AIRTEL TANZANIA PLC

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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TABLE OF CONTENTS

CORPORATE INFORMATION

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AUDITORS	Deloitte & Touche Certified Public Accountants (Tanzania) 3rd Floor, Aris House, Plot No 152 Haile Selassie Road, Oysterbay P.O. Box 1559 Dar es Salaam
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CORPORATE INFORMATION (CONTINUED)

PRINCIPAL BANKERS

National Bank of Commerce Limited
NBC House, Azikiwe Street/Sokoine Drive
P.O. Box 1863
Dar es Salaam

Diamond Trust Bank Tanzania Limited
Head Office: Suite 901, 9th Floor, Harbour View Towers
P.O. Box 115
Dar es Salaam

Citibank Tanzania Limited
Citibank House, Plot no 1962, Toure Drive, Oysterbay
P.O. Box 71625
Dar es Salaam

Standard Chartered Bank Tanzania Limited
3rd floor, International House,
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P.O. Box 9011
Dar es Salaam

NMB Bank PLC
Head Office, Ohio/Ali Hassan Mwinyi Road
P.O. Box 9213
Dar es Salaam

CRDB Bank PLC
Head Office, Palm Beach
P.O. Box 268
Dar es Salaam

ABSA Bank Tanzania Limited
Head Office, Ohio Street
P.O. Box 2475
Dar es Salaam

Stanbic Bank Tanzania Limited
Head Office, Kinondoni/Ali Hassan Mwinyi road
P.O. Box 72647
Dar es Salaam

United Bank for Africa Limited
30C/30D Nyerere road
P.O. Box 80514
Dar es Salaam

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2025

1. INTRODUCTION

The Directors submit their report together with the audited financial statements for the year ended 31 December 2025 which disclose the state of financial affairs of Airtel Tanzania PLC ("the Company" or "Airtel Tanzania").

The mission of the Company is to transform the lives of people across Tanzania by bridging the digital divide and driving economic growth through accessible, high quality telecommunication technology and services.

The vision of the Company is to enrich the lives of our customers and connect people to opportunities. The Company connects people of Tanzania to each other, empowering them to create opportunities, dream big, and live well.

The Company was incorporated in Tanzania on 7 May 2001 under Companies Act, 2002 with certificate of incorporation number 41291.

2. AIRTEL TANZANIA PLC PROFILE

The Company is one of the leading telecommunications companies in Tanzania, providing a wide range of services for consumers and enterprise including voice, data, messaging, and enterprise solutions to over 19.8 million customers in Tanzania (2024: 17.9 million customers).

3. NATURE OF BUSINESS OPERATIONS

The core business activity of the Company revolves around bridging the digital divide through the following key areas:

a) Mobile Voice and Data Services: The Company provides prepaid and postpaid wireless voice services, as well as 4G and 5G data services to its customers.

b) Enterprise solutions: The Company provides end-to-end communication solutions to business, governments and NGOs including data centers, cloud services and fixed connectivity.

c) Infrastructure: The Company invests heavily in network infrastructure (fiber etc.) to support voice and data connectivity.

4. CORE PURPOSE

The Company's core purpose is to connect the unconnected and bridge the digital divide by providing essential services to customers and societies across the country. Through these services, the Company is unlocking the potential for people, businesses and economies to grow.

An underpenetrated telecoms market, a young population and rising smartphone affordability, along with low data penetration, gives the Company growth opportunities in both voice and data.

The Company's voice and data services are reaching more people than ever and transforming customers' lives. By extending the Company's distribution network in both rural and semi-urban areas and providing resilient, far-reaching coverage, the Company has enabled millions of people to access telecoms services. By leading the way in the rollout of 4G & 5G networks and enabling people to progress from 2G to 3G to 4G to 5G, the Company has helped the country in driving digitalization. The Company is expanding footprint through retailers, agents and exclusive franchises, supplemented by unique operations, that has helped in its delivery of services across the market..

The Company's focus is to increase the number of subscribers through partnerships and product innovation thereby helping to drive the take up of telecom services. The Company's dynamic business model is underpinned by sustainability strategy and delivering value to stakeholders while transforming lives through digitalization.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

5. THE COMPANY'S STRATEGIC PRIORITIES

The Company's strategic priorities are designed to drive growth through new businesses while protecting core business with the priorities grouped into the following key strategic pillars:

i. Transforming lives through brilliant network experience;

ii. Operating in market full of opportunities – must win markets, scale home broad band and enterprise business;

iii. Delivering on the Company's strategy through excellent execution – strengthen Go to Market strategy;

iv. Reducing cost of running operation through war on wasteful expenditure.

v. Driving compliance culture through business compliance

vi. Keeping the Company's sustainability promises; and

vii. Creating values for the Company's stakeholders;

The Company is among the leading mobile network operator (MNO) in Tanzania with a strong purpose-led business model and a compelling track-record of effective management and quality execution in delivering on its strategy. Operating in a dynamic and rapidly digitizing economy, the Company has noted exciting opportunities to generate sustained revenue growth over the medium and long-term, while making a substantial contribution to the country's socioeconomic development.

6. OPERATING AND FINANCIAL REVIEW

Performance highlights

Details of the results for the year are set out in the statements of profit or loss and other comprehensive income.

a) Revenue

i. **Service revenue**, increased by 17.5% from TZS 805,012 million in 2024 to TZS 945,839 million in 2025. The growth was driven by a strong result from mobile data and lease line revenue which grew by 29.2% and 132.5% respectively.

ii. **Airtime revenue** increased by 2.9% from TZS 315,171 in 2024 to TZS 324,354 million in 2025, contributed by 8.6% growth in minutes.

iii. **Mobile data revenue** was pivotal to the Company's overall service revenue performance and grew by 29.2% from TZS 303,992 million in 2024 to TZS 392,716 million in 2025. The monthly average usage per customer increased by 63.2% from 5.9 gigabytes in 2024 to 9.7 gigabytes driven by rollout of 5G sites and scaling of home broadband segment along with extensive 4G upgrades that have been rolled out across the country. Data users grew by 12.8% to 12.1 million equivalents to 61.3% penetration of customers, with growth supported by investment in device subsidies and expanding share of open market device sales.

iv. **Value-Added Services (VAS) revenue** comprising of airtime Advance Credit Service (ACS) and other value-added services (VAS), increased by 5.1% to TZS 93,323 million. The increase was primarily driven by ACS which underwent process improvements allowing major part of customer base to become eligible for loan service.

v. **Mobile interconnect revenue** increased by 4.0% to TZS 51,487 million. The increase was primarily due to increase in traffic.

b) Total expenses

Total expenses excluding depreciation and amortization increased by 24.8% from TZS 481,215 million in 2024 to TZS 600,585 million in 2025. Network expenses increased by 22.1% driven by one off impacts taken during the year amounting TZS 16.5 Bn as against TZS 6.7 million in 2025 and network expansion through site rollout, sales and marketing expenses increased by 32.6% due to increase in commission on account of increase in count of new customer acquisition by 1.2 million.

c) EBITDA

Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 7% to TZS 346,511 million, on the back of 17.7% growth in service revenue and 28.2% increase in total expenses excluding depreciation and amortization.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

6. OPERATING AND FINANCIAL REVIEW (CONTINUED)

d) Profit after tax

Profit for the year decreased by 57.1% to TZS 22,626 million on account of higher finance expense by TZS 19,832 million and increased depreciation and amortization by TZS 43,280 million. Higher finance expense is due to higher interest cost borrowings by TZS 6,382 million, Interest on lease liability TZS 4,817 million and derivate and exchange fluctuation loss of TZS 8,815 million.

e) Capital expenditure

During the year, the Company's capital expenditure was TZS 217,313 million. (2024: TZS 172,680 million). Investment in the latest technologies is critical for capacity expansion, supporting new services and overall improvement in customer experience. The Company rolled out 237 incremental 5G sites, 303 additional 4G sites and 297 additional 2G to expand network coverage, ending with 3,603 4G sites and 352 5G sites across the country. The Company also deployed 82 kilometers of fiber, closing the year with 3,374 kilometers of fiber in network. Investment in the data network supported increase in data traffic by 62.1% leading to data revenue growth of 29.2%. The Company's 4G & 5G network carried close to 96.0% of total data traffic compared to less than 85.3% in prior year.

f) Income tax

The tax expense of TZS 10,252 million (2024: TZS 20,610 million) is in line with the profit before tax for 2025.

g) Cash and bank balances

Cash and cash equivalent Increased by 145% to TZS 21,360 million on the back of increased EBITDA (cash from operations) and improved collection from UCSAF at the end of December 2025.

h) Retained earnings

Increased by 5% to TZS 380,235 million is mainly due to profit made during the year.

i) Lease liabilities:

Increased by 14.6% to TZS 639,122 million was mainly driven by addition of new sites in line with the network expansion and annually contracted price adjustments.

7. BUSINESS ENVIRONMENT

In a rapidly growing population majority of whom are under 25 there is significant potential to expand the reach and penetration of voice and data services, bringing more people into the digital economy. As demand continues to rise, the need for accessible and affordable services has become more critical than ever.

Tanzania has one of the fastest growing economies in Africa, with regional Gross Domestic Product (GDP) growth reaching 6% this year despite macroeconomic disruption in the global economy. There are 70 million people in Tanzania, and with relatively young population, products and services are a gateway to financial and digital opportunity.

The Company aims to unlock commercial and digital benefits for all customers, their communities, and businesses. In a year when inflation has put pressure on every customer's budget, the Company has offered more value to customers through 'more-for-more' product offerings. At the same time, the Company has engaged regulators to enable more competitive pricing, specifically on data.

The Company has continued to improve network, simplify products and increase customer touchpoints for services. By the end of the year, population coverage for the entire telecom industry stood at 90%. The Company has added 237 numbers of 5G sites during the year to ensure better connectivity and faster data speed for its customers.

Distribution remains a crucial competitive advantage, and the Company ended the year with an increase of 22.6% of activating outlets compared to last financial year.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8. REGULATORY AND POLICY ENVIRONMENT

The telecommunications industry in Tanzania, as in many other markets, continued to face heightened regulatory scrutiny throughout 2025. This increased oversight reflects the sector's growing importance to socio-economic development and the competitive nature of the industry. The two principal regulators remain the Tanzania Communications Regulatory Authority (TCRA), which oversees GSM services, and the Bank of Tanzania (BoT), which regulates digital financial services. Regulatory and policy changes issued during the year have had, and will continue to have, significant implications for both customers and the business such as :

1. Removal of TCRA oversight on SIM card registration agents. MNOs are now fully responsible for agents' actions.
2. Increased quality of service measurement targets (KPIs), average data speed increased from 4mbps to 10mbps.
3. Introduced new certification requirements for Cyber security experts.
4. Introduce new licensing requirements for call centers, Satellite service providers, submarine cable.

The most significant regulatory and policy developments during 2025 are outlined below.

New Regulations

In 2025, TCRA issued new regulations covering the following areas:
a) SIM card registration (KYC) regulations, 2025.
b) Electronic and Postal Communications (Quality of Service) (Amendment) Regulations, 2025.
c) Computer Emergency Response Team (CERT) Regulations.
d) Online Content Regulations.
e) Amendments to the Electronic and Postal Communications (Licensing) Regulations, 2018.

All of the above regulations have already been implemented and are currently in force.
The Company addressed the above regulatory changes in the following ways:

a) The Company continued to monitor applicable laws, regulations, and policy developments, and engaged regularly with the TCRA and other regulatory authorities to ensure full compliance with all regulatory obligations.
b) The Company maintained a robust compliance management system that enabled effective tracking, awareness, and adherence to all legal and regulatory requirements.
c) The Company upheld strong governance practices and fostered a solid culture of compliance across the organization. This was overseen by the dedicated Internal Audit Department, which was responsible for monitoring, assessing, and managing risks.
d) The Company sustained proactive relationships with government institutions, relevant regulatory bodies, and tax authorities, guided by a shared commitment to inclusive economic development and recognition of the crucial role of a profitable business sector. These engagements were conducted both directly and through the Tanzania Mobile Network Operators' Association (TAMNOA).

9. COMPETITION AND MARKET OPPORTUNITIES

The Tanzanian telecommunications market is a vibrant and competitive landscape, characterized by a dynamic interplay of established players and emerging contenders vying for market share and innovation leadership. With a rapidly growing economy and an increasingly tech-savvy population, the demand for telecommunications services has surged, fueling intense competition among providers eager to capitalize on this burgeoning market.

At the forefront of this competitive arena are the major telecommunications giants, each wielding considerable resources and infrastructure to dominate the sector with continuous investment in infrastructure to maintain their competitive edge and expand their market reach. As Airtel Tanzania navigates the competitive landscape of the Tanzanian telecommunications market, the Company finds itself amidst a dynamic ecosystem characterized by both challenges and opportunities. With a commitment to innovation, customer-centricity, and expanding connectivity across the nation, Airtel Tanzania strives to maintain its position as a strong player in the industry.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

9. COMPETITION AND MARKET OPPORTUNITIES (CONTINUED)

However, amidst the dominance of these established players, a wave of smaller, agile telecom companies has emerged, challenging the status quo and injecting fresh competition into the market. These up-and-coming firms often specialize in niche services, such as loan provisioning or internet provision in rural and sub-urban areas, catering to specific segments of the population underserved by the larger players. Their agility and innovative business models enable them to swiftly adapt to evolving consumer needs and preferences, posing a formidable challenge to the established incumbents.

In Tanzania, Government initiatives are aimed at fostering a more inclusive and competitive telecommunications market. Policies promoting infrastructure sharing, spectrum allocation, and fair competition have encouraged new entrants to enter the fray, driving innovation and improving affordability and accessibility of services for consumers.

In this hyper competitive environment, differentiation is the only key to success. Airtel Tanzania is constantly innovating, introducing new services, and enhancing existing offerings to stand out in a crowded market. From high-speed internet connectivity and digital entertainment platforms to mobile financial services and Internet of Things (IoT) solutions, the Company is continually diversifying their portfolios to meet the diverse needs of Tanzanian consumers.

Furthermore, Airtel Tanzania is committed to driving digital inclusion and bridging the digital divide within Tanzanian society. Through initiatives such as the provision of affordable smartphones, digital literacy programs, and partnerships with government agencies and NGOs, Airtel Tanzania seeks to empower marginalized communities and unlock the transformative power of connectivity for all.

The Company has addressed issues related to markets and competition by implementing measures below:

(i) Spectrum assets with multiple layers of data capacity, including new 5G technology in 12 major administrative regions head quarters.
(ii) A modernized network offering 2G, 3G, 4G and 5G, largely on efficient single RAN technology;
(iii) 3,619 nos 2G network towers and data capacity of 1,300+ terabytes per day;
(iv) 3,674 Kms of fibre across the country;
(v) Compliance with regulatory frameworks;
(vi) A sound capital allocation strategy and financial management that targets revenue growth ahead of the market and underlying EBITDA margin improvement;
(vii) Mobile network partnerships that outsource the management and operation of network infrastructure
(viii) A strong management structure in market that can leverage Group expertise;
(ix) Sustainability strategy which underpins everything what the Company does, aligned with the UN SDGs and supported by goals and active policies to respect human rights, drive positive social impacts, protect the natural environment and conserve resources;
(x) Sound and transparent governance; and
(xi) A network of partners, including mobile brands, IT companies and telecoms infrastructure providers.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

10. KEY RELATIONSHIPS

The Company's ability to deliver long-term value depends on the contribution and activities of a range of different stakeholders, and on the quality of relationship with them. The table below briefly outline those stakeholder groups who have a substantive impact on ability to create value; the Company outline their contribution to value creation, means of engaging with them, and the stakeholders' identified priority interests relating to business activities:

Stakeholder and value	Means of engagement	Priority interests
Customers: Provide the basis for revenue growth by purchasing the Company's products and services.	• Self-Care channels through Airtel App, USSD and IVR. • Social Media. • Company website. • Call centres, retail shops, Airtel Money branches and Airtel kiosks. • Customer feedback process after service for obtaining feedback (Net Promoter Score) and cross functional team formulates action for the areas require improvement.	• Confidentiality and privacy of customer information. • Customer empowerment. • Simplification of customers' process. • Feedback on service areas require improvement. • Customized customer experience. • Better value offerings (affordability). • Customer satisfaction. • Reliable & best data networks with wider coverage. • Wide coverage on availability of customer service touchpoints. • Tailored business customers solutions as per needs.
Government and regulators: Provide access to spectrum and operating licenses, the basis for creating value.	• Participation in public forums. • Engagement on draft regulations and bills. • Engagement through industry bodies. • Publication of policy engagement papers. • Partnering on key programmes such as inclusive education, inclusive growth in agriculture, and inclusive climate action.	• Ensuring spectrum is managed as a strategic resource. • Regulatory compliance on issues such as customer registration, mobile termination rates, service quality, price, security and privacy, and safety, health and environmental performance. • Participating and promoting opportunities for economic development. • Contribution to the tax base. • Industry development. • Fair market development.
Investors and shareholders: Provide the financial capital needed to sustain and grow.	• Investor interactions, including conferences, meetings, and roadshows. • Annual and interim results. • Quarterly reports. • Annual reports, • Preliminary announcement call and Annual General Meetings (AGM). • Investor relations page in website.	• Responsible practices to manage risks and opportunities and ensure financial growth. • Sound corporate governance practices. • Transparent executive remuneration. • Improved liquidity of shares. • Stable dividend policy.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

10. KEY RELATIONSHIPS (CONTINUED)

Stakeholder and value	Means of engagement	Priority interests
Employees: Provide the skills and inputs needed to realize vision.	• Intranet portal for employees, 'Hive'. • Newsletter and the Company's website as an electronic communication to employees. • Ombudsman hotline (employees to air their voice). • Airtel WhatsApp group – for quick updates. • Leadership Development programme. • Early Career Program-GT. • Mobility program (Skills exchange programme across Airtel Africa & India). • Engagement surveys. • Online trainings platform. • Executives' discussions – 'ExCo meeting and Leadership Conclave'. • Health and welfare consultations as needed. • Quarterly townhall meetings.	• Create a conducive environment for career growth. • Skills development. • Competitive remuneration. • Mobility programme for knowledge sharing across Airtel Africa and India. • Mentoring and coaching programme – Women Leadership mentorship and capability programme. • Airtel benefit awareness – for better understanding of various reward structures. • Employee team building programme – Fun Friday, TGIF etc. • OHS programmes – Fire awareness, first aiders. • Safe working environment.
Suppliers: Ensuring availability of goods and services for customer needs in line with business aspirations	• Supplier forums. • Ongoing site visits. • Procurement processes (including tendering). • Supplier audits.	• Prompt payment. • Ethical sourcing process • Fair share of orders and services awarded. • Compliance to statutory requirement of the Republic including tax obligations, health and safety and general employee welfare
Communities: Provide a social license to operate and strengthen the socioeconomic context.	• Public participation where new base stations are needed. • Airtel Tanzania Corporate Social Responsibility in partnership with communities. • Social media pages	• Access to communication services and services such as finance, health, and education. • Free-to-use social media, health, education, and job sites.
Business partners: Custodians of brand, and key to delivering the best customer experience.	• Store, franchise and retail visits. • Management engagements. • One-on-one business meetings. • Training sessions on new products and services.	• Fair treatment. • Top management involvement with customers. • Making it simpler and quicker to deal with us. • Being heard as partners.
Media: Have a potentially significant influence on other stakeholders' perceptions.	• Face-to-face and telephonic engagement. • Interviews with key executives. • Media releases. • Roundtables. • Product launches.	• Being informed of key activities and offerings. • Transparency on performance. • Evidence of responsible business performance.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

11. VALUE CREATION AND SUSTAINABILITY

The Company invests in resources and relationships impacting on value as detailed below:

i. People, culture and governance: Human and intellectual capital

Critical inputs	Company activities to sustain value	Results of Company activities
• 2,016 GSM employees (230 permanent and 1,786 contractual staff) against 789 employees during the prior year. • A vibrant GSM Board and strong governance systems. • Experienced Executive Team • An agile, performance-based, and strong Airtel culture of ways of working. • Customer centric with efficient and effective services as per Service Level Agreements.	• A robust sustainability strategy to enhance diversity and inclusion at workplace. • TZS 500 million invested in employee training and development, including leadership development programme and mentorship programme. • Streamlined business processes implemented across business departments. • Graduate trainee and internship programme to strengthen talent. • Engagement programmes to foster a strong culture and ensure consistent delivery of targets. • Employee career growth opportunities with competitive remuneration. • Build collaborative relationship with service delivery contractors and suppliers. • Numerous initiatives to further strengthen existing reputation as an employer of choice.	Increased and maintained employee commitment, morale, skills, and diversity through: • Attracted right employees (candidates) with right skills. • TZS 35 billion in wages and benefits (TCTC) for GSM staff. • 19% female representation in senior managerial levels. • Increased employee's satisfaction rate. • Outstanding in OSHA compliance (Best working environment award for the last two years. • 89% engagement index score in Willis Towers Watson survey. • Average Staff turnover rate is at 10% for last three years. • Reasonable number of staff accessing the Employee Assistance Program (EAP). • No work-related fatalities for the TEN years.
Trade-offs: The Company continues to drive business growth while strengthening a high-performance culture through a structured HR strategy aligned with its long-term vision. Key priorities include digital transformation, the adoption of emerging technologies such as AI, and promotion of diversity, equity and inclusion, alongside flexible working models and employee well-being. Employees remain the Company's most valuable asset. Clear role alignment, capability development, and rigorous performance management underpin workforce effectiveness. A robust rewards and compensation framework ensures fair recognition of contributions. Balancing financial objectives with continued investment in human capital and broader social considerations remains a critical trade-off requiring ongoing management.		

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

11. VALUE CREATION AND SUSTAINABILITY (CONTINUED)

ii.Network and IT infrastructure: Manufactured capital

Critical inputs	Company activities to sustain value	Results of Company activities
•3,619 base stations (8.9%) increase •3,674 km of self-built fiber (up 11.60%) •Fiber for FTTX self Built, no new fiber for 2025 •TZS 206,058 millions investment in network (up by 62%)	Sustaining Network and IT leadership through the following streams: • Adaptability: the Company's scalable IT infrastructure allows organizations to adapt quickly to changing business requirements. It ensures that the technology can be dynamic to the organization's needs, market dynamics and new opportunities. • Data-driven Decision Making: Net-IT infrastructure facilitates the collection, storage, and analysis of data. This helps in making informed decisions based on insights derived from data analytics. • Security and Compliance: the Company's secured Net-IT infrastructure helps in mitigating risks associated with cyber threats and data breaches. This is crucial for maintaining the trust of customers, partners, and stakeholders and comply with industry regulations and data protection laws. Customer Experience: • Digital Transformation: Net-IT infrastructure enables the Company undergo digital transformation, enhancing the overall customer experience through online platforms, e-commerce, and personalized services through reliable communication Channels that support effective communication with customers through various channels, such as websites, mobile apps, and social media. • Time-to-Market: the Company's net-IT infrastructure accelerates the development and deployment of new products and services, reducing time-to-market.	Positive results in most areas: • TZS 206,058 million CAPEX investment to address network and IT plans. • 303 new 4G sites added 273 sites modernized and upgraded to 4G. • 237 new 5G sites added • Network resilience supporting growth in data carried in network, with close to 96% carried in 4G and 5Gnetwork. • Improvement in NPS.
Trade-offs: Building and maintaining infrastructure requires significant financial capital, and appropriate levels of human and intellectual capital, as well as certain natural capital inputs and outcomes. An extensive network is a key basis for bridging the digital divide and sharing the substantial social benefits of digital connectivity. As a purpose-led organization it is committed to reduce the environmental impacts associated with network infrastructure and services. An important trade-off is balancing the customer and regulatory calls to reduce prices and enhance quality, with the need to generate the financial capital needed for network investment.		

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

11. VALUE CREATION AND SUSTAINABILITY (CONTINUED)

iii.Natural Resources: Natural capital

Critical inputs	Activities to sustain value	Results of Company activities
• 700, 900, 1800, 2100, 2600 MHz and 3500 bands for Mobile and 5G • 14.22 GWh electricity • 496.38 kiloliters of fuel	• Strong focus on energy efficiency and GHG mitigation in our data centers including the use of solar energy. • Connect off grid sites to grid to reduce generator runtime. • Install Lithium Batteries Tower sites to reduce Generator runtime during mains power outage. • Conversion of Indoor to outdoor sites to reduce energy consumption.	• Estimated 7,716 tonnes of carbon dioxide (CO_2) emissions from electricity, diesel and refrigerants usage (scope 1&2) (down 76%).

Trade-offs: The Company has initiated a transformative programme to transition telecommunication towers from off-grid power solutions to grid-connected systems across key regions in Tanzania. In 2025, a total of 114 sites were successfully migrated to grid power, demonstrating the Company's strong commitment to environmental sustainability, cost efficiency, and the long-term shift toward cleaner energy solutions for the communities it serves. While the initiative enhances operational reliability and delivers substantial cost savings over time, it requires careful balancing of upfront investment with long-term environmental and financial benefits.

12. DIVIDENDS

The Company intends to pay as much of its after-tax profit as will be available after retaining such sums and repaying such borrowings owing to third parties as shall be necessary to meet the requirements reflected in the budget and business plan, considering monies required for investment opportunities. There is no fixed date on which entitlement to dividends arise and the date of payment will be recommended by the Board and approved by the shareholders at the time of declaration.

The financial results of the year are set out on page 25 and dividend on note 34 of the financial statements. The Directors propose the payment of a final dividend of TZS 5,000 million (TZS 20.73 per issued share) in respect of the year ended 31 December 2025 (2024: TZS 5,000 million).

The Board will recommend a final dividend, in relation to the financial year ended 31 December 2025, for approval by the shareholders at the annual general meeting.

13. SOLVENCY AND LIQUIDITY OF THE COMPANY

The Board considers the Company to be solvent, within the meaning ascribed by the Companies Act, No 12 of 2002 of Tanzania. The Company had net current liabilities of TZS 474,352 million as at 31 December 2025 (2024: TZS 305,766 million). The Company has assessed its liquidity position and is confident that sufficient funds will be available and accessible to meet all obligations as they fall due.

14. CAPITAL STRUCTURE AND SHAREHOLDING

The Company had two shareholders throughout the year to 31 December 2025 (2024: two shareholders). No Director had any interest in the shares of the Company.

The issued and paid up ordinary share of the Company as at 31 December 2025 were held as follows:

Shareholder Name	Percentage	Number of shares	Domicile
Bharti Airtel Tanzania B.V.	51%	123,000,000	Netherlands
Government of the United Republic of Tanzania	49%	118,176,471	Tanzania
	100%	241,176,471	

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

15. CAPITAL EXPENDITURE AND COMMITMENTS.

Information on the Company's property and equipment and intangible assets investment is presented in Notes 17 and 18 to the financial statements.

Information about the Company's commitments is presented in Note 32 to the financial statements.

16. BUSINESS CONTINUITY

The Company continues to focus on delivering best-in-class service, 4G & 5G networks in market. The Company's goal is to be the market leader in Tanzania, while continuing to include more people in network, particularly in underserved rural areas. This year, the Company made significant investments in network, technology and spectrums – also made progress in initiatives with suppliers to increase the use of renewable energy and reduce fuel dependency. The following are some of the key measures that have been taken to ensure business continuity:

- Strengthening distribution infrastructure to win more quality customers by increasing depth and width, with a particular focus on rural areas.
- Enhancing the customer's experience through simplified digital customer onboarding processes, including the Know Your Customer (KYC) process.
- Cross-selling new digital services to existing customer base.
- Broadening offer to enhance usage and ARPU, while further granulating the Company's approach to distribution so we can focus faster and more responsively on the needs and issues of customers in smaller geographies, increasing net customer reach.

17. BORROWINGS

The Company borrowings as at 31 December 2025 was TZS 180,221 million (2024: TZS 200,153 million). Further information on the Company's borrowing is presented in Notes 26 to the financial statements.

18. POLITICAL AND CHARITABLE DONATIONS

The Company did not make any political or charitable donations during the year (2024: None).

19. PARENT AND ULTIMATE PARENT

The Company is part of the Bharti Airtel Group of companies. The Company's direct shareholders are Bharti Airtel Tanzania B.V., a company incorporated and domiciled in the Netherlands and the Government of the United Republic of Tanzania. Ultimate controlling entity effectively from 3 November 2017 is Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Mittal's family trust effectively controlling the Company. The step-up parent company that produces consolidated financial statements for public use within the Group is Bharti Airtel Limited, a company incorporated and domiciled in India.

20. RELATED PARTY TRANSACTIONS

Transactions with related parties were conducted in the normal course of business. Details of transactions and balances with related parties are included in Note 32 to the financial statements.

21. COUNTRY OF INCORPORATION

The Company is incorporated and domiciled in the United Republic of Tanzania.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

22. DIRECTORS AND COMPANY SECRETARY

The Directors of the Company who served during the year and to the date of this report are:

Name	Position	Qualifications	Age	Nationality	Date appointed	Date Resigned	Appointed by
Mukesh Bhavnani	Member**	Masters in Law	69	Indian	15 July 2019	N/A	Bharti Airtel Tanzania B.V.
Lekinyi Ngariapusi Mollel	Member**	Masters in Economics	52	Tanzanian	11 June 2019	N/A	Treasury Registrar
Jaideep Paul	Member**	Bachelors of Commerce, Chartered Accountant	63	Indian	1 May 2015	30 June 2025	Bharti Airtel Tanzania B.V.
John Marato Sausi	Member**	Masters in Computer Science	46	Tanzanian	11 June 2019	27 July 2025	Treasury Registrar
Apporva Mehrotra	Member**	Masters in Business Administration (Marketing) & Bachelor in Psychology	54	Indian	11 October 2022	N/A	Bharti Airtel Tanzania B.V.
Eliudi Betri Sanga	Chairman**	Master's degree in development administration	63	Tanzanian	15 January 2023	N/A	Treasury Registrar
Charles Kamoto	Managing* Director	Master Business Administration	51	Malawian	1 November 2024	N/A	Bharti Airtel Tanzania B.V.
Kamal Dua	Member **	Chartered management accountant	46	Indian	1 July 2025	N/A	Bharti Airtel Tanzania B.V
Layson Ndwalilako Mwanjisi	Member*	Certified public accountants CPA (T)	49	Tanzanian	28 July 2025	N/A	Treasury Registrar

* Executive

** Non-executive

The Company Secretary as at 31 December 2025 was David Marco Lema.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23. CORPORATE GOVERNANCE

The Board of Directors ("the Board") consists of one Executive Director and six Non-Executive Directors. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets.

The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is required to meet at least four times a year (once every quarter). The Board delegates day-to-day management of the business to the Managing Director assisted by Senior Management. Senior Management is invited to attend board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units. The Board met four times during the year. Major issues discussed during the meetings are:

- Performance review;
- Approval of annual plans;
- Business challenges;
- Network needs including spectrum and related resources; and
- Financing of the Company.

The Company is committed to the principles of effective corporate governance. The Directors also recognise the importance of integrity, transparency and accountability. During the year, the Board had a Board Audit Committee which constitutes two Executive Directors and one Non-Executive Director, to ensure a high standard of corporate governance throughout the Company. The Board Audit Committee is required to meet four times a year. The Board Audit Committee met four times during the year.

Board Audit and Risk Committee (ARC)

The Company has an ARC that is responsible for:

- Reviewing the financial statements of the Company, and any formal announcements relating to the Company's performance including interim, preliminary, and annual reports, before Board approval;
- Monitoring compliance with established policies, plans, instructions, and procedures with reference to the statement of delegated authorities approved by the Board;
- Ensuring there is due process for the identification and management of key business risks having regard to any significant failings or weaknesses in internal control;
- Monitoring compliance with the Company's Standards of Business Conduct;
- Monitoring and ensuring there are due processes for compliance with relevant national laws and regulations;
- Monitoring the risk management function and processes and assessing the company's significant risks;
- Ensuring that there is due process for monitoring the efficiency and effectiveness of operational controls;
- Monitoring of conflict-of-interest disclosure for Directors and senior managers;
- Reviewing the adequacy of the internal audit function including the structure, staffing and the deployment of resources to complete their responsibilities;
- Approving the Internal and external audit plan.
- Reviewing the internal audit reports relating to the internal control weaknesses;
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems and reporting the matter to the Board;
- Reviewing the functioning of the whistle blower mechanism and the nature of the complaints received by the Ombudsperson when the same is implemented by the Company;
- Considering the appointment and/or termination of the external auditors, including their audit fees, independence and objectivity and determining the nature and extent of any non-audit services;
- Review the external auditors' management letter and any major recommendations of the external auditors and consider Management's response;
- Review the actions taken by Management on actionable issues arising out of previous Management reports and observation from internal audits; and
- Reviewing and monitoring the management and reporting of tax-related matters.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23. CORPORATE GOVERNANCE (CONTINUED)

The Board Audit and Risk Committee reports directly to the Board Audit Committee and it comprises of two Non-Executive Directors. the committee met two times during the year.

Audit, Risk and Compliance Committee

Name	Nationality	Qualification and Experience
Mr. Lekinyi Ngariapusi Mollel	Tanzanian	• Masters of Commerce in Applied Economics from the University of Cape Town, South Africa (2009); • Masters of Science Degrees in Economics from the University of Zimbabwe (2005) and a Bachelor of Arts with Honours degree in Economics from the University of Dar es Salaam, Tanzania (1997); and • Over 26 years of experience in debt management and monetary policy attained while working with the Ministry of Finance Tanzania, Bank of Tanzania, and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), Harare Zimbabwe.
Mr. Kamal Dua	Indian	• Chartered management accountant and attendee of executive programmes at the Indian Institute of Management (IIM) in Calcutta. • Currently the executive director and chief financial officer Airtel Africa and before he was its deputy chief financial officer. • Has vast experience in financial governance and strategic planning at Airtel Africa, • Chairman of Airtel Africa Finance Committee, Audit and Risk Committee and Sustainability Committee meetings. • Board member of Airtel Networks Ltd – Nigeria and Airtel Networks Zambia Plc, including several of the holding companies under the ambit of Airtel Africa plc. • Over 20 years of leadership and financial experience across the telecommunications, FMCG and manufacturing industries. • He has previously served at Bharti Airtel as the Group financial controller where he was responsible for financial control and governance, financial reporting, driving simplification and automation, and partnering with the business to drive annual operating plans (AOPs), investor relations and strategic business plans amongst others.
Mr. Apporva Mehrotra	Indian	• Holds a Master's Degree in Management Studies from University of Mumbai (1992-94); • A Graduate in Psychology from University of Allahabad (1988-91); • Went to Indian School of Business, Advanced Leadership Development Program (2009); • Indian Institute of Management, Integrated Management Program (2013); • INSEAD, Bharti Airtel Strategic Leadership Program (2018); • Overall experience of over 25 years in Sales, Marketing, General Management, P&L Management, across Fintech, Telecom, Consumer Durables & FMCG industries; • Managing Director at Airtel Networks Zambia PLC – Up to 2022 for 2018; and • Business Head of Airtel Africa, East Africa Region from 2022.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23. CORPORATE GOVERNANCE (CONTINUED)

Outlined below is the attendance of committee members during the meetings held in the year:

Name	Position	Date of Meeting			% attendance
		6 March 2025	19 May2025	24 November 2025	
Mr. Lekinyi Ngariapusi Mollel	Chairperson	Through Proxy by Apoorva Mehrotra	In Attendance	In Attendance	100%
Mr. Jaideep Paul (Resigned 30 June 2025)	Member	Through Proxy by Charles Kamoto	In Attendance	N/A	67%
Mr. Apoorva Mehrotra	Member	In Attendance	Through Proxy held by Charles Kamoto	Through Proxy held by Charles Kamoto	100%
Mr. Kamal Dua (Appointed 29 August 2025)	Member	N/A	N/A	In Attendance	33%

24. CORPORATE SOCIAL RESPONSIBILITY REPORT (CSR)

The Company is committed to its stakeholders to conduct its business responsibly creating sustainability and positive impact. It forms an integral part of the country's cultural and financial fabric and invests in a range of social projects be it Education, Health or Environment.

As per CSR policy, the Company does not make any political and religious donations. The Company's policy is aligned CSR to overall business strategy to build brand affinity and increase sustainability.

The Company runs the following CSR programs:

i. **Education – (Vocational Education Training- Expansion through Digital Technology)**

Airtel VSOMO – In 2016, 2015 and 2014 Vocational Education and Training Authority (VETA) managed only to accommodate 41% of 11,857 applications, 31% of 13,932 applications and 18% of 17,072 applications, respectively. This is due to the limitation of vocational training facilities to accommodate the needs. Airtel partnered with VETA to increase access to vocational learning in the country. Through mobile data access, Airtel and VETA provide an affordable and rapid alternative to traditional education, reaching youth in every corner of the country and equipping them with the skills needed to become self-employed or enter the workforce.

Airtel VSOMO is an acronym for VETA SOMO, SOMO a Swahili word meaning subject which stands for new developed mobile application used to provide vocational training through smart phones. Since Launched in June 2016, the app has recorded:

- 59,757+ downloads.
- 31,687+ registered users.
- 17 vocational courses offered.
- 6,723+ trainees certified through the platform.

Airtel and VETA have expanded collaboration to include more than 10 implementation partners supporting the Airtel VSOMO project.

Airtel VSOMO App/platform has continued to attract support from both local and international development partners. Notable contributions include: OCODE (local NGO) – through its Bonga Project, OCODE sponsored 520 vulnerable youth in Dar es Salaam, Swiss Embassy – Swiss Development Cooperation (SDC) – supported the expansion of Airtel VSOMO to Mwanza Simiyu, Shinyanga and Tabora to empower more than 500 youth. GIZ – Employment and Skills for Development in Africa (E4D) – Through its regional program operating in seven African countries, GIZ supported 600 youth in Dodoma, Lindi, and Manyara. The initiative, supervised by Tanzania's Prime Minister's Office, focused on courses such as Welding, Domestic Plumbing, and Industrial Plumbing. The (Youth Employment)- Ajira kwa Vijana project coordinated by International Cooperation (FIC Denmark-based NGO) has also trained 100 Trainees through the Airtel VSOMO platform in the Electrical Installation course.

Airtel Vsomo App operates in both Swahili and English, with enriched Airtel VSOMO features has become the **1st East and Central African** mobile-learning platform that deliver interactive and engaging vocational education and training programs to equip underprivileged young people with employable skills demanded in this current competitive labour market.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

24. CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

Education – Smart WASOMI-Digital Education)

The Company has continued to expand CSR support to numerous educational initiatives across the country. In November 2023, the Company signed memorandum of understanding (MoU) between Ministry of Education, Science and Technology (MoEST), President's Office- Regional Administration and Local Government (PO – RALG) in connection to the five-year partnership between Airtel Africa and UNICEF signed in October 2021 with the purpose of accelerating digital learning across Africa in thirteen (13) target nations, including Tanzania.

This partnership aims at increasing internet connectivity in schools and communities, zero-rating educational learning platforms for improved accessibility, and digital education advocacy.

Major Airtel Smart WASOMI objective is schools' connectivity, envisioning to connect all Government owned secondary schools with Airtel internet and creating Smart Class for schools to be able to access free educational materials:

The milestone in this CSR project:

i. Successfully zero rated three key education platforms, enabling teachers and students—particularly in Zanzibar—to access learning content at no data cost. These include: TIE Online Library: https://ol.tie.go.tz/ Shule Direct Learning Content: https://www.shuledirect.co.tz/ Education Management System (EMS): https://ems.co.tz
ii. Completed nationwide mapping and assessment of internet connectivity infrastructure across 5,000 government owned secondary schools — 500 in Zanzibar and 4,500 on the Mainland — establishing a clear roadmap for digital expansion.
iii. Airtel donated 550 high speed routers and commenced installations in targeted schools. As a result, 420 schools have already been connected to reliable internet services, advancing digital learning readiness.
iv. Trained 9,700 teachers under the Airtel Smart Wasomi programme, building their capacity in digital literacy and troubleshooting to strengthen classroom technology integration.
v. Equipped with 3,067 teachers with skills to effectively access and utilize zero rated learning platforms, ensuring stable digital learning environments. (Zanzibar: 478, Mbeya: 974, Dodoma: 692, Arusha: 150, Dar es Salaam: 90, Kilimanjaro: 50 (Training achievements as of December 2025)
vi. vi. 1,707,213 users, including teachers and students gained access to the Airtel Smart Wasomi zero rated e learning platforms, significantly enhancing digital learning opportunities nationwide.

The Government has distributed 300,000 tablets to teachers- teachers who use Airtel SIM cards access the sites for free.

The Company plan is to support 3,000 schools for the next 5 years aligned with CEO pledge to her excellence the president of Tanzania commitment in their meeting in February, 2022.

The Company had successfully completed support for 430 schools by the end of financial year 2025.

The rollout plan for the remaining schools is as follows:

- 1,000 schools to be completed by 30 June 2026.
- Another 1,000 schools to be completed by 31 March 2027.
- The balance of schools to be completed by 31 December 2027.

ii. Health – (Good health and well-being)

Using state of art communication and innovations enable maternal health workers to increase efficiency to help more unsaved communities with health services. This is partnership with Wazazi Nipendeni.

Also, the Company has partnered with **Tanzania Youth Alliance (TAYOA)** providing them with Toll-free number 117 for online consultations on HIV reductions to save life.

- About 83,210 reached through Airtel interactive voice responses.
- 37.810 Airtel callers reached through direct (one on one) telephone counselling; and 6.300 individuals reached through SMS services on different HIV-related topics, including adherence to ART and prevention of mother-to-child transmission of HIV.
- Notably, most of these individuals (89%) were young people aged 19-24. services on different HIV-related topics, including adherence to ART and prevention of mother-to-child transmission of HIV.

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

24. CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

iii. Environmental protection – (climate action)

Airtel Tanzania Project Green Every Little Step Counts

This is ongoing project which as part of Airtel Africa's sustainability strategy on environmental stewardship, Airtel Tanzania in collaboration with the National Environment Management Council (NEMC), executed a high-impact beach clean-up and public education initiative focused on "Un plastic Africa" as part of 2025 environmental day celebration.

Key Highlights (2025):

- 500+ volunteers: Airtel staff, NEMC teams, Government of Tanzania leaders, and beach area families mobilized for the clean-up.
- End to end stewardship: Plastics collected were handed over to NEMC for recycling, ensuring measurable environmental outcomes.
- Nationwide engagement: Bulk SMS to customers together with high frequency social content to drive un-plastic Africa awareness and participation.
- Strategic alignment: Activities delivered under the 2025 anniversary theme and "go green" campaign—continuing Airtel's journey on environmental responsibility.

24. DEFERRED TAX RECOGNITION

The Company had a deferred tax asset of TZS 128,551 million as at 31 December 2025 (2024: TZS 128,053 million). Further disclosures of the deferred tax asset has been included under note 20.

25. EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any other matter or circumstance arising since the end of the reporting period, not otherwise dealt with herein, which requires adjustment to or disclosure in the financial statements.

26. AUDITORS

The auditors, Deloitte & Touche, having expressed their willingness, continue in office in accordance with section 170 (2) of the Companies Act, 2002.

Deloitte & Touche with PF No 025 and Taxpayer Identification Number (TIN) 100-148-692 is an audit firm registered with the National Board of Accountants and Auditors of Tanzania (NBAA).

Financial statements

The financial statements for the year ended 31 December 2025 were approved and authorized for issue by the Board on 27 FEBRUARY 2026.

By order of the board

ELIUDI B. SIMNGA	
Director	Signature
CHARLES MOSTAFA KAMOTO	
Director	Signature

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, 2002 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the Company's state of affairs and its operating results for that year. The Companies Act, 2002 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.

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act, 2002, and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS Accounting Standards as issued by International Accounting Standards Board and in the manner required by the Companies Act, 2002. 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 and of its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Board of Directors on 27 FEBRUARY 2026 and signed on behalf by:

ELIUDI B. SANGA
Name of Director

Signature

CHARLES MUSTAFA KAMOTO
Name of Director

Signature

DECLARATION OF THE HEAD OF FINANCE

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the head of finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a professional accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of a Company showing true and fair view of the Company's financial position and performance in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of Companies Act, 2002. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as set out in the Statement of Directors' Responsibilities on an earlier page.

I, Indradip Mazumdar, being the Finance Director of Airtel Tanzania Plc hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2025 have been prepared in compliance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of Companies Act, 2002.

I thus confirm that the financial statements comply with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of Companies Act, 2002 as on that date and that they have been prepared based on properly maintained financial records.

Indradip Mazumdar

Indradip Mazumdar
Finance Director
NBAA Membership No: TACPA 4729

27 February 2026

Deloitte.

Deloitte & Touche
Certified Public Accountants
Registered Auditors
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AIRTEL TANZANIA PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Airtel Tanzania PLC ("the Company"), set out on pages 25 to 70, which comprise the statement of financial position at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of Companies Act, 2002.

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 National Board of Accountants and Auditors (NBAA) Code of Ethics which is consistent with the International Ethics Standards Board for Accountant's *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company information, the Report by Those Charged with Governance, Statement of Directors' Responsibilities and the Declaration of the Head of Finance but does not include the financial statements and our auditor's report thereon.

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

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, except for the matter below in respect of Tanzania Financial Reporting Standards No.1 – The report by Those Charged with Governance ("TFRS 1"), IFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information and IFRS S2 – Climate-related Disclosures.

We have concluded that the Report by Those Charged with Governance did not disclose all information as required by the Tanzania Financial Reporting Standards No.1 – The report by Those Charged with Governance ("TFRS 1"), IFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information and IFRS S2 – Climate-related Disclosures.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act, 2002; and for such internal controls as Directors determine are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Company 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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

We communicate with the Directors 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 Companies Act, 2002 we report to you, based on our audit, that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;

(ii) in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books of account; and

(iii) the statements of financial position (balance sheet) and the statements of profit or loss and other comprehensive income (profit and loss account) are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is F.J. Kibiki.

Deloitte & Touche
Certified Public Accountants (Tanzania)

27 February 2026

Signed by: F.J. Kibiki
NBAA Registration No. ACPA - PP 3214
Dar es Salaam

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 TZS 'M'	2024 TZS 'M'
Service revenues	7	945,839	805,012
Other income		1,256	39
		947,095	805,051
Network operations cost	8	(235,340)	(192,746)
Access charges	9	(51,374)	(45,451)
License fees and spectrum charges		(39,567)	(33,088)
Other expenses	10	(71,169)	(53,862)
Employee benefit expenses	11	(52,784)	(42,668)
Sales and marketing expense	12	(150,351)	(113,400)
Depreciation and amortization	13	(223,297)	(180,018)
Operating profit		123,213	143,818
Finance cost	15(a)	(90,771)	(70,939)
Finance income	15(b)	436	415
Profit before tax		32,878	73,294
Income tax expense	16(a)	(10,252)	(20,610)
Profit after tax		22,626	52,684
Other comprehensive income		-	-
Total comprehensive income for the year		22,626	52,684

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025

	Notes	2025 TZS 'M'	2024 TZS 'M'
Assets			
Non-current assets			
Non-financial assets			
Property, plant and equipment	17	605,400	530,136
Capital-work-in-progress	17	85,872	87,307
Intangible assets	18	269,301	227,426
Intangible assets under development	18	1,767	-
Right-of-use asset	19	446,198	375,170
Deferred tax asset	20	128,551	128,053
Other non-financial assets	23(d)	97,509	62,476
		1,634,598	1,410,568
Financial assets			
Other financial assets	23(e)	1,943	1,944
Investment	21	1	1
		1,944	1,945
Current assets			
Non-financial assets			
Inventories	22	5,401	3,854
Other non-financial assets	23(c)	107,065	103,067
		112,466	106,921
Financial assets			
Cash and cash equivalents	24	21,360	8,722
Trade receivables	23(a)	34,991	35,570
Derivative financial assets		24	102
Other financial asset	23(b)	10,109	12,815
		66,484	57,209
Total assets		1,815,492	1,576,643

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	2025 TZS 'M'	2024 TZS 'M'
Equity and liabilities			
Equity			
Ordinary shares	25	48,235	48,235
Share premium	25	1,520	1,520
Retained earnings		380,235	362,609
Shareholders' surplus		429,990	412,364
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	26(a)	58,565	139,654
Lease liabilities	29	561,387	492,410
Others financial liabilities	28(c)	87,902	51,697
		707,854	683,761
Non-financial liabilities			
Provisions	27(a)	321	308
Deferred revenue		13,034	4,493
Other non-financial liabilities	28(e)	10,991	5,821
		24,346	10,622
Current liabilities			
Financial liabilities			
Borrowings	26(b)	121,656	60,499
Derivative financial liabilities (current)		5,104	12,960
Lease liabilities	29	77,735	65,403
Other financial liabilities (current)	28(b)	157,445	80,477
Trade payables	28(a)	204,459	178,922
		566,399	398,261
Non-financial liabilities			
Provisions	27(b)	11,974	12,661
Deferred revenue – Current		36,990	28,181
Income tax payable	16(c)	1,081	304
Other non-financial liabilities	28(d)	36,858	30,489
		86,903	71,635
Total liabilities		1,385,502	1,164,280
Total equity and liabilities		1,815,492	1,576,643

The financial statements on pages 25 to 70 were approved and authorized for issue by the Board of Directors on 27 FEBRUARY 2026 and were signed on its behalf by:

ELIUFOI B. SIAIGA
Name
Title

CHARLES MUSTAFA KAMOTO
Name
Title

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Share capital TZS 'M'	Share premium TZS 'M'	Retained earnings TZS 'M'	Total TZS 'M'
At 1 January 2024		48,235	1,520	329,925	379,680
Profit for the year		-	-	52,684	52,684
Dividend	34	-	-	(20,000)	(20,000)
At 31 December 2024		48,235	1,520	362,609	412,364
At 1 January 2025		48,235	1,520	362,609	412,364
Profit for the year		-	-	22,626	22,626
Dividend*	34	-	-	(5,000)	(5,000)
At 31 December 2025		48,235	1,520	380,235	429,990

*It comprises of TZS 5,000 million final dividend declared for the year ended 31 December 2024.

AIRTEL TANZANIA PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 TZS 'M'	2024 TZS 'M'
Operating activities			
Profit before tax		32,878	73,294
Adjustment for:			
Depreciation of property, plant and equipment	13	124,926	108,736
Amortisation of intangible assets	13	36,890	23,311
Depreciation of right of use	13	61,482	47,971
Amortization of debt origination cost	26(c)	493	571
Foreign exchange loss		21,504	75,819
Interest expense – lease liability	29	36,390	31,572
Interest expense - Borrowings		24,737	20,767
Finance income	15(b)	(436)	(415)
Operating cash inflows before movement in working capital		338,864	381,626
Movement in working capital:			
Decrease in trade receivable		503	-
(Increase)/decrease in inventories		(1,547)	4,902
Increase in trade payable		26,679	-
(Decrease)/increase in provision		(674)	602
Increase in deferred revenue		17,350	-
Decrease derivative financial liabilities		(22,588)	-
Decrease derivative financial assets		78	-
Increase in other financial and non-financial assets		(36,324)	(17,806)
Increase/(decrease) in other financial and non-financial liabilities		31,775	(75,602)
		354,116	293,721
Current income tax paid	16(c)	(8,445)	(10,951)
Withholding tax recovered	16(c)	(1,504)	(578)
Withholding tax on dividend income	16(b)	(24)	(19)
Net cash flow generated from operating activities		344,143	282,174
Investing activities			
Purchase of property, plant and equipment		(113,976)	(199,438)
Purchase of intangible assets		(31,473)	-
Finance income received	15(b)	436	415
Net cash flow from investing activities		(145,013)	(199,023)
Financing activities			
Dividend paid	34	(5,000)	(20,000)
Proceeds from borrowings	26(c)	6,116	57,153
Repayment of borrowings	26(c)	(25,291)	(22,295)
Repayment of lease liability	29	(71,974)	(57,283)
Payment of deferred spectrum liability		(21,292)	(9,950)
Interest on borrowings, lease liabilities and other liabilities		(66,255)	(57,008)
Net cash flow from financing activities		(183,696)	(109,383)
Net increase/(decrease) in cash and cash equivalents		15,434	(26,232)
Currency translation differences relating to cash and cash equivalents		(1,547)	(6,931)
Cash and cash equivalents at beginning of the year		(26,165)	6,998
Cash and cash equivalents at end of the year	24	(12,278)	(26,165)

1. GENERAL INFORMATION

Airtel Tanzania PLC ("the Company") is incorporated in the United Republic of Tanzania under the Companies Act, 2002 as a private limited liability Company, and is domiciled in Tanzania. The address of its registered office and principal place of business is indicated on page 1.

2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

a) New standards and amendments to published standards effective for the year ended 31 December 2025

The following were new and revised IFRSs that have been effective in the current year. The Company's application of the new and revised standards did not have significant impact to these financial statements

Lack of Exchangeability (Amendments to IAS 21)	The amendments in translation to hyperinflation currency (Amendments to IAS 21) amend IAS 21 to: • Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency. • Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. • Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

b) New standards and amendments and interpretation in issue but not effective for the year ended 31 December 2025

Standard or amendment	Description	Effective date
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments IFRS 9 and IFRS 7	Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Annual IFRS improvement _ Volume 11	Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS (CONTINUED)

c) Impact of new and amended standards and interpretations in issue but not yet effective in the year ended 31 December 2025

IFRS 18 - Presentation and Disclosures in Financial Statements

IFRS 18 – Presentation and Disclosures in Financial Statements replaces IAS 1 and brings significant changes to the presentation and disclosure requirements in financial statements. The new standard aims to enhance the structure, clarity, and comparability of financial statements across different entities and industries.

Key features of IFRS 18 include:

- Defined categories in the statement of profit or loss - Income and expenses must be presented in operating, investing, and financing categories to improve transparency and comparability.
- Management-defined performance measures - Entities are required to disclose management-defined performance measures (non-GAAP measures) in the notes, with reconciliations to the nearest IFRS measure.
- Enhanced disclosure requirements - The standard introduces new and improved disclosures to provide users with more relevant information about an entity's financial position, performance, and cash flows.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The adoption of this standard is expected to result in more consistent and useful financial statements, supporting better decision-making by users.

The Directors of the Company anticipate that the application of these amendments may have an impact on the financial statements in future periods.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.
A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets),or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The Directors do not anticipate that the adoption of IFRS 19 will result into material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS (CONTINUED)

c) Impact of new and amended standards and interpretations in issue but not yet effective in the year ended 31 December 2025 (Continued)

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The International Accounting Standards Board (IASB) has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments.

The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date.

The amendments to IFRS 9 and IFRS 7 are effective for accounting periods beginning on or after 1 January 2026 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

Annual Improvements to IFRS Accounting Standards — Volume 11

The IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

Standard	The amendment
IFRS 1 First-time Adoption of International Financial Reporting Standards	**Hedge accounting by a first-time adopter.** The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 *Financial Instruments*.
IFRS 7 Financial Instruments: Disclosures	**Gain or loss on derecognition.** The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 *Fair Value Measurement* was issued.
IFRS 7 Financial Instruments: Disclosures (implementa tion guidance only)	**Disclosure of deferred difference between fair value and transaction price.** The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
IFRS 7 Financial Instruments: Disclosures (implementa tion guidance only)	**Introduction and credit risk disclosures.** The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.
IFRS 9 Financial Instruments	**Lessee derecognition of lease liabilities.** The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS (CONTINUED)

c) Impact of new and amended standards and interpretations in issue but not yet effective in the year ended 31 December 2025 (Continued)

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

Standard	The amendment
IFRS 9 Financial Instruments	**Transaction price.** The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 *Revenue from Contracts with Customers* while term 'transaction price' is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.
IFRS 10 Consolidated Financial Statements	**Determination of a 'de facto agent'.** The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
IAS 7 Statement of Cash Flows	**Cost method.** The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.

The annual improvement volume 11 are effective for accounting periods beginning on or after 1 January 2026 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

d) Early adoption of standards

The Company did not early-adopt any new or revised standards in 2025.

3. SUMMARY OF MATERIAL ACCOUNTING POLICES

a) Basis of preparation

The Company financial statements are prepared in compliance with the IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) and comply with the requirements of the Companies Act, 2002. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The Company financial statements are presented in Tanzanian Shillings ("TZS"), rounded to the nearest million ("M"), except where otherwise indicated.

The preparation of Company financial statements in conformity with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the Company's financial.

b) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and comply with the requirements of Companies Act, 2002.

For the Companies Act, 2002 reporting purposes, in these financial statements the balance sheet is represented by the statement of financial position and the profit and loss account is presented in the financial statements as statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICES (CONTINUED)

c) Revenue recognition

Revenue is recognised in line with IFRS 15 5-Step Model.

The five steps in the Model are as follows:
- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenues from operations consist of recurring revenues, such as billings to customers, monthly subscription fees, roaming and airtime usage fees, and non–recurring revenues such as one-time connection fees and telephone equipment and accessory sales. Recurring revenue is recognised when the related service is rendered.

Unbilled revenues for airtime usage and subscription fees resulting from service provided from the billing cycle date to the end of each month are estimated and recorded. Revenues from connection fees are recognised when the customer is connected and able to use the service. Other revenues, which arise from service contracts, sale of telephones and accessories or other services, are recognised in the month during which the services or goods are provided. Prepaid cards enable the forward purchase of a specified amount of airtime by customers. Revenues are recognised as and when the cards are used. Direct costs associated with these cards which include both the cost of manufacturing the cards as well as dealer margins, are recognised when incurred, that is upfront, while the airtime costs are recognised as and when the revenue is being recognised. Unused airtime is carried in the statement of financial position and is included under deferred revenue within trade and other payables.

Bundled revenues are unbundled when reporting revenue at fair value of the individual components. This is taken as the Pay As You Go (PAYG) rates which were prevailing in the highest peak usage period during the last quarter. These fair values shall remain stagnant for one quarter and are reviewed every quarter. However, if there is any major change (more than 5%) in the PAYG rate in a particular month, then the revised rate is taken during the quarter.

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.

d) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Tanzania Shillings, rounded to the nearest million which is the Company's functional and presentation currency.

Transactions and balances
Transactions in foreign currencies are initially recorded in Tanzanian Shillings using rates of exchange ruling at the dates of transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from translations at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Company recognises such parts as separate component of assets with specific useful lives and provides depreciation over their useful life.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICES (CONTINUED)

e) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred.

Where assets are installed on the premises of customers (commonly called Customer Premise equipment - "CPE;"), such assets continue to be treated as property, plant and equipment as the associated risks and rewards remain with the Company and the management is confident of exercising control over them.

The Company also enters into multiple element contracts whereby the vendor supplies plant and equipment and Information Technology related services. These are recorded on the basis of relative fair value.

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

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review and adjusted prospectively. Land is not depreciated. Estimated useful lives of the assets are as follows:

Asset classification	Useful Life	Depreciation rate
Buildings	20 years	5%
Network equipment	3 - 25 years	4% - 33.3%
Computer equipment	3 years	33.3%
Office furniture and equipment	1 - 5 years	20% - 100%
Motor vehicles	5 years	20%
Customer premises equipment	5 - 8 years	12.5% - 20%
Leasehold improvements	Over the period of the lease	Over the period of the lease

f) Intangible assets

Intangible assets comprise deferred spectrum fee, acquired licenses and software.

The Company recognize deferred spectrum license payments, for which it is under an obligation for payment till the expiry of the license period. Consequently, intangible is recognized at the present value of such future payments.

Acquired licenses are shown at historical costs. Licenses have a finite useful life and are carried at costs less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of license over their estimated useful lives. The amortisation charges are recognised in the statement of profit or loss.

Intangible assets are grouped at the lowest levels for which there are separately identifiable cash flows for the purpose of assessing impairment. If there is an indication that the carrying value of an intangible asset is greater than its recoverable amount, it is written down to its recoverable amount and the resultant impairment loss taken to the profit and loss account.

3. SUMMARY OF MATERIAL ACCOUNTING POLICES (CONTINUED)

g) Leases

The company has applied IFRS 16 using the modified retrospective approach with effect from 1 January 2019. The company elected to apply the practical expedient included in IFRS 16 and therefore retained its existent assessment under IAS 17 and IFRIC 4 as to whether a contract entered or modified before 1 January 2019 contains a lease.

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.

i. Company as a lessee

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

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

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

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

Subsequent to initial recognition, right-of-use 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 property, plant and equipment.

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.

Short-term leases and leases of low-value assets
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 and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) Leases (Continued)

ii. Company as a lessor

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

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

The Company enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating 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.

o *Plant and equipment*

The Company leases passive infrastructure for providing telecommunication services under composite contracts which include lease of passive infrastructure and land on which the passive infrastructure is built as well as maintenance, security, provision of energy etc. services. These leases typically run for a period of 3 to 15 years. Some leases include an option to renew the lease mainly for an additional period of 3 to 10 years after the end of initial contract term.

A portion of certain lease payments change on account of changes in consumer price indices (CPI). Such payment terms are common in lease agreements in the countries where the Company operates. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

o *Other leases*

The Company's other leases comprise of lease of shops, showrooms, guest houses, warehouses, data centers, vehicles and Indefeasible right of use (IRU)

h) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first in first out basis and includes additional expenses with respect to the cost of transport and handling.

Net realizable value is the estimated selling price in the ordinary course of the business less estimated costs necessary to make the sale.

i) Employment benefits

Retirement benefit obligations
All Company employees are members of the PSSSF Pension Fund ("PSSSF"), which are defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company and employees both contribute 10% of the employees' basic salaries to the PSSSF respectively. The contributions are recognised as employee benefit expense when they are due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Employment benefits (Continued)

Other entitlements
The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

Long term service award cost is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each interim reporting period. The obligation towards these benefits is recognised in the statement of financial position under provisions, at the present value of the defined benefit obligations. The present value of these obligations is determined by discounting the estimated future cash outflows, using an appropriate discount rate.

j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Asset retirement obligation (ARO)
This is a provision for costs expected in the future to dismantle telecommunication towers 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.

k) Dividends

Dividends on ordinary shares are charged to equity in the year in which they are paid.

l) Financial instruments

(i) Financial assets

Initial recognition and measurement
Financial assets are classified as financial assets at fair value through profit or loss, fair value through other comprehensive Income and Amortized cost. The Company determines the classification of its financial assets at initial recognition.

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

The Company's financial assets include cash and short-term deposits (included under cash and cash equivalents), trade and other receivables, intercompany loan receivable and deferred consideration related to the managed services project.

Subsequent measurement

Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss (fair value through profit or loss, FVTPL), or recognised in other comprehensive income (fair value through other comprehensive income, FVTOCI).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

l) Financial instruments (Continued)

(i) Financial assets (Continued)

Subsequent measurement

For debt instruments the FVTOCI classification is mandatory for certain assets unless the fair value option is elected. A debt instrument that meets the following two conditions (Business Model Test and Cash Flow Characteristics test) must be measured at amortized cost (net of any write down for impairment) unless the asset is designated at FVTPL under the fair value option. Whilst for equity investments, the FVTOCI classification is an election.
All equity investments are to be measured at fair value in the statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the Company has elected to present value changes in 'other comprehensive income'. There is no 'cost exception' for unquoted equities. If an equity investment is not held for trading, a Company can make an irrevocable election at initial recognition to measure it at FVTOCI with only dividend income recognised in profit or loss

The classification of a financial asset is made at the time it is initially recognised, namely when the Company becomes a party to the contractual provisions of the instrument. If certain conditions are met, the classification of an asset may subsequently need to be reclassified.

De-recognition

A financial asset, or where applicable a part of a financial asset or part of a group of similar financial assets is derecognised when:

- The Company has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset
- The Company is prohibited from selling or pledging the original asset (other than as security to the eventual recipient), the entity has an obligation to remit those cash flows without material delay.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The expected credit loss (ECL) is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances in note 23.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

l) Financial instruments (Continued)

(i) Financial assets (Continued)

Impairment of financial assets (Continued)

The Company uses a provision matrix to measure the expected credit loss of trade receivables. Refer note 23 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings measured at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings measured at amortized cost, plus directly attributable transaction costs. The Company's financial liabilities include trade and other payables and interest bearing borrowings.

Subsequent measurement

After initial recognition, trade and other payables and interest-bearing borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Fair Value Option

IFRS 9 contains an option to designate a financial liability as measured at FVTPL if:

- doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases, or
- the liability is part or a group of financial liabilities or financial assets and financial liabilities that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.

A financial liability which does not meet any of these criteria may still be designated as measured at FVTPL when it contains one or more embedded derivatives that sufficiently modify the cash flows of the liability and are not clearly closely related.

IFRS 9 requires gains and losses on financial liabilities designated as at FVTPL to be split into the amount of change in fair value attributable to changes in credit risk of the liability, presented in other comprehensive income, and the remaining amount presented in profit or loss. This guidance allows the recognition of the full amount of change in the fair value in profit or loss only if the presentation of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. That determination is made at initial recognition and is not reassessed.
Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss, the entity may only transfer the cumulative gain or loss within equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

l) Financial instruments (Continued)

(ii) Financial liabilities (Continued)

De-recognition

A financial liability should be removed from the balance sheet when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss from extinguishment of the original financial liability is recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

m) Cash and cash equivalents

Cash on hand, demand and time deposits with banks whose original maturities do not exceed three months are classified as cash and cash equivalents in the statement of cash flows. Bank overdrafts are deducted from these balances to arrive at cash and cash equivalents.

n) Tax

Income tax

Income tax expense is the aggregate of the charge to profit or loss in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Income Tax Act, 2004.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recover.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

n) Tax (Continued)

Excise duty

Excise duty is defined in accordance with Section 124 of the Excise (Management and Tariff) Act 2004. It is at 17% on all electronic communication services with the exception of inbound roaming and a few other items. It is included in the face value of the voucher on sale.

Excise duty is charged at 10% on mobile money transfer charges during the year. Excise Duty is accounted for as payable amount in the balance sheet in the month of a liability where as it is paid before the end of on the subsequent month of liability to the Tanzania Revenue Authority.
Unlike VAT, Excise duty is not recoverable on purchases.

Value added tax

Revenues, expenses, liabilities and assets are recognised net of the amount of value added tax, except:

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

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

Levy

Revenues are recognized net of the amount of Levy.

The amount of Levy recovered from customers, are payable to the tax authority is included as part of trade and other payables in the statement of financial position.

o) Cost of sales

All costs directly linked to the selling of telecommunication services and equipment are classified under cost of sales. They exclude those period costs that would be incurred regardless of whether the Company make any sales.
For the Company, cost of goods sold includes interconnect costs, roaming costs, cost of handsets and accessories, leased line charges, license fees and regulatory charges, cost of cards and other direct costs associated to sales.

p) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

p) Impairment of non-financial assets (Continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 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 profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

q) Fair value measurement

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

r) Current versus non-current classification

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

An asset is current when:

- It is expected to be realized or intended to be sold or consumed in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realized within 12 months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

r) Current versus non-current classification

A liability is current when either:

- It is expected to be settled in the 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.
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the process of applying the Company's accounting policies, management has exercised judgment and estimates in determining the amounts recognised in the financial statements. The most significant uses of judgment and estimates are as follows:

a) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities.

b) Income tax

Significant judgement is required in determining the Company's overall tax provision and the recoverability of estimated tax losses. There are many transactions for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues, based on estimates of whether additional taxes will be due. Where the final outcome of tax matters is different from the amounts that were initially recorded, such differences will have an impact on the current and any deferred income tax provisions in the period in which the determination is made.

c) Property, plant and equipment

Critical estimates are made by the Directors in determining depreciation rates for property, plant and equipment and their residual values. The rates used are set out in note 3(e).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES (CONTINUED)

d) Impairment losses on trade receivables

At each reporting date, the Company performs impairment analysis for trade and other receivables based on the respective individual customers or a group of related customers or group of minor receivables with homogeneous characteristics. Assessment of impairment is made based on the actual available data and past history. In assessing for impairment the Company considers the current ability of the debtors to pay based on the observed trend and any additional information that help management to determine whether there is a measurable decrease in the estimated future cash flows of an individual debtor or a group of debtors. Where any impairment is established, the Company records it in the profit or loss the extent that is not expected to be recovered. Refer to note 23 for more details on impairment of trade and other receivables.

e) Customers Acquisition Cost (CAC)

At each reporting date the customer acquisition cost is deferred basis the estimated average life of the customer. The Company periodically estimate the average life of customer, which is generally longer than 12 months churn rate as the best indicator.

f) Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of the cash flow.

Intangible assets, with indefinite life are tested for impairment annually as well as at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

g) Contingencies and provisions

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

Litigation and other judicial proceedings as a rule raise difficult and complex legal issues and are subject to uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each suit is brought and differences in applicable law. Upon resolution of any pending legal matter, the Company may be forced to incur charges in excess of the presently established provisions and related insurance coverage. It is possible that the financial position, results of operations or cash flows of the Company could be materially affected by the unfavorable outcome of litigation. In determining the amount of the ARO provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the asset from the site and the expected timing of those costs.

h) Employee Stock Option Plan (ESOP)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprises of interest bearing loans, lease liability and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations.

The Company's activities expose it to a variety of financial risks including liquidity risk, market risk and credit risk. Market risk comprises interest rate risk, foreign exchange risk and price risk. The Company does not have significant exposure to price risk since no price sensitive financial instruments are held.

The Company's overall risk management program focuses on the unpredictability of financial market and seeks to minimize potential adverse effects on its financial performance, but the Company does not hedge any risks, other than foreign exchange risk through currency forwards. Risk management is carried out by the Finance Department under policies approved by the Company's Treasury Department.

The Company has in place the risk management framework which is reviewed periodically by the Board of Directors.

Market risks

(i) Foreign exchange risk

The Company's exposure to foreign exchange risk arises from purchases, especially imports of network equipment, and borrowings that are denominated in foreign currencies, primarily the US dollar. The Company also has financial assets and financial liabilities denominated in foreign currencies and therefore it is exposed to the fluctuation of exchange rates between various currencies.

The Company mitigate foreign exchange risk by hedging through currency forwards, making prompt payment and buying foreign currencies whenever the rates move in its favor. Furthermore, currency exposure arising from liabilities denominated in foreign currencies is managed primarily through holding of certain bank balances in the relevant foreign currencies.

The following table demonstrate the sensitivity to possible changes in the exchange rate between the Tanzanian shilling and foreign currencies (Mainly US dollar, other currencies are considered to be immaterial), with all other variables held constant, of the Company's profit before tax (due to changes in carrying amount of monetary assets and liabilities).

		Effect on profit after tax TZS 'M'
Net effect based on the year end as at	-10%	(79,016)
31 December 2025	10%	79,016
Net effect based on the year end as at	-10%	(65,120)
31 December 2024	10%	65,120

The sensitivity analysis has been determined based on net exposure at 31 December 2025. The change of 10% is what is used when determining the foreign currency transaction risk reported internally to key management personnel to assess reasonably possible changes in foreign exchange rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risks (Continued)

(i) Foreign exchange risk (continued)

The table below summarizes the Company's exposure to foreign currency exchange rate risk at 31 December 2025 and 2024. Included in the table are the Company's financial instruments, categorized by currency (all amounts expressed in millions of Tanzanian Shillings):

	2025 TZS 'M' denominated in USD	2024 TZS 'M' denominated in USD
At 31 December 2025		
Financial assets		
Trade and other receivables	28,923	56,507
Cash and cash equivalents	2,907	1,858
	31,830	58,365
Financial liabilities		
Trade and other payables	240,347	183,928
Lease liability	576,536	512,681
Others financial liabilities	5,103	12,959
	821,986	709,568
Net currency exposure	(790,156)	(651,203)

Exchange rates applicable were as follows:

	USD: TZS
On 1 January 2025	2,445
On 31 December 2025	2,470
On 1 January 2024	2,510
On 31 December 2024	2,445

(ii) Interest rate risk

The Company's financial instruments that are interest bearing are borrowings due to related and third parties. Interest rates on term loans change with Treasury bill rates, which fluctuates from time to time. Exposure to interest rate risk is not hedged, but from time to time the Company negotiates with the lenders on its prime lending rate. Where necessary the Company refinances its borrowings in order to ensure its borrowing terms remain competitive. Refer to note 26 for more details on loans and borrowings.

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates the impact on profit or loss of a defined interest rate shift.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk that one party to financial instrument will fail to discharge an obligation causing the other party to incur financial loss. Financial assets, which potentially subject the Company to credit risk, consist mainly of deposits held by banks as well as trade and other receivables. The Company manages the risk by banking with reputable regulated financial institutions. Credit risk with respect to accounts receivables is limited due to thorough scrutiny before offering the service, barring from service when the debts become doubtful for post-paid customers whose debtors are collected using experienced collection agencies.

A large portion of the Company's revenue is however from prepaid airtime in which dealers and aggregators makes up a distribution network. Most of the Company's dealers and aggregators operate on cash basis with few cases on credit following successful application of the credit facility. All credit limits are supported by bank guarantees. The Company considers risk of default to be low in this case and the impact would not be significant since this makes up less than five percent of total

The amount that best represents the Company's maximum exposure to credit risk at year-end is made up as follows:

	2025 TZS 'M'	2024 TZS 'M'
Trade receivables (note 23(a))	34,991	35,570
Derivative financial assets	24	102
Other financial asset	12,052	14,759
Bank and cash balances (note 24)	21,360	8,722
	68,427	59,153

No collateral is held for any of the above assets. Furthermore, the Company does not grade the credit quality of receivables. All the receivables that are neither past due or impaired are within their approved limits and no receivables have had their terms renegotiated.

None of the above assets are past due or impaired except for the amounts in trade receivables which are overdue for more than 90 days and for interconnect receivables more than 270 days.

Amounts overdue:	2025 TZS 'M'	2024 TZS 'M'
By up to 30 days	6,125	7,397
By up to 60 days	4,152	7,259
Over 60 days	35,789	29,443
Total overdue	46,066	44,099
Impairment provision	11,075	8,529

All receivables past due for more than 90 days and for interconnect more than 270 days are considered to be impaired and are carried at their estimated recoverable value.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping committed credit lines available. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damaging the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity reserves (comprises undrawn borrowing facility (Note 26) and cash and cash equivalent (Note 24)) on the basis of expected cash flows.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

			Contractual Cash Flows		
At 31 December 2025	Carrying Value TZS 'M'	Less than 1 year TZS 'M'	Between 1 and 2 years TZS 'M'	Greater than 2 years TZS 'M'	Total TZS 'M'
Borrowings[a] (note 26)	180,221	98,294	32,151	78,634	209,078
Trade and other payables	204,459	204,459	-	-	204,459
Other financial liabilities	245,347	157,445	28,230	59,672	245,347
Derivative financial liabilities	5,105	5,105	-	-	5,105
Lease liabilities[b] (note 29)	639,123	115,187	111,453	581,026	807,665
Total financial liabilities	1,274,255	580,490	171,834	719,332	1,471,654
At 31 December 2024					
Borrowings[a] (note 26)	200,153	60,499	39,026	146,668	246,194
Trade and other payables	178,922	178,922	-	-	178,922
Other financial liabilities	132,174	80,477	14,549	37,148	132,174
Derivative financial liabilities	12,960	12,960	-	-	12,960
Lease liabilities[b] (note 29)	557,814	95,482	89,129	516,911	701,522
Total financial liabilities	1,082,023	428,340	142,704	700,727	1,271,772

[a,b] The above are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Fair value

The Company has no assets or liabilities whose carrying values are based on fair value. The carrying amount of the Company's financial instruments reasonably approximate their fair values due to the short term nature of the instruments or the fact that interest bearing financial instruments have interest rates that reasonably approximate market rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital risk management.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may limit the amount of dividend paid to its shareholders.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is defined as total borrowings (including current and non-current borrowings and bank overdrafts as shown in the statement of financial position) less cash and cash equivalents.

Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	2025 TZS 'M'	2024 TZS 'M'
Borrowings (note 26)	180,221	200,153
Lease liabilities (note 30)	639,122	557,813
Less: Cash and cash equivalents (note 24)	(21,360)	(8,722)
Net debt	797,983	749,244
Total equity surplus	429,990	412,364
Gearing ratio	1.86	1.82

6. GOING CONCERN

During the year ended 31 December 2025, the Company reported a net profit of TZS 22,626 million (2024: TZS 52,684 million). As at 31 December 2025, the Company had retained earnings of TZS 380,235 million (2024: TZS 362,609 million) and net current liabilities of TZS 474,352 million (2024: TZS 305,766 million).

The Directors are confident that the Company has adequate resources available for it to discharge its obligations as required and therefore consider it appropriate to prepare the financial statements on a going concern basis.

7. SERVICE REVENUE

	2025 TZS 'M'	2024 TZS 'M'
Airtime revenue	324,354	315,171
Data revenue	392,716	303,992
Value added services	93,323	88,772
Interconnect revenue	51,487	49,488
Roaming revenue	19,594	13,382
Site sharing revenue	1,001	1,227
Subscription revenue	6,717	6,803
Equipment Sales	5,664	4,246
Other revenue	50,983	21,931
	945,839	805,012

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2025 TZS 'M'	2024 TZS 'M'
8. NETWORK OPERATION COST		
Leased lines charges	32,780	25,623
Network support and maintenance cost	50,764	31,433
Sites rental charges	78,516	82,684
Site energy charges (fuel and grid electricity)	73,280	53,006
	235,340	192,746
9. ACCESS CHARGE		
Interconnection costs – local	46,613	41,339
Interconnection costs – international	4,573	2,845
Roaming costs	188	1,267
	51,374	45,451
10. OTHER EXPENSES		
IT expenses	6,043	6,246
Management fees	26,495	24,661
Legal and professional charges	966	708
Customer service expenses	1,476	2,689
Rates and taxes**	11,288	1,984
Other operating expenses*	22,355	18,208
Impairment provision – trade receivables	2,546	(634)
	71,169	53,862

* Other operating expenses include costs not categorized above such as non-site repairs and maintenance, general travelling expenses, office rent, Directors remuneration and sitting allowance, printing and stationeries, utility costs (not chargeable to transmission sites), and workplace refreshment and entertainment, etc.

** During the year ended 31 December 2025, the Company has taken additional provision for fiber consortium demand after final settlement.

	2025 TZS 'M'	2024 TZS 'M'
11. EMPLOYEE BENEFIT EXPENSES		
Wages and salaries	40,451	33,928
Social security costs – defined contribution scheme	2,165	2,001
Other employee emoluments and benefits	10,168	6,739
	52,784	42,668
12. SALES AND MARKETING COSTS		
Marketing and advertising expenses	10,342	8,672
Sales and distribution cost	131,596	100,765
Cost of handsets and accessories	8,413	3,963
	150,351	113,400

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2025	2024
	TZS 'M'	TZS 'M'

13. DEPRECIATION AND AMORTISATION

	2025 TZS 'M'	2024 TZS 'M'
Depreciation of property, plant and equipment (Note 17)	124,926	108,736
Amortisation of intangible assets (Note 18)	36,890	23,311
Depreciation of right-of-use assets (Note 19)	61,481	47,971
	223,297	180,018

14. OPERATING PROFIT

The following items have been charged in arriving at operating profit:

	2025 TZS 'M'	2024 TZS 'M'
Key management personnel remuneration	6,593	8,456
Directors' fees and sitting allowance	202	203
Auditor's remuneration	373	346

15. (a) FINANCE COST

	2025 TZS 'M'	2024 TZS 'M'
Derivative and exchange fluctuation loss – realized	23,789	22,727
Derivative and exchange fluctuation loss – unrealized	(2,285)	53,092
Interest on borrowings and bank overdraft	31,733	25,351
Interest on other financial liabilities	173	114
Interest expense – lease liability (Note 31)	36,390	31,572
Other finance charges	971	1,248
Derivative and foreign exchange gains	-	(63,165)
	90,771	70,939

(b) FINANCE INCOME

	2025 TZS 'M'	2024 TZS 'M'
Dividend income	238	185
Interest on bank deposits	198	170
Interest on balance held in Airtel Money wallets	-	60
	436	415

16. INCOME TAX

The Company had accumulated tax losses of TZS 32 billion as at 31 December 2025 (2024: TZS 91 billion). Corporate Income Tax (CIT) is applicable in line with Section 19(2) of the Income Tax Act, 2004 whereas CIT is charged with the loss utilization capped at 60%.

	2025 TZS 'M'	2024 TZS 'M'
a) Income tax expense		
Current tax:		
- Corporate income tax in respect to current year	11,405	9,792
- Corporate income tax in respect to prior year	(452)	69
- Corporate income tax on dividend received	24	19
	10,977	9,880
Deferred tax:		
Deferred tax (credit)/charge	(1,439)	10,730
Deferred tax in respect to prior year	714	-
	10,252	20,610

Deferred tax has been recognized based on the available tax losses and deductible temporary differences.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. INCOME TAX (CONTINUED)

The income tax expense differs from the theoretical amount that would arise using the basic tax rate on profit before tax as follows:

	2025 TZS 'M'	2024 TZS 'M'
b) Income tax reconciliation		
Profit before tax	32,878	73,294
Tax calculated at a tax rate of 30%	9,863	21,988
Tax effect of:		
Tax effect of expenses not deductible for tax purposes	436	762
Non-taxable income	(71)	(56)
Withholding tax on dividend	24	19
Prior year adjustments	(262)	(2,172)
Deferred tax in respect to prior year	714	-
Corporate income tax in respect to prior year	(452)	69
	10,252	20,610
c) Income tax payable		
At 1 January	(304)	(1,971)
Current tax expense	(10,691)	(9,861)
Current income tax paid in respect to prior year	-	1,972
Current income tax paid during the year	8,445	8,978
Withholding tax recovered	1,504	578
Corporate tax case provision and others	(35)	-
At 31 December	(1,082)	(304)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment TZS 'M'	Leasehold Improvements TZS 'M'	Computer TZS 'M'	Office equipment TZS 'M'	Furniture & Fixture TZS 'M'	Capital work in progress TZS 'M'	Total TZS 'M'
Year ended 31 December 2025							
Cost							
At 1 January 2025	1,596,393	9,856	178,057	32,948	5,313	87,307	1,909,874
Additions	-	-	-	-	-	204,355	204,355
Transfer in/(out)	185,075	831	14,897	4,765	222	(205,790)	-
Disposal[1]	(5,318)	-	(66,934)	-	-	-	(72,252)
[2]Transfer to intangible assets (note 18)	-	-	(25,388)	-	-	-	(25,388)
Reclassification adjustment (note 17)	13,893	-	-	-	-	-	13,893
At 31 December 2025	1,790,043	10,687	100,632	37,713	5,535	85,872	2,030,482
Depreciation							
At 1 January 2025	1,093,352	6,440	161,270	26,523	4,846	-	1,292,431
Charge for the year	114,827	550	4,951	4,447	151	-	124,926
Disposal[1]	(5,318)	-	(66,934)	-	-	-	(72,252)
[2]Transfer to intangible assets (note 18)	1,507	-	(7,402)	-	-	-	(5,895)
At 31 December 2025	1,204,368	6,990	91,885	30,970	4,997	-	1,339,210
Net Book Value							
At 31 December 2025	585,675	3,697	8,747	6,743	538	85,872	691,272

[1]During the year the company adjusted the cost and accumulated depreciation to nil for the assets primarily comprising of software with nil net book value.
[2]During the year Software with cost of TZS 25,388 million and accumulated depreciation of TZS 7,402 million was reclassified from property, plant and equipment (computers) to Intangible assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Year ended 31 December 2024	Plant and Equipment TZS 'M'	Leasehold Improvements TZS 'M'	Computer TZS 'M'	Office equipment TZS 'M'	Furniture & Fixture TZS 'M'	Capital work in progress TZS 'M'	Total TZS 'M'
Cost							
At 1 January 2024	1,466,222	9,856	165,648	28,756	4,950	64,103	1,739,535
Additions	-	-	-	-	-	172,680	172,680
Transfer in/(out)	132,998	-	11,873	4,263	342	(149,476)	-
Disposal	(2,341)	-	-	-	-	-	(2,341)
Reclassification adjustment	(486)	-	536	(71)	21	-	-
At 31 December 2024	1,596,393	9,856	178,057	32,948	5,313	87,307	1,909,874
Depreciation							
At 1 January 2024	1,000,883	5,999	152,726	20,465	4,760	-	1,184,833
Charge for the year	93,607	441	8,542	6,062	84	-	108,736
Disposal	(1,138)	-	-	-	-	-	(1,138)
Reclassification	-	-	2	(4)	2	-	-
At 31 December 2024	1,093,352	6,440	161,270	26,523	4,846	-	1,292,431
Net Book Value							
At 31 December 2024	503,041	3,416	16,787	6,425	467	87,307	617,443

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. INTANGIBLE ASSETS

	Cellular license TZS 'M	Deferred Spectrum fee TZS 'M	Software TZS 'M	Capital work in progress TZS 'M	Total TZS 'M
Year ended 31 December 2025					
Cost					
At 1 January 2025	210,061	84,361	-	-	294,422
Additions	-	56,461	4,319	1,767	62,548
[1]Transfer from property, plant and equipment (note 17)	-	-	25,387		25,387
At 31 December 2025	210,061	140,822	29,706	1,767	382,356
Amortization					
At 1 January 2025	34,770	32,226	-	-	66,996
Charge for the year	14,772	16,851	5,267	-	36,890
[1]Transfer from property, plant and equipment (note 17)	-	-	7,402	-	7,402
At 31 December 2025	49,542	49,077	12,669	-	111,288
Net book value					
At 31 December 2025	160,519	94,326	14,456	1,767	271,068
Year ended 31 December 2024					
Cost					
At 1 January 2024	210,061	84,361	-	-	294,422
Additions	-	-	-	-	-
At 31 December 2024	210,061	84,361	-	-	294,422
Amortization					
At 1 January 2024	20,220	23,465	-	-	43,685
Charge for the year	14,550	8,761	-	-	23,311
At 31 December 2024	34,770	32,226	-		66,996
Net book value					
At 31 December 2024	175,291	52,135	-	-	227,426

[1]During the year Software with cost of TZS 25,386 million and accumulated depreciation of TZS 7,402 million was reclassified from property, plant and equipment (computers) to Intangible assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. RIGHT-OF-USE ASSET

	Property, plant and equipment TZS 'M'	Others TZS 'M'	Total TZS 'M'
Year ended 31 December 2025			
At 1 January 2025	372,688	2,482	375,170
Additions	144,265	2,137	146,402
Depreciation charge for the year	(60,997)	(484)	(61,481)
Reclassification adjustment (note 17)	(13,893)	-	(13,893)
At 31 December 2025	442,063	4,135	446,198
Year ended 31 December 2024			
At 1 January 2024	285,929	2,832	288,761
Additions	134,312	68	134,380
Depreciation charge for the year	(47,553)	(418)	(47,971)
At 31 December 2024	372,688	2,482	375,170

20. DEFERRED INCOME TAX

Deferred income tax is calculated using the enacted income tax rate of 30% on all temporary differences using the liability method.
The Company has a deferred tax asset of TZS 128,551 million as at 31 December 2025 (2024: TZS 128,053 million). The net deferred tax asset recognized in the books have been recognized basing on the unutilized tax losses and deductible temporary differences.
The temporary differences making up the deferred income tax are as presented below:

	2025 TZS 'M'	2024 TZS 'M'
Accelerated capital allowances	291,675	226,386
Allowance for doubtful debts	16,507	13,940
Bonus provisions	5,989	3,992
Provision for other expenses	87,272	95,218
Asset retirement obligation	105	106
Unrealized foreign exchange differences	(5,548)	574
Tax losses carried forward	32,505	86,626
Net deductible temporary differences	428,505	426,842
Deferred tax asset at 30%	128,551	128,053
Less: Deferred tax asset not recognized	-	-
Deferred tax asset recognised	128,551	128,053

21. INVESTMENTS

Shares in Airtel Money Tanzania Limited	1	1

The investment relates 1,000 shares owned in Airtel Money Tanzania Limited (AMTL) which represents 0.2% of the shareholding. Shares have a nominal amount of TZS 1,000 each and are fully paid for. Principal place of business and country of incorporation for Airtel Money Tanzania Limited is the United Republic of Tanzania.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. INVENTORIES

	2025 TZS 'M'	2024 TZS 'M'
Devices	6,908	2,892
SIM cards	897	1,605
Allowance for obsolete inventory	(2,404)	(643)
	5,401	3,854

The inventories balances relate to modems and routers, mobile handsets and SIM cards.

23. (A) TRADE AND OTHER RECEIVABLES

	2025 TZS 'M'	2024 TZS 'M'
Trade receivables	21,942	17,053
Due from related parties (note 32c)	24,124	27,046
	46,066	44,099
Allowance for impairment losses	(11,075)	(8,529)
	34,991	35,570

(B) OTHER FINANCIAL ASSETS – CURRENT

	2025 TZS 'M'	2024 TZS 'M'
Unbilled revenue	7,626	8,360
Claims recoverable	76	3,056
Interest accrued on investments	-	18
Due from related parties (note 32c)	324	191
Others financial assets	2,083	1,190
	10,109	12,815

(C) OTHER NON-FINANCIAL ASSETS – CURRENT

	2025 TZS 'M'	2024 TZS 'M'
Cost to obtain customer[1]	57,493	47,315
Prepayments	39,807	28,464
Service and sale tax recoverable	8,096	6,398
Rent deposit	-	17,676
Advances to suppliers	1,034	565
Other receivables	635	2,649
	107,065	103,067

(D) OTHER NON-FINANCIAL ASSETS -NON CURRENT

	2025 TZS 'M'	2024 TZS 'M'
Cost to obtain customer[1]	20,160	16,109
Prepayments	68,364	42,222
Restricted asset	8,985	4,145
	97,509	62,476

(E) OTHER FINANCIAL ASSETS -NON CURRENT

	2025 TZS 'M'	2024 TZS 'M'
Security deposit	123	128
Restricted cash deposit	1,820	1,816
	1,943	1,944

[1]Cost to obtain customers has been analysed below.

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

	2025 TZS 'M'	2024 TZS 'M'
Movement in cost to obtain customer:		
At the beginning of the year	63,424	44,936
Expenses deferred	86,866	74,047
Amortisation	(72,637)	(55,559)
At the end of the year	77,653	63,424
Presented above as:		
- Current	57,493	47,315
- Non-current	20,160	16,109
	77,653	63,424

The carrying amounts of trade and other receivables approximate their fair values.

Movements on the allowance for impairment of trade receivable are as follows:

	2025 TZS 'M'	2024 TZS 'M'
At January	8,529	9,203
Release during the year	-	(674)
Provision during the year	2,546	-
At 31 December	11,075	8,529

The ageing of trade and other receivable as of the reporting date is as follows:

	Neither past due nor impaired	Past due but not impaired		Impaired	Net Carrying value
	Less than 30 days TZS 'M'	30 to 60 days TZS 'M'	60 to 90 days TZS 'M'	Above 90 days TZS 'M'	TZS 'M'
At 31 December 2025	6,125	4,152	19,843	11,075	30,120
At 31 December 2024	7,397	7,258	12,140	8,529	26,795

24. CASH AND CASH EQUIVALENTS

	2025 TZS 'M'	2024 TZS 'M'
Cash at bank	15,232	4,792
Balance held in wallets	6,109	3,912
Cash in hand	19	19
Bank and cash balances	21,360	8,722

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

	2025	2024
Cash and cash equivalents as per statement of financial Position	21,360	8,722
Bank overdraft	(33,638)	(34,887)
Cash and cash equivalents	(12,278)	(26,165)

25. SHARE CAPITAL AND PREMIUM

	2025 TZS 'M'	2024 TZS 'M'
Authorized:		
250,000,000 ordinary shares of TZS 200 each (2024: 250,000,000 ordinary shares of TZS 200)	50,000	50,000
Issued and paid up:		
241,176,471 ordinary shares of TZS 200 each (2024: 241,176,471 ordinary shares of TZS 200)	48,235	48,235
Share premium	1,520	1,520

26. BORROWINGS

	2025 TZS 'M'	2024 TZS 'M'
(a) Non-current		
Unsecured		
Unsecured loan	180,839	201,264
Less :		
Current portion of long-term loan	121,656	60,499
Debt origination cost	618	1,111
	122,274	61,610
As at 31 December	58,565	139,654
(b) Current		
Unsecured		
Current portion of long term loan (note 26(c))	88,018	25,612
Bank overdraft (note 26(d))	33,638	34,887
As at 31 December	121,656	60,499

(c) Movement in borrowings:

2025	At 1 January TZS 'M'	Drawdown TZS 'M'	Repayment Principal TZS 'M'	Upfront fee TZS 'M'	Amortization TZS 'M'	At 31 December TZS 'M'
Stanbic Bank (i)	93,016	6,116	(14,000)	-	493	85,625
NMB Bank (ii)	72,249	-	(11,291)	-	-	60,958
	165,265	6,116	(25,291)	-	493	146,583

2024	At 1 January TZS 'M'	Drawdown TZS 'M'	Repayment Principal TZS 'M'	Upfront fee TZS 'M'	Amortization TZS 'M'	At 31 December TZS 'M'
Stanbic Bank (i)	84,448	22,475	(14,000)	(322)	415	93,016
NMB Bank (ii)	45,388	35,000	(8,295)	-	156	72,249
	129,836	57,475	(22,295)	(322)	571	165,265

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. BORROWINGS (CONTINUED)

(i) Stanbic Bank Tanzania Limited Loan Facility – In 19 October 2022, the company entered into a long term credit facility agreement with Stanbic Bank Tanzania Limited. The credit facility amounted to TZS 128,000 million attracting interest of 6 months T Bill rate plus margin of 4.25% with floor rate of 11.7% and repayment of both principal and interest is on semi-annually basis at maturity on 19 October 2027. This Loan is secured by 125% first ranking debenture over all assets of the Company, out of TZS 128,000 amounting to TZS 121,884 million was drawdown by 31 December 2024. Remaining amount of TZS 6,115 million has been drawn during the year.

(ii) NMB Bank Plc Loan Facility – It comprise of five years term loan facility amounting to TZS 85,000 million taken from NMB Bank Plc. Facility is secured with 125% first ranking debenture over all assets of the Company; attracting monthly interest of T- Bill rate plus margin of 4.9% with floor rate of 12%. The entire facility was withdrawn during the year ended 31 December 2024. Repayment of both principal and interest is on monthly basis.

(d) Bank overdraft:

	2025 TZS 'M'	2024 TZS 'M'
Unsecured		
National Bank of Commerce Limited	9,024	10,000
Standard Chartered Bank Tanzania Limited	24,614	24,887
	33,638	34,887

The Company has an unsecured overdraft facility with Standard Chartered Bank Limited with an authorized limit of TZS 25,500 million. The overdraft facility attracts interest at a rate of 5% per Annum + 182 treasury bill rate. Also, the Company has an unsecured overdraft facility with National Bank of Commerce Limited with an authorized limit of TZS 10 billion. The overdraft facility attracts interest at a rate of 5.76% per annum above 6 months treasury bill rate.

	2025 TZS 'M'	2024 TZS 'M'
27. A) PROVISIONS – NON CURRENT		
Provision for other long term employee benefits	34	16
Asset Retirement Obligation*	287	292
	321	308
B) PROVISIONS – CURRENT		
Provision for short-term employee benefits payable	5,072	3,776
Provision for sub-judice matters	6,583	8,527
Provision for long term employee benefits	319	358
	11,974	12,661

*The amount of future cash outflows to meet the asset retirement obligations are subject to inherent uncertainties due to limited availability of information on the amount of cost to be incurred in future.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27.B) PROVISIONS –CURRENT (CONTINUED)

The movement of provision for sub judice matters is as given below:

	Indirect tax cases TZS 'M'	Legal cases TZS 'M'	Total TZS 'M'
At 1 January 2025	7,139	1,388	8,527
Additions during the year	-	-	-
Reversal during the year	(1,285)	(659)	(1,944)
At 31 December 2025	5,854	729	6,583
At 1 January 2024	7,310	1,340	8,650
Additions during the year	-	48	48
Reversal during the year	(171)	-	(171)
At 31 December 2024	7,139	1,388	8,527

	2025 TZS 'M'	2024 TZS 'M'
28. A) TRADE AND OTHER PAYABLES		
Trade payables	19,141	26,163
Accrued expenses	39,520	25,122
Due to related parties (note 32d)	145,798	127,637
	204,459	178,922
B) OTHER FINANCIAL LIABILITIES - CURRENT		
Deferred payment liabilities	21,246	13,777
Due to related parties (note 32d)	1,142	-
Dues to employees	499	81
Equipment supply payables	125,916	62,433
Interest accrued but not due	2,422	2,830
Security deposits	1,291	1,156
Others	4,929	200
	157,445	80,477
C) OTHER FINANCIAL LIABILITIES - NON-CURRENT		
Deferred payment liabilities	87,798	51,509
Others.	104	188
	87,902	51,697
D) OTHER NON-FINANCIAL LIABILITIES – CURRENT		
Other taxes payable	36,858	30,489
	36,858	30,489
E) OTHER NON-FINANCIAL LIABILITIES - NON CURRENT		
Other non financial liabilities*	10,991	5,821

* Funds received from Universal Communications Service Access Fund for rural penetration but sites not yet on air.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. LEASE LIABILITIES

	2025 TZS 'M'	2024 TZS 'M'
At 1 January	557,813	499,295
Additions	146,403	134,380
Interest accrued	36,390	31,572
Foreign exchange loss/(gain)	5,798	(17,354)
Repayment of lease liability	(71,974)	(57,284)
Repayment of interest on lease liability	(35,308)	(32,796)
At 31 December	639,122	557,813
Current	77,735	65,403
Non-current	561,387	492,410
	639,122	557,813

i. As a Lessee

Lease liabilities

	2025 TZS 'M'	2024 TZS 'M'
Maturity analysis:		
Less than one year	115,187	95,482
Later than one year but not later than two years	111,453	89,129
Later than two years but not later than five years	334,262	267,942
Later than five years but not later than nine years	217,093	218,842
Later than nine years	29,670	30,127
Total undiscounted lease liabilities	807,665	701,522
Lease liabilities included in the statement of financial position	639,122	557,814
Interest expense on lease liabilities	36,390	31,572

Total cash outflow for leases in statement of cash flows

	2025 TZS 'M'	2024 TZS 'M'
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	107,282	90,080

ii. As a lessor

The Company's lease arrangements as a lessor mainly pertain to passive infrastructure.

Operating lease

	2025 TZS 'M'	2024 TZS 'M'
Lease income recognised in profit or loss	1,001	1,227

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2025 TZS 'M'	2024 TZS 'M'
Less than one year	-	-
One to five years	290	369
More than five years	7,286	8,635
Total	7,576	9,004

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. CONTINGENT LIABILITIES

The company currently and may become, from time to time, involved in a number of legal proceedings, including inquiries from, or discussions with, Government authorities that are incidental to their operations.

As at 31 December 2025 the Company issued performance bank guarantees amounting to TZS 13,036 million (2024: TZS 3,441 million), required to participate for mobile service tenders. In the opinion of the Directors and Company's legal counsel, no material liabilities are expected to crystallize from these bank guarantee Consequently, no provision has been made against the performance bank guarantee in the financial statements.

Claims under legal and regulatory cases including arbitration matter TZS 15,095 million (2024: TZS 6,477)

31. CAPITAL COMMITMENTS

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

	2025 TZS 'M'	2024 TZS 'M'
Undelivered purchase orders	131,550	64,829

Most of the capital commitments will be funded through the available credit facilities.

32. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Company transacts with the parent Company and other companies related to it by virtue of common shareholding.

The following are the transactions entered between related parties:

a. Purchase of service from related parties

Name	Country of Incorporation	Nature of transactions	Relationship	2025 TZS 'M'	2024 TZS 'M'
Airtel (Seychelles) Limited	Seychelles	Roaming Charges	Fellow Subsidiary	3	3
Airtel Congo S.A	Congo	Roaming Charges	Fellow Subsidiary	-	1
Airtel Madagascar S.A.	Madagascar	Roaming Charges	Fellow Subsidiary	1	-
Airtel Malawi Limited	Malawi	Interconnect Charges	Fellow Subsidiary	112	34
Airtel Networks Kenya Limited	Kenya	Interconnect Charges	Fellow Subsidiary	78	77
Airtel Networks Kenya Limited	Kenya	Roaming Charges	Fellow Subsidiary	94	60
Airtel Networks Zambia Plc	Zambia	Bandwidth	Fellow Subsidiary	188	1,612
Airtel Networks Zambia Plc	Zambia	Interconnect Charges	Fellow Subsidiary	133	53
Airtel Networks Zambia Plc	Zambia	Roaming Charges	Fellow Subsidiary	8	8
Airtel DRC Limited	DRC	Interconnect Charges	Fellow Subsidiary	10	30
Airtel DRC Limited	DRC	Roaming Charges	Fellow Subsidiary	14	13
Celtel Niger S.A.	Niger	Interconnect Charges	Fellow Subsidiary	-	2
Celtel Niger S.A.	Niger	Roaming Charges	Fellow Subsidiary	-	1
Airtel Uganda Limited	Uganda	Interconnect Charges	Fellow Subsidiary	127	92
Airtel Uganda Limited	Uganda	Roaming Charges	Fellow Subsidiary	40	29
Bharti Airtel Services Limited	India	Management fees	Fellow Subsidiary	56	429
Bharti Hexacom Limited	India	Roaming Charges	Fellow Subsidiary	-	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

a. Purchase of service from related parties (continued)

Name	Country of Incorporation	Nature of transactions	Relationship	2025 TZS 'M'	2024 TZS 'M'
Bharti Airtel Limited	India	Bandwidth	Intermediate Parent	668	536
Bharti Airtel Limited	India	Roaming Charges	Intermediate Parent	63	184
Nxtra Data Limited	India	Business Support	Fellow Subsidiary	424	839
Bharti Airtel (UK) Limited	Netherland	Leaseline	Fellow Subsidiary	87	456
Bharti Airtel (UK) Limited	Netherland	Interconnect Charges	Fellow Subsidiary	1,570	1,311
Airtel Networks Limited	Nigeria	Interconnect Charges	Fellow Subsidiary	3	7
Airtel Networks Limited	Nigeria	Roaming Charges	Fellow Subsidiary	1	8
Airtel Rwanda Limited	Rwanda	Roaming Charges	Fellow Subsidiary	3	6
Bharti Airtel International Netherland Limited Kenya Branch	Kenya	Business Support	Intermediate Parent	97	59
Airtel Money Tanzania Limited	Tanzania	Collection cost	Fellow Subsidiary	285	203
Bharti Airtel International Netherland Limited	Netherland	Management fees	Intermediate Parent	3	1,045
Airtel Africa Services (UK) Ltd	Dubai	Management fees	Fellow Subsidiary	30,099	25,830
Network i2i Ltd.	India	Lease line	Intermediate Parent	11,802	5,413
Airtel Rwanda Limited	Rwanda	Interconnect Charges	Fellow Subsidiary	8	251
Airtel Africa Telesonic Limited	Dubai	Lease line	Fellow Subsidiary	2,714	1,071
Airtel Money Tanzania Limited	Tanzania	Content charges	Fellow Subsidiary	6,011	7,584
Airtel Money Tanzania Limited	Tanzania	Recharge Commission	Fellow Subsidiary	54,300	40,361
Airtel Money Tanzania Limited	Tanzania	AMB and Kiosks	Fellow Subsidiary	260	-
Xtelify Limited	India	IT Services	Fellow Subsidiary	43	200
Emtel Mauritius	Mauritius	Roaming Charges	Other	1	-
Airtel Gabon S.A.	Gabon	Interconnect Charges	Fellow Subsidiary	1	-
				109,307	87,809

b. Sale of service from related parties

Name	Country of Incorporation	Nature of transactions	Relationship	2025 TZS 'M'	2024 TZS 'M'
Airtel Malawi Limited	Malawi	Roaming Charges	Fellow Subsidiary	118	180
Airtel Malawi Limited	Malawi	Interconnect Charges	Fellow Subsidiary	82	100
Airtel Malawi Limited	Malawi	Employee related cost	Fellow Subsidiary	74	54
Airtel Networks Limited	Nigeria	Employee related cost	Fellow Subsidiary	-	266
Airtel Networks Zambia Plc	Zambia	Employee related cost	Fellow Subsidiary	73	49
Bharti Hexacom Limited	India	Roaming Charges	Fellow Subsidiary	5	2
Airtel Africa Services (UK) Ltd	Dubai	Employee related cost	Fellow Subsidiary	633	316

32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

b. Sale of service from related parties (continued)

Name	Country of Incorporation	Nature of transactions	Relationship	2025 TZS 'M'	2024 TZS 'M'
Airtel (Seychelles) Limited	Seychelles	Lease line Charges	Fellow Subsidiary	436	394
Airtel Congo S.A	Congo	Lease line Charges	Fellow Subsidiary	63	93
Airtel Networks Limited	Nigeria	Lease line Charges	Fellow Subsidiary	243	79
Airtel Networks Zambia Plc	Zambia	Lease line Charges	Fellow Subsidiary	23	284
Airtel Rwanda Limited	Rwanda	Lease line Charges	Fellow Subsidiary	11	12
Bharti Airtel Limited	India	Lease line Charges	Intermediate Parent	136	112
Airtel Networks Kenya Limited	Kenya	Lease line Charges	Fellow Subsidiary	38	38
Airtel (Seychelles) Limited	Seychelles	Interconnect Charges	Fellow Subsidiary	1	1
Airtel (Seychelles) Limited	Seychelles	Roaming Charges	Fellow Subsidiary	-	-
Airtel Congo S.A	Congo	Roaming Charges	Fellow Subsidiary	1	1
Airtel Gabon S.A.	Gabon	Roaming Charges	Fellow Subsidiary	1	-
Airtel Malawi Limited	Malawi	Roaming Charges	Fellow Subsidiary	-	58
Airtel Networks Limited	Nigeria	Interconnect Charges	Fellow Subsidiary	3	31
Airtel Networks Limited	Nigeria	Roaming Charges	Fellow Subsidiary	6	36
Airtel Networks Zambia Plc	Zambia	Interconnect Charges	Fellow Subsidiary	74	47
Airtel Networks Zambia Plc	Zambia	Roaming Charges	Fellow Subsidiary	206	88
Airtel Rwanda Limited	Rwanda	Interconnect Charges	Fellow Subsidiary	14	25
Airtel Rwanda Limited	Rwanda	Roaming Charges	Fellow Subsidiary	5	15
Airtel DRC Limited	DRC	Interconnect Charges	Fellow Subsidiary	34	33
Airtel DRC Limited	DRC	Roaming Charges	Fellow Subsidiary	43	31
Celtel Niger S.A.	Niger	Interconnect Charges	Fellow Subsidiary	-	2
Celtel Niger S.A.	Niger	Roaming Charges	Fellow Subsidiary	-	3
Airtel Uganda Limited	Uganda	Interconnect Charges	Fellow Subsidiary	74	174
Airtel Uganda Limited	Uganda	Roaming Charges	Fellow Subsidiary	200	148
Bharti Airtel Limited	India	Interconnect Charges	Intermediate Parent	4	3
Bharti Airtel Limited	India	Roaming Charges	Intermediate Parent	143	70
Bharti Airtel (UK) Limited	Netherland	Interconnect Charges	Fellow Subsidiary	4,499	5,614
Singtel Singapore	Singapore	Roaming Charges	Fellow Subsidiary	133	64
Airtel Networks Kenya Limited	Kenya	Interconnect Charges	Fellow Subsidiary	283	258
Airtel Networks Kenya Limited	Kenya	Roaming Charges	Fellow Subsidiary	185	47
Jersey Airtel Limited	Jersey	Roaming Charges	Fellow Subsidiary	-	1
Airtel Gabon S.A.	Gabon	Interconnect Charges	Fellow Subsidiary	1	-
Airtel Money Tanzania Limited	Tanzania	Cross Charge - Sales force agents cost	Fellow Subsidiary	849	-
Airtel Money Tanzania Limited	Tanzania	Bulk SMS Charges	Fellow Subsidiary	2,649	893
Airtel Money Tanzania Limited	Tanzania	USSD charge	Fellow Subsidiary	4,555	2,879
Airtel Money Tanzania Limited	Tanzania	Free minutes charges	Fellow Subsidiary	-	495
Airtel Money Tanzania Limited	Tanzania	Allocation for Facility expenses	Fellow Subsidiary	495	409
Airtel Money Tanzania Limited	Tanzania	Cost allocation Airtel Shop running expense	Fellow Subsidiary	481	405
Airtel Money Tanzania Limited	Tanzania	Group Management fees	Fellow Subsidiary	4,681	4,367
Airtel Money Tanzania Limited	Tanzania	Local Management fees	Fellow Subsidiary	4,235	3,188
Airtel Money Tanzania Limited	Tanzania	Shared IT Cost	Fellow Subsidiary	2,491	1,739
				28,281	23,104

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Balances at year end were as follows:

c. Amounts due from related parties

Name	Country of Incorporation	Nature of transactions	Relationship	2025	2024
				TZS 'M'	TZS 'M'
Airtel Congo (RDC) S.A.R.L.	DRC	Interconnect & Roaming Services	Fellow Subsidiary	832	814
Airtel Tchad S.A.	Tchad S.A.	Interconnect & Roaming Services	Fellow Subsidiary	2	5
Airtel Uganda Limited	Uganda	Interconnect & Roaming Services	Fellow Subsidiary	64	140
Airtel Sychelles Limited	Sychelles	Interconnect & Roaming Services	Fellow Subsidiary	2,863	2,419
Airtel Networks Kenya Limited	Kenya	Interconnect & Roaming Services	Fellow Subsidiary	7,284	8,688
Airtel Madagascar S.A.	Madagascar	Interconnect & Roaming Services	Fellow Subsidiary	505	500
Airtel Malawi Limited	Malawi	Interconnect & Roaming Services	Fellow Subsidiary	4,972	7,445
Airtel Zambia PLC	Zambia	Interconnect & Roaming Services	Fellow Subsidiary	882	643
Airtel Rwanda Limited	Rwanda	Interconnect & Roaming Services	Fellow Subsidiary	93	81
Bharti Airtel Limited	India	Interconnect, Roaming, Signalling & Lease line/Bandwidth	Intermediate Parent	1,512	1,309
Airtel Africa Services (UK) Limited	Dubai	Management Fees	Fellow Subsidiary	1,207	475
Bharti International Singapore Pte Limited	Singapore	Interconnect, Roaming, Signalling & Leaseline/Bandwidth	Fellow Subsidiary	222	647
Bharti Airtel UK Ltd	Netherlands	Interconnect, Roaming, Signalling & Leaseline/Bandwidth	Fellow Subsidiary	1,240	1,919
Airtel Congo S.A.	Congo	Interconnect & Roaming Services	Fellow subsidiary	226	164
Bharti Hexacom Limited	India	Roaming Services	Fellow Subsidiary		4
Airtel Networks Limited	Nigeria	Interconnect, Roaming, Signalling & leaseline/Bandwidth	Fellow Subsidiary	2,284	1,984
Airtel Africa Plc	Netherlands	Cross Charge	Intermediate Parent	238	-
Singtel Singapore	Singapore	Interconnect & Roaming Services	Fellow Subsidiary	22	-
				24,448	27,237

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

d. Amounts due to related parties

Name	Country of Incorporation	Nature of transactions	Relationship	2025	2024
				TZS 'M'	TZS 'M'
Airtel Congo (RDC) S.A.R.L.	DRC	Interconnect & Roaming Services	Fellow Subsidiary	1,838	1,792
Airtel Uganda Limited	Uganda	Interconnect & Roaming Services	Fellow Subsidiary	1,229	1,227
Airtel Congo S.A.	Congo	Interconnect & Roaming Services	Fellow subsidiary	66	60
Airtel Networks Limited	Nigeria	Interconnect, Roaming, Signalling & leaseline/Bandwidth	Fellow Subsidiary	441	214
Airtel Networks Kenya Limited	Kenya	Interconnect & Roaming Services	Fellow Subsidiary	2,148	1,846
Airtel Madagascar S.A.	Madagascar	Interconnect & Roaming Services	Fellow Subsidiary	17	17
Airtel Malawi Limited	Malawi	Interconnect & Roaming Services	Fellow Subsidiary	1,994	1,930
Airtel Zambia PLC	Zambia	Interconnect & Roaming Services	Fellow Subsidiary	2,204	1,928
Airtel Rwanda Limited	Rwanda	Interconnect & Roaming Services	Fellow Subsidiary	382	387
Airtel Africa Telesonic Holdings B.V.	India	Fiber	Fellow Subsidiary	9,551	9,565
Bharti Airtel UK Ltd	Netherlands	Interconnect, Roaming, Signalling & Leaseline/Bandwidth	Fellow Subsidiary	995	773
Bharti Airtel Limited	India	Interconnect, Roaming, Signalling & Lease line/Bandwidth	Intermediate Parent	70	83
Airtel Money Tanzania Limited	Tanzania	Cross Charge	Fellow Subsidiary	27,842	36,022
Network I2I Limited	India	Leaseline/ Bandwidth	Intermediate Parent	10,300	1,583
Airtel Africa Services (UK) Limited	Dubai	Management Fees	Fellow Subsidiary	83,915	69,551
Nxtra Data Limited	India	Network Data Maintenance	Fellow Subsidiary	6	10
Bharti Airtel Tanzania B.V.	Netherlands	Cross Charge	Holding Company	360	335
Bharti Airtel Services Limited	India	Manpower services	Fellow Subsidiary	133	114
Xtelify Limited	India	IT Services	Fellow Subsidiary	2,532	200
Airtel Africa Plc	Netherlands	ESOP	Intermediate Parent	917	-
				146,940	127,637

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32.RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

e. 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.

	2025 TZS 'M'	2024 TZS 'M'
Salaries and other short-term employment benefits	6,593	8,456

f. Directors' remuneration

Directors' fees and sitting allowance	202	203

33. EARNINGS PER SHARE - BASIC AND DILUTED

Basic earnings per share is calculated on the profit after tax attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated on the profit after tax attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding after adjustment of dilutive potential ordinary shares.

The basic and diluted earnings per share are the same as there are no dilutive factors.

The following reflects the profit and shares used in the basic and diluted earnings per share computations:

	Unit	2025	2024
Profit after tax attributable to ordinary equity holder	TZS 'M'	22,626	52,684
Weighted average number of shares	No. '000'	241,176	241,176
Earnings Per Share - Basic and Diluted	TZS '000'	0.094	0.218

34. DIVIDEND

The Board of Directors of Airtel Tanzania Plc propose the payment of a final dividend of TZS 5,000 million (TZS 20.73 per issued share) in respect of the year ended 31 December 2025. The proposed dividend of TZS 5,000 million is subject to approval by the shareholders at the Annual General Meeting.
During the year ended 31 December 2025 the Company paid TZS 5,000 million towards final dividend declared for the years ended 31 December 2024. The total dividend paid during the year ended 31 December 2025 was TZS 5,000 million (2024: TZS 20,000 million).

Distributions to equity holders in the year	2025 TZS 'M'	2024 TZS 'M'
Final Dividend for the year ended 31 December	5,000	20,000
Proposed Dividend for the year ended 31 December	5,000	5,000
Proposed Dividend Per share – TZS per share	20.73	20.73

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. ULTIMATE PARENT COMPANY

Airtel Tanzania PLC is part of the Bharti Airtel Group of companies. The Company's direct shareholders are Bharti Airtel Tanzania B.V., a company incorporated and domiciled in the Netherlands and the Government of the United Republic of Tanzania. Ultimate controlling entity effectively from 3 November 2017 is Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Mittal's family trust effectively controlling the Company. The step-up parent company that produces consolidated financial statements for public use within the Group is Bharti Airtel Limited, a company incorporated and domiciled in India.

36. COMPARATIVE FIGURES

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.

37. EVENTS SUBSEQUENT TO THE YEAR END

At the date of signing the financial statements, the Directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in these financial statements, which significantly affected the financial position of the Company and results of its operations.