	7,043,628	5,797,313
	7,043,628	5,797,313
9. Employee benefit expenses		
Salaries and wages	7,892,214	6,175,246
Bonuses	698,734	800,683
Employee deferred cash expense	216,091	199,872
Contribution to Rwanda Social Security Board	401,825	191,905
Leave encashment	67,754	71,102
Other employee cost	425,589	421,140
	9,702,207	7,859,948

Other cost includes staff welfare & training expenses.

10. Sales and marketing expenses

	2025 Rwf'000	2024 Rwf'000
Marketing expenses	1,489,247	1,330,085
Sales and distribution expenses	10,634,541	9,867,336
	12,123,788	11,197,421

11. Impairment loss on Financial Assets

	2025 Rwf'000	2024 Rwf'000
Impairment loss on Financial Assets	(230,100)	19,025
	(230,100)	19,025

12. Other operating expenses

	2025 Rwf'000	2024 Rwf'000
Travel costs	317,890	251,861
Professional fees	125,578	37,171
Warehouse expenses	181,370	300,286
Audit fees	46,000	46,000
Rates and taxes	583,481	536,434
Clearing & forwarding expenses	234,396	325,336
Other administrative costs	1,114,272	1,381,126
Customer care expenses	290,457	306,409
Motor vehicle expenses	531,774	387,697
IT expenses	739,414	855,538
Other sundry expenses	59,544	178,683
Roaming charges	228,677	319,046
Cost of handsets and accessories	1,073,127	1,401,075
	5,525,980	**6,326,662**

13. Depreciation and Amortisation

	2025 Rwf'000	2024 Rwf'000
Depreciation on property, plant and equipment (Note 15)	14,737,535	11,148,449
Depreciation on right of use assets (Note 17)	10,044,816	5,858,207
Amortisation of intangible assets (Note 16)	1,768,078	909,022
	26,550,429	17,915,678

	2025 Rwf'000	2024 Rwf'000
14. Foreign exchange loss (Net)		
Realised foreign exchange losses	2,026,395	30,322,366
- Borrowings	1,722,050	23,313,741
- Leased line	18,311	21,129
- Others	286,034	6,987,496
Unrealised foreign exchange losses	27,855,500	26,461,323
- Borrowings	25,681,989	23,383,454
- Leased line	1,861,199	2,665,699
- Others	312,312	412,170
	29,881,895	56,783,689
15. Finance costs and income		
Finance costs		
Interest on borrowings	23,395,667	15,130,127
Interest on lease liabilities	5,426,839	4,699,713
Other finance costs	905,490	635,913
	29,727,996	20,465,753
Finance income		
Interest income on deposits	-	786,848
	-	786,848

16. Property, plant and equipment

Year ended 31 December 2025	Building improvements Rwf'000	Buildings Rwf'000	Network equipment Rwf'000	Furniture and fixtures Rwf'000	Computer equipment Rwf'000	Motor vehicles Rwf'000	Total Rwf'000	Capital work-in progress[1] Rwf'000
Cost								
At 1 January 2025	365,050	4,613,321	225,990,768	3,132,734	28,511,742	905,390	263,519,005	14,936,571
Additions	-	1	25,380,568	719,556	2,469,532	-	28,569,657	18,314,989
Capitalised	-	-	-	-	-	-	-	(28,569,657)
Disposals/retirements	-	-	-	-	(14,654,960)	-	(14,654,960)	-
Reclassification to intangibles*	-	-	-	-	(3,176,762)	-	(3,176,762)	(1,174,234)
At 31 December 2025	365,050	4,613,322	251,371,336	3,852,290	13,149,552	905,390	274,256,940	3,507,669
Accumulated depreciation								
At 1 January 2025	221,013	2,874,082	163,134,719	2,639,582	26,057,827	905,390	195,832,613	-
Charge for the year	11,442	266,497	13,198,076	426,222	835,298	-	14,737,535	-
Disposals/retirements	-	-	-	-	(14,654,960)	-	(14,654,960)	-
Reclassification to intangibles	-	1	-	-	(1,524,218)	-	(1,524,218)	-
At 31 December 2025	232,455	3,140,580	176,332,795	3,065,804	10,713,947	905,390	194,390,970	-
Net carrying amount								
At 31 December 2025	132,595	1,472,742	75,038,541	786,486	2,435,605	-	79,865,970	3,507,669

1 The carrying value of Capital work-in progress as at December 31, 2025 and December 31, 2024 mainly pertains to network equipment

* Intangibles amounting to RWF 1 653 million (gross carrying value: RWF 3 176 million, and accumulated amortisation: RWF 1 524 million) were reclassified from property, plant and equipment to intangible assets and Capital work in progress amounting to RWF 1 174 million has been reclassified to intangibles assets out of which RWF 243 million is part of intangible under development.

16. Property, plant and equipment (continued)

Year ended 31 December 2024	Building improvements Rwf'000	Buildings Rwf'000	Network equipment Rwf'000	Furniture and fixtures Rwf'000	Computer equipment Rwf'000	Motor vehicles Rwf'000	Total Rwf'000	Capital work-in progress[1] Rwf'000
Cost								
At 1 January 2024	365,050	4,613,321	186,206,038	2,654,878	26,645,098	905,390	221,389,775	3,424,225
Additions	-	-	39,657,902	477,856	1,993,472	-	42,129,230	53,641,576
Capitalised	-	-	-	-	-	-	-	(42,129,230)
Reclassifications	-	-	126,828	-	(126,828)	-	-	-
At 31 December 2024	365,050	4,613,321	225,990,768	3,132,734	28,511,742	905,390	263,519,005	14,936,571
Accumulated depreciation								
At 1 January 2024	209,571	2,607,586	154,219,038	1,980,000	24,762,580	905,390	184,684,165	-
Charge for the year	11,442	266,496	8,915,681	659,582	1,295,247	-	11,148,448	-
At 31 December 2024	221,013	2,874,082	163,134,719	2,639,582	26,057,827	905,390	195,832,613	-
Net carrying amount								
At 31 December 2024	144,037	1,739,239	62,856,049	493,152	2,453,915	-	67,686,391	14,936,571

17. Intangible assets

	Licenses including spectrum	Customer base	Software	Total	Intangible Assets under development
	Rwf 000'	Rwf 000'	Rwf 000'	Rwf 000'	
Year ended 31 December 2025					
Cost					
At 1 January 2025	33,211,859	3,686,000	-	36,897,859	-
Additions	-	-	-	-	-
Transfer from PPE*	-	-	4,107,102	4,107,102	243,904
As at 31 December 2025	33,211,859	3,686,000	4,107,102	41,004,961	243,904
Accumulated amortisation					
At 1 January 2025	26,801,515	3,686,000	-	30,487,515	-
Charge for the year	904,814	-	863,263	1,768,078	-
Sale	-	-	-	-	-
Transfer from PPE	-	-	1,524,218	1,524,218	-
As at 31 December 2025	27,706,330	3,686,000	2,387,481	33,779,811	-
Net carrying amount					
At 31 December 2025	5,505,529	-	1,719,621	7,225,150	243,904

	Licenses including spectrum	Customer base	Software	Total	Intangible Assets under development
	Rwf 000'	Rwf 000'	Rwf 000'	Rwf 000'	Rwf 000'
Year ended 31 December 2024					
Cost					
At 1 January 2024	33,211,859	3,686,000	-	36,897,859	-
Additions	-	-	-	-	-
As at 31 December 2024	33,211,859	3,686,000	-	36,897,859	-
Accumulated amortisation					
At 1 January 2024	25,892,494	3,686,000	-	28,611,069	-
Charge for the year	909,022	-	-	909,022	-
Reclassification	-	-	-	-	-
As at 31 December 2024	26,801,515	3,686,000	-	30,487,515	-
Net carrying amount					
At 31 December 2024	6,410,344	-	-	6,410,344	-

** Intangibles amounting to RWF 1 653 million (gross carrying value: RWF 3 176 million, and accumulated amortisation: RWF 1 524 million) were reclassified from property, plant and equipment to intangible assets and Capital work in progress amounting to RWF 1 174 million has been reclassified to intangibles assets out of which RWF 243 million is part of intangible under development.*

18. Right-of-use assets

	Plant and equipment Rwf 000'	Others Rwf 000'	Total Rwf 000'
Year ended 31 December 2025			
Cost			
At 1 January 2025	52,293,734	2,969,651	55,263,385
Additions	36,896,682	592,461	37,489,143
At 31 December 2025	89,190,416	3,562,111	92,752,528
Accumulated depreciation			
At 1 January 2025	30,387,852	2,351,146	32,738,998
Depreciation expense	9,978,747	66,069	10,044,816
Reclassification	(25,468)	25,468	-
At 31 December 2025	40,341,131	2,442,683	42,783,814
Net carrying amount			
At 31 December 2025	48,849,288	1,119,428	49,968,714
Year ended 31 December 2024			
Cost			
At 1 January 2024	38,595,267	2,923,155	41,518,422
Additions	13,698,467	46,496	13,744,963
At 31 December 2024	52,293,734	2,969,651	55,263,385
Accumulated depreciation			
At 1 January 2024	24,614,563	2,283,844	26,898,407
Depreciation expense	5,792,618	65,589	5,858,207
Reclassification	(19,328)	1,713	(17,616)
At 31 December 2024	30,387,853	2,351,146	32,738,998
Net carrying amount			
At 31 December 2024	21,905,881	618,505	22,524,386

	2025 Rwf'000	2024 Rwf'000

19. Goodwill

	2025 Rwf'000	2024 Rwf'000
Goodwill	10,242,636	10,242,636

20. Other non-current assets

	2025 Rwf'000	2024 Rwf'000
Payments under protest	878,100	878,100
Prepaid expense	4,793,871	5,657,746
	5,671,971	6,535,846

Payment under protest includes payment done to Rwanda Revenue authority against pending tax cases under assessment

21. Inventories

	2025 Rwf'000	2024 Rwf'000
Handsets and accessories	171,715	343,564
Provisions for handsets and accessories	(53,263)	(70,330)
	118,452	273,234
Movement in the provision		
As on 1 January	70,330	691,945
Charge for the year	(17,067)	(621,615)
	53,263	70,330

The provision for devices is aged based and lower of net realizable value or cost.

22. Trade and other receivables

	2025 Rwf'000	2024 Rwf'000
Trade receivables	9,458,932	10,097,247
Expected credit losses	(6,913,865)	(7,080,338)
	2,545,067	3,016,909
Other receivables	938,561	759,587
	3,483,628	3,776,496
Movement of expected credit losses		
At the start of the year	(7,080,338)	(6,956,888)
(Add)/Less: Additions	230,100	(19,025)
(Add)/Less: Provision created against revenue	(4,905)	(8,163)
(Add)/Less: Provision created for foreign currency	(58,722)	(96,261)
At the end of the year	(6,913,865)	(7,080,338)

Other receivables include grossing up of creditors.

23. Related party transactions and balances

The Company is a wholly owned subsidiary of Bharti Airtel Rwanda Holdings Limited, incorporated in Mauritius. The Company is an indirect subsidiary of Bharti Airtel International (Netherlands) B.V. The intermediate parent of the Company is Airtel Africa plc which is listed on London Stock Exchange. There are other companies related to the Company through common ownership and/or directorships.

The following table provides the transactions that have been entered into with related parties and outstanding balances for the relevant reporting period. The purchases from related parties are made on agreed pricing between related parties. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided for any related party payables.

(i) *Due from related parties*

	Relationship	2025 Rwf'000	2024 Rwf'000
Airtel Tchad S.A.	Fellow subsidiary	977	1,001
Airtel Congo S.A.	Fellow subsidiary	2,059	791
Airtel Congo (RDC) S.A.	Fellow subsidiary	7,913,067	6,881,264
Airtel Gabon S.A.	Fellow subsidiary	4,278	5,068
Airtel Networks Kenya Limited	Fellow subsidiary	1,287,917	815,041
Airtel Madagascar S.A.	Fellow subsidiary	99,872	94,780
Airtel Malawi Limited	Fellow subsidiary	285,184	265,611
Celtel Niger S.A.	Fellow subsidiary	755,276	716,911
Airtel Networks Limited	Fellow subsidiary	298,582	241,074
Airtel Tanzania Plc	Fellow subsidiary	224,884	218,862
Airtel Uganda Limited	Fellow subsidiary	1,270,142	1,162,049
Airtel Networks Zambia Plc	Fellow subsidiary	38,098	106,346
Airtel (Seychelles) Limited	Fellow subsidiary	0	12
Airtel Mobile Commerce Rwanda Limited	Fellow subsidiary	3,282,677	1,953,478
Bharti Airtel (UK) Limited	Fellow subsidiary	388,637	562,308
Bharti Airtel Limited	Intermediate parent	147,650	136,269
Airtel Africa Services (UK) Limited	Fellow subsidiary	231,714	226,281
Bharti Airtel International (Netherlands) B.V. Kenya Branch	Intermediate parent	112,859	-
Bharti Hexacom Limited	Fellow subsidiary	271	21
Network i2i Limited	Intermediate parent	14,759	14,008
		16,358,903	13,401,174

(ii) *Due to related parties*

Due to related Party		2025 Rwf'000	2024 Rwf'000
Airtel Tchad S.A.	Fellow subsidiary	152	143
Airtel Congo S.A.	Fellow subsidiary	662	647
Airtel Congo (RDC) S.A.	Fellow subsidiary	8,810,446	7,908,481
Airtel Gabon S.A.	Fellow subsidiary	40,191	38,479
Airtel Networks Kenya Limited	Fellow subsidiary	838,337	805,072
Airtel Madagascar S.A.	Fellow subsidiary	17,755	16,816
Airtel Malawi Limited	Fellow subsidiary	40,055	38,012
Celtel Niger S.A.	Fellow subsidiary	35,757	33,941
Airtel Tanzania Plc	Fellow subsidiary	54,112	45,761
Airtel Uganda Limited	Fellow subsidiary	11,685,601	10,746,611
Airtel Networks Zambia Plc	Fellow subsidiary	48,921	49,089
Airtel (Seychelles) Limited	Fellow subsidiary	13,216	12,558
Bharti Airtel Limited	Intermediate parent	6,542	71,758
Nxtra data Limited	Fellow subsidiary	372	353
Bhart Airtel Rwanda Holdings Ltd	Parent	326,904	310,306
Bharti Airtel International (Netherlands) B.V.	Intermediate parent	4,643	173,327
Bharti Airtel (UK) Limited	Intermediate parent	165,047	85,647
Bharti Airtel International (Netherlands) B.V. Kenya Branch	Intermediate parent	176,333	-
Airtel Africa Services (UK) Limited	Fellow subsidiary	4,687	4,449
Bharti Hexacom Limited	Fellow subsidiary	6	(24)
Bharti Airtel Lanka (Private) Limited	Fellow subsidiary	0	-
Xtelify Limited	Fellow subsidiary	167,050	-
Bharti Airtel (France) SAS	Fellow subsidiary	77,419	63,157
		22,514,428	20,404,583

(iii) *Key management compensation*

Key management personnel are described as the persons having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly, including Executive Directors of the company. For the company these includes executive committee members.

Details of Key management personnel

(a) Sujay Chakrabarti (Managing director)
(b) Juliet Gakwerere (HR director)
(c) Paulian Kazibwe (Finance director)
(d) Muyenzi Mark (Information technology director)
(e) Rugambwa Lamuel (Legal & regulatory director)
(f) Chuma Vuningoma (Network director)
(g) Shema Baker (Company secretary)
(h) Adrien Nganizi (SCM director)
(i) Lorna Otieno (Marketing director)
(j) Chrysanthe Turatimana (Sales director)
(k) Jidia Gasana (Enterprise director)

Remuneration to Key management personnel is shown below:

	2025 Rwf'000	2024 Rwf'000
Salaries and other employment benefits	**3,134,250**	**2,443,225**
- Short-term employee benefits	1,699,492	2,067,610
- Post-employment benefits	304,778	195,458
- Other long-term benefits	1,129,980	180,157
Director's fees and sitting allowance	63,602	63,579

(iv) *Due to shareholder's loan*

Shareholder's loan		2025 Rwf'000	2024 Rwf'000
Bharti Airtel Rwanda Holdings Limited	Parent	456,793,361	373,023,250
Bharti Airtel Africa B.V.	Intermediate parent	83,778,558	79,524,855
		540,571,919	452,548,105

23. Related party transactions and balances (Continued)

(v) *Purchase of goods and services*

	Goods/Service	Relationship	2025 Rwf'000	2024 Rwf'000
Airtel Tchad S.A.	Interconnect and roaming costs	Fellow subsidiary	35	62
Airtel Congo S.A.	Interconnect and roaming costs	Fellow subsidiary	139	133
Airtel Congo (RDC) S.A.	Interconnect and roaming costs	Fellow subsidiary	233,026	840,135
Airtel Gabon S.A.	Interconnect and roaming costs	Fellow subsidiary	543	1,436
Airtel Networks Kenya Limited	Interconnect and roaming costs	Fellow subsidiary	14,044	19,130
Airtel Madagascar S.A.	Interconnect and roaming costs	Fellow subsidiary	25	12
Airtel Malawi plc	Interconnect and roaming costs	Fellow subsidiary	83	127
Celtel Niger S.A.	Interconnect and roaming costs	Fellow subsidiary	44	1
Airtel Networks Limited	Interconnect and roaming costs	Fellow subsidiary	1,596	2,036
Airtel Tanzania Public Limited Company	Interconnect, roaming and leaseline	Fellow subsidiary	16,424	19,605
Airtel Uganda Limited	Interconnect and roaming costs	Fellow subsidiary	402,406	359,063
Airtel Uganda Limited	Leaseline	Fellow subsidiary	655,946	517,527
Airtel Networks Zambia Plc	Interconnect and roaming costs	Fellow subsidiary	4,597	5,697
Bharti Airtel Limited	Interconnect and roaming costs	Intermediate parent	313,193	33,787
Bharti Airtel (UK) Limited	Interconnect, roaming and others	Fellow subsidiary	390,618	322,518
Nxtra Data Limited	Data centre	Fellow subsidiary	10,269	(5,403)
Airtel Mobile Commerce Rwanda Limited	Cross charge of expenses	Fellow subsidiary	4,382,616	4,188,590
Airtel (Seychelles) Limited	Interconnect, roaming and leaseline	Fellow subsidiary	4	94
Bharti Airtel (France) SAS	Interconnect and roaming costs	Fellow subsidiary	16,281	31,026
Bharti Airtel Services Limited	Employee related costs	Fellow subsidiary	(20)	(1,190)
Bharti Hexacom Limited	Interconnect and roaming costs	Fellow subsidiary	31	(131)
Network i2i Limited	Leased line costs	Intermediate parent	(934)	(21,336)
Xtelify Limited	Interconnect and roaming costs	Intermediate parent	(326,338)	-
Jersey Airtel Limited	Interconnect and roaming costs	Fellow subsidiary	-	65
			6,114,618	6,312,985

23. Related party transactions and balances (Continued)

(vi) *Sale of goods and services*

	Service	Relationship	2025 Rwf'000	2024 Rwf'000
Airtel Tchad S.A.	Interconnect and roaming	Fellow subsidiary	838	986
Airtel Congo S.A.	Interconnect and roaming	Fellow subsidiary	1,568	1,459
Airtel Congo (RDC) S.A.	Interconnect, roaming and leaseline	Fellow subsidiary	1,615,194	1,541,474
Airtel Gabon S.A.	Interconnect and roaming	Fellow subsidiary	844	1,018
Airtel Networks Kenya Limited	Interconnect and roaming	Fellow subsidiary	94,812	89,232
Airtel Madagascar S.A.	Interconnect and roaming	Fellow subsidiary	48	25
Airtel Malawi plc	Interconnect and roaming	Fellow subsidiary	6,893	7,028
Celtel Niger S.A.	Interconnect and roaming	Fellow subsidiary	232	175
Airtel Networks Limited	Interconnect, roaming and leaseline	Fellow subsidiary	45,823	50,181
Airtel (Seychelles) Limited	Interconnect and roaming	Fellow subsidiary	15	36
Airtel Tanzania Public Limited Company	Interconnect and roaming	Fellow subsidiary	6,295	(61,276)
Airtel Uganda Limited	Interconnect and roaming	Fellow subsidiary	532,911	411,222
Airtel Networks Zambia Plc	Interconnect and roaming	Fellow subsidiary	6,380	6,707
Bharti Airtel Limited	Interconnect, roaming and leaseline	Intermediate parent	11,715	3,609
Bharti Airtel (UK) Limited	Interconnect and roaming	Intermediate parent	1,587,538	2,076,935
Bharti Hexacom Limited	Roaming revenue	Fellow subsidiary	219	63
Airtel Mobile Commerce Rwanda Limited	Cross charge of expenses	Fellow subsidiary	638,336	507,567
			4,549,662	4,636,442

24. Cash and bank balances

	2025 Rwf'000	2024 Rwf'000
Cash and cash equivalents		
Balances with banks		
-On current accounts	3,736,336	12,577,399
Balances held in wallets	81,219	248,902
	3,817,555	12,826,301

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following as at 31 December.

	2025 Rwf'000	2024 Rwf'000
Cash and cash equivalents	3,817,555	12,826,301
Bank overdraft (note 30)	(3,801,664)	(4,279,863)
	15,891	8,546,438

25. Other non-financial assets (current)

	2025 Rwf'000	2024 Rwf'000
Advances to Suppliers	235,343	416,861
VAT Recoverable	4,825,536	3,213,375
Employee receivables	458,928	330,222
Prepaid expenses	3,779,024	5,993,412
	9,298,831	9,953,870

26. Borrowings

	2025 Rwf'000	2024 Rwf'000
Bank of Kigali	12,808,722	17,259,694
BPR Bank Rwanda	30,509,837	31,000,000
Kotak Mahindra Bank Loan	34,239,932	55,321,638
International Finance Corporation	105,808,280	71,801,780
Bharti Airtel Rwanda Holdings Limited	456,793,361	373,023,250
Bharti Airtel Africa B.V.	83,778,558	79,524,855
	723,938,690	627,931,217
Maturity analysis		
Current	16,675,598	4,941,078
Non-current	707,263,092	622,990,139
	723,938,690	627,931,217
Movement		
Opening	627,931,217	498,070,081
Proceeds	97,179,547	167,123,418
Repayment	(28,576,112)	(83,959,477)
Exchange Losses	27,404,038	46,697,195
	723,938,690	627,931,217

(i) *Bank of Kigali* - In March 2019, the Company entered into a 4 year long term credit facility with Bank of Kigali. The credit facility amounted to Rwf 6 billion with a fixed interest rate of 15% and was refinanced with maturity in December 2027. This loan is secured by corporate guarantee from -Bharti Airtel International (Netherland) B.V.

In April 2024, the Company entered into an additional 4 year long term credit facility with the Bank of Kigali for Rwf 15 billion with a fixed interest rate of 15% and was refinanced with maturity in April 2028. This loan is secured by corporate guarantee from -Bharti Airtel International (Netherland) B.V.

(ii) *BPR Bank Rwanda* - In May 2023, the Company entered into a 7 year long term credit facility with BPR Bank Rwanda . The credit facility amounted to Rwf 6 billion with a fixed interest rate of

15% and is repayable monthly until maturity in May 2030 with moratorium of 2 years on interest and principal. The loan is secured by a corporate guarantee from -Bharti Airtel International (Netherland) B.V

In April 2024, the Company entered into an additional 7 year long term credit facility with the BPR Bank Rwanda for Rwf 25 billion attracting fixed interest rate of 15% and is repayable monthly until maturity in June 2031. This loan is secured by a corporate guarantee from -Bharti Airtel International (Netherland) B.V.

(iii) *Kotak Mahindra Bank* - In May 2024, the Company entered into a credit facility with Kotak Mahindra Bank, India Branch amounting to USD 40 million with a floating interest rate based on the aggregate of compounded reference rate and margin of 6.49% and is repayable in full upon maturity in May 2027. The loan is secured by Bharti Airtel International (Netherland) B.V.

(iv) *International Finance Corporation (IFC)* - The Company entered into long term credit facility with IFC (as the lender). The credit facility amounted to Rwf 81.5 billion in June 2024 and Rwf 43.5 billion in June 2025 (drawdown Rwf 34 billion) with a fixed interest rate of 15% and is repayable half-yearly until maturity in June 2032. This loan is secured by corporate guarantee from -Bharti Airtel International (Netherland) B.V.

(v) *Bharti Airtel Rwanda Holdings* – The loan is unsecured and does not bear any interest and is repayable in December 2031. During the year, the Company has took out a fresh loan of US$ 43.8 million (Rwf 63.1 billion).

(vi) *Bharti Airtel Africa B.V.* – The loan is unsecured and does not bear any interest and is repayable in January 2027.

27. Share capital

	2025 Rwf'000	2024 Rwf'000
Issued and paid-up share capital (1,000 shares issued at par value of Rwf 100,000 each)	100,000	100,000
Authorized share capital (60,000 shares at par value of Rwf 100,000 each)	6,000,000	6,000,000

The parent Company is Bharti Airtel Rwanda Holdings Limited, which owns 100% shareholding of the issued share capital of the Company. During the year there were no changes in the shareholding structure.

28. Trade and other payables

Trade payables	11,149,746	8,735,495
Accrued expenses	6,491,887	13,962,874
Other payables	2,968,753	5,018,352
	20,610,386	27,716,721

	2025 Rwf'000	2024 Rwf'000
29. Deferred revenue		
Current	3,240,944	5,573,132
	3,240,944	5,573,132
Non-current	4,858,627	5,814,425
	4,858,627	5,814,425
30. Bank Overdraft		
Bank overdraft		
- Bank of Kigali	2,070,977	2,435,440
- Access Bank	1,730,687	1,844,423
	3,801,664	4,279,863
31. Other non-financial liabilities		
Other non-financial liabilities (current)		
Other taxes payable	2,953,330	1,746,172
Provisions - Current	884,916	565,291
	3,838,246	2,311,463
Other non-financial liabilities (non-current)		
Deferred payment liability	839,730	976,878
Provisions - Non-current	305,628	280,491
Others	8,795	60,297
	1,154,153	1,317,666

The grant received to subsidize the cost of 4G handset to increase digital penetration in Rwanda (as part of Connect Rwanda 2.0) is included in current liabilities as deferred grant income and is used to reduce the cost of purchase of inventories at the time of purchase. The unutilised balance is carried under non-financial current liabilities. Below is the movement of the grant:

At the start of the year	-	50,200,747
Add: Grant received during the year	-	-
Less: Grant utilized on purchase of handset	-	(50,200,747)
At the end of the year	-	-

The grant of USD 50 million was received during the year 2023 and translated at rate of Rwf 1,222.98. It was fully utilized in 2024.

32. Income tax

Income tax is calculated using the enacted income tax rate of 28%. The Company has not recognised the deferred tax assets arising from tax losses for year ended 31 December 2025 of Rwf 262,484 million (2024: Rwf 238,129 million) as it is currently in a loss position and may recognise them in future if sufficient taxable profits are available. The deferred income tax asset arising from the losses may be deducted from the taxable profit in the next five (5) tax periods, earlier losses being deducted before later losses.

(i) Income tax expense	-	-
(ii) Reconciliation of income tax expense to accounting profit		
Loss before income tax expense	(97,289,002)	(78,987,712)
Rwanda's statutory income tax rate of 28% (2024: 28%)	(27,240,921)	(22,116,559)
Tax effect of non-deductible expenses	160,313	68,468
Deferred income tax asset not recognized	27,080,608	22,048,091
	-	-

	2025 Rwf'000	2024 Rwf'000
(iii) Deferred tax asset not recognized on		
Accelerated depreciation on property and equipment	(7,951,290)	(13,074,650)
Provisions	84,355,503	80,479,735
Tax losses	262,484,153	238,129,171
	338,888,366	305,534,256
(iv) *Unused tax losses and deductible temporary difference on which deferred tax asset is not recognized*		
Expiring within 5 years	262,484,153	238,129,171
Expiring beyond 5 Years	-	-
Unlimited	76,404,213	67,405,085
	338,888,366	305,534,256

33. Lease liability

The Company has taken towers on lease. Liabilities arising from a lease are initially measured on a present value basis of contractual payments associated with the lease contract. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Future minimum lease payments under finance leases are as follows:

Maturity analysis

	2025	2024
Not later than 1 year	21,926,277	10,477,211
Between 1 and 5 years	46,615,460	26,042,954
More than 5 years	24,185,776	15,823,015
Total minimum lease payments	92,727,513	52,343,180
Less: Discount (unearned interest)	(22,876,011)	(12,413,111)
Present value of lease liability	69,851,502	39,930,069
Presented as follows:		
Non-current	53,926,970	31,924,970
Current	15,924,532	8,005,099
	69,851,502	39,930,069
Lease liabilities movement:		
At start of the year	39,930,070	30,341,631
Additions	37,489,145	13,744,963
Interest expense	5,426,839	4,699,713
Foreign exchange losses	1,879,510	2,665,699
Principal Repayments	(14,874,063)	(11,521,935)
At end of the year	69,851,502	39,930,069

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and interest. The interest is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

	2025 Rwf'000	2024 Rwf'000

34. Contingent liabilities and capital commitments

(a) Legal and tax claims

There are certain lawsuits and claims pending against the Company in various courts of law, which are being handled by the external legal counsel. The contingent liabilities in respect of pending litigation against legal and tax cases were Rwf Nil and Rwf 1,563 million respectively as of 31 December 2025 (2024: Rwf Nil and Rwf 886 million).

(b) Letters of credit and guarantees

In the ordinary course of business, the Company conducts business involving guarantees and letters of credit. The majority of these facilities are offset by corresponding obligations of third parties. As at 31 December 2025, the company had issued performance Guarantees amounting to Rwf 26 million (2024: Rwf 24 million) issued to corporate customers' contracts on airtime. The company has no letters of credit issued.

(c) Capital commitments

The capital commitments for the year are as follows:

	2025 Rwf'000	2024 Rwf'000
Capital commitments	10,905,186	39,217,254
	10,905,186	39,217,254

Capital commitments are authorised and contracted for.

35. Retirement benefit obligations

The Company contributes to a statutory defined contribution pension scheme, to the Rwanda Social Security Board. The contributions are charged to profit or loss in the year in which they relate.

	2025 Rwf'000	2024 Rwf'000
Contributions to Rwanda Social Security Board (RSSB)	401,520	236,659
Pension contributions / retirement	305	492
	401,825	237,151

36. Financial risk management

The Company is exposed to various risks, including credit risk, liquidity risk, interest rate risk and foreign exchange risk. The Company's risk management strategy is based on a clear understanding of various risks, disciplined risks assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with industry best practices.

The Company's principal financial liabilities comprise loans and borrowings, lease liabilities, amounts due from related parties and trade and other payables. The main purpose of these financial liabilities is to raise finances for the Company's operations. The Company has trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company's senior management at Group level oversees the management of these risks. The Board of directors' reviews policies for managing each of these risks which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise various types of risks: interest rate risk, currency risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings and deposits. The salient exposures to market risks are discussed below.

	2025 Rwf'000	2024 Rwf'000

Interest rate risk

Interest rate risk is the risk that the fair value of 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 Kotak Mahindra bank loan. The Company manages its interest rate risks by negotiating and entering into short-term fixed interest rates agreements.

	2025 Rwf'000	2024 Rwf'000
Kotak Mahindra Bank loans	34,239,932	55,321,638
Sensitivity analysis:		
Effect on profit (-/+) 2%	684,799	1,106,433

The sensitivity above is the effect of the assumed change in interest rates on interest bearing assets and liabilities to profit or loss and equity. The above sensitivity analysis is unrepresentative of the interest rate risk exposure for the Company as interest bearing liabilities are fixed within the next one year.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (Closing FX rate for 2025 was $1= Rwf 1,457.01 & 2024 was $1 = Rwf 1,383.04). The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when purchases are denominated in a different currency from the Company's functional currency).

The following table demonstrates the sensitivity, to a reasonable possible change in the USD with all other variables held constant, of the Company's profit before tax and equity due to changes in fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Note Ref	2025 Rwf'000	2024 Rwf'000
<u>Foreign currency denominated Assets</u>			
Cash and cash equivalents	24	402,139	5,004,431
Trade and other receivables	22	1,795,734	1,472,091
Due from related parties	23	16,358,903	13,401,174
Total assets		18,556,776	19,877,696
<u>Foreign currency denominated liabilities</u>			
Trade and other payables	28	2,347,063	736,639
Borrowings	26	574,811,852	507,869,743
Due to related parties	23	22,514,428	20,380,774
Total liabilities		599,673,343	528,987,156
Net financial position		(581,116,567)	(509,109,461)

Sensitivity analysis	Effect on profit before tax Rwf '000	Effect on equity Rwf '000
31st Dec 2025		
Changes in USD -+ 6%	34,866,994	34,866,994
31st Dec 2024		
Changes in USD -+ 6%	30,546,568	30,546,568

36. Financial risk management (continued)

Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through use of bank overdrafts and group borrowings.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Note Ref	Carrying Amount Rwf'000	0-6 Months Rwf'000	6-12 Months Rwf'000	Above 12 Months Rwf'000	Total
At 31 December 2025:						
Assets						
Cash and bank balances	24	3,817,555	3,817,555	-	-	3,817,555
Due from related parties	23	16,358,903	16,358,903	-	-	16,358,903
Trade and other receivables	22	3,483,628	3,483,628	-	-	3,483,628
		23,660,086	23,660,086	-	-	23,660,086
Liabilities						
Lease liabilities	33	69,851,502	12,510,750	9,415,528	70,801,236	92,727,513
Loans	26	723,938,690	12,773,730	24,813,756	759,157,795	796,745,281
Bank overdrafts	30	3,801,664	3,801,664	-	-	3,801,664
Due to related parties	23	22,514,428	22,514,428	-	-	22,514,428
Trade and other payables	28	20,610,386	20,610,386	-	-	20,610,386
Total financial liabilities (contractual maturity dates)		840,716,670	72,210,958	34,229,284	829,959,030	936,399,272
Liquidity gap		(817,056,584)	(48,550,872)	(34,229,284)	(829,959,030)	(912,739,186)
At 31 December 2024:						
Assets						
Cash and bank balances	24	12,826,301	12,826,301	-	-	12,826,301
Due from related parties	23	13,401,174	13,401,174	-	-	13,401,174
Trade and other receivables	22	3,776,496	3,776,496	-	-	3,776,496
		30,003,971	30,003,971	-	-	30,003,971
Liabilities						
Lease liabilities	33	39,930,070	6,697,262	3,779,948	41,865,969	52,343,179
Loans	26	627,931,217	11,230,252	13,298,861	695,796,731	720,325,844
Bank overdrafts	30	4,279,863	4,279,863	-	-	4,279,863
Due to related parties	23	20,404,583	20,404,583	-	-	20,404,583
Trade and other payables	28	27,716,721	27,716,721	-	-	27,716,721
Total financial liabilities (contractual maturity dates)		720,262,454	70,328,681	17,078,809	737,662,700	825,070,190
Liquidity gap		(690,258,483)	(40,324,710)	(17,078,809)	(737,662,700)	(795,066,219

36. Financial risk management (continued)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company has managed its exposure to credit risk by ensuring that all distributors have a bank guarantees to cover amount of credit given to them. Apart from bank guarantee, no other collateral is held for any of the above assets. All receivables that are neither past due nor impaired are within their approved credit limits. No receivables have had their terms renegotiated. The Company is exposed to credit risk from its operating activities, primarily from trade receivables cash, other banks balances and other financial receivables.

All past due trade receivables have been reviewed by management and appropriate impairment losses recognized in the financial statements. The Company has policies in place to ensure that contracts are entered into with customers with appropriate credit history and that its financial interests are contractually safeguarded at the time of engagement.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury policies. Investments of surplus funds are made only with approved financial institutions, whose credit assessment is assessed on a regular basis.

The amount that best represents Company's maximum exposure to credit risk without taking account of the value of collateral obtained is made up as follows:

At 31 December 2025:	12 Month or lifetime ECL	Internal credit rating	Note Ref	Gross carrying amount Rwf'000	Less: Allowances Rwf'000	Net carrying amount Rwf'000
Trade and other receivable	Lifetime ECL	Performing	22	10,397,493	(6,913,865)	3,483,628
Due from related parties	Lifetime ECL	Performing	23	16,358,903	-	16,358,903
Total				26,756,396	(6,913,865)	19,842,531

At 31 December 2024:	12 Month or lifetime ECL	Internal Credit rating		Gross Carrying Amount Rwf'000	Less: Allowances Rwf'000	Net Carrying Amount Rwf'000
Trade and other receivable	Lifetime ECL	Performing	22	10,856,834	(7,080,338)	3,776,496
Due from related parties	Lifetime ECL	Performing	23	13,401,174	-	13,401,174
Total				24,258,008	(7,080,338)	17,177,670

The Company considers a financial asset in default when contractual payments for trade receivables are 90 days past due and for Interconnect receivables are 270 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

37. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2025. The Company receives shareholder's loan from the parent company as the main source of financing. The gearing ratios at 31 December 2025 and 31 December 2024 were as follows:

	2025 Rwf'000	2024 Rwf'000
Shareholders loan	540,571,919	452,548,105
External Loans	183,366,771	175,383,112
Bank overdrafts	3,801,664	4,279,863
Lease liabilities	69,851,502	39,930,070
Less: Cash and cash equivalents	(3,817,555)	(12,826,301)
Net Debt (A)	793,774,301	659,314,849
Equity (B)	(664,005,257)	(566,711,890)
Capital and net debt (C= A + B)	129,769,044	92,602,959
Gearing ratio (A/C)	612%	712%

38. Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Company's financial instruments are as follows.

As of 31 December 2025:	Note Ref	Carrying Value Rwf'000	Fair Value Rwf'000
Financial assets (amortised cost)			
Trade and other receivables	22	3,483,628	3,483,628
Due from related parties	23	16,358,903	16,358,903
Cash and cash equivalents	24	3,817,555	3,817,555
Total		23,660,086	23,660,086
Financial liabilities (amortised cost)			
Lease liabilities	33	69,851,502	69,851,502
Loan	26	723,938,690	723,938,690
Bank overdraft	30	3,801,664	3,801,664
Due to related parties	23	22,514,428	22,514,428
Trade and other payables	28	20,610,386	20,610,386
Total		840,716,670	840,716,670
As of 31 December 2024:			
Financial assets (Amortized cost)			
Trade and other receivables	22	3,776,496	3,776,496
Due from related parties	23	13,401,174	13,401,174
Cash and cash equivalents	24	12,826,301	12,826,301
Total		30,003,971	30,003,971
Financial liabilities (Amortized cost)			
Lease liability	33	39,930,069	39,930,069
Loan	26	627,931,217	627,931,217
Bank overdraft	30	4,279,863	4,279,863
Due to related parties	23	20,404,583	20,404,583
Trade and other payables	28	27,716,721	27,716,721
Total		720,262,454	720,262,454

38. Fair value of financial assets and liabilities (continued)

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

i. The carrying value of bank, deposits, trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
ii. Fair value of quoted financial instruments is based on quoted market price at the reporting date.
iii. 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.

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 or out of Level 3 fair value measurements.

39. 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 Rwanda 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 Rwanda limited. 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 4.

40. Events after the reporting period

The Company has evaluated all events that occur after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The management of the company has concluded that no non-adjusting event occurred that would require disclosure or adjustment to the financial statements as at the reporting date

41. Going concern assessment

During the year ended 31 December 2025, the Company incurred a net loss of Rwf 97,293 million (2024: Rwf 78,988 million). As at that date, accumulated losses were Rwf 664,105 million (2024: Rwf 566,812 million). The net liability portion was Rwf (664,005) million (2024: Rwf (566,718) million) with a net current liability position of Rwf 53,500 million (2024: Rwf 33,367 million). The Company also generated negative cash flows from the operations of Rwf 16,550 million (2024: Rwf 47,712 million). It may be noted that company has Shareholder's loan of Rwf 540,572 million (2024: Rwf 452,548 million). After considering shareholder's loan and external source of financing, there is sufficient liquidity to manage the operations.

The Directors are of the opinion that the Company will operate on going concern basis on the assumption that the Company:

i. Will generate cash inflows from operations;

ii. Will obtain funding from the third parties; and

iii. The Company will be able to obtain from the shareholders any additional funding required to meet its obligations as and when they fall due.

The Company has put in place enhanced growth initiatives including; robust go-to-market to maximise new sites extraction, further growth of data bundle penetration and churn mitigation, increase in average revenue per users (ARPUs), drive for myAirtelApp adoption through increased smartphone uptake and gold-plating the Network by plugging rural coverage gaps, addressing quality of service complaints and optimizing cost with granular focus.

The Company is confident that the funds and initiatives described above will be available to the Company to support its obligations and growth as required and that it is therefore appropriate to prepare the financial statements on a going concern basis.

42. Comparatives

Where necessary, certain comparative figures have been reclassified to conform to changes in the presentation in the current period.