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TELEKOM NETWORKS MALAWI PLC

ANNUAL REPORT 2025



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ANNUAL REPORT

Telekom Networks Malawi Plc

2025

Our core values



Customer first

Put customers first in everything



Integrity

Speak out honestly and transparently



Courage

No fear, be bold and move fast



Innovation

Innovate big and be first



Excellence

Do something better every day and be accountable

Our vision

To digitally empower every Malawian.

Our mission

To build world-class digital solutions to empower every Malawian and connect Malawi to the whole world.

Our purpose

Digitally connecting every Malawian.
Creating possibilities for everyone.
Transforming the lives of every Malawian.
Digitally empowering everyone.



Financial Highlights

(all figures in billions of Malawi Kwacha)

	2021	2022	2023	2024	2025
Total revenue	94.82	96.35	118.10	158.17	222.90
EBITDA	36.43	27.42	33.36	47.89	70.82
EBITDA margin	38%	28%	23%	30%	32%
Profit/(loss) after tax	9.69	(1.76)	(4.93)	10.05	21.27
Shareholders' funds	49.28	46.51	41.75	51.85	102.68
Infrastructure investment	28.82	18.28	14.69	33.44	30.87
Dividends paid	4.32	-	-	-	2.31



Infrastructure investment 30.87



Total revenue 222.90



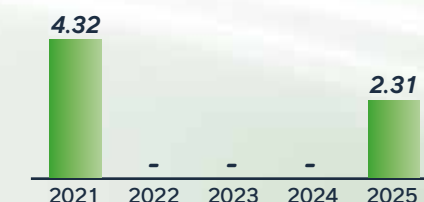
EBITDA 70.82

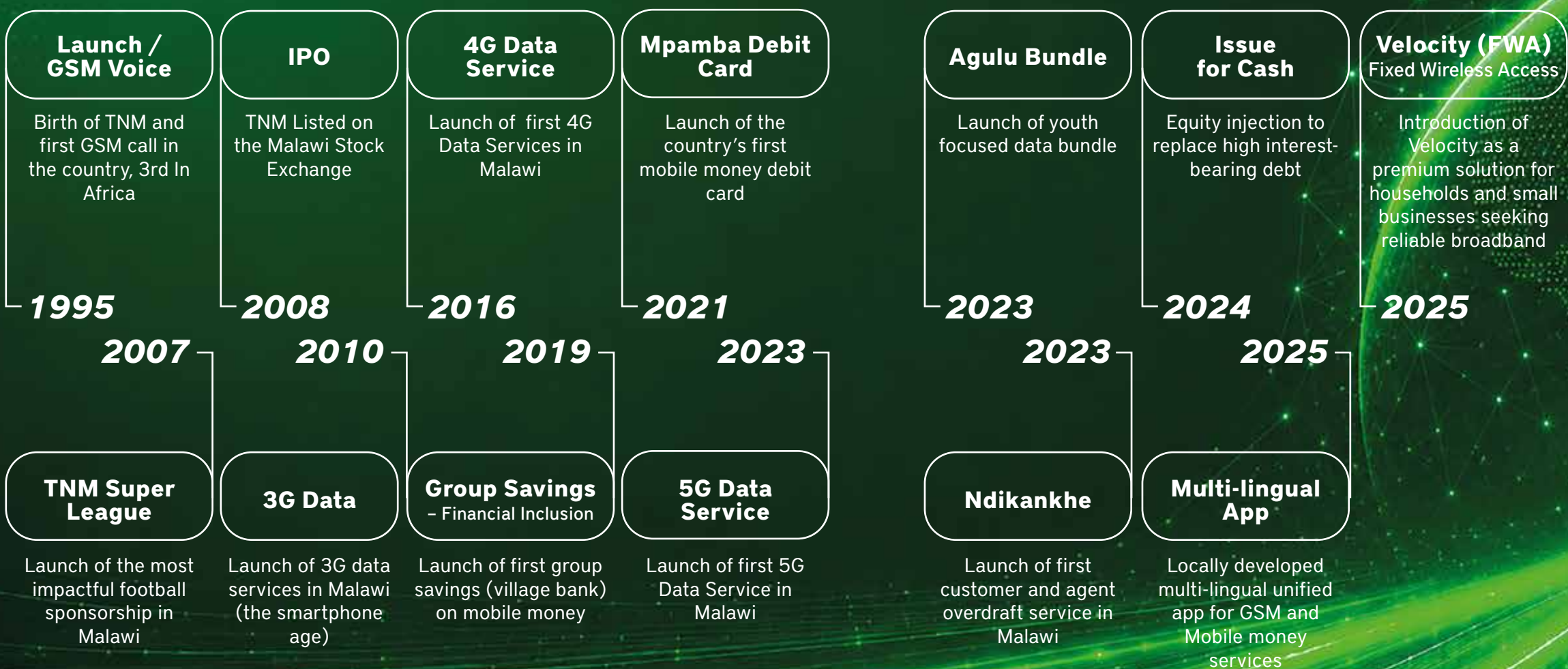


Profit/(loss) after tax 21.27



Dividend paid 2.31





Chairman's Letter to the Shareholders



Dear Valued Shareholders,

It is with immense pleasure, on behalf of the Board of Directors, that I present the TNM Plc's Annual Report for the year ended 31 December 2025. The year under review marked a defining moment for the group, evidenced by a remarkable operations and financial performance, amid macroeconomic headwinds. The outturn reflects a purpose-led strategy, effectively executed by the executive management and staff, coupled with financial prudence.

In 2025, TNM Plc invested heavily in its network infrastructure upgrade and in offering world-class customer experience; and these are core elements of our growth aspirations.

While the corresponding period (2024) reflected a turnaround for the business, in 2025, the group registered transformative growth, confirming our solid and scalable foundations. TNM delivered a net profit after tax of MK21.27 billion, representing a remarkable 112% growth

over the prior year, on the back of a 41% growth in total revenues to MK222.90 billion. These results are not a coincidence. The performance underscores our highest level of resilience to the myriad shocks characterizing the operating environment, strategic approach to the business for growth and the unwavering commitment of our people.

30 Years of Stewardship and Value

The year 2025 is special as it marked our 30th anniversary. In 1995, TNM Plc became Malawi's first mobile network operator, pioneering a technological revolution in how Malawians communicate, transact, and connect with opportunity. Thirty years later, we take pride in being the only truly and wholly Malawian integrated ICT and telecommunication company, which is also listed on the Malawi Stock Exchange, where it has been providing opportunity for public ownership.

Over the three decades, TNM Plc has contributed immeasurably to Malawi's economic growth and development. We have paid billions of Kwachas in taxes, levies, and regulatory fees to the national fiscus. We have created thousands of jobs through our direct and indirect sales channels. We have deployed infrastructure across urban centers and remote communities, bringing digital connectivity where it never existed.

To our long-term shareholders, who have walked this journey with us since our Initial Public Offering (IPO) in 2008, we say thank you: Your patience, belief in this institution, and partnership over the decades have helped shape the group. The Board remains resolute in its commitment to rewarding you meaningfully and consistently as the business scales up.

We do not merely celebrate longevity, but a renewal of our vows for unwavering commitment to progress, excellence, and the future of Malawi.

Strategic Financial Management and Capital Strength

The 2025 financial performance tells a compelling story of strategic discipline and resilience. Guided by the Board's deliberate focus on capital strength and balance sheet stability, the group pursued growth investments with precision and confidence. The approach yielded remarkable results: Total revenue surged to MK222.90 billion, marking a 41% increase, while net profit after tax climbed to MK21.27 billion, an extraordinary 112% growth. Earnings before interest, tax, depreciation, and amortization reached MK70.82 billion, reflecting a 48% rise and a robust EBITDA margin of 32%.

The momentum was particularly evident in key business segments. Mobile Money, through TNM Mpamba, generated MK51.93 billion in revenue, a 77% leap that highlighted its growing role in financial inclusion and digital transactions. Data services also expanded significantly, with revenue hitting MK67.47 billion, a 49% increase that aligns with the rising demand for connectivity. Alongside these achievements, infrastructure investment remained a priority, with capital expenditure totaling MK30.87 billion, reinforcing the company's commitment to long-term and sustainable growth.

A landmark strategic transaction during the year was the successful completion of the MK30 billion Issue-for-Cash. This capital raise materially strengthened TNM's balance sheet, providing the firepower needed for infrastructure investment while reducing our dependence on debt financing. The Board oversaw this transaction with care to ensure it was executed at optimal terms for all shareholders.

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A key pillar of our financial strategy has been active management of foreign exchange-exposed liabilities. In prior years, currency volatility posed the biggest risk on our cost of financing and on the balance sheet. The Board, through proactive oversight of the treasury and risk management functions, directed management to systematically reduce forex-linked obligations. This discipline was central to the improvement in our financing costs and overall margin expansion in 2025.

The Board also carefully considered capital allocation. As we continue to invest in modernizing our network, the Board has resolved to recommend a dividend for the year ended 31 December 2025, reflecting our confidence in the group's financial position and our commitment to rewarding shareholders.

We believe this strikes the right balance between reinvestment in the network and delivery of value to our owners.

Governance, Oversight and Board Renewal

In 2025, the Board continued to strengthen its oversight governance frameworks to ensure that TNM Plc is equipped, not only to manage today's challenges, but to seize tomorrow's opportunities.

The Board maintained rigorous oversight of the group's Three Lines of Defence model, which has been instrumental in navigating the dual pressures of currency volatility and elevated inflation. First-line operational controls, second-line risk and compliance functions, and third-line internal audit processes worked in concert to identify and mitigate risks before they could materially affect the business. This governance architecture has been a powerful contributor to the quality of our 2025 results.

The Board also reaffirmed its commitment to the terms of TNM Plc's renewed 10-year operating licence, granted by the regulator, Malawi Communications Regulatory Authority (MACRA). This licence is a mandate to serve Malawi, and the Board takes that mandate with the utmost seriousness. Every strategic decision, from capital investment to service innovation, is made with the spirit of that licence in mind. With this said, we are gratified with ongoing collaboration with industry regulators and the regulatory certainties harnessed.

We continue to invest in Board development, ensuring that our directors possess skills, knowledge, and perspectives required to provide effective oversight in a rapidly evolving sector.

TNM's Economic Contribution to Malawi

TNM Plc has remained instrumental in national development. In 2025 alone, TNM contributed over MK50 billion to the economy through taxes and fiscal obligations, a testament to our role as one of Malawi's most significant corporate citizens. We are proud to be one of the largest taxpayers to the government, and we see this contribution as both a responsibility and a privilege.

TNM Mpamba continued to be a transformative force for financial inclusion. With over 140,000 active agents and transaction volumes that continue to grow, Mpamba is enabling millions of Malawians participate in the formal economy. The platform facilitates secure, real-time financial transactions including salary payments, bill payments, overdrafts, and, critically, social cash transfers in partnership with government and the private sector.

The Board has consistently championed Mpamba as a vehicle for national economic empowerment. We believe that financial inclusion is foundational to Malawi's development, and TNM Plc is uniquely positioned to make it a reality.

Strategic Priorities for 2026 and Beyond

Looking ahead, the Board has endorsed an ambitious but achievable strategic agenda for the next phase of TNM's growth. Our priorities include:

- **Network Modernisation and 4G/5G Expansion:** Our MK30.87 billion capital expenditure in 2025 was heavily directed toward network modernisation, 4G site expansion, and the continued rollout of 5G capability. The Board is committed to sustaining this investment trajectory.
- **Operational Efficiency:** Building on the cost savings achieved through our operational efficiency programme, the Board has set an ongoing target to further reduce the cost base without compromising quality. Renegotiated vendor contracts, energy-efficient tower solutions, and streamlined procurement remain key levers.
- **Culture and Talent:** The Board recognises that our people are our most important competitive advantage. Our cultural transformation centered on accountability, performance, and purpose continued to bear fruit in 2025, delivering breakthroughs across commercial, technical, and operational teams. We will continue to invest in our people and in the systems that allow them to thrive.
- **Mpamba and Digital Services:** The exponential growth of Mpamba is on track. The Board sees mobile money and digital financial services as one of TNM's most significant long-term growth opportunities, and we are committed to the investments needed to unlock its full potential in both revenue and national impact.

Closing Reflections

As I bring these remarks to a close, I want to acknowledge the extraordinary dedication of our leadership team and staff. They are the living embodiment of our 'Always With You' brand promise. We owe the 2025 stellar performance to this team, and the Board is deeply proud of each and every one of them.

I am optimistic about Malawi's digital future with its youthful demographics and potential resurgence of the economy. The demand for connectivity, mobile financial services, and digital solutions will likely grow rapidly, and TNM is uniquely positioned to be the primary engine of that digital transformation.

I invite all our shareholders, customers, and partners to engage fully with this Annual Report, to understand the depth of our performance and the breadth of our impact. Your insights and continued partnership are what make TNM a great and truly Malawian company.

Thank you.



Ted Sauti-Phiri
Board Chairman



tnm
Mpamba

**Mpamba
ndikankhe**

Lipirani Madzi, Magetsi komonso
gulani Bandulo ngakhale
mulibe ndalama zokwanira
ku Mpamba

Ndondomeko yolembetsera

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Sankhani 3, Savings and Loans,
Sankhani 2, Mpamba ndikankhe

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Chief Executive Officer's Message



Dear Shareholders,

2025 was an important year for TNM.

A few years ago, we set out to rebuild a struggling company with a simple idea that if we obsess over customers, invest for the long term, move fast, and execute well, the results will follow. In 2025, they did. We delivered record revenues and profits in every part of the business. We grew revenue by 41% to MK222.90 billion. EBITDA increased by 48% year-on-year. We added more than one million GSM subscribers and more than one million Mpamba users. Across both telecommunications and mobile money, TNM regained significant market share and moved within striking distance of market leadership.

But the numbers, while important, are not the most important thing. What matters most is that customers are responding. Customers are choosing TNM because the experience is getting better. The network is stronger. The internet is faster. Mpamba and its services are becoming more useful in everyday

life. Our distribution is wider, reliability is improving and innovation is accelerating. In many ways, 2025 was the year TNM became a growth company again. All this did not happen by accident.

Throughout the year, we focused intensely on execution. We strengthened our distribution footprint, restructured our marketing approach, optimized pricing, expanded our network footprint, and invested heavily in technology upgrades and modernization.

We added new network sites. We proactively decongested key parts of the network before customers experienced deterioration in quality. We improved network optimization across the country. We created more access to international fibre networks to improve internet capacity and reliability that propelled TNM to be the best internet provider in Malawi. These are operational details that may seem small individually, but over time they compound into a noticeably better customer experience and customers notice.

One of the clearest examples of this momentum is Mpamba. As millions of people remain underserved by traditional financial systems, mobile money continues to be the solution to this gap, and it is one of the biggest opportunities in Malawi. Financial inclusion is still expanding. We believe all mobile financial services will become increasingly central to everyday economic life in Malawi, and TNM intends to lead that transformation.

During the year, we invested significantly in distribution infrastructure to improve visibility, reach, and accessibility. We recapitalized the Mpamba network and mobilized our own delivery service of cash and e-value to Mpamba agents. At the same time, we focused on increasing customer activity levels and building services that solve real problems. We strengthened our fraud protections and made it easier for customers to get back their money should they send it to the wrong destination. This has cemented our Mpamba promise as 'The Most Trusted Mobile Money in Malawi' and it is without a doubt why our customers feel good about using Mpamba.

Ndikankhe is another good example. What started as an innovation has now become an important financial tool for millions of Malawians. Today, Ndikankhe overdraft has over 2.5 million users. That level of adoption tells us that customers value simplicity, convenience, and immediate access to cash and payments when they need it most.

When you build products that genuinely help customers, adoption follows.

We also made major progress in connectivity and technology leadership. In 2025, TNM launched 5G services in Lilongwe. The quality and speed of the experience have established a new benchmark for internet services in Malawi. We believe access to high-quality internet is no longer a luxury but essential infrastructure for education, entrepreneurship, commerce, entertainment, and national development.

We also launched Velocity, our Fixed Wireless Access product for homes and offices. Reliable internet remains one of the biggest unmet needs in the market. Velocity is helping address that need with consistent, dependable connectivity for households and businesses alike.

We also restructured our statement of financial position. TNM was weighed down with crushing high-interest debt, which crippled our cashflows and hampered our investments. In May 2025, we issued MK30 billion in new shares for cash which went directly to pay this debt. Paired with our growing profits, TNM reduced the Debt to Equity (D/E) ratio from a massive 103% down



to a manageable and healthy 43%. This restructuring restored positive cashflows for the first time in years, enabling us to continue our network investments and even pay dividends to you, our shareholders, from our record profits for the first time in nearly four years. And we are well positioned to continue doing so.

We are still early in this journey. Importantly, we achieved these results while operating in a very difficult macroeconomic environment. Foreign currency shortages, exchange rate volatility, inflationary pressures, and rising fuel costs continue to create challenges across the economy. These conditions increase operating costs and reduce disposable income for many consumers. We do not underestimate these challenges. But difficult environments also create opportunities for disciplined companies to differentiate themselves. During periods of uncertainty, operational excellence matters more. Financial discipline matters more. Customer trust matters more. We remain focused on all three.

In 2025, TNM invested MK30.87 billion in capital expenditure, including network modernization, distribution expansion, technology upgrades, and license investments to support future growth and capacity expansion. We continue to take a long-term view.

Some investments produce immediate returns. Others take years. But in our experience, companies that consistently invest through difficult periods emerge stronger than those that wait for perfect conditions.

That philosophy continues to guide us.

Looking ahead, we remain optimistic about the future of TNM and the future of Malawi's digital economy.

Internet penetration will continue to grow. Digital inclusion will continue to expand. Demand for accessible financial services will keep rising. Customers will continue expecting faster, simpler, and more reliable digital experiences.

These trends are powerful. They are long-term. And they favor companies that innovate relentlessly and execute consistently and TNM has evolved to be such a company.

At TNM, we are still operating with the energy and urgency of a company that has much more to achieve. And we do.

TNM continues to invest in the communities where we operate. We have supported children who are suffering from cancer in our hospitals. We have rekindled the dreams of students with disabilities in schools with scholarships. We have supported our fellow country men and women who have been affected by natural disasters like floods. This is in addition to almost two decades of supporting our sportsmen and women develop their skills and showcase their talent and entertain Malawians. We do this because we believe in Malawi and its people to achieve their full potential. TNM continues to drive social activities that inspires their passion and helps fulfil their dream.

Lastly, I would like to thank our customers for their trust, our employees for their hard work and commitment, our partners and regulators for their collaboration, and you, our shareholders, for your continued support.

TNM has a strong heritage of innovation and digital services in Malawi. Now that we are celebrating our 30th year of serving the country, our ambition remains to reach all Malawians with the best digital and financial services in every corner of the country.

It remains Day 1 for TNM as we embark on the next 30 years of our digital journey.

Yours sincerely,


Michel Antoine Hebert
Chief Executive Officer



**Our priorities
for the future
are clear:**



**Continue growing our
customer base and
market share.**



**Improve operational
efficiency and cost
discipline.**



**Expand digital
and mobile money
ecosystems.**



**Invest in network
quality and coverage
leadership.**



**Build products
and services that
customers genuinely
value.**

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Terms and Conditions Apply

Corporate Governance

Telekom Networks Malawi Plc is steadfast in its commitment to the highest standards of corporate governance in the conduct of the group's affairs. The group recognises that good governance is a critical enabler of long-term sustainability, responsible corporate citizenship and the delivery of enduring value to its stakeholders.

The group complies with applicable legislation, regulations, standards and codes, including the Companies Act, 2013 and its subsidiary regulations. In addition, Telekom Networks Malawi Plc aligns its governance systems with internationally recognised principles and the local framework set out in the Code of Best Practice for Corporate Governance in Malawi (Malawi Code II), as well as the Malawi Stock Exchange Listings Requirements. In addition to statutory compliance, TNM remains committed to benchmarking itself against evolving best practices in corporate governance, both regionally and globally.

TNM's Compliance Officer to whom any concerns over non-compliance can be addressed is Chisomo Governor and she can be contacted on chisomo.governor@tnm.co.mw.

Governance framework

The Board of Directors is the highest governing body of the group and is ultimately accountable for the long-term success and sustainability of the business. The Board comprises eight Non-Executive Directors, each bringing a wealth of experience, independent perspective and strategic insight.

While the group's day-to-day operations are delegated to executive management, the Board retains overall responsibility for setting the strategic direction, approving key policies, monitoring performance, ensuring effective risk management and promoting high standards of corporate governance and ethical conduct.

The Board convenes at least once every quarter and holds additional meetings when necessary. At each meeting, the Chief Executive Officer and executive management team provide comprehensive updates on the group's financial and operational performance, strategic initiatives, legal and regulatory developments, risk exposures and other material issues affecting the business. This regular engagement enables the Board to discharge its oversight responsibilities effectively and make informed decisions in the best interests of the group and its stakeholders. Directors are required to declare any interest that could constitute a real, potential, or apparent conflict of interest, with respect to participation on the Board.

TNM maintains a separation between the roles of the Chairperson of the Board and the Chief Executive Officer. The Chairperson is an independent Non-Executive Director.

The Board recognises that a well-balanced, diverse, and inclusive Board enhances the quality of governance, broadens perspectives in decision-making and strengthens the group's ability to respond to complex business challenges. The current Board is diverse in terms of skills, experience, professional background, and age. While progress has been made, the Board remains committed to improving diversity further, with gender diversity being a key focus area.

Board of Directors meeting attendance record for 2025

Name of Director	25 th Mar 2025	2 nd May 2025	21 st Jul 2025	21 st Jul 2025	12 th Sep 2025	16 th Oct 2025	12 th Dec 2025	22 nd Dec 2025
	111 th BOD	EGM	112 th BOD	30 th AGM	Strategy	113 th BOD	114 th BOD	BOD Extraordinary
Mr. Ted Sauti – Phiri	Y	Y	Y	Y	Y	Y	Y	Y
Dr. Lyton Chithambo	Y	Y	Y	Y	Y	Y	Y	Y
Dr. Ronald Mangani	Y	Y	Y	Y	Y	Y	Y	Y
Ms. Madalo Nyambose	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Khumbo Phiri	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Tobias Jack	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Gerald Chungu	Y	A	Y	Y	Y	Y	Y	A
Mr. Frank Chozenga	N/A	N/A	Y	Y	Y	Y	Y	Y

Y Attended, A Apologies

Audit Committee

The Board is assisted in risk oversight and risk management by the Audit Committee.

Roles and responsibilities

- Monitoring and advising on risk management and the internal control structure designed to safeguard Telekom Networks Malawi Plc's assets and to ensure reliable financial records are maintained.
- Overseeing relations with the external auditor.
- Reviewing the effectiveness of the internal audit function.
- Monitoring the group's compliance with legal, governance, and regulatory requirements.

Audit Committee attendance record for 2025

Name of Director	18 th Mar 2025	10 th Jul 2025	13 th Oct 2025	2 nd Dec 2025
Mr. Frank Chozenga	N/A	Y	A	Y
Dr. Lyton Chithambo	Y	Y	Y	Y
Mr. Gerald Chungu	Y	Y	Y	A

Y Attended, A Apologies

Finance and Procurement Committee

The Finance and Procurement Committee assists the Board in fulfilling its oversight responsibilities in relation to the group's financial strategy, financial reporting processes, capital expenditure, and overall financial performance. The Committee is also responsible for overseeing procurement activities, including the review of procurement policies, internal procurement controls and adherence to regulatory and ethical standards in procurement practices. It ensures that financial and procurement decisions are aligned with the group's strategic objectives, risk appetite, and governance standards.

Finance and Procurement Committee attendance record for 2025

Name of Director	12 th Mar 2025	24 th Jun 2025	17 th Jul 2025	1 st Aug 2025	3 rd Oct 2025
Ms. Madalo Nyambose	Y	Y	Y	Y	Y
Dr. Lyton Chithambo	Y	Y	Y	Y	Y
Dr. Ronald Mangani	Y	Y	Y	Y	Y

Y Attended

Appointments and Remuneration Committee

The Appointments and Remuneration Committee is responsible for guiding the Board on matters of Board and executive composition, succession, and compensation. Its core responsibilities include identifying and evaluating suitable candidates for appointment to the Board, the role of Chief Executive Officer and other Executives. It also makes recommendations on the overall composition of the Board, with regard to the appropriate mix of skills, experience, size, and committee structure. The Committee also reviews and approves the executive management structure to ensure alignment with the group's strategic objectives. In relation to remuneration, the Committee ensures that management and staff are fairly rewarded for their individual contributions to the performance of the group, while promoting accountability and long-term value creation.

Appointments and Remuneration Committee attendance record for 2025

Name of Director	24 th Feb 2025	17 th Mar 2025	11 th Jul 2025	14 th Oct 2025	3 rd Dec 2025
Dr. Lyton Chithambo	Y	Y	Y	Y	Y
Ms. Madalo Nyambose	Y	Y	Y	Y	Y
Mr. Khumbo Phiri	Y	Y	Y	Y	Y

Y Attended

Business Planning Committee

The Business Planning Committee provides strategic oversight over commercial matters and business plans. Given that commercial functions lie at the heart of TNM's operations, the Committee supports the Board and Management in navigating key strategic choices that influence the group's growth, competitiveness, and long-term sustainability. The fast-paced nature of technological change in the telecoms sector demands agile yet well-governed decision-making. The Business Planning Committee helps ensure that TNM is well-positioned to seize emerging opportunities, safeguard its interests and remain responsive to market dynamics.

The duties of the Committee are to review and approve the following:

- Revenue initiatives and decisions that require a business case.
- New tariff structures and changes to existing tariffs before submission to MACRA.
- Dealer incentives and commissions.
- Decisions on establishment of new revenue streams.
- Changes to interconnect tariffs.
- Business case for commercial related CAPEX such as sites, kiosks and branches.
- Any decisions and actions that are likely to affect 5% of the total revenue run rate.

Business Planning Committee attendance record for 2025

Name of Director	20 th Mar 2025	10 th Jul 2025	11 th Jul 2025	13 th Oct 2025	3 rd Dec 2025
Mr. Ted Sauti – Phiri	Y	Y	Y	Y	Y
Mr. Tobias Jack	Y	Y	Y	Y	Y
Mr. Frank Chozenga	N/A	Y	Y	Y	Y

Y Attended

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Governance of risk

The Board maintains overall responsibility for risk governance and ensures key risks are considered when formulating strategy, approving budgets and ongoing monitoring of performance against approved plans. In discharging this responsibility, the Board is supported by Management which continuously develops and enhances its risk and control procedures to strengthen the identification, assessment, and monitoring of risks associated with the group's strategic objectives.

Risks are periodically reviewed and updated to reflect changes in the operating environment. Key risks are formally reported through established accountability structures and are reviewed by the Board Audit Committee.

In accordance with TNM enterprise risk framework, TNM has adopted the three lines of defence model to support effective risk governance. In this structure, the first line of defence consists of Management who are responsible for day-to-day ownership, oversight, and management of risk; the second line includes functions such as the Enterprise Risk Management and Regulatory Compliance departments who are responsible for risk management process coordination, policies, and methodologies while the third line of defence consists of Internal Audit department and external auditors who provide independent assurance. Risks are divided into four categories namely strategic, operational, financial and compliance risks. These risks are managed across different levels of the group to ensure a comprehensive and integrated approach to risk management.

Risk Management Committee

The Risk Management Committee is a committee delegated by the Board to support the Board's oversight of risk across the group. The committee comprises members of the Executive Committee and selected senior management representatives and is chaired by the Chief Executive Officer. The Committee meets on a quarterly basis. The key responsibilities of the committee include:

- Reviewing, filtering and approving all high and critical strategic risks prior to submission to the Board;
- Overseeing and monitoring initiatives, projects and structures established to manage identified risks; and
- Ensuring that appropriate risk mitigation strategies are implemented and remain effective.

Internal Audit

TNM implements robust internal controls comprising policies, procedures, and processes designed to safeguard assets, prevent and detect errors, manage risks, and promote sound corporate governance. The group continues to embed these controls into its organisational culture. Internal Audit provides independent assurance on the effectiveness of these controls, reinforcing confidence in the group's governance framework.

The mission of TNM's Internal Audit Division is to deliver independent, objective assurance and consulting services that add value and enhance the group's operations. By applying a systematic and disciplined approach, Internal Audit supports TNM in achieving its objectives through the evaluation and improvement of risk management, control, and governance processes.

Functionally, the Internal Audit Division reports to the Audit Committee. Its roles and responsibilities are defined in the Internal Audit Charter, which has been approved by the Audit Committee of the Board and aligns with the Global Internal Audit Standards set by the Institute of Internal Auditors (IIA). The Division continuously monitors its operating environment to safeguard independence and objectivity, ensuring that its mandate is fulfilled without undue management influence and maintaining the trust placed in its assurance and advisory role.

The Internal Audit Division is composed of auditors with diverse skills, expertise, and experience, enabling the team to review and address all key risks to which the group is exposed. This diversity strengthens the Division's ability to provide comprehensive assurance across the organisation.

To enhance effectiveness and efficiency, the Division implements a dynamic internal audit framework that leverages modern tools and techniques such as Audit Management software, Data Analytics, risk assessment, and process mapping. Its methodology is risk-based, ensuring that audit efforts are focused on areas of greatest significance. An annual internal audit plan is approved by the Audit Committee and communicated to executive and senior management. In addition, special assignments are undertaken upon request, with safeguards in place to ensure that these do not compromise the overall audit plan or the independence of the Internal Audit function.

Environmental, Social and Governance Report

About this report

This Sustainability Report presents Telekom Networks Malawi Plc's (TNM) economic, environmental, and social performance for the reporting period 1 January to 31 December 2025. The report has been prepared in reference to the Global Reporting Initiative (GRI) Standards.

1. Organizational profile (GRI 2)

Telekom Networks Malawi Plc (TNM) is a public company listed on the Malawi Stock Exchange offering a comprehensive range of prepaid and postpaid telecom services, including voice and data connectivity. TNM is a 100% owner of TNM Mpamba Limited, a subsidiary that offers mobile payment services.

2. Governance, ethics and integrity (GRI 2-9, 2-12, 2-23)

TNM maintains a strong governance framework led by the Board of Directors and Executive Management. TNM operates under a Code of Conduct promoting ethical business practices, regulatory compliance, and zero tolerance for corruption and bribery. Whistleblowing mechanisms are in place to allow confidential reporting of misconduct. Through its committees, the Board provides strategic oversight, risk management, and leadership on sustainability matters. The Board supports management in identifying, mitigating, and responding to sustainability risks, while also capitalizing on emerging opportunities.

3. Stakeholder engagement and materiality (GRI 2-29, GRI 3)

Key stakeholders include customers, employees, regulators, shareholders, suppliers, communities, and government institutions. TNM regularly engages with its stakeholders to gather insights and understand their priorities, views, concerns and needs. We use a variety of tools and methods to do so, from our employee engagement surveys, town hall meetings, customer satisfaction surveys, Call Centre, market visits, regulatory consultations, Supplier evaluation to bilateral meetings with investors. Material sustainability topics identified include network quality, data privacy, energy management, employee wellbeing, and community impact.

4. Economic performance (GRI 201)

TNM continued to make a meaningful contribution to Malawi's economy through revenue generation, employment creation, payments to suppliers, tax and licence fee remittances, and the provision of mobile money services that support financial inclusion. The group also sustained its investment in rural network expansion and digital services to enhance connectivity across the country. In the year ended 2025, revenue increased by 41% to MK222.90 billion, while capital expenditure of MK30.87 billion was invested in infrastructure development.

5. Environmental sustainability (GRI 302)

TNM remains committed to reducing its environmental footprint through improved energy efficiency, the adoption of renewable energy solutions, and responsible waste management practices. During the year, 38 solar-powered sites were added into the network, increasing the total number of solar sites from 183 in 2024 to 221 by the end of 2025.

The group also continued the rollout of smart hybrid generators across the network. These generators are designed to operate only when battery backup capacity falls below predefined thresholds, thereby maximizing the use of stored battery power and minimizing generator operating hours. In 2025, a total of 20 hybrid generators were added to the network, contributing to reduced fuel consumption and lower emissions.

6. Social sustainability (GRI 403, 404, 405, 413, 418)

6.1. Employees: TNM is committed to promoting fair labour practices, ensuring occupational health and safety, and investing in the continuous training and development of its employees. During the year, the group recorded no workplace injuries. An amount of MK301 million was invested in local training initiatives, while MK141 million was spent on international training programmes. TNM also remains committed to gender diversity and inclusion; as at 31 December 2025, women constituted 37% of the total workforce, with 14% represented at managerial level.

6.2. Customers: In line with one of its core values of putting customers first, TNM continued to prioritize customer data protection, network reliability, service quality, and the effective resolution of customer complaints. With respect to data protection, TNM implements privacy by design approach to ensure that data protection considerations are embedded in all systems and processes that involve the collection and processing of personal data. The group is committed to collecting personal data lawfully and transparently, processing it only for specified and legitimate purposes, retaining it only for as long as necessary, and applying appropriate technical and organizational security measures to prevent unauthorized access, loss, or misuse.

During the year, TNM maintained sustained investment in network infrastructure expanding connectivity to over one million subscribers and significantly improved coverage in rural areas. This enhanced access played a meaningful role in supporting economic growth by facilitating communication and enabling access to digital payment channels and other digital services.

6.3. Communities: TNM contributes to community development through initiatives that align with both its business objectives and national development priorities. These initiatives include the expansion of network coverage to underserved rural areas and the support of national health awareness campaigns through its SMS platform. Furthermore, as part of its commitment to social responsibility during the year TNM donated essential medical drugs valued at K5.2 million to the Queen Elizabeth Central Hospital Children's Cancer Ward and supported cultural development through a sponsorship of K10 million towards the Umthetho Cultural Festival.

7. Responsible supply chain (GRI 204, 308, 414)

TNM promotes ethical supplier sourcing by implementing a rigorous supplier pre-qualification process and, where feasible, prioritizing the participation of local suppliers.

8. Future commitments

TNM will continue to strengthen its sustainability reporting framework, expand its renewable energy footprint, deepen digital inclusion across underserved communities, and align its sustainability agenda with Malawi's national development priorities and the United Nations Sustainable Development Goals.

GRI Standard	Disclosure	Description	Report Section
GRI 2	2-1 to 2-30	General Disclosures	Sections 1–3
GRI 3	3-1 to 3-3	Material Topics	Section 3
GRI 201	201-1	Economic Performance	Section 4
GRI 302	302-1	Energy Consumption	Section 5
GRI 401	401-1	Employment	Section 6.1
GRI 403	403-1	Occupational Health and Safety	Section 6.1
GRI 413	413-1	Local Communities	Section 6.3

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Profile of Directors

Mr. Ted Sauti-Phiri

**Chairman-
Independent Non-executive Director (62)**

*Master of Business Administration from
Liverpool University*

*Bachelor of Science Honours Degree in
Chemistry and Computer Science from
University of Malawi*

*Fellow of the Chartered Association of
Certified Accountant of the UK*



*Appointed to the Board
on 30th March 2022*

Mr. Sauti-Phiri has over 20 years of distinguished career showcased by extensive experience and knowledge in telecoms having worked in several countries in Africa. Mr Sauti-Phiri has worked at executive level for Airtel in Malawi, Tanzania, Zambia, and Sierra Leone.

He has also worked for Helios Towers in Tanzania, Vodafone in Zambia, Econet in Johannesburg. He currently serves as the Regional Finance Director of Multichoice for Southern Africa Countries excluding South Africa.

*Appointed to the Board
on 13th March 2023*

Dr. Ronald Mangani studied economics, finance and investment at the Universities of Malawi, York and Cape Town, and held visiting scholar positions at the International Monetary Fund Institute and the University of Oxford. Until his appointment as Chief Executive Officer of Press Corporation Plc, he was an associate professor of economics at the University of Malawi, Chairman of Old Mutual Malawi Limited, and director of First Capital Bank Malawi Plc.

He was Secretary to the Treasury of the Government of Malawi between 2014 and 2017. Previously, he also served as an independent director on the boards of the Reserve Bank of Malawi, the Malawi Stock Exchange, the MDC Limited, and the Malawi Institute of Management, among others. He also sat on the Monetary Policy Committee of the Reserve Bank of Malawi.

He is a founding member of the Economics Association of Malawi, a network member of the African Economic Research Consortium of Kenya, and part of the global faculty of the Tanzania-based Trade Policy Training Centre in Africa. He brings to Telekom Networks Malawi Plc extensive experience in managerial leadership, investment decision making, financial management, and strategic planning.

Dr. Ronald Mangani

Non-executive Director (57)

*PhD (Economics), University of Cape Town,
South Africa (June 2005)*

*MSc (Project Analysis, Finance and
Investment), University of York, England
(July 1997)*

*BSocSc (Economics major, with
distinction), University of Malawi, Malawi
(October 1992)*



Profile of Directors

Dr. Lyton Chithambo Non-executive Director (47)

Doctor of Philosophy, Finance

*Master's degree in Finance and Risk (Distinction),
both from Bournemouth University*

Fellow Chartered Certified Accountant (FCCA)

*Bachelor's degree in accountancy from the
University of Malawi*

*An alumnus of both the prestigious INSEAD
Business School Advanced Management*

*Program and the Oxford's Said Business School
Bank Governance Program*



*Appointed to the Board
on 8th April 2021*

Dr. Chithambo has over 20 years of dedicated, broad Malawi financial market knowledge and extensive hands-on experience in high level financial and risk analysis, business and strategy development, project analysis and management, and diverse aspects of operations management. His expertise in turnaround strategies was also confirmed by his certification by Harvard Business School corporate revitalization strategies program.

He also has substantial and impactful peer review research publications in Finance, Accounting and Risk. Prior to rejoining the corporate world, Dr. Chithambo lectured in finance, accounting, investment management and risk in United Kingdom for 3 years. Prior to this, he had spent almost 10 years at the Reserve Bank of Malawi helping champion reforms in the financial sector supervision division.

He is currently the Chief Operations Officer for Press Corporation Plc and sits on various boards of its subsidiaries.

*Appointed to the Board
on 26th September 2017*

Mr. Khumbo Phiri is the Chief Operating Officer at Old Mutual Malawi Limited. He has previously held various positions including Chief Operating Officer for Old Mutual Swaziland. He was instrumental in the creation of the first Unit Trust in Malawi, Old Mutual Unit Trust Company (Malawi) Limited, a company he later headed as Managing Director.

He was also key in the creation of the MPAMBA FESA digital product that is a partnership between Old Mutual and TNM. His career spans over 20 years in financial services areas of corporate and retail life insurance, unit trusts, strategy, digital distribution and operations. He is the Chairman at MPICO Malls Limited, Director at Frontline Investments Limited, Capital investments Limited and Regional Psychosocial Support Initiative (REPSSI).

Mr. Khumbo Phiri Non-executive Director (46)

*Master of Financial Services from the
University of New England*

*Chartered Insurer with the Chartered
Insurance Institute (CII) of London*

*Bachelor of Education Humanities from the
University of Malawi*



Profile of Directors

Ms. Madalo Nyambose Independent Non-executive Director (53)

*Bachelor of Business Administration from
University of Malawi, The Polytechnic*

*MSc in Finance and Postgraduate Diploma
in Accounting and Finance from the
University of Essex*



*Appointed to the Board
on 30th March 2022*

Ms. Madalo Nyambose is a senior public officer with more than 26 years' experience in the Public Sector. She has risen through the ranks and has previously held the positions of Director of Policy and Planning (4) in the Ministry of Transport and Public Works; Director of Debt and Aid Management (2 years) and Head of Unit for the National Authorizing Officer Support Unit working on European Union funded interventions (5 years) in the Ministry of Finance.

She started her career in the Ministry of Finance working in the Budget Section of the Ministry from July 1998.

*Appointed to the Board
on 21st February 2023*

Mr. Tobias Jack is a visionary and innovative leader with an ambitious drive. He has over 30 years of extensive experience in the ICT industry, specializing in the strategic setup and implementation of growth centric business models. He is an expert in fostering business expansion and profitability by harnessing the best in people, processes, and tools. He has experience working with a diverse range of multinational organizations in various countries in Africa and these include major network Operators in Africa (MIC Tigo, MTN, Orascom, Vodafone), Equipment Vendors (Ericsson) and Telecoms Service companies across Africa in positions of Senior CPM, CTIO, COO and CEO.

He possesses a robust background in managing startups and greenfield projects with a sharp focus on time-to-market efficiency and project management to deliver quality outcomes in cost-effective ways. He excels in operational management, consistently ensuring top-tier quality service and cost efficiency. His proficiency extends to managing services and outsourcing operations, empowering Operational Companies to concentrate on key areas while maintaining network quality and optimizing operating expenses (OPEX) through vendor-managed service models.

A cornerstone of his professional ethos in his roles as a CEO/CTO/COO is to provide overarching leadership, steering organizations to meet and exceed budgeted revenues, P&L, and EBITDA targets. His strategic acumen and leadership skills are the driving forces behind his ability to lead teams and companies to success.

Tobias boasts of over 20 plus years of senior managerial and leadership experience, working with dynamic teams in a global and multi-cultural environment. Currently, he is the Chief Operations Officer of ATM Technologies Limited, Local Director of VIASAT Tanzania and Director in APM Telecoms in South Africa and Eswatini.

Mr. Tobias Jack Independent Non-executive Director (63)

Registered professional Engineer (PE) by ERB Tanzania

Registered (R Eng) ERB Zambia

*Professional Engineer (PE) by Engineering
Institution of Zambia*

*Certificate of Cyber security- Managing Risk in the
information age from Harvard University*

*Certified Global talents on Field Services
Organizations (FSO) Leadership-Ericsson Sweden*

*Certified Project Director, Chartered Management
Institute (UK)*

*Postgraduate Diploma – AI & Blockchain, Cambridge
International Qualifications (UK)*

*B Tech Electronics and communication engineering-
Indian Institute of Technology (IIT) BHU India*

*MBA in Artificial intelligence and Blockchain in
UCAM Catholic University of Murcia -Spain.*



Profile of Directors

Mr. Gerald Mayamiko Chungu Non-executive Director (43)

Master of Business Administration from Eastern and Southern Africa Management Institute

Post Graduate Diploma in Senior Management Practice Practice from the Henley Business School- University of Reading

Bachelor's degree in computer science from the University of Malawi (with Financial & Managerial Accounting and Demography as supporting courses)



*Appointed to the Board
on 4th July 2023*

Mr. Gerald Chungu is a seasoned Information Technology (IT) Specialist with over 15 years' experience of working in the financial services industry (Banking, Microfinance, Insurance, and Asset Management). He is experienced in management of IT Systems, Business Resilience (Disaster Recovery, Business Recovery and Crisis Management), people, Projects, IT Budgets, vendors, IT Infrastructure, IT Security (NIST, COBIT), IT Strategy formulation and execution, ICT policies documentation, review, and enforcement, among others.

He has been at the helm of Information Technology Departments for several credible international financial institutions including Old Mutual Life Assurance Company (Malawi) Ltd, NICO Life Insurance Company Ltd and FINCA International. As one of the key Technical Leads in a World Bank funded project, he was instrumental in the establishment of the Malawi Microfinance Processing HUB. Before joining the corporate world in 2008, Gerald worked in IT Departments with the Anti-Corruption Bureau, the Malawi University of Business and Applied Sciences (MUBAS) and the National College of ICT between 2005 and 2008. He is the incumbent Group Information Technology Executive for Old Mutual Malawi.

*Appointed to the Board
on 25th March 2025*

Dr. Frank Chozenga is a highly accomplished executive with over 25 years of professional experience, including 21 years in the telecommunications sector. He has held senior leadership roles in leading telecom companies such as Vodacom, Airtel Africa, and Safaricom Ethiopia, with a strong focus on business strategy, financial planning, mobile financial services, and corporate governance.

He began his career as an auditor at Deloitte Malawi before moving into the telecom industry, gaining deep knowledge of the local market through roles at Malawi Telecommunications Limited and Airtel Malawi. Promoted to Airtel Africa in 2010, he was in the pioneering team of Airtel Money that developed the strategy, business structuring, rollout across 15 markets, and formed key partnerships with Comviva, MasterCard, banks, GSMA, and the Gates Foundation. His efforts led to over 50% of these markets reaching breakeven within three years.

From 2014 to 2016, he worked in the CEO's Office at Airtel Africa, overseeing business strategy and performance across seven African countries, including Malawi, Kenya, Uganda, and Tanzania. Between 2016 and 2021 he was at Vodacom Mozambique where he served as Executive Head of Financial Planning and Analysis and led corporate governance and company secretarial functions. He was instrumental in driving revenue growth initiatives and financial discipline, contributing to the company's first-ever dividend declaration.

Most recently, he was seconded as Executive Head of Finance Business Partnering and Planning to Safaricom Ethiopia, a US\$1 billion startup backed by major global investors.

Frank Chozenga is a member of the Institute of Chartered Accountants in Malawi (ICAM). He brings to the TNM Board a strong combination of strategic vision, financial acumen, strong corporate governance experience and deep industry insight.

Dr. Frank Dalitso Chozenga Independent Non-executive Director (49)

Doctor of Philosophy, PhD

*Organizational Leadership concentration
Entrepreneurial leadership (2024), Regent
University, Virginia, United States of
America*

*Masters in Communications Management
(2007), University of Strathclyde
(Strathclyde Business School), Glasgow,
United Kingdom*

*Fellow Association of Chartered Certified
Accountants (ACCA) Completed (2001),
Malawi College of Accountancy, Blantyre,
Malawi*

*Bachelor of Accountancy with Distinction
(1998), University of Malawi the
Polytechnic), Blantyre, Malawi*



Executive Management

Mr. Michel A. Hebert Chief Executive Officer

*Master of Business Administration,
University of Chicago Booth School of
Business, USA*

*Bachelor of Science in Electrical
Engineering, University of Waterloo,
Canada*



Mr. Michel A. Hebert is a seasoned telecommunications executive with over 25 years of leadership experience across Africa, the Middle East, North America, and Asia-Pacific. As CEO and senior executive, he has driven organizational transformation, market expansion, and revenue growth for major telecom operators, including Orange (Egypt), Ooredoo (Tunisia), Djazzy (Algeria), Comium (Côte d'Ivoire), and Digicel (Papua New Guinea).

Previously, as a senior consultant with AT Kearney (USA), he advised global telecom leaders, including Motorola, Telstra, NTT, PT Inti, and SK Telecom, shaping strategic and operational frameworks.

Most recently, he has led technological advancements at Sudatel Group (Sudan) in 4G LTE, data centers, mobile financial services, and fiber optics, increasing market share, revenue share and profitability to lead the markets. As CEO of Liquid in the Democratic Republic of Congo, he oversaw a national fiber infrastructure expansion, tripling revenues and profits in three years.

He was appointed Chief Executive Officer on 15 March 2023.

Mr. Peter Kadzitché is an accomplished finance professional with over 20 years of expertise in accounting, financial management, and auditing. His leadership has been instrumental in driving financial strategy and operational efficiency within TNM since he joined the organization in 2005.

Throughout his tenure, Peter has held several key positions, demonstrating strong financial acumen and strategic oversight. In 2011, he was appointed Head of Division, Financial Management, where he played a pivotal role in enhancing financial governance and performance. His leadership potential was recognized in 2013 when he was appointed Acting Chief Finance Officer, a role he successfully transitioned into on a permanent basis in 2016.

In 2019, Peter took on the role of Chief Audit Officer, where he strengthened risk management frameworks and corporate compliance. His extensive expertise and strategic leadership led to his reappointment as Chief Finance Officer in 2021, where he continues to drive financial excellence, operational sustainability, and long-term growth.

Mr. Peter Kadzitché Chief Finance Officer

Master of Business Administration (MBA)

*Fellow Chartered Management
Accountant, Chartered Institute of
Management Accountants (CIMA)*

*Bachelor of Accountancy, Malawi
Polytechnic, University of Malawi*

*Advanced Diploma in Management
Accounting*



Our executive leadership team brings together deep industry knowledge, a shared commitment to our purpose, and a relentless focus on creating long-term value for all stakeholders.



Strategic Vision

Sets the long-term direction and priorities to position the Company for sustainable growth.



Operational Excellence

Drives efficiency, innovation, and value creation across all areas of the business.



Stakeholder Value

Ensures long-term value for customers, people, investors, and communities.

Executive Management

Mr. Amon Sobhuza Jere Chief Commercial Officer

Master's degree in economics (Monetary Economic Policy Management)

Master of Business Administration (MBA)

Mini MBA in Telecoms

Bachelor of Arts

Bachelor of Laws (LLB)

Advanced Executive Management Program (AMP), London Business School



Mr. Amon Sobhuza Jere is a seasoned business leader with over 25 years of international experience in commercial strategy, marketing, sales, and business transformation within the telecommunications sector. His extensive leadership tenure spans Southern, East, and West Africa, where he has successfully driven commercial turnarounds and market expansion for leading telecom operators.

As Chief Commercial Officer at Vodafone Zambia, Amon played a pivotal role in shaping the company's commercial strategy, driving revenue growth, and strengthening its market position. His expertise in customer acquisition, pricing models, and business development contributed to Vodafone Zambia's competitive edge in a dynamic and evolving industry landscape.

Throughout his career, Amon has held senior executive positions at major telecom operators, including Celtel Zambia, Celtel Kenya, Vodafone Ghana, Zamtel Zambia, GLO Mobile Ghana and Nigeria, and MTN Zambia.

His strategic vision and commercial acumen were instrumental in transforming Vodafone Ghana from a struggling parastatal into a formidable industry competitor. Additionally, his leadership at MTN Zambia significantly increased the company's market share, reinforcing its dominance in the sector.

Beyond his corporate leadership, Amon has actively contributed to governance and industry development. He has served as a non-executive director at Freddy Hirsch and held board roles at MTN Zambia, its mobile money division, and the Audit and Risk Committee. His commitment to knowledge-sharing is reflected in his role as a lecturer at Chreso University Business School, where he teaches Business Strategy, Business Law, and Employment Law.

Amon Sobhuza Jere continues to be a driving force in the telecommunications industry, leveraging his expertise to foster commercial excellence, market expansion, and sustainable business growth.

He was appointed Chief Commercial Officer on 9th May 2024.

Mr. Lloyd Gowera is a seasoned telecommunications engineer with 23 years of expertise in mobile communications, including over nine years in senior management positions. His career encompasses network operations, infrastructure deployment, and technical leadership, contributing to advancements across diverse and challenging markets.

During his 15-year tenure at Airtel Malawi, he rose to the position of Senior Manager Radio & Transmission, where he played a pivotal role in optimizing network performance, expanding coverage, and implementing innovative solutions to enhance service delivery. Between 2008 and 2009, he supported technical operations in Madagascar that led to complete transformation and overall improvement of network quality mostly in Antananarivo, in addition to many other towns across the country. In 2016, he also supported technical operations in Zambia mainly in improving the transmission network and radio network quality in Lusaka and across the country. His leadership was instrumental in driving operational efficiencies and strengthening the network's competitive positioning in the region.

He later joined DIGICEL Papua New Guinea, where he led complex telecommunications projects for four years, overseeing large-scale infrastructure development and network modernization initiatives in a very challenging logistical and security environment. His expertise in project execution ensured seamless implementation of cutting-edge technologies, reinforcing DIGICEL's market presence and service reliability. Prior to handling projects, he worked on improvement of overall network quality in Port Moresby and the entire mainland inclusive of many islands.

He played a pivotal role in the expansion of internet services through satellite technologies based on low orbit high capacity O3b active tracking technology as by then, there were no international fiber connections to the internet PoPs. Lloyd's strategic vision, deep industry knowledge, and technical acumen have established him as a key leader in telecommunications, driving efficiency, innovation, and advanced connectivity solutions across evolving digital landscapes.

Mr. Lloyd Gowera Chief Technical Officer

Master of Science in Project Management, University of Salford (UK)

Master of Business Administration (MBA), ESAMI

Bachelor of Science in Information Technology

Diploma in Telecommunications and Electronics Engineering

Project Management Professional (PMP) Certification

Advanced Management Program Certification (INSEAD, France)



Executive Management

Mr. Peter Munthali Chief Information Officer

Master of Business Administration (MBA)

University of Cape Town Graduate School of Business (with Distinction)

Master of Science in Advanced Computer Science, University of East Anglia, UK (with Distinction)

Bachelor of Science, University of Malawi (with Distinction)

Mr. Peter Munthali is an accomplished IT executive with over 20 years of experience in Information Technology, including 16 years in senior management roles within the Financial Services, and Telecommunications sectors. His expertise spans technology operations, digital transformation, project management, fintech & innovation, largescale system implementations, Information security, change control, and IT governance.

Before his tenure as Chief Information Officer at TNM Plc, Peter held leadership roles at NBM Plc as IT Services Manager and at Indebank Limited as Head of Information Technology. His strategic vision has been instrumental in enhancing technological advancements in TNM, operational efficiencies, and entrenching digital service delivery for the GSM and Mobile money companies.

Throughout his career, he has contributed to industry development, notably serving on the steering committee that established the National Switch and holding a Board Director position for a pension and group life assurance company. His leadership continues to shape the evolving IT landscape, ensuring sustainable innovation and digital excellence.



Ms. Chisomo Govenor has over a decade's wealth of experience spanning legal practice, corporate leadership, company secretarial and transactional work. With specialisation in the telecommunications sector, she has advised and represented mobile telecommunications companies, internet service providers, equipment manufacturers, and network infrastructure providers, ensuring compliance with complex and evolving legal frameworks.

Previously, Chisomo served as Principal Associate at Savjani and Co., where she successfully handled high value, cross-border, and complex disputes. She later co-founded DNC Chambers and served as its Managing Partner, leading the firm to earn the prestigious Best Dispute Resolution Specialists award within two years and attracting a strong portfolio of local and international clients.

Beyond legal practice, Chisomo has played a pivotal role in advancing professional development in advocacy and litigation, conducting specialized training for lawyers in Malawi, Botswana, Kenya, and Uganda. She has also served as President for the Women Lawyers Association and as Director on various boards of governmental and private entities.

Ms. Chisomo Governor Company Secretary, Legal and Regulatory Director

Master of Laws in Commercial and Corporate Law, University of London, UK (UoL)

Master of Laws in Human Rights, University of Pretoria, South Africa

Postgraduate Diploma in International Business Law, UoL

Postgraduate Certificate in Banking and Finance, UoL

Bachelor of Laws (Honours) Degree, University of Malawi

Strategic Finance for Non-Finance Executives Certification, UoL

Certified Trial Advocacy Trainer



Executive Management

Mrs. Dalitso Nkunica Human Resources and Administration Director

Master of Science in Human Resource Management, Edinburgh Napier University, UK

*Master of Business Administration in Project Management and Consultancy, University of East London, UK
Bachelor of Education (Science), University of Malawi, Chancellor College*

Human Resources Management Certificate, University of Cape Town

Business Development Certificate, University of Cape Town



Mrs. Dalitso Nkunica is a seasoned human resource professional with over 16 years' experience in business transformation, organizational development, talent management and succession planning, organizational culture transformation and performance management. She has a proven track record of designing and implementing strategic HR initiatives with HR technology that optimize employee engagement and performance, drive leadership development, foster winning and inclusive culture, and drive sustainable business growth.

As Head of Learning and Development at Standard Bank Plc Malawi, she played a pivotal role in developing learning strategies, talent programs, and leadership frameworks, ensuring alignment with corporate objectives. Additionally, she actively supported Standard Bank group projects, contributing to the broader Human Capital transformation efforts across the group.

Her experience extends beyond banking into media and consultancy. As Executive Director at the Malawi Institute of Journalism, she led the institution's transformation into a center of excellence in the media industry, strengthening stakeholder relationships and effectively negotiating collective bargaining agreements with workers' unions to create a balanced and productive work environment and was awarded CEO of the Year by the Communication Workers Union (COWUMA).

Beyond these roles, Dalitso has worked as an HR Consultant, partnering with various institutions to design and implement HR initiatives that enhance business performance and operational efficiency. She has also served as a training consultant for leading organizations within the financial industry and non-governmental organizations such as Gender Links of South Africa, UNICEF, UNESCO among others, providing expertise in corporate governance, leadership development, and talent strategy.

Mr. Ackson Banda Internal Audit Director

Master of Business Administration (MBA) from the University of Bolton, UK

Bachelor of Accountancy degree from the University of Malawi

*Certified Internal Auditor (CIA)
Fellow of the Chartered Certified Accountants (FCCA)*

Certified Fraud Examiner (CFE).

Mr. Ackson Banda is a seasoned internal audit professional with over 20 years of progressive experience in auditing and risk management. He has extensive experience reporting at Board level across various sectors in five different countries. His audit portfolio includes engagements across eight African countries, spanning industries such as telecommunications, banking, insurance, asset management, and humanitarian sector. Prior to joining TNM in July 2021, Ackson served in senior management roles including Head of Internal Audit at First Capital Bank, Reunion Insurance, and the Medical Aid Society of Malawi (MASM). He also held positions as Risk and Internal Audit Manager at NICO Holdings Plc and as Internal Auditor at World Vision International.

Ackson is a former President of the Institute of Internal Auditors Malawi and served on the Board of the African Federation of Institutes of Internal Auditors. He was also a member of the Malawi Government's Advisory Committee on Financial Management and Control (2012 – 2015). Additionally, he has served on several board audit committees, including those of First Capital Bank Mozambique, the Bankers Association of Malawi, Sir Harry Johnston International School and Kamuzu University of Health Sciences.



Some 2025 TNM moments

30 Years Anniversary Cocktail



Celebrating 30 years of connecting people and creating impact.

TNM Super League

Proud moments from the 2025 TNM Super League final game.



Bringing employees together through fitness and team spirit.

Fun walk



Empowering young girls through leadership and workplace exposure.



Girls take over



TNM ladies paid a visit to cheer and support women at Machinga District Hospital.



Machinga TNM Ladies Initiative



Smart App



TNM New Smart App Launch, introducing a smarter, faster, and more convenient digital experience.

Five year

Group value added statement

	2025	2024	2023	2022	2021
Sales	278.76	193.19	144.50	119.20	118.17
VAT	(40.35)	(23.66)	(17.53)	(14.91)	(15.58)
Excise tax	(15.11)	(10.96)	(8.47)	(7.53)	(7.27)
International incoming call termination levy	(0.40)	(0.40)	(0.40)	(0.41)	(0.50)
Revenue	222.90	158.17	118.10	96.35	94.82
Direct costs	(59.70)	(33.68)	(18.71)	(16.47)	(17.57)
Operating costs	(48.96)	(32.75)	(32.40)	(22.64)	(18.14)
Net foreign exchange losses	(9.36)	(2.61)	(9.71)	(1.53)	(1.20)
Finance income	0.46	0.42	0.31	0.12	0.57
Net wealth created	105.34	89.55	57.59	55.83	58.48
Wealth distributed					
To employees as salaries, wages and other benefits	24.41	16.63	16.82	12.38	11.09
To government as taxation	10.95	9.90	4.32	5.19	3.82
To distribution partners	5.38	7.82	4.85	4.36	5.76
To government as fees and levies through MACRA	7.40	9.50	7.47	6.21	5.83
To shareholders as dividends	2.31	-	-	1.00	4.02
To lenders of capital as interest	8.80	12.13	11.00	8.25	5.95
Total	59.25	55.98	44.46	37.39	36.47

	2025	2024	2023	2022	2021
Wealth reinvested					
Retained profit/(loss)	21.27	10.05	(4.93)	(1.76)	5.67
Depreciation and amortization	19.62	18.17	20.50	19.56	16.33
Deferred taxation	5.20	(2.92)	2.20	(1.16)	0.01
Total	46.09	25.30	17.77	16.64	22.01
Environment					
Number of base station sites	1 135	1 131	983	907	812
Number of shared sites	600	618	480	475	355
Taxes					
Net VAT paid	25.57	18.70	14.60	11.30	9.40
Excise tax	15.11	11.00	8.50	7.50	7.30
ICTR levy	0.40	0.40	0.40	0.50	0.50
Non - resident tax	2.01	1.30	0.60	0.90	1.60
Corporate tax	2.70	4.70	1.50	1.60	2.80
PAYE	4.45	3.20	3.40	2.30	2.20
Fringe benefit tax	0.59	0.20	0.30	0.30	0.30
Customs and excise tax	4.11	2.90	2.20	2.00	4.40
Total	54.94	42.40	31.50	26.40	28.50

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TELEKOM NETWORKS MALAWI PLC

Consolidated and Company Financial Statements
for the year ended 31 December 2025

Directors' report

For the year ended 31 December 2025

The Directors are hereby presenting their report and the audited consolidated and company financial statements of Telekom Networks Malawi plc ("the company") and its subsidiary, TNM Mpamba Limited, ("the group") for the year ended 31 December 2025.

Nature of business

The company is engaged in providing telecommunication services in accordance with its license issued by Malawi Communications Regulatory Authority (MACRA). The company has a wholly owned subsidiary, TNM Mpamba Limited, a company incorporated in Malawi and engaged in providing mobile money services.

Registered office

Telekom Networks Malawi plc is a company incorporated in Malawi under the Malawi Companies Act. It was listed on the Malawi Stock Exchange on 3 November 2008.

The address of its registered office is, Fifth Floor, Livingstone Towers, Glyn Jones Road, P.O Box 3039, Blantyre, Malawi.

Financial performance

The results, state of affairs and cash flows of the group and company are set out in the accompanying consolidated and company statements of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and notes to the financial statements which include a summary of material accounting policy information.

Shareholding

The shareholding structure at year end was as follows:-

	2025	2024
	%	%
Press Corporation plc	45.21	43.72
Old Mutual Life Assurance Company Malawi Limited #	23.56	23.85
Nico Life Insurance Company Limited #	9.14	7.86
Others	22.09	24.57
Total	100.00	100.00

Public shareholder as defined by paragraph 2.16 of the Malawi Stock Exchange Listing Requirements.

Directorate and company secretary

Directors and Company Secretary who served during the year are listed below:

Mr. Ted Sauti-Phiri	- Chairman – Independent Non-executive Director
Mr. Khumbo Phiri	- Non-executive Director
Dr. Frank Dalitso Chozenga	- Independent Non-executive Director (From March 2025)
Dr. Lyton Chithambo	- Non-executive Director
Ms. Madalo Nyambose	- Independent Non-executive Director
Mr. Gerald Mayamiko Chungu	- Non-executive Director
Mr. Tobias Jack	- Independent Non-executive Director
Dr. Ronald Mangani	- Non-executive Director
Ms. Chisomo Governor	- Company Secretary

As at 31 December 2025, the following directors had direct interest in the shares of the company as follows:

	As at 31 December 2025	As at 31 December 2024
	Number of shares million	Number of shares million
Mr. Khumbo Phiri	0.24	0.24
Dr. Lyton Chithambo	0.01	0.01

Directorate and company secretary

None of the Directors had an interest in any material contract relating to the business of the company or of any of its subsidiary undertakings during the year ended 31 December 2025 (2024: nil).

Non-executive directors' remuneration

The Non-executive Directors' remuneration for the current year have been disclosed in note 9(a) and note 19(b) to the financial statements.

Donations

The total donations made during the year are disclosed in note 9(a) to the financial statements under corporate social responsibility.

Corporate governance

The company continues to embrace and abide by the main principles of modern corporate governance as contained in the Malawi Code II (Code of Best Practice for Corporate Governance in Malawi). In this regard, the company has at Board level, a Board Audit Committee, a Finance and Procurement Committee and a Board Appointments and Remuneration Committee. The Committees comprise of Non-Executive Directors.

Environmental, social and governance

The Directors have made an assessment of the impact of climate change on the group's and company's assets, financial performance and the ability to continue as a going concern. The Directors are of the opinion that risks associated with climate change do not pose any significant negative impact on the group's assets, financial performance and its going concern. The group will continue monitoring and assessing the impact of climate change and make necessary adjustments to ensure it remains a going concern.

Dividends

During the year, a total dividend of MK2 308 million at MK0.20 per share was declared and paid in September 2025.

Auditors

Deloitte, Chartered Accountants, P.O Box 187, Blantyre, have indicated their willingness to continue in office and a resolution is to be proposed at the forthcoming Annual General Meeting in relation to their appointment as auditors in respect of the year ending 31 December 2026.

The total audit fees for the current year have been disclosed in note 9(b) to the financial statements and includes MK9 million for non-assurance services.

Mr. Ted Sauti-Phiri
Chairman of the Board

Dr. Frank Dalitso Chozenga
Chairman of Board Audit Committee

Date: 27 April 2026

Statement of directors' responsibilities

For the year ended 31 December 2025

The Directors are responsible for the preparation and fair presentation of the consolidated and company financial statements of Telekom Networks Malawi plc and its subsidiary, comprising the consolidated and company statements of financial position as at 31 December 2025, and the consolidated and company statements of comprehensive income, consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and the notes to the consolidated and company financial statements, which include a summary of material accounting policy information and other explanatory notes, in accordance with IFRS® Accounting standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act.

The Act also requires the Directors to ensure the group keeps proper accounting records which disclose with reasonable accuracy the financial position of the group and enable them to ensure that the financial statements comply with the Malawi Companies Act.

In preparing the consolidated and company financial statements the Directors accept responsibility for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and consistent application thereof;
- Making judgements and estimates that are reasonable and consistently applied;
- Compliance with applicable accounting standards when preparing consolidated and company financial statements; and
- Preparation of consolidated and company financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business in the foreseeable future.

The Directors also accept responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to maintain adequate systems of internal control to prevent and detect fraud and other irregularities.

The Directors have made an assessment of the group's and company's ability to continue as a going concern and have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Directors are of the opinion that the consolidated and company financial statements give a true and fair view of the state of the financial affairs of the group and of its operating results.



Mr. Ted Sauti-Phiri
Chairman of the Board



Dr. Frank Dalitso Chozenga
Chairman of Board Audit Committee

Date: 27 April 2026

Deloitte.

P. O. Box 187
Blantyre
Malawi

Deloitte Chartered Accountants
Registered Auditors
First Floor
PCL House, Top Mandala
Kaohsiung Road
Blantyre
Malawi

Cell : +265 (0) 887 828 002/003
: +265 (0) 997 515 647
Email: btdeloitte@deloitte.co.mw
www.deloitte.com

Independent auditor's report to the members of Telekom Networks Malawi plc

Opinion

We have audited the consolidated and company financial statements (the financial statements) of Telekom Networks Malawi plc (the Group and Company) set out on pages 59 to 121, which comprise the consolidated and company statements of financial position as at 31 December 2025, and the consolidated and company statements of comprehensive income, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the consolidated and company financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and company financial statements give a true and fair view of the consolidated and company financial position of Telekom Networks Malawi plc as at 31 December 2025, and its consolidated and company financial performance and consolidated and company cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act.

Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Partners: NT Uka VW Beza CA Kapenda
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue (for group and company)	
The company's billing systems for voice and data operate on dedicated computer platforms. These systems process millions of pieces of data to electronic records which enables the company to charge their customers, in real time, based on service usage. The operations of these systems are fairly complex with dynamic and intelligent tariffs regimes which provide for various promotions and discounts that are dependent on demand and individual usage profiles. Income is determined taking into account the profile and usage of each individual customer. In addition, prepaid phone units are used over periods that can straddle more than one accounting period. The accurate distinction between amounts that should be recognised as income and those that remain as contract liabilities is also a key audit consideration. The nature of the systems and billing profiles make this a complex audit area in relation to the auditor assessing completeness and accuracy of income. Accordingly, we consider this a key audit matter. The revenue recognition policy of the group has been disclosed in note 3.11 to the financial statements and the revenue streams analysis is in note 6 to the financial statements. The contract liabilities are disclosed in note 26 to the financial statements.	We assessed the revenue recognition policy and ensured the policy is in line with International Financial Reporting Standard 15. We involved our Information Technology (IT) audit specialists in the engagement and: • We assessed the general computer controls around the significant revenue and billing systems; • We assessed the design and implementation of the relevant controls; • We evaluated the process for capturing the tariff plans, combined with testing of a sample of related transactions. A key aspect of this exercise was to ensure that tariffs were properly approved; • We obtained downloads of information recorded in the group's billing system and by using advanced data analytics mirrored the dynamic, intelligent tariff regimes to independently compute the income for the year and thus assess the completeness and accuracy of the figures in the revenue reports; • We obtained a contract liabilities reconciliation for the expected contract liabilities as at period end and tested the accuracy and completeness of the reconciling items; • Re-computed contract liabilities from Intelligent Network (IN) data using analytics (IN is a telephone network architecture devised to deliver increased service management control); and • We verified that contract liabilities recorded in the billing system were being reconciled to the underlying records. Based on the procedures performed, we concluded that revenue has been appropriately recognised and disclosed in the financial statements. In addition, the contract liabilities have been assessed to be in accordance with the revenue recognition policy.

Other Information

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

Our opinion on the consolidated and company financial statements does not cover the other information, and we will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and company 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 obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Company Financial Statements

The Directors are responsible for the preparation of the consolidated and company financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company financial statements, the directors are responsible for assessing the group's and 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 group and/or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and company 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 consolidated and company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and 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;

Auditor's Responsibilities for the Audit of the Consolidated and Company Financial Statements (continued)

- 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 group's and the company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and 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 consolidated and company 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 group and/or the company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated and company financial statements, including the disclosures, and whether the consolidated and company financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

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

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

Chartered Accountants
Vilengo Beza
Partner

Date: 30 April 2026

Statements of comprehensive income

For the year ended 31 December 2025

	Note	Group		Company	
		2025	2024	2025	2024
		MK'm	MK'm	MK'm	MK'm
Revenue	6	203 746	142 007	163 239	118 037
Interest revenue	6	4 239	2 283	-	-
Cost of sales	7	(123 794)	(95 254)	(97 169)	(81 160)
Gross profit		84 191	49 036	66 070	36 877
Other income	8	14 929	13 876	14 926	15 960
Administrative expenses	9	(47 451)	(32 267)	(43 403)	(29 610)
Loss allowance	18	(471)	(930)	(261)	(215)
Operating profit		51 198	29 715	37 332	23 012
Finance income	10	461	414	55	48
Finance expenses	10	(18 162)	(14 750)	(19 028)	(15 283)
Net finance expenses		(17 701)	(14 336)	(18 973)	(15 235)
Profit before income tax		33 497	15 379	18 359	7 777
Income tax expense	11	(12 228)	(5 326)	(6 458)	(2 405)
Profit for the year		21 269	10 053	11 901	5 372
Other comprehensive income					
<i>Items that may not be reclassified subsequently to profit or loss:</i>					
Fair value gain on investments in equity instruments designated as at fair value through other comprehensive income (FVTOCI)	13	3 817	39	3 817	39
Deferred tax	23a	(1 489)	-	(1 489)	-
Total comprehensive profit for the year		23 597	10 092	14 229	5 411
Earnings per share					
Basic and diluted earnings per share (MK)	12	2.14	1.01	-	-

Statements of financial position

As at 31 December 2025

	Note	Group		Company	
		2025 MK'm	2024 MK'm	2025 MK'm	2024 MK'm
Assets					
Non-current assets					
Equity investments	13	4 190	373	5 446	1 629
Property, plant and equipment	14	101 536	89 583	97 842	86 777
Intangible assets	15	18 341	17 287	16 682	17 178
Right of use assets	16	16 749	18 275	16 749	18 275
Deferred tax assets	23a	-	2 924	-	2 706
Equipment receivables	18	627	542	627	542
Total non-current assets		141 443	128 984	137 346	127 107
Current assets					
Inventories	17	6 716	1 951	6 716	1 951
Equipment receivables	18	507	604	507	604
Trade and other receivables	18	33 775	29 831	27 871	23 799
Loans and advances	18	1 826	1 096	-	-
Amount due from related companies	19	1 887	745	2 033	2 193
Minimum alternative tax credit entitlement	23b	816	-	816	-
Current tax recoverable	11	-	1 020	-	2 802
Bank and cash balances	20a	84 203	47 719	4 104	1 359
Total current assets		129 730	82 966	42 047	32 708
Total assets		271 173	211 950	179 393	159 815
Equity and liabilities					
Equity					
Share capital	21	32 288	402	32 288	402
Share premium	22	-	2 347	-	2 347
Retained earnings		70 385	49 096	47 067	35 146
Total equity		102 673	51 845	79 355	37 895

Statements of financial position (continued)

As at 31 December 2025

	Note	Group		Company	
		2025 MK'm	2024 MK'm	2025 MK'm	2024 MK'm
Non-current liabilities					
Deferred tax liabilities	23a	5 197	-	5 241	-
Long-term portion of interest bearing loans	24	8 744	12 752	8 744	12 752
Total non-current liabilities		13 941	12 752	13 985	12 752
Current liabilities					
Amounts due to related parties	19	-	210	2 892	1 551
Bank overdraft	20b	10 262	15 692	10 262	15 692
Current portion of interest-bearing loans	24	4 536	18 100	4 536	18 100
Contract liabilities	26	3 915	2 761	3 915	2 761
Trade and other payables	27	70 226	75 637	64 392	70 726
Amounts payable to owners of e-money	28	63 082	34 615	-	-
Current portion of lease liabilities	29	-	338	-	338
Current tax payable	11	2 538	-	56	-
Total current liabilities		154 559	147 353	86 053	109 168
Total liabilities		168 500	160 105	100 038	121 920
Total equity and liabilities		271 173	211 950	179 393	159 815

The financial statements on pages 59 to 121 were approved and authorised for issue by the Board of Directors on 27 April 2026 and were signed on its behalf by:

Mr. Ted Sauti-Phiri
Chairman of the Board

Dr. Frank Dalitso Chozenga
Chairman of Board Audit Committee

Statements of changes in equity

For the year ended 31 December 2025

	Note	Share capital MK'm	Share premium MK'm	Retained earnings MK'm	Total MK'm
Group					
2025					
Balance at 1 January 2025		402	2 347	49 096	51 845
Capitalisation of share premium	22	2 347	(2 347)	-	-
Profit for the year		-	-	21 269	21 269
Comprehensive income for the year		-	-	3 817	3 817
Deferred tax on equity investment		-	-	(1 489)	(1 489)
Issue of new shares	21	29 539	-	-	29 539
Dividend paid (MK0.20 per share)		-	-	(2 308)	(2 308)
Balance at 31 December 2025		32 288	-	70 385	102 673
2024					
Balance at 1 January 2024		402	2 347	39 004	41 753
Profit for the year		-	-	10 053	10 053
Comprehensive income for the year		-	-	39	39
Balance at 31 December 2024		402	2 347	49 096	51 845
Company					
2025					
Balance at 1 January 2025		402	2 347	35 146	37 895
Capitalisation of share premium	22	2 347	(2 347)	-	-
Profit for the year		-	-	11 901	11 901
Comprehensive income for the year		-	-	3 817	3 817
Deferred tax on equity investment		-	-	(1 489)	(1 489)
Issue of new shares	21	29 539	-	-	29 539
Dividend paid (MK0.20 per share)		-	-	(2 308)	(2 308)
Balance at 31 December 2025		32 288	-	47 067	79 355
2024					
Balance at 1 January 2024		402	2 347	29 735	32 484
Profit for the year		-	-	5 372	5 372
Comprehensive income for the year		-	-	39	39
Balance at 31 December 2024		402	2 347	35 146	37 895

Statements of cash flows

For the year ended 31 December 2025

	Note	Group		Company	
		2025 MK'm	2024 MK'm	2025 MK'm	2024 MK'm
Cash flows from operating activities					
Cash generated from operations	30	74 905	76 549	34 477	52 923
Interest received		461	414	55	48
Interest paid	31	(8 380)	(11 364)	(9 649)	(11 889)
Income tax paid/refund received	11	(2 854)	(4 773)	2 042	(1 534)
Cash generated from operating activities		64 132	60 826	26 925	39 548
Cash flows from investing activities					
Dividend received		-	-	-	2 211
Purchase of property, plant and equipment	14	(26 569)	(26 229)	(24 929)	(25 129)
Purchase of intangible assets	15	(4 294)	(7 211)	(2 466)	(7 211)
Proceeds from sale of property, plant and equipment		-	645	-	633
Net cash used in investing activities		(30 863)	(32 795)	(27 395)	(29 496)
Cash flows from financing activities					
Bank overdraft		(5 430)	4 918	(5 430)	4 918
Proceeds from issue of shares	21	29 539	-	29 539	-
Proceeds from loans	24	4 500	4 947	4 500	4 947
Repayment of loans	24	(22 494)	(13 416)	(22 494)	(13 416)
Dividend paid to the owners of the company	25	(2 308)	-	(2 308)	-
Lease liability payments	29	(592)	(8 606)	(592)	(8 606)
Net cash from/(used in) financing activities		3 215	(12 157)	3 215	(12 157)
Net increase/(decrease) in cash and cash equivalents		36 484	15 874	2 745	(2 105)
Cash and cash equivalents at beginning of the year		47 719	31 845	1 359	3 464
Cash and cash equivalents at end of the year	20a	84 203	47 719	4 104	1 359

Notes to the financial statements

For the year ended 31 December 2025

1 General information

Reporting entity

Telekom Networks Malawi plc (TNM) is a company domiciled in Malawi and incorporated under the Malawi Companies Act. The address of the company's registered office is Fifth floor, Livingstone Towers, Glyn Jones Road, and P. O. Box 3039, Blantyre. The company was listed on the Malawi Stock Exchange on 3 November 2008.

The company is primarily involved in the provision of telecommunication services in accordance with its licence issued by the Malawi Communications Regulatory Authority (MACRA) renewed in August 2024, for a period of ten years from the date of renewal.

The company's subsidiary, TNM Mpamba Limited, is primarily involved in the provision of a wide range of mobile money services.

The group comprises of Telekom Networks Malawi plc and its wholly owned subsidiary.

2. Adoption of new and revised International Financial Reporting Standards

2.1 Standards and Interpretations affecting amounts reported and/or disclosed in the financial statements

In the current year, the group has adopted those new and revised Standards and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and are effective for annual reporting periods beginning on 1 January 2025.

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2025	Lack of Exchangeability (Amendments to IAS 21) The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The adoption of these new and revised Standards and Interpretations did not have a significant impact on the financial statements of the entity.

2.2 Standards and Interpretations in issue, not yet effective

A number of new standards, amendments to standards and interpretations are issued and effective for annual periods beginning on or after 1 January 2026 and have not been applied in preparing these financial statements. Those which may be relevant to the entity are set out below. The entity does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2026	Annual Improvements to IFRS Accounting Standards – Volume 11 The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a 'de facto agent' • IAS 7: Cost method
Annual reporting periods beginning on or after 1 January 2026	Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.
Annual reporting periods beginning on or after 1 January 2027	IFRS 18 Presentation and Disclosures in Financial Statements IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
Annual reporting periods beginning on or after 1 January 2027	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21) The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.
Annual reporting periods beginning on or after 1 January 2027	Third edition of the IFRS for SMEs The third edition of the standard includes the following major amendments: • amended section 2 Concepts and Pervasive Principles; • amended section 9 Consolidated and Separate Financial Statements; • amended section 11 Basic Financial Instruments and section 12 Other Financial Instrument Issues (combined into one section); • new Section 12 Fair Value Measurement; • amended section 19 Business Combinations and Goodwill; and • amended section 23 Revenue.

Notes to the Financial Statements (continued)

2. Adoption of new and revised International Financial Reporting Standards (continued)

2.2 Standards and Interpretations in issue, not yet effective (continued)

The directors anticipate that other than IFRS 18 Presentation and Disclosures in Financial Statements and amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments, these Standards and Interpretations in future periods will have no significant impact on the financial statements of the group and company. IFRS 18 will impact the presentation and disclosure of information in financial statements and IFRS 7 and IFRS 9 will impact the classification and measurement of financial instruments. Management is in the process of assessing the impact of these new standards and interpretations on the financial statements.

3. Material accounting policies

Entities are required to disclose material accounting policy information. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements when considered together with other information included in the financial statements. In determining the basis for determining material accounting policies for the company, the directors have considered the impact of materiality on financial statements and economic decisions, adhering to industry-specific and regulatory requirements, reflecting the company's business model, operations, and financial condition while complying with relevant IFRSs.

Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act, and the provisions of the Malawi Companies Act.

Basis of preparation

The financial statements are prepared under the historical cost convention except for financial instruments at fair value through profit or loss which are measured at fair value. The principal accounting policies adopted are set out below.

The consolidated financial statements incorporate the financial statements of the company and its subsidiary made up to 31 December each year. Control is achieved when the company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the company gains control until the date when the company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

3.1 Functional and presentation currency

These financial statements are presented in Malawi Kwacha, which is the group's functional currency. All financial information presented in Malawi Kwacha has been rounded to the nearest million.

3.2 Foreign currency

Transactions in foreign currencies are converted to Malawi Kwacha at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted to Malawi Kwacha at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss, except for those capitalised into property, plant and equipment under policy note 3.4.6.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are converted using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are converted to Malawi Kwacha at foreign exchange rates ruling at the dates the fair value was determined.

3.3 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements made by management in the application of IFRSs that have significant effect on the amounts recognised in the financial statements are discussed in note 4 to these financial statements.

Notes to the Financial Statements (continued)

3. Material accounting policies (continued)

3.4 Property, plant and equipment

3.4.1 Recognition and measurements

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of self-constructed assets includes the cost of material and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3.4.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3.4.3 Depreciation

No depreciation is provided for land. Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives of assets for current and comparative periods are as follows:-

Buildings	4- 20 years
Equipment and machinery	4- 15 years
Office equipment	2- 5 years
Motor vehicles	4- 5 years

3.4.4 Determination of residual values and useful lives

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Where the carrying amount of an asset is less than its estimated residual value, no further depreciation is charged.

3.4.5 Gains and losses on disposal

Gains and losses on disposals of an item of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the item and are recognised net within "other income" in the statements of comprehensive income.

3.4.6 Interest and exchange losses on loans

The group capitalises borrowing costs, including those arising from foreign currency borrowings, that are directly attributable to the acquisition, construction of qualifying property, plant and equipment as part of the cost of those assets. Capitalisation of such borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities necessary to prepare the asset for its intended use or sale are in progress. Capitalisation continues until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Qualifying assets are those that necessarily take a substantial period of time to get ready for their intended use or sale. In accordance with IAS 23 and IAS 21, the group also capitalises foreign exchange losses arising from foreign currency borrowings to the extent that they are regarded as

an adjustment to interest costs and are directly attributable to the acquisition or construction of qualifying assets.

Once a qualifying asset is ready for its intended use or sale, capitalisation of borrowing costs, including eligible foreign exchange losses, ceases, and any subsequent borrowing costs or foreign exchange differences are recognised as an expense in profit or loss in the period in which they are incurred.

3.4.6 Interest and exchange losses on loans (Continued)

Interest paid is classified as an operating cash flow in accordance with the group's accounting policy, even where the related borrowings have been used to finance capital expenditure. This policy is applied consistently each period.

3.4.7 Capital work in progress

Capital work in progress is an integral part of property, plant and equipment and is measured at cost. Cost includes all expenditures directly attributable to the asset under construction. Capital work in progress is not depreciated until it is available for use upon which it is capitalized to its relevant class of property, plant and equipment.

3.5 Intangible assets

3.5.1 Computer software

Computer software acquired by the group is recognised initially at cost. Cost includes all directly attributable costs in order to bring the asset into a state for its intended use. Computer software is measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use.

The estimated useful life for current and comparative periods for acquired computer software is 5 years the carrying amount as at 31 December 2025 was MK10.1 billion.

PTS license acquired by the group is recognised initially at cost. Cost is the price of the license paid by the group to the regulator. PTS license is measured at cost less accumulated amortisation and accumulated impairment losses. The carrying amount as at 31 December 2025 was MK6 billion and the remaining useful life was 9 years.

Subsequent expenditure is recognised in the profit or loss in the period the expenditure is incurred. Amortisation is recognised in the profit or loss on a straight-line basis over the life of the license from the date it is available for use. The life for current and comparative periods for acquired PTS license is 10 years.

3.5.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the group's cash generating units that is expected to benefit from the synergies of the combination.

Notes to the Financial Statements (continued)

3. Material accounting policies (continued)

3.5 Intangible assets (continued)

3.5.2 Goodwill (continued)

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6 Leases

(a) The group as lessee

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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 group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable; Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The lease liability is presented as a separate line in the statements of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment

under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has used this practical expedient.

(b) The group as lessor

The group enters into lease agreements as a lessor with respect to some of its assets.

Leases for which the group is a lessor are classified as finance or operating leases. 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.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease and it is included in other income. Refer to note 8.

Notes to the Financial Statements (continued)

3. Material accounting policies (continued)

3.7 Impairment of non-financial assets

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.8 Trade and equipment receivables

Trade and other receivables consist of amounts owed to us by customers and amounts that we pay to our suppliers in advance. Equipment receivables reported within this note represent amounts in respect of goods or services delivered to customers for which a trade receivable does not yet exist.

Trade and other receivables consist of amounts owed to us by customers and amounts that we pay to our suppliers in advance. Equipment receivables reported within this note represent an asset for accrued revenue in respect of goods or services delivered to customers for which a trade receivable does not yet exist.

Receivables are measured at amortised cost using the effective interest method less any allowance made for impairment of these receivables. The group always recognises lifetime expected credit loss for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3.9 Income tax

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss whether in other comprehensive income or directly in equity, in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting.

Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Taxable income differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated and company financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.10 Earnings per share

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary shareholders and the weighted average number of shares in issue during the period. Where new equity shares have been issued by way of capitalisation or subdivision, the profit is apportioned over the shares in issue after the capitalisation or subdivision and the corresponding figures for all earlier periods are adjusted accordingly.

Notes to the Financial Statements (continued)

3. Material accounting policies (continued)

3.11 Revenue from contracts with customers

The group principally generates revenue from providing mobile telecommunication services (comprising of prepaid, data, international incoming, messaging, enterprise business services, postpaid and roaming), mobile money services and from the sale of various devices.

Products and services are either sold separately or in bundled packages. The typical length of a contract for postpaid bundled package is 24 months.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties such as taxes. The group recognises revenue when it transfers control of a product or as services are rendered to a customer.

For bundled packages, the group accounts for individual products and services separately if they are distinct - i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the group sells mobile devices and network services separately.

The main categories of revenue and the basis of recognition are as follows:

Services

These comprise of prepaid, data, international incoming, messaging, enterprise business services, postpaid and roaming, mobile money services and from the sale of various devices.

Enterprise business services relate to speed based internet services and virtual private network (VPN) solutions which allows customers to access the network and are sold to companies and non-governmental organisations. The services are sold based on fixed bandwidth.

Mobile telecommunications services are considered to represent a single performance obligation as all are provided over the Telekom Networks Malawi plc network and transmitted as data representing a digital signal on the network.

The transmission of data consume network bandwidth and therefore, irrespective of the nature of the communication, the subscriber ultimately receives access to the network and the right to consume network bandwidth. Network services are, therefore, viewed as a single performance obligation represented by capacity on the Telekom Networks Malawi plc network.

Revenue from telecommunication services is recognized over time when the customer has received access to the network and has used the service. This faithfully depicts the transfer of the service to the customer as it is the actual point at which the customer enjoys the service.

Devices

The group sells a range of devices. The group recognises revenue when customers obtain control of devices, normally being when the customers take possession of the devices. For devices sold separately, customers pay in full at the point of sale. For devices sold in bundled packages, customers usually pay monthly in equal instalments over a period of 24 months. Equipment receivables are recognised when customers take possession of devices.

The group assesses the contract handsets which are bundled with postpaid and prepaid contracts that run over a period of 24 months to determine if they contain a significant financing component. The group does not charge a premium for selling these handsets in bundled 24-month contracts. However, in line with IFRS 15:61, the group computes the financing component of the devices to assess if it is significant and hence reduce the device revenue and recognize interest revenue over the period between satisfying the related performance obligation and payments. The group considers the prevailing interest rates in the market in arriving at the discount rate.

The group's assessment of the financing component of the devices for the year ended 31 December 2025 showed that it was less than 1% hence the group concluded that it was not significant.

Mobile money services

This is a mobile money transaction service allowing customers to deposit, transfer and withdraw money or pay for goods and services and using a mobile phone. Registration is free and available at any Mpamba agent.

Revenue from this service is earned largely from transfer and withdrawal transactions performed by customers. A graduated tariff depending on the funds being transacted is applied on all transactions which are cumulatively reported as Mpamba transaction fees. Revenue is recognised when a customer performs successful Mpamba transaction. Revenue from mobile money services is recognized over time as the customers use the services.

The expected credit losses for each receivable category arising from the above revenue categories is explained and computed in note 18.

3.12 Financial instruments

Financial assets and financial liabilities are recognised in the group's and the company's statement of financial position when the group and the company becomes a party to the contractual provisions of the instrument.

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

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.12.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Notes to the Financial Statements (continued)**3. Material accounting policies (continued)****3.12 Financial instruments (continued)****3.12.2. Trade and other receivables**

Entities are required to disclose material accounting policy information. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements when considered together with other information included in the financial statements. In determining the basis for determining material accounting policies for the company, the directors have considered the impact of materiality on financial statements and economic decisions, adhering to industry-specific and regulatory requirements, reflecting the company's business model, operations, and financial condition while complying with relevant IFRSs.

Trade and other receivables are measured at amortised cost using the effective interest method, less loss allowance. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) excluding expected credit losses, through the expected life of the debt instruments, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3.12.3 Impairment of financial assets

The group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime expected credit loss for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3.12.4. Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises

its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.13 Financial liabilities**3.13.1 Financial liabilities measured subsequently at amortised cost**

Financial liabilities that are not either held for trading or it is designated as at FVTPL are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the amortised cost of a financial liability.

3.13.2 Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.14 Segment reporting

A segment is a distinguishable component of the group that is engaged either in providing products or service (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Refer to note 38.

4. Critical accounting judgments and key sources of estimation uncertainty**4.1 Critical judgements in applying the group's accounting policies**

In the application of the group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Notes to the Financial Statements (continued)**3. Material accounting policies (continued)****4.2 Key sources of estimation uncertainty (continued)****4.2.1 Loss allowance for trade, other receivables and loan receivables**

The calculation of expected credit losses (ECL) on financial assets measured at amortised cost is a key source of estimation uncertainty for the group. The group provides credit terms to customers on post-paid services and to selected dealers. Management recognises that certain debts may not be recoverable, either in part or in full.

For trade and other receivables, the group recognises lifetime ECL at all times. ECLs are estimated using a provision matrix, which is based on the group's historical credit loss experience and is adjusted for factors specific to individual debtors, prevailing economic conditions, and forward-looking information available at the reporting date. Where appropriate, the time value of money is also considered.

For loan receivables, management exercises significant judgement in assessing whether credit risk has increased significantly since initial recognition, determining the appropriate staging of assets, and estimating future cash flows and probabilities of default. These judgements are informed by historical data, current circumstances, and forward-looking macroeconomic information.

The use of these estimates and assumptions involves significant judgement, and actual outcomes may differ from those estimated. Changes in assumptions or economic conditions could result in material adjustments to the ECL provision.

4.2.2 Property, plant and equipment

The residual values and useful lives of property, plant and equipment are reviewed and adjusted, if appropriate, at each reporting date to reflect current estimate of their remaining lives in the light of technological change, prospective economic utilisation and physical conditions of the assets concerned.

4.2.3 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4.2.4 Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4.2.5 Provisions and contingent liabilities

The group exercises judgement in measuring the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (see notes 27 and 39 to the financial statements). Judgement is necessary to assess the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of any financial settlement. The inherent uncertainty of such matters means that actual losses may materially differ from estimates.

5. Financial risk management**Overview**

The group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk;
- currency risk; and
- interest rate risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The Board is responsible for developing and monitoring the group's risk management policies.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of the Board of Directors oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

5.1 Credit risk

Credit risk is the risk of financial loss to the group if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers, bank balances and other cash and cash equivalents. Telekom Networks Malawi plc deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

a) Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Over 70% of the group's revenue arises from cash sales.

The average credit period on sale of goods and services is 60 days. No interest is charged on outstanding trade receivables.

The group has adopted to measure the loss allowance for trade receivables at an amount equal to their life time expected credit losses. The expected credit losses on trade receivables are estimated using a provisional matrix by reference to past default experience of the debtor and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors' general economic conditions of the industry in which the debtor operate an assessment of both current as well as the forecast direction of conditions at the reporting date.

Notes to the Financial Statements (continued)**5. Financial risk management (continued)****5.1 Credit risk (continued)****b) Cash and cash equivalents**

The group limits its exposure to credit risk by depositing its cash and cash equivalents with reputable financial institutions.

5.2 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity 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 damage to the group's reputation.

The nature of the business results in capital expenditure being financed by short-term liabilities. Current liabilities therefore will be substantially higher than current assets in most circumstances as the group is still growing. Over 70% of the group's sales are on cash basis, therefore the risk of default which would affect the going concern is mitigated.

5.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity and commodity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

5.4 Currency risk

The group transacts the majority of its sales, non-capital expenditure purchases and borrowings in its functional currency Malawi Kwacha (MK). The group is exposed to currency risk where these transactions are denominated in currencies other than functional currency.

The group's most capital expenditure is in currencies other than the functional currency and using exposes the group to currency risk.

The group mitigates currency risk by immediate settlement of foreign denominated liability through local borrowings.

5.5 Interest rate risk

The group is exposed to interest rate risk as it finances a portion of its capital expenditure and operations through loan and bank overdrafts. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

The group's exposures to interest on financial liabilities are detailed in notes 20, 24 and 31 to the financial statements.

5.6 Capital management

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure.

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm

6. Revenue

Revenue is derived from the following revenue streams:

Services transferred over time

Prepaid	56 656	42 926	56 656	42 926
Data	67 472	45 249	67 472	45 249
International incoming	766	1 153	766	1 153
Messaging	2 881	2 860	2 881	2 860
Mpamba fees and commissions	47 694	27 100	1 423	965
Enterprise business services	16 300	13 732	22 064	15 897
Interconnect	3 819	2 542	3 819	2 542
Post-paid	4 407	3 736	4 407	3 736
Visitors roaming	542	354	542	354

Service revenue

200 537	139 652	160 030	115 682
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Goods transferred at a point in time

Handsets, equipment and accessories	3 209	2 355	3 209	2 355
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Revenue

203 746	142 007	163 239	118 037
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Interest revenue – IFRS 9

4 239	2 283	-	-
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Total revenue

207 985	144 290	163 239	118 037
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7. Cost of sales

Dealer commission	1 458	3 640	8 550	7 381
MACRA annual levy	7 591	5 283	7 591	5 283
Interconnect charges	4 054	2 523	4 054	2 523
International direct dialling call charges	702	768	702	768
Dealer incentives	4 471	4 093	5 654	4 716
Mpamba expenses	33 540	17 194	-	-
Cost of recharge vouchers	112	497	112	497
Ring back tone and other subscription charges	2 082	1 563	2 082	1 563
Cost of starter packs and sim cards	2 147	3 085	2 147	3 085
Handsets, equipment and accessories	2 779	2 357	2 779	2 357
International roaming charges	596	384	596	384
Depreciation and amortisation	15 320	14 938	14 949	14 697
Network repairs and maintenance	9 957	10 341	9 036	9 376
Power and site security	11 345	9 162	11 277	9 104
Lease circuit and fibre charges	3 433	2 552	3 433	2 552
Site and space rental	18 004	12 474	18 004	12 474
Data access and bandwidth charges	237	184	237	184
Spectrum, frequency and other licences	5 966	4 216	5 966	4 216

Total cost of sales

123 794	95 254	97 169	81 160
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Notes to the Financial Statements (continued)

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
8. Other income				
Airtel site sharing (note 33)	13 751	11 986	13 751	11 986
Rental income (note 33)	1 099	1 378	1 099	1 378
Sundry income	79	256	76	130
Dividend income	-	-	-	2 211
Profit on disposal of property, plant and equipment	-	256	-	255
Total other income	14 929	13 876	14 926	15 960

9a. Administrative expenses

Staff costs and allowances	24 409	16 631	22 685	15 451
Depreciation and amortisation	4 301	3 234	3 642	2 659
Marketing and other expenses	3 902	3 446	3 645	3 204
Office and other administrative expenses	10 060	5 289	8 987	4 847
Consultancy and other expenses	208	172	125	91
Motor vehicle running costs	3 021	2 495	3 021	2 495
Insurance	584	358	461	305
Audit fees	366	314	277	246
Fees for other services*				
Directors' remuneration	505	296	465	282
Loss on disposal of property, plant and equipment	15	-	15	-
Corporate social responsibility	80	32	80	30
Total administrative expenses	47 451	32 267	43 403	29 610

9b. Audit fees

Audit of the group's annual consolidated and separate financial statements	357	278	268	210
Regulatory related services				
Other non-audit services	9	36	9	36
Total	366	314	277	246

*All fees for services paid to the group and company's auditors were considered and appropriately approved by the group's audit committee in terms of its non-audit policy.

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm

10. Finance income and expenses

Interest on bank deposits and other short term investments	390	374	7	8
Interest on staff loans	71	40	48	40
Total finance income	461	414	55	48
Interest expenses - interest bearing loans and bank overdrafts	(8 711)	(11 926)	(9 980)	(12 451)
Lease interest expenses	(91)	(202)	(91)	(202)
Net foreign exchange losses	(9 360)	(2 622)	(8 957)	(2 630)
Total finance expenses	(18 162)	(14 750)	(19 028)	(15 283)
Net finance expenses	(17 701)	(14 336)	(18 973)	(15 235)

11. Income taxes

Current tax				
Current year tax charge at 30%	4 572	3 235	-	-
Effect of changes in tax rate	1 024	-	-	-
Minimum alternative tax (MAT)**	816	-	816	-
Unutilised tax credit**	(816)	-	(816)	-
Final tax on dividend received from subsidiary	-	221	-	221
	5 596	3 456	-	221
Deferred tax				
Tax loss**	-	(3 292)	(273)	(3 292)
Origination and reversal of temporary differences	6 632	5 162	6 731	5 476
Total income tax expense	12 228	5 326	6 458	2 405

	2025	2025	2024	2024
	%	MK'm	%	MK'm

Reconciliation of effective tax rate

Group				
Income tax charge at 30%	20.92	7 008	30.00	4 614
Income tax charge at 40% (excess of MK5 billion)	12.11	4 055	-	-
Tax effect of utilisation of tax losses not previously recognised	(0.82)	(273)	-	-
Effect of changes in tax rate	3.06	1 024	-	-
Effect on final tax on dividends from subsidiaries	-	-	(1.44)	(221)
Expenses not deductible for tax purposes*	1.24	414	6.07	933
	36.51	12 228	34.63	5 326

Notes to the Financial Statements (continued)

11. Income taxes (continued)

Reconciliation of effective tax rate (continued)

	2025	2025	2024	2024
	%	MK'm	%	MK'm
Company				
Income tax charge at 30%	30	5 508	30.00	2 333
Tax effect of utilisation of tax losses not previously recognised	(1.49)	(273)	-	-
Effect on final tax on dividends from subsidiaries	-	-	(2.84)	(221)
Expenses not deductible for tax purposes*	6.66	1 223	3.76	293
	35.17	6 458	30.92	2 405

	Group		Company	
	2025	2024	2025	2024
Current tax payable/(recoverable)				
At 1 January	(1 020)	297	(2 802)	(1 489)
Charge for the year	5 596	3 235	-	-
Minimum alternative tax	816	-	816	-
Final tax on dividend received from subsidiary	-	221	-	221
Tax refund	-	-	2 042	-
Current tax paid	(2 854)	(4 773)	-	(1 534)
At 31 December	2 538	(1 020)	56	(2 802)

*Under the tax laws of Malawi, it is provided that some expenses/incomes are strictly disallowed. For the group, items included in the tax reconciliation relating to expenses not deductible for tax purposes above include depreciation, taxes such as fringe benefit tax, tax penalties, unrealised exchange losses, provisions which include bonus provisions, the Technical, Entrepreneurial and Vocational Education and Training (TEVET) levy, subscriptions, and donations to organisations not gazetted.

**The company has taxable income for the year. However, due to the availability of brought forward tax losses, the current tax liability under normal provisions is nil. As per the provisions of section 66 of the Malawi Taxation Act, the company is required to pay Minimum Alternate Tax (MAT).

In accordance with the applicable accounting standards and based on an assessment of future taxable profits, management is reasonably certain that sufficient taxable income will be available in subsequent years to utilise the MAT credit entitlement. Accordingly, the MAT amounting to MK816 million has been recognised as a MAT credit entitlement under current assets and the same amount under current tax payable. The net current tax expense for the year is therefore nil, after considering the recognition of MAT credit entitlement.

12. Earnings per share

The calculation of the basic and diluted earnings per share for the year ended 31 December 2025 was based on the profit attributable to ordinary shareholders of MK23 597 million (2024: MK10 092 million) and the weighted average number of ordinary shares in issue for the year ended 31 December 2025.

There are no diluting items for the purpose of calculating diluted earnings per share. The weighted average number of ordinary shares for the purpose of diluted earnings per share is the same as the weighted average number of ordinary shares used in the calculation of basic earnings per share.

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Profit/(loss) attributable to ordinary shareholders for the year (MK'm)	23 597	10 092		
Weighted average number of shares ('million)	11 041	10 040		
Basic earnings per share (MK)	2.14	1.01		
Diluted earnings per share (MK)	2.14	1.01		
Average number of shares ('million)				
Issued ordinary shares as at beginning and end of the year	11 041	10 040		

13. Investments

National Switch Limited – equity investment	4 190	373	4 190	373
TNM Mpamba Limited – investment in subsidiary	-	-	1 256	1 256
	4 190	373	5 446	1 629

	Group and Company	
	2025	2024
	MK'm	MK'm
Investment in Natswitch reconciliation		
At 1 January	373	334
Fair value gain	3 817	39
At 31 December	4 190	373

TNM Mpamba Limited is a wholly owned subsidiary of Telekom Networks Malawi plc incorporated in 2018 and started its operations on 1 January 2019. The total capital for TNM Mpamba Limited at the date of registration was MK1 256 million which was the value of total assets transferred from Telekom

Notes to the Financial Statements (continued)

13. Investments (continued)

Networks Malawi plc. TNM Mpamba Limited started operations in January 2019. The investment in TNM Mpamba Limited is carried at cost.

The company purchased shares of National Switch Limited (Natswitch) at a price of MK2.71 per share. The total purchase cost of the investment is MK162 million. This company is involved in connecting financial institutions systems to offer domestic interoperability of digital payment systems in Malawi. The Directors of the group do not consider that the group is able to exercise significant influence over National Switch Limited. The investment is carried at its fair value.

The fair value was determined using the market multiples approach as at the reporting date. The valuation was carried out by a qualified valuer.

14. Property, plant and equipment

	Land and buildings	Equipment and machinery	Motor vehicles	Office equipment	Capital work in progress	Total
	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm
Group Cost						
At 1 January 2025	9 637	134 955	5 242	8 020	23 186	181 040
Additions	101	17 674	1 280	4 884	2 630	26 569
Transfers	-	15 732	-	147	(15 879)	-
Disposals	-	(186)	-	(2 431)	-	(2 617)
At 31 December 2025	9 738	168 175	6 522	10 620	9 937	204 992
Depreciation and impairment losses						
At 1 January 2025	8 205	76 707	1 099	5 446	-	91 457
Charge for the year	1 484	11 100	742	1 287	-	14 613
Disposals	-	(183)	-	(2 431)	-	(2 614)
As at 31 December 2025	9 689	87 624	1 841	4 302	-	103 456
Cost						
At 1 January 2024	9 593	126 123	4 027	5 865	10 619	156 227
Additions	40	6 017	2 631	2 155	15 386	26 229
Transfers	4	2 815	-	-	(2 819)	-
Disposals	-	-	(1 416)	-	-	(1 416)
At 31 December 2024	9 637	134 955	5 242	8 020	23 186	181 040
Depreciation and impairment losses						
At 1 January 2024	6 746	66 855	1 803	4 659	-	80 063
Charge for the year	1 459	9 852	323	787	-	12 421
Disposals	-	-	(1 027)	-	-	(1 027)
As at 31 December 2024	8 205	76 707	1 099	5 446	-	91 457

	Land and buildings	Equipment and machinery	Motor vehicles	Office equipment	Capital work in progress	Total
	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm
Carrying amount						
At 31 December 2025	49	80 551	4 681	6 318	9 937	101 536
At 31 December 2024	1 432	58 248	4 143	2 574	23 186	89 583
Company Cost						
At 1 January 2025	7 720	134 522	4 942	7 255	22 444	176 883
Additions	100	16 583	1 263	4 353	2 630	24 929
Transfers	147	15 732	-	-	(15 879)	-
Disposals	-	(186)	-	(2 431)	-	(2 617)
At 31 December 2025	7 967	166 651	6 205	9 177	9 195	199 195
Depreciation and impairment losses						
At 1 January 2025	6 734	77 173	1 040	5 159	-	90 106
Charge for the year	976	11 008	673	1 204	-	13 861
Disposals	-	(183)	-	(2 431)	-	(2 614)
At 31 December 2025	7 710	87 998	1 713	3 932	-	101 353
Company Cost						
At 1 January 2024	7 676	125 690	3 884	5 473	10 366	153 089
Additions	40	6 017	2 393	1 782	14 897	25 129
Transfers	4	2 815	-	-	(2 819)	-
Disposals	-	-	(1 335)	-	-	(1 335)
At 31 December 2024	7 720	134 522	4 942	7 255	22 444	176 883
Depreciation and impairment losses						
At 1 January 2024	5 764	67 321	1 701	4 432	-	79 218
Charge for the year	970	9 852	296	727	-	11 845
Disposals	-	-	(957)	-	-	(957)
At 31 December 2024	6 734	77 173	1 040	5 159	-	90 106
Carrying amount						
At 31 December 2025	257	78 653	4 492	5 245	9 195	97 842
At 31 December 2024	986	57 349	3 902	2 096	22 444	86 777

Property, plant and equipment is encumbered as disclosed in notes 20 and 24 to the financial statements. Capital work in progress represents buildings and equipment and machinery still under construction and installation. The register of land and buildings is kept at the registered office of the company.

Notes to the Financial Statements (continued)

15. Intangible assets

	Goodwill MK'm	PTS licence MK'm	Computer software MK'm	Total MK'm
Group				
Cost				
At 1 January 2025	588	7 004	30 323	37 915
Additions	-	-	4 294	4 294
At 31 December 2025	588	7 004	34 617	42 209
Amortisation				
At 1 January 2025	-	292	20 336	20 628
Amortisation for the year	-	700	2 540	3 240
At 31 December 2025	-	992	22 876	23 868
Carrying amount				
At 31 December 2025	588	6 012	11 741	18 341
Group				
Cost				
At 1 January 2024	588	1 648	30 116	32 352
Additions	-	7 004	207	7 211
Disposals	-	(1 648)	-	(1 648)
At 31 December 2024	588	7 004	30 323	37 915
Amortisation				
At 1 January 2024	-	1 552	17 680	19 232
Amortisation for the year	-	388	2 656	3 044
Disposals	-	(1 648)	-	(1 648)
At 31 December 2024	-	292	20 336	20 628
Carrying amount				
At 31 December 2024	588	6 712	9 987	17 287
Company				
Cost				
At 1 January 2025	588	7 004	28 255	35 847
Additions	-	-	2 466	2 466
At 31 December 2025	588	7 004	30 721	38 313

	Goodwill MK'm	PTS licence MK'm	Computer software MK'm	Total MK'm
Amortisation				
At 1 January 2025	-	292	18 377	18 669
Amortisation for the year	-	700	2 262	2 962
At 31 December 2025	-	992	20 639	21 631
Carrying amount				
At 31 December 2025	588	6 012	10 082	16 682
Company				
Cost				
At 1 January 2024	588	1 648	28 048	30 284
Additions	-	7 004	207	7 211
Disposals	-	(1 648)	-	(1 648)
At 31 December 2024	588	7 004	28 255	35 847
Amortisation				
At 1 January 2024	-	1 552	15 962	17 514
Amortisation for the year	-	388	2 415	2 803
Disposals	-	(1 648)	-	(1 648)
At 31 December 2024	-	292	18 377	18 669
Carrying amount				
At 31 December 2024	588	6 712	9 878	17 178

Goodwill comprises a control premium paid to acquire the business and related assets of Burco Electronics Systems Limited in 2015. The amounts were paid in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the Burco Electronics Systems Limited business.

These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured. On acquisition, Burco Electronics Systems Limited ceased to operate as a separate entity and it integrated in the company as a business unit.

Annual test for impairment

The group determined the recoverable amount of the cash generating unit (Enterprise Business Services Unit) to be MK81.6 billion (2024: MK35.0 billion) based on the value in use model. The value in use was based on discounted future cash flows (using the group's approved budgeted figures for 2024 and projections covering a 4 year period from 2026) discounted at a pre-tax discount rate of 24.8% (2024: 26.1%).

All forecasts used in the determination of value in use are extracted from the 2026 budget approved by the Board of Directors.

Notes to the Financial Statements (continued)

15. Intangible assets (continued)

Cashflow projections during the budget period were based on the same expected gross margins and price inflation through the budget period. The cash flows beyond that five-year period have been extrapolated using an average of 10% per annum growth rate, which is the projected long-term average growth rate for cash generating unit. The directors believe that any reasonably possible change in the key assumption on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The carrying amount of the CGUs was MK0.8 billion (2024: MK0.8 billion). As such, in accordance with IAS 36 Impairment of Assets, the group determined that the goodwill was not impaired as at 31 December 2025.

Public Telecommunications Services (PTS) licence relates to the license that the Malawi Communications Regulatory Authority issued to the group. This is a licence that enables the group to operate telecommunication services in Malawi. The licence is carried at cost (amount paid for the licence) less amortisation. The useful life is the duration of the licence. Amortisation is recognised on a straight-line basis over its useful life.

Computer software are intangible assets with finite useful lives that are acquired separately and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

16. Right of use assets

	Land and buildings MK'm	Equipment and machinery MK'm	Total MK'm
Group and Company Cost			
At 1 January 2025	7 127	22 833	29 960
Additions	-	242	242
Disposals	(4 228)	-	(4 228)
At 31 December 2025	2 899	23 075	25 974
Depreciation			
At 1 January 2025	4 202	7 483	11 685
Charge for the year	332	1 436	1 768
Disposals	(4 228)	-	(4 228)
At 31 December 2025	306	8 919	9 225
Carrying amount	2 593	14 156	16 749

The addition of MK242 million is indefeasible right of use asset (IRU) with Open Connect Limited (OCL). The IRU agreement with OCL is a 10-year prepayment.

	Land and buildings MK'm	Equipment and machinery MK'm	Total MK'm
Group and Company Cost			
At 1 January 2024	7 127	14 070	21 197
Additions	-	8 763	8 763
At 31 December 2024	7 127	22 833	29 960
Depreciation			
At 1 January 2024	2 378	6 599	8 977
Charge for the year	1 824	884	2 708
At 31 December 2024	4 202	7 483	11 685
Carrying amount	2 925	15 350	18 275

The group leases several assets including buildings, sites and dark fibre. The average lease term is 4 to 5 years.

	Group and Company	
	2025 MK'm	2024 MK'm
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	1 768	2 708
Interest expense on lease liabilities (note 29)	91	202
Expense relating to short-term leases	1 752	779

At 31 December 2025, the group is committed to MK1 546 million (2024: MK522 million) for short-term leases.

The total cash outflow for leases amount to MK6.3 billion for the year ended 31 December 2025 (2024: MK8.81 billion).

The maturity analysis of lease liabilities is presented in note 29 to the financial statements.

Notes to the Financial Statements (continued)

17. Inventories

	Group and Company	
	2025	2024
	MK'm	MK'm
Recharge vouchers	849	931
Handsets and data equipment	3 052	654
Starter packs and Sim cards	707	152
Spares and goods in transit	420	340
Fuel	1 907	-
Net realisable value write down	(219)	(126)
	<u>6 716</u>	<u>1 951</u>

Inventories are carried at the lower of cost and net realisable value. The cost of inventories recognised as an expense during the year was MK5.0 billion (2024: MK5.9 billion). The inventory write down was on handsets, starter packs and sim cards.

Included within handset and data equipment are routers and other customer premises equipment used to provide internet connectivity to customers of MK1.3 billion (2024: MK264.6 million) and handsets of MK1.8 billion (2024: MK.375 million).

As at 31 December 2025, the group held fuel inventory amounting to MK1.9 billion. This fuel is stored in various reserve tanks and locations across the country.

18. Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Contract receivables	7 941	9 485	7 941	9 485
Allowance for expected credit losses	(75)	(90)	(75)	(90)
	<u>7 866</u>	<u>9 395</u>	<u>7 866</u>	<u>9 395</u>
Other receivables				
Staff advances and loans	2 915	2 095	2 691	1 844
Deposits and prepayments	5 057	10 572	5 057	10 572
Sundry receivables	17 937	7 769	12 257	1 988
	<u>25 909</u>	<u>20 436</u>	<u>20 005</u>	<u>14 404</u>
As at 31 December	<u>33 775</u>	<u>29 831</u>	<u>27 871</u>	<u>23 799</u>

	Group and Company	
	2025	2024
	MK'm	MK'm
Equipment receivables		
Equipment receivables	1 161	1 183
Loss allowance	(27)	(37)
	<u>1 134</u>	<u>1 146</u>
Current	507	604
Non-current	627	542
	<u>1 134</u>	<u>1 146</u>

	Group	
	2025	2024
	MK'm	MK'm
Loans and advances to customers		
Mobile money customer loans	2 751	1 811
Allowance for impairment losses	(925)	(715)
	<u>1 826</u>	<u>1 096</u>

The following table shows the movement in the expected credit loss (ECL) allowance for loans to customers.

	Stage 1	Stage 2	Stage 3	Total
	MK'm	MK'm	MK'm	MK'm
ECL allowance				
At 1 January 2025	54	93	568	715
Transfer to stage 3	(7)	(32)	39	-
Net remeasurement of ECL	(2)	1	(22)	(23)
New financial asset originated	69	89	386	544
Financial assets derecognized	(45)	(63)	(203)	(311)
	<u>69</u>	<u>88</u>	<u>768</u>	<u>925</u>
At 31 Dec 2025	69	88	768	925

Group

Loans and advances to customers – credit risk

These are loans to customers relating to money borrowed by mobile money customers under the subsidiary TNM Mpamba Limited. Overdraft facilities offered to mobile money customers allows the customers access to the loans using their mobile wallets. A credit scoring system is used to score and group customers according to their credit units. These are recovered automatically once a customer makes a deposit to their account. The loans are short term and are unsecured. These loan and advances are measured at amortised cost.

Notes to the Financial Statements (continued)
18. Trade and other receivables (continued)
Loans and advances to customers – credit risk (continued)

The risk that a customer might default on their loan is monitored on an on-going basis. To manage the level of credit risk, the group deals with counterparties of sound credit standing, and the customers are vetted using a credit scoring system. In order to minimise credit risk, the group has tasked its credit management committee to develop and maintain the group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis.

At each reporting date the group assesses whether the credit risk on a financial asset has increased significantly since initial recognition. Based on this assessment Expected Credit Loss (ECL) is recognized as follows:

Stage 1: 12-month ECL (if credit risk has not increased significantly).

Stage 2: Lifetime ECL (if credit risk has increased significantly but the asset is not credit-impaired).

Stage 3: Lifetime ECL (if the asset is credit-impaired). ECL is recognised for all financial assets measured at amortised cost. The group does not hold any financial assets measured at fair value through other comprehensive income (FVOCI).

The group uses a credit scoring system to obtain credit history of all the loan applications before approving the loans. The credit scoring system allocates credits limits to each qualifying customer. This enhances credit risk management in that loans are only given out to customers who have the ability to pay.

Low and fair risk – Grade 1 to 6

These are performing loans that the group expects to fully recover the estimated future cash flow. These are categorized under stage 1 when calculating the ECL.

Watch list – Grade 7

These are loans where contractual interest or principal payments are past due, but the group believes that individual impairment is not appropriate on the basis that the customer wallets are still transacting. These are categorized under stage 2 when calculating the ECL.

Individually impaired and substandard – Stage 3

Substandard and impaired loans are loans for which the group determines that it is probable that it will be unable to collect all principal and interest. These are customer wallets which have not been transacted for a period of 90 days and above since accessing the loan. These loans are categorized under stage 3 when calculating the ECL.

Repayments are recovered automatically when customers deposit funds into their mobile money accounts. Once a loan is classified as Stage 3 (credit-impaired), the group's policy is that the loan is either repaid in full (in which case any subsequent loan to the customer is treated as a new origination) or written off/partially written down after all recovery efforts have been exhausted. There are no transfers of existing loans from Stage 3 back to Stage 2 or Stage 1. A customer who has defaulted may only be reclassified as Stage 1 or Stage 2 for a new loan facility after the default has been fully cured and a fresh credit assessment has been performed. The original defaulted loan, if recovered, is settled and closed, and does not itself migrate to a lower stage. The group regularly reviews the credit quality of its loan portfolio and updates the staging and ECL calculations accordingly.

The table below shows the credit quality of the loans and advances, based on the group's credit rating system.

	Group	
	2025	2024
	MK'm	MK'm
<u>Mobile money customer loans</u>		
Stage 1	995	784
Stage 2	455	324
Stage 3	1 301	703
	2 751	1 811

The group applies three-stage approach to measuring expected credit losses (ECL) on loans and advances carried at amortised cost. The table below shows expected credit losses per risk grade and related ECL stage.

	Gross amount	Loss allowance	Gross amount	Loss allowance
	2025	2025	2024	2024
	MK'm	MK'm	MK'm	MK'm
<u>Mobile money customer loans</u>				
Stage 1	995	69	784	54
Stage 2	455	88	324	93
Stage 3	1 301	768	703	568
	2 751	925	1 811	715

The group writes off a loan balance (and any related allowances for impairment losses) when it has determined that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation or has left the network.

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
<u>Reconciliation of impairment loss</u>				
Contract receivables	271	178	271	178
Equipment receivables	(10)	37	(10)	37
Loans to customers	210	715	-	-
	471	930	261	215

Notes to the Financial Statements (continued)

18. Trade and other receivables (continued)

Movement in the loss allowance is as follows:

Group	MK'm
2025	
As at 1 January 2025	842
Increase during the year	471
Receivables written off during the year as uncollectible	(286)
At 31 December 2025	1 027
2024	
As at 1 January 2024	84
Increase during the year	930
Receivables written off during the year as uncollectible	(172)
At 31 December 2024	842
Company	
2025	
As at 1 January 2025	127
Increase during the year	261
Receivables written off during the year as uncollectible	(286)
At 31 December 2025	102
2024	
As at 1 January 2024	84
Increase during the year	215
Receivables written off during the year as uncollectible	(172)
At 31 December 2024	127

Group and Company

The write off relate to trade receivables which became uncollectable during the year. None of the trade receivables that have been written off are subject to enforcement activities.

Contract receivables arise as a result of services delivered to contract customers whose consideration is not yet received by the group and are included in trade receivables.

Equipment receivables relate to unbilled revenue recorded for the sale of devices under mobile contract packages.

Loss allowances for equipment receivables are recognized as per IFRS 9.

Loans relates to money borrowed by mobile money customers under the Mpamba Ndikankhe overdraft facilities customers access the loans using their mobile wallets. A credit scoring system is used to score and group customers according to their credit units. These are recovered automatically once a customer makes a deposit to their account. The loans are unsecured.

Sundry receivables include withholding tax recoverable and fees and commissions receivables.

The average credit period on sales of goods and services is 60 days. No interest is charged on outstanding trade receivables.

Other than the above changes, management, in its judgement, has concluded that there will be no significant changes in the macro-economic conditions which will significantly affect the default rates.

For the purposes of grouping the receivables based on the shared credit risk characteristics, the identified six (6) groups of receivables are as follows:

1. Dealers;
2. Postpaid;
3. Interconnect and international incoming;
4. Roaming;
5. Enterprise; and
6. Other trade receivables.

* Due to past experience, interconnect, international incoming and roaming receivables have zero default rates. There are net-off agreements in place with these customers since they provide the group with similar services. The current net-off agreements with these customers will run over the next 12 months. The group expects no change to this in the foreseeable future hence no expected credit loss allowance for these groups is determined.

For the above these debtor categories, the group has corresponding payables to the same partners and hence only net amount is either reviewed or after netting off. The group has netting-off agreements in place with these partners.

Group and Company

At 31 December 2025 the lifetime expected loss provision for trade receivables was as follows:

Expected credit loss rate	Current	30 days	60 days	90 days	120 days	150 days	>180 days
Dealers	0.2%	0.7%	1.1%	1.7%	2.5%	3.5%	8.7%
Postpaid	1.2%	1.4%	1.9%	2.7%	4.0%	5.9%	7.9%
Interconnect & international	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roaming*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TNM Business Services	0.3%	1.1%	1.5%	1.9%	2.3%	3.0%	3.8%
Other receivables	0.4%	1.3%	2.2%	3.9%	8.6%	14.5%	17.8%
Equipment receivables	1.2%	1.4%	1.9%	2.7%	4.0%	5.9%	7.9%

Notes to the Financial Statements (continued)

18. Trade and other receivables (continued)

Group and Company

Gross carrying amount	Current	30 days	60 days	90 days	120 days	150 days	>180 days	Total
	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm
Trade and other receivables								
Dealers	1 524	1 032	-	-	-	-	2	2 558
Postpaid	627	282	41	16	16	69	6	1 057
Interconnect & international								
incoming*	431	-	-	-	-	-	-	431
Roaming*	212	45	1	4	8	5	202	477
TNM Business Services	528	330	55	121	132	91	117	1 374
Other trade receivables	1 270	547	105	58	6	9	49	2 044
	4 592	2 236	202	199	162	174	376	7 941
Equipment receivables	290	267	232	163	128	46	35	1 161
Total	4 882	2 503	434	362	290	220	411	9 102
Expected credit loss								
	Current	30 days	60 days	90 days	120 days	150 days	>180 days	Total
	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm
Trade and other receivables								
Dealers	3	7	-	-	-	-	-	10
Postpaid	7	4	1	-	1	4	2	19
Interconnect & international								
incoming*	-	-	-	-	-	-	-	-
Roaming*	-	-	-	-	-	-	-	-
TNM Business Services	2	4	1	2	3	3	4	19
Other trade receivables	5	7	2	2	1	1	9	27
	17	22	4	4	5	8	15	75
Equipment receivables	3	4	5	4	5	3	3	27
Total	20	26	9	8	10	11	18	102

At 31 December 2024 the lifetime expected loss provision for trade receivables was as follows:

Expected credit loss rate	Current	30 days	60 days	90 days	120 days	150 days	>180 days
Dealers	0.3%	1.0%	1.6%	2.6%	3.7%	5.2%	-
Postpaid	1.5%	1.9%	2.5%	3.5%	5.4%	8.3%	11.8%
Interconnect & international							
incoming*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roaming*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TNM Business Services	0.6%	1.9%	2.6%	3.3%	4.0%	5.3%	6.6%
Other receivables	0.2%	0.7%	1.2%	2.0%	4.4%	7.5%	9.3%
Equipment receivables	1.5%	1.2%	1.3%	2.0%	2.4%	4.2%	4.3%
Gross carrying amount							
	Current	30 days	60 days	90 days	120 days	150 days	>180 days
	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm
Trade and other receivables							
Dealers	1 895	242	96	-	-	-	2 233
Postpaid	420	342	220	110	86	46	1 484
Interconnect & international							
incoming*	-	-	-	-	-	-	-
Roaming*	92	82	1	8	9	2	121
TNM Business Services	222	40	6	2	-	-	271
Other trade receivables	4 847	160	53	14	76	10	5 182
	7 476	866	376	134	171	58	9 485
Equipment receivables	135	84	77	99	85	48	1 183
Total	7 611	950	453	233	256	106	10 668
Expected credit loss							
	Current	30 days	60 days	90 days	120 days	150 days	>180 days
	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm
Trade and other receivables							
Dealers	5	3	2	-	-	-	10
Postpaid	6	6	6	4	5	4	34
Interconnect & international							
incoming*							
Roaming*							
TNM Business Services	1	1	-	-	-	-	2
Other trade receivables	5	1	1	-	3	1	13
	17	11	9	4	8	5	90
Equipment receivables	1	1	1	2	2	2	37
Total	18	12	10	6	10	7	127

Notes to the Financial Statements (continued)

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
19a. Amounts due from/to related companies				
<u>Due from:</u>				
National Bank of Malawi plc	1 887	745	1 887	745
TNM Mpamba Limited	-	-	146	1 448
	<u>1 887</u>	<u>745</u>	<u>2 033</u>	<u>2 193</u>
<u>Due to:</u>				
Malawi Telecommunication Limited	-	210	-	210
TNM Mpamba Limited	-	-	2 892	1 341
	<u>-</u>	<u>210</u>	<u>2 892</u>	<u>1 551</u>

Related party balances are denominated in Malawi Kwacha. The amounts outstanding are unsecured and will be settled in cash. No interest is charged on the outstanding amounts. No guarantees have been given or received. No loss allowance has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties as the potential rate of default is so low, it is considered to be nil. All outstanding amounts from related parties are considered collectible in full.

19b. Related party disclosures

The group transacts part of its business with shareholders and parties related to or under the control of its shareholders. Details of such related party transactions of the group are set out below:

Income

Fellow subsidiaries of Press Corporation plc

<u>Malawi Telecommunications Limited</u>				
Interconnection	4	-	4	-
Site rentals	516	6	516	6
International incoming	90	554	90	554
<u>National Bank of Malawi plc</u>				
Broadband	716	516	716	516
USSD and SMS	1 061	-	1 061	-
<u>Old Mutual Life Assurance Company (Malawi) Limited</u>				
Pension contributions and group life assurance	(1 728)	(1 126)	(1 585)	(1 010)
<u>TNM Mpamba Limited</u>				
USSD and SMS	-	-	6 015	2 453
Management fees	-	-	6	6

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Charges				
Fellow subsidiaries of Press Corporation plc				
<u>Malawi Telecommunications Limited</u>				
Interconnection	(1)	(2)	(1)	(2)
Site rentals	(1 702)	(1 782)	(1 702)	(1 782)
<u>National Bank of Malawi plc</u>				
Finance charges	(1 010)	(1 298)	(1 101)	(1 298)
Commission on airtime sales	(547)	(498)	(547)	(498)
			Company	
			2025	2024
			MK'm	MK'm
<u>Subsidiary</u>				
TNM Mpamba Limited				
Commission on airtime sales			(8 275)	(4 365)

National Bank of Malawi plc

Banking facilities with this fellow subsidiary of Press Corporation plc are disclosed in note 20 to the financial statements.

In addition, related parties including shareholders, Directors and parties related thereto are subscribers to the group's services for which they are charged at an arms-length basis.

Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management personnel during the year was as follows:

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Directors' remuneration:				
fees for services as Directors	505	296	465	282
Senior management salaries and other short-term benefits	2 108	1 932	1 938	1 801

Notes to the Financial Statements (continued)

20a. Bank and cash balances

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Bank and cash balances	84 203	47 719	4 104	1 359
<u>Bank and cash comprises</u>				
Standard Bank plc	11 274	8 296	-	-
National Bank of Malawi plc	15 003	8 448	-	-
First Capital Bank plc	15 591	11 569	-	-
FDH Bank plc	7 536	3 581	-	-
Other bank accounts*	34 799	15 825	4 104	1 359
Bank and cash balance	84 203	47 719	4 104	1 359

Included in group bank and cash balances are e-value of MK74 billion (2024: MK42.4 billion) which are not available for use by the group. The bank balances earned interest at an average rate of 8.5% as at 31 December 2025 (2024: 9%). 9% of the interest earned in these accounts is distributed to the owners of e-money. All other bank balances are non-interest earning. The customer balances are measured at fair value through profit and loss.

*Other bank accounts include NBS Bank Plc of MK14.9 billion (2024: MK13.3 billion), Centenary Bank Limited of MK12.6 billion (2024: MK2.4 billion) and FINCA Malawi of MK200 million (2024: MK100 million), CDH Bank of MK5.0 billion (2024: MK 1.1 billion), Reserve Bank of Malawi of MK1.2 billion (2024: MK0.90 billion) and other banks of MK900 million (2024: nil).

20b. Bank overdraft

	Group and Company	
	2025	2024
	MK'm	MK'm
<u>Bank overdraft comprises</u>		
Standard Bank plc	4 234	3 875
National Bank of Malawi plc	3 297	6 803
First Capital Bank plc	2 731	5 014
	10 262	15 692

Overdraft facilities

The company has the following overdraft facilities:

Standard Bank plc	4 500	4 500
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The bank overdraft facility is unsecured and is payable on demand.

The rate of interest is Standard Bank plc reference minus 1.2% effectively 25.3% (2024: 24.1%) and expires on 31 July 2026.

	Group and Company	
	2025	2024
	MK'm	MK'm

National Bank of Malawi plc	4 500	7 000
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The bank overdraft facility is secured by a debenture of MK4.5 billion (2024: MK4.5 billion) over the group's assets.

The rate of interest is National Bank of Malawi plc reference rate plus 1.8% effectively 25.3% (2024: 25.4%) and expires on 30 June 2026.

As at 31 December 2025, the group's commercial property title numbers Limbe West KJ23/1/18 and Limbe West KJ23/4 with a carrying amount of MK525 million was pledged as security under a debenture in favour of National Bank of Malawi Plc for a banking facility. The property remains recognised within property, plant and equipment in the statement of financial position. The terms of the debenture restrict the disposal of the property without the prior consent of the bank.

	Group and Company	
	2025	2024
	MK'm	MK'm

First Capital Bank plc	3 000	5 000
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The bank overdraft facility is secured by a debenture of MK3.0 billion (2024: MK3.0 billion) ranking pari passu with the debenture securing the National Bank of Malawi plc overdraft facility. The rate of interest is First Capital Bank plc reference rate plus 2.2% effectively 27.5% (2024: 27.5%) and expires on 31 July 2026.

The facility is secured over the group floating assets including undertakings, property, stocks assets and debts present and future without limiting their usage in the present or future until it becomes fixed for execution purposes in the event of a default.

Notes to the Financial Statements (continued)

21. Statement of capital

	Group and Company	
	2025	2024
	MK'm	MK'm
Number (million)	11 541	10 040
Nominal value per share (Malawi Kwacha)	2.80	0.04
Nominal value (million Malawi Kwacha)	32 288	402

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on a poll at meetings of the group.

On 2 May 2025, 1 500 750 375 ordinary shares were authorised for issuance at a price of MK19.99 per share, generating a share capital of MK30 billion before deducting expenses of MK461 million. The net increase in share capital from the new share issue was MK29.5 billion with additional MK2.3 billion arising from the capitalisation of share premium. The total share capital including MK402 million opening balance is MK32.3 billion.

22. Share premium

On 3 November 2008, in an offer to the public, 1 290 450 000 ordinary shares of 4 tambala each were allotted at a premium of 196 tambala per share. The resultant premium on issue of MK2 529 282 000 less offer expenses of MK182 361 000 was credited to the share premium account. It is available for a limited range of purposes as set out in the Malawi Companies Act, 2013 including the issue of fully paid-up bonus shares. It is not available for distribution.

In 2025 the share premium was capitalized and converted to ordinary shares issued to existing shareholders.

23a. Deferred tax

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Deferred tax (liabilities)/assets				
Balance as at 1 January	2 924	4 794	2 706	4 890
<i>Recognised in the income statement</i>				
Origination and reversal of temporary differences	(7 656)	(1 870)	(7 482)	(2 184)
Effect of change in tax rate*	1 024	-	1 024	-
(Charge)/credit to the income statement	(6 632)	(1 870)	(6 458)	(2 184)
	(3 708)	2 924	(3 752)	2 706
Fair value gain on equity investment	(1 489)	-	(1 489)	-
As at 31 December	(5 197)	2 924	(5 241)	2 706

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Analysed as:				
Accelerated capital allowances	(7 119)	(1 795)	(6 822)	(1 813)
Tax losses	-	-	273	-
Deferred income	1 527	828	1 527	828
Other temporary differences	1 884	3 891	1 270	3 691
Deferred tax (liabilities)/assets	(3 708)	2 924	(3 752)	2 706
Fair value gain on equity investment	(1 489)	-	(1 489)	-
Deferred tax (liabilities)/assets	(5 197)	2 924	(5 241)	2 706

Deferred tax assets on carried forward tax losses are recognised to the extent that it is probable that future taxable profits will be available for set-off. During the year, as these losses were utilised, the corresponding deferred tax asset has been reversed.

Those recognised in profit and loss are separated from those disclosed under comprehensive income. The effect of changes in tax rate also applies to those recognised in other comprehensive income.

*Effect of tax rate change relates to the remeasurement of deferred tax at the new rates. The applicable tax rate is a graduated rate of 30% on taxable profits up to MK5 billion and 40% on the excess of MK5 billion. The measurement of deferred tax assets and liabilities reflects the graduated tax rates expected to apply when the underlying temporary differences reverse. Where it is probable that taxable profits will exceed MK5 billion, deferred tax is measured at 40% for the excess. Management has used forecasts of future taxable profits to determine the appropriate rates. The impact of the change in tax rate has been recognised in the current period's tax expense and disclosed accordingly.

23b. Minimum Alternative Tax (MAT) credit entitlement

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
MAT credit entitlement	816	-	816	-

The Company has recognised MAT credit entitlement based on management's assessment that sufficient future taxable profits will be available to utilise the MAT credit before its expiry. The MAT credit entitlement is reviewed at each reporting date and is recognised only to the extent that it is probable it will be realised.

Notes to the Financial Statements (continued)

24. Interest bearing loans

	Old Mutual investment Group Limited commercial paper MK'm	Press Corporation loan MK'm	Standard Bank dual currency revolving facility MK'm	Total MK'm
Group and Company 2025				
At beginning of the year	12 650	-	18 202	30 852
Additions	-	4 500	-	4 500
Interest charged	1 813	453	3 627	5 893
Capital repayments	(12 650)	(4 500)	(5 344)	(22 494)
Interest paid	(1 813)	(453)	(3 205)	(5 471)
	-	-	13 280	13 280
Long term portion of loans	-	-	8 744	8 744
Current portion of loans	-	-	4 536	4 536
	-	-	13 280	13 280
2024				
At beginning of the year	14 500	-	24 057	38 557
Additions	-	-	4 947	4 947
Interest charged	3 702	-	5 055	8 757
Capital repayments	(1 850)	-	(11 566)	(13 416)
Interest paid	(3 702)	-	(4 291)	(7 993)
	12 650	-	18 202	30 852
Long term portion of loans	-	-	12 752	12 752
Current portion of loans	12 650	-	5 450	18 100
	12 650	-	18 202	30 852

Old Mutual Investment Group Limited

On 26 February 2015, the company secured commercial debt paper of MK5.0 billion. The arranger and administrator was Old Mutual Investment Group Limited (OMIGL). The commercial paper was for a period of 5 years with an option of early repayment in tranches of MK1.0 billion after the third year. The coupon rate was 364 Treasury bill rate plus 200 basis points. The loan was secured with a debenture ranking behind National Bank of Malawi Plc overdraft facility and First Capital Bank Plc overdraft facility debentures. On 25 February 2020 the loan was rolled over for another 5 year period on the same terms.

In 2020, the company secured commercial debt paper of MK10.0 billion. The arranger and administrator is Old Mutual Investment Group Limited (OMIGL). The commercial paper is for a period of 5 years with an option of early repayment in tranches of MK1.0 billion after the third year. The coupon rate is 364 treasury bill rate plus 175 basis points. The loan is secured with a debenture ranking behind National Bank of Malawi Plc overdraft facility and First Capital Bank plc overdraft facility debentures and ranking pari passu with the Old Mutual Investment Group commercial paper.

In 2021, the company secured additional commercial paper of MK2.0 billion from Old Mutual Investment Group Limited for a period of 5 years with the same terms as the other existing Old Mutual Investment Group Limited commercial papers.

All the Old Mutual Investment Group Limited facilities were fully paid during the year.

Press Corporation plc shareholder loan

In 2025, the company obtained a shareholder's loan of MK4.5 billion from Press Corporation Plc a material shareholder. The loan was unsecured for the period of 12 months and was based on National Bank of Malawi plc reference rate plus 4.5%. The loan was fully paid in July 2025.

Standard Bank plc revolving credit facility

TNM entered into a revolving credit facility with Standard Bank plc for amount of up to MK24 billion. The purpose of the facility is to finance or refinance capital expenditure. The facility has a tenor of 60 months from the drawdown date and attracts interest at a rate of Standard Bank Malawi plc reference rate minus 0.8% effectively 25.30%. TNM has covenanted to maintain a USD denominated account with Standard Bank plc for the lifetime of the facility and to channel all its USD receivables to the said account.

25. Dividend payable

	Group and Company	
	2025	2024
	MK'm	MK'm
Dividend declared	2 308	-
Dividend paid	(2 308)	-
	-	-

26. Contract liabilities

	Group and Company	
	2025	2024
	MK'm	MK'm
	3 915	2 761

Contract liabilities consist of the value of unused airtime on prepaid service sold to customers and unused bonuses in customer phones. These are consumed within one month after recharge and there is no interest charged on these liabilities.

Notes to the Financial Statements (continued)

27. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Capital expenditure payables	21 108	23 630	21 111	23 630
Trade payables	33 344	43 589	28 450	39 196
International incoming termination levy	440	286	440	286
Accrued expenses	9 601	4 190	9 540	4 274
VAT, excise tax and other taxes	5 733	3 942	4 851	3 340
Total trade and other payables	70 226	75 637	64 392	70 726

The Directors consider that the carrying values approximate the fair value of trade and other payables. These do not attract any interest charge.

28. Amounts payable to owners of e-money

	Group	
	2025	2024
	MK'm	MK'm
Customers	14 636	18 583
Agents	35 905	9 673
Billers	3 026	2 891
Others	9 515	3 468
Total amounts payable to owners of e-money	63 082	34 615

Amounts payable to owners of e-money comprise of deposits made by subscribers to their respective mobile money wallets and the group holds equivalent balances in the trust bank accounts as disclosed in note 20 to the financial statements. The funds are not available for the group's use. The Directors consider that the carrying value of these balances approximates its fair value. The customer balances are measured at fair value through profit and loss.

29. Lease liabilities

	Group and Company	
	2025	2024
	MK'm	MK'm
<i>The group as a lessee</i>		
Lease liabilities	-	338
Short term portion of lease liability	-	338
Maturity analysis		
Year 1	-	382
Less: Unearned interest	-	(44)
	-	338

The group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the group's finance division.

All lease obligations are denominated in Malawi Kwacha.

	Group and Company	
	2025	2024
	MK'm	MK'm
Opening balance	338	181
Additions	254	8 763
Capital repayments	(592)	(8 606)
Interest charged	91	202
Interest payment	(91)	(202)
Balance at end of the year	-	338
Short-term portion lease liability	-	338

30. Cash flows from operating activities

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Profit before tax	33 497	15 379	18 359	7 777
Adjustments for				
Depreciation, amortisation and impairment	19 621	18 173	18 591	17 356
Interest expenses	8 802	12 128	10 071	12 653
Dividend received	-	-	-	(2 211)
(Profit)/loss on disposal of fixed assets	3	(256)	3	(255)
Inventory write off	12	-	12	-
Inventory write-down to net realisable value	219	-	219	-
ECL allowance for loans and advances, trade receivables, and other receivables	471	-	261	-
Finance income	(461)	(414)	(55)	(48)
Increase in inventories	(4 984)	(378)	(4 984)	(378)
Increase in loan and advances to customers	(940)	(1 096)	-	-
Increase in trade and other receivables	(4 205)	(8 831)	(4 333)	(7 412)
Decrease in equipment receivables	12	405	12	405
Increase/(decrease) in related party receivables	(1 142)	(745)	160	(279)
(Decrease)/increase in trade and other payables	(5 411)	29 695	(6 334)	27 291
Increase/(decrease) in contract liabilities	1 154	(1 488)	1 154	(1 488)
Increase in amounts payable to owners of e-money	28 467	13 806	-	-
(Decrease)/increase in related party payables	(210)	171	1 341	(488)
Cash generated from operating activities	74 905	76 549	34 477	52 923

Notes to the Financial Statements (continued)

31. Interest paid

	Notes	Group		Company	
		2025 MK'm	2024 MK'm	2025 MK'm	2024 MK'm
Interest expense – interest borrowings	10	8 711	11 926	9 980	12 451
– leases	10	91	202	91	202
Total interest expense		8 802	12 128	10 071	12 653
Accrued interest		(422)	(764)	(422)	(764)
Interest paid		8 380	11 364	9 649	11 889

32. Capital commitments

	Group and Company	
	2025 MK'm	2024 MK'm
Authorised and contracted for	12 000	12 315
Authorised but not contracted for	29 700	20 600

The capital expenditure will be financed from internally generated resources and existing facilities.

33. Operating lease arrangements

Operating leases relate to network passive infrastructure owned by the group with lease terms of between one to ten years, with a one year extension option. All operating lease agreements contain market review clauses if the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the group, as they relate to network infrastructure which is in locations with a constant increase in value over the last 10 years. The group did not identify any indications that this situation will change.

Maturity analysis of operating lease payments:

	Group and Company	
	2025	2024
Year 1	17 078	15 369
Year 2	19 640	17 675
Year 3	22 586	20 326
Year 4	25 974	23 375
Year 5	29 870	26 881
Year 6 and onwards	120 840	125 061

The following table presents the amounts reported in profit or loss:

	Group and Company	
	2025 MK'm	2024 MK'm
Airtel site sharing (note 8)	13 751	11 986
Rental income (note 8)	1 099	1 378
Total	14 850	13 364

34. Financial instruments-exposure to currency risk

The group's exposure to foreign currency risk was as follows:

	Group		Company	
	2025 MK'm	2024 MK'm	2025 MK'm	2024 MK'm
<u>US Dollar</u>				
Bank balances	86	76	86	76
Trade receivables-international roaming	477	315	477	315
Trade receivables-international incoming traffic	(7)	(525)	(7)	(525)
Trade payables-international roaming and other payables	(729)	(328)	(729)	(328)
Capital expenditure and other foreign liabilities	(4 890)	(5 262)	(4 890)	(5 262)
Statement of financial position exposure	(5 063)	(5 724)	(5 063)	(5 724)
<u>Euro</u>				
Bank balances	(143)	6	(143)	6
Capital expenditure and other foreign liabilities	(24 260)	(16 788)	(24 260)	(16 788)
Statement of financial position exposure	(24 403)	(16 782)	(24 403)	(16 782)
Total statement of financial position exposure	(29 466)	(22 506)	(29 466)	(22 506)

35. Sensitivity analysis

Foreign currency sensitivity analysis

Transaction losses arising on a 10% strengthening of the United States Dollar and Euro against the Malawi Kwacha as at 31 December would result in a decrease in equity and profit for the year as shown below:

	Group		Company	
	2025 MK'm	2024 MK'm	2025 MK'm	2024 MK'm
US Dollar	(506)	(572)	(506)	(572)
Euro	(2 440)	(1 678)	(2 440)	(1 678)

A 10% weakening of the United States Dollar and the Euro against the functional currency as at 31 December would have had an equal but opposite effect.

Notes to the Financial Statements (continued)

35. Sensitivity analysis (continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the bank borrowings as at 31 December 2025. The analysis is prepared assuming the amount of the bank overdraft outstanding at 31 December 2025 was outstanding for the whole year. A 5% increase or decrease in the rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had increased/decreased by 5% for all borrowings and all other variables were held constant, the company's profit for the year ended 31 December 2025 would decrease/increase by MK1 177 million (2024: MK2 327 million).

36. Financial instruments-exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was as follows:-

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Trade and other receivables (note 18)	28 718	19 259	22 814	13 227
Equipment receivables (note 18)	1 134	1 146	1 134	1 146
Loans and advances to customers	1 826	1 096	-	-
Bank and cash balances (note 20a)	84 203	47 719	4 104	1 359
Amount due from related parties (note 19a)	1 887	745	2 033	2 193
	117 768	69 965	30 085	17 925

37. Financial instruments-exposure to liquidity risk

The following are the contractual obligations due within 1 year which may affect the liquidity of the company.

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Financial assets				
Trade and other receivables (note 18)	25 909	19 259	22 814	13 227
Amounts due from related companies (note 19a)	1 887	745	2 033	2 193
Loans and advances to customers	1 826	1 096	-	-
Equipment receivables (note 18)	507	604	507	604
Bank and cash balances (note 20a)	84 203	47 719	4 104	1 359
Total current financial assets	114 332	69 423	29 458	17 383

	Group		Company	
	2025	2024	2025	2024
	MK'm	MK'm	MK'm	MK'm
Financial liabilities				
Bank overdraft (note 20b)	(10 262)	(15 692)	(10 262)	(15 692)
Trade and other payables (note 27)	(54 892)	(67 505)	(50 001)	(63 112)
Contract liabilities (note 26)	(3 915)	(2 761)	(3 915)	(2 761)
Amounts payable to owners of e-money (note 28)	(63 082)	(34 615)	-	-
Amount due to related parties (note 19a)	-	(210)	(2 892)	(1 551)
Current portion of lease liabilities (note 29)	-	(338)	-	(338)
Current portion of interest bearing loans (note 24)	(4 536)	(18 100)	(4 536)	(18 100)
Total current financial liabilities	(136 687)	(139 221)	(71 606)	(101 554)
Net liquidity exposure	(22 355)	(69 798)	(42 148)	(84 171)

The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. The group ensures that it has credit facilities at any point in time to finance its operations.

Ultimate responsibility for liquidity risk management rests with the board of directors which has built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity requirements. The responsibility for the day-to-day management of these risks lies with management. The group manages liquidity risk by maintaining adequate reserves and banking facilities, continuously monitoring forecast and actual cash flows.

Over 80% of the groups sales are on a cash basis and management do not expect a further increase in the liquidity gap in the foreseeable future.

The following table details the group's remaining contractual maturity for its non-derivate financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay.

	Less than 1 month	1-3 months	3-12 months	2-5 years	Total	Carrying amount
	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm
Group						
As at 31 December 2025						
Bank overdraft (note 20b)	10 262	-	-	-	10 262	10 262
Loans and borrowings (note 24)	867	961	5 694	8 226	15 748	13 280
Amounts payable to owners of e-money (note 28)	63 082	-	-	-	63 082	63 082
Trade and other payables	-	58 132	-	-	58 132	58 132
Contract liabilities (note 26)	3 915	-	-	-	3 915	3 915
Total financial liabilities	78 126	59 093	5 694	8 226	151 139	148 671

Notes to the Financial Statements (continued)

37. Financial instruments-exposure to liquidity risk (continued)

	Less than 1 month	1-3 months	3-12 months	2-5 years	Total	Carrying amount
	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm
As at 31 December 2024						
Bank overdraft (note 20b)	15 692	-	-	-	15 692	15 692
Loans and borrowings (note 24)	1 697	13 739	5 423	15 644	36 503	30 852
Lease liabilities (note 29)	-	-	338	-	338	338
Related party payables (note 19a)	-	210	-	-	210	210
Amounts payable to owners of e-money (note 28)	34 615	-	-	-	34 615	34 615
Trade and other payables	-	71 994	-	-	71 994	67 505
Contract liabilities (note 26)	2 761	-	-	-	2 761	2 761
Total financial liabilities	54 765	85 943	5 761	15 644	162 113	151 973
Company						
As at 31 December 2025						
Bank overdraft (note 20b)	10 262	-	-	-	10 262	10 262
Loans and borrowings (note 24)	867	961	5 694	8 226	15 748	13 280
Related party payables (note 19a)	-	2 892	-	-	2 892	2 892
Trade and other payables	-	52 949	-	-	52 949	51 956
Contract liabilities (note 26)	3 915	-	-	-	3 915	3 915
Total financial liabilities	15 044	56 802	5 694	8 226	85 766	82 305
As at 31 December 2024						
Bank overdraft (note 20b)	15 692	-	-	-	15 692	15 692
Loans and borrowings (note 24)	1 697	13 739	5 423	15 644	36 503	30 852
Lease liabilities (note 29)	-	-	338	-	338	338
Related party payables (note 19a)	-	1 551	-	-	1 551	1 551
Trade and other payables	-	67 309	-	-	67 309	63 112
Contract liabilities (note 26)	2 761	-	-	-	2 761	2 761
Total financial liabilities	20 150	82 599	5 761	15 644	124 154	114 306

38. Operating segments

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components.

All operating segments' operating results are reviewed regularly by the group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the group's headquarters), head office expenses, and assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property and intangible assets other than goodwill.

38.1 Basis for segmentation

The group has two reportable segments which are based on the type of business among its subsidiary,
These segments are: telecommunication services and mobile money services. The segments offer different products and services and are managed separately because they require different regulation. These segments operate in the same economic environment.

The following summary describes the operations in each of the group's reportable segments:

Reportable segment	Operations
Telecommunications	Provides a wide range of communications and products and services.
Mobile money	Provides a wide range of mobile money services which among other services include: money transfers, cash withdrawals, bill payments, cash deposits, merchant payments

38.2 Geographical segment presentation

All operations of the group are in Malawi and therefore geographical segment presentation has not been made.

38.3 Information about major customers

The group's customers are many and there is no single customer that individually contributes more than five percent of the group's total revenues.

38.4 Information about reportable segments

Information regarding the results of each reportable segment is set out below. Performance is measured based on segment profit after tax, as included in the internal management reports that are reviewed by the group's CEO. Segment profit after tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of the respective segment. Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income earning assets and revenue, interest bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Notes to the Financial Statements (continued)

38. Operating segments (continued)

38.4 Information about reportable segments (continued)

	Telecom- munication services MK'm	Mobile money services MK'm	Total MK'm
2025			
Revenue			
External revenue			
- Over time	154 015	50 750	204 765
- At a point in time	3 209	-	3 209
Other income – external – over time	14 927	9	14 936
Inter-segment revenue – over time	6 015	8 275	14 290
Segment revenue	178 166	59 034	237 200
Cost of sales			
- External	88 894	34 900	123 794
- Inter-segment	8 275	6 015	14 290
Segment cost of sales	97 169	40 915	138 084
Segment operating profit	37 332	13 867	51 199
Segment interest income	55	405	460
Segment interest expense	(10 071)	1 269	(8 802)
Segment foreign exchange losses	(8 957)	(403)	(9 360)
Segment expenses	(6 458)	(5 770)	(12 228)
Segment profit for the year	11 901	9 368	21 269
Depreciation and amortization	18 591	1 030	19 621
Segment assets	179 393	91 780	271 173
Segment liabilities	100 038	68 462	168 500
Capital additions	27 638	3 467	31 105

	Telecom- munication services MK'm	Mobile money services MK'm	Total MK'm
2024			
Revenue			
External revenue			
Over time	113 229	28 706	141 935
At a point in time	2 355	-	2 355
Other income – external – over time	13 750	126	13 876
Inter-segment revenue – over time	4 564	4 366	8 930
Segment revenue	133 898	33 198	167 096
Cost of sales*			
External	77 819	17 435	95 254
Inter-segment	3 341	3 476	6 817
Segment cost of sales	81 160	20 911	102 071
Segment operating profit	23 012	6 703	29 715
Segment interest income	48	366	414
Segment interest expense	(12 653)	525	(12 128)
Segment foreign exchange losses	(2 630)	8	(2 622)
Segment expenses	(2 405)	(2 921)	(5 326)
Segment profit for the year	5 372	4 681	10 053
Depreciation and amortization	17 358	815	18 173
Segment assets	159 815	52 135	211 950
Segment liabilities	121 920	38 185	160 105
Capital additions	41 103	1 100	42 203

Revenue from telecommunication services includes prepaid MK56.6 billion (2024: MK42.9 billion), data MK67.5 billion (2024: MK45.2 billion), enterprise MK16.3 billion (2024: MK13.7 billion), postpaid MK4.4 billion (2024: MK3.7 billion) and others MK33.4 billion (2024: MK10.1 billion). Mobile money revenue includes cashout fees of MK33.8 billion (2024: MK18.1 billion), bill pay MK3.6 billion (2024: MK2.3 billion), cash transfers MK6.2 billion (2024: MK3.2 billion), bulk disbursement fees MK1.5 billion (2024: MK1.3 billion) and others MK14.4 billion (2024: MK3.8 billion).

Notes to the Financial Statements (continued)**38. Operating segments (continued)****38.4 Information about reportable segments (continued)**

	2025 MK'm	2024 MK'm
Revenue		
Total revenues for reportable segments		
- Over time	219 066	150 865
- At a point in time	3 209	2 355
Elimination of inter-segment revenue	(14 290)	(8 930)
Consolidation revenue	207 985	144 290
Consolidated profit/(loss)	21 269	10 053
Assets		
Total assets for reportable segments	272 575	214 654
Inter-segment eliminations	(146)	(1 448)
Eliminations of investment in subsidiaries	(1 256)	(1 256)
Consolidated total assets	271 173	211 950
Liabilities		
Total liabilities for reportable segments	171 392	161 446
Inter-segment eliminations	(2 892)	(1 341)
Consolidated total liabilities	168 500	160 105

39. Contingent liabilities

	Group and Company	
	2025	2024
Legal claims	2 150	6 920

Legal claims

These represent legal claims made against the group in the ordinary course of business, the outcome of which is uncertain. The amount disclosed represents an estimate of the cost to the group in the event that legal proceedings find the group to be in the wrong. In the opinion of the Directors, the claims are not expected to give rise to a cost to the group. The increase in legal claims is due some cases in relation to former staff which are still in court and their outcome is not certain.

40. Fair value measurements

This note provides information about how the group determines fair values of various financial assets and financial liabilities.

40.1 Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

40.2 Fair value measurements recognised in the statements of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

40.3 Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values except for equity investment in National Switch Limited (Natswitch) as disclosed below.

Fair value measurement of equity investment**Equity investment measured at fair value (Level 3)**

As at 31 December 2025, the group holds an unquoted equity investment in National Switch Limited, measured at fair value through other comprehensive income (FVOCI). The fair value of this investment is categorised as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs.

Fair value hierarchy**Group and Company**

Asset	Fair value at 31 December 2025 MK'm	Level
National Switch Limited	4 190	3

Notes to the Financial Statements (continued)

40. Fair value measurements (continued)

40.3 Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) (continued)

Valuation technique and unobservable inputs

The fair value of the unquoted equity investment has been determined using a market approach technique. This method involves;

- Identifying companies in similar industries to the subject company, in the open market and determining the appropriate multiples;
- Applying discounts/premiums to the quoted multiples to compensate for differences between the reasonably similar companies and the subject being valued.

The Enterprise value to EBITDA ("EV/EBITDA") ratio was used in the current year. An adjustment was made for cash, long-term loans and tax to accommodate third parties with interest in the company to arrive at the equity value. In 2024, the price-to-book (P/B) multiple was used for valuation, as the company had been incurring losses and there was significant uncertainty regarding its turnaround. Given the absence of positive earnings, P/B was considered the most appropriate metric at that time. However, following a successful turnaround, the company has now reported strong profits and robust cash flows. With the continuation of this positive performance in the current year, the EV/EBITDA multiple is now considered more appropriate for valuation purposes.

The significant unobservable inputs used in the valuation include discounts applied on the multiple. The observable multiple was adjusted for size, risk, geography and diversification discount by 45-50% (2024: 35-40%). Minority discount (18-20%) and marketability discounts of (13-14%) were applied. The minority and marketability discount are consistent with the prior year.

The higher the size, risk, geography and diversification discount applied on the multiple the lower the fair value.

- The higher the minority discount applied the lower the fair value.
- The higher the marketability discount applied the lower the fair value.

Reconciliation of Level 3 fair value measurement

Group and Company

Particular	2025 MK'm
Opening balance	373
Gains recognised in OCI	3 817
Closing balance	4 190

Sensitivity Analysis

The valuation will range between MK3.56 billion and MK4.89 billion when EBITDA and the applicable multiple are adjusted with a range of +/-2.5%.

The group determines the fair value of unquoted equity investments using valuation techniques that incorporate significant unobservable inputs, including management's estimates of future cash flows, discount rates, and growth rates. The valuation is reviewed annually and updated for significant changes in assumptions or market conditions.

41. Going concern

The Board of Directors ("Board") believes that, as of the date of this report, the going concern presumption is appropriate and accordingly, the consolidated and separate statements of the group and the company have been prepared on the going concern basis of accounting. Their assessment included an assessment of the relevance of its business models, the nature of the primary assets, and the cash-flows generated from these assets as well as the company's balance sheet. IAS 1 Preparation of financial Statements ("IAS 1") requires management to perform an assessment of the group's ability to continue as a going concern. If management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the group's ability to continue as a going concern, IAS 1 requires these uncertainties to be disclosed.

During the year ended 31 December 2025, the company recorded a net profit after tax of MK21.3 billion an increase from a net profit of MK10.05 billion recorded in 2024. As at the reporting date, the debt equity ratio improved from 138% in 2024 to 35% this year. This reduction was achieved through repayment of long-term debts and efficient working capital management.

42. Events subsequent to the reporting date

TNM is in discussion with Open Connect Limited (OCL) for a possible acquisition of its business assets. The transaction is subject to contract completion, approval from the competition commission and regulatory approvals. The company expects to complete the transaction by 31 May 2026.

43. Exchange rates and inflation

The average of selling and buying exchange rates at year end of major foreign currencies affecting the performance of the company are stated below, together with the increase in the National Consumer Price Index which represents an official measure of inflation.

	2025	2024
Kwacha/GBP	2 355.45	2 275.34
Kwacha/Euro	2 019.38	1 919.37
Kwacha/Rand	100.60	96.87
Kwacha/US Dollar	1 734.53	1 725.42
Inflation rate (%)	32.4	28.1

As at the time of approval of these financial statements, the above rates had moved as follows:

Kwacha/GBP	2 405.91
Kwacha/US Dollar	1 751.00
Kwacha/Euro	2 075.14
Kwacha/Rand	107.51
Inflation rate (%) (March 2026)	23.8

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TELEKOM NETWORKS MALAWI PLC

Notice and agenda of the 31st Annual General Meeting

Telekom Networks Malawi plc
(Company registration number COYR-K9019K)

NOTICE IS HEREBY GIVEN THAT THE 31ST ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF TELEKOM NETWORKS MALAWI PLC WILL BE HELD BOTH VIRTUALLY AND PHYSICALLY AT BINGU INTERNATIONAL CONVENTION CENTRE (BICC), LILONGWE, MALAWI, ON TUESDAY, 28TH JULY 2026 AT 09:00HRS AT WHICH THE FOLLOWING BUSINESS SHALL BE TRANSACTED:

ORDINARY BUSINESS

1. APPROVAL OF MINUTES

To consider and, if deemed fit, approve the minutes of the 30th Annual General Meeting held on 21st July 2025.

2. FINANCIAL STATEMENTS

To receive and consider for adoption the Audited Financial Statements of the Company for the year ended 31st December 2025, together with the report of the Directors and the Auditors thereon.

3. DIVIDEND

To consider, and if deemed appropriate, accept the Directors' recommendation to declare a final dividend of MK0.23 (twenty three) tambala per share out of the profit of the company for the year ended 31 December 2025.

Total dividends of MK7.96 billion equivalent to MK0.69 per share (2024: nil per share) are proposed for the period ended 31 December 2025.

MK2.31 billion : 20 tambala per share was declared in August 2025
MK3.00 billion : 26 tambala per share was declared in March 2026
MK2.65 billion : 23 tambala per share to be declared at the upcoming AGM

4. RE-APPOINTMENT OF AUDITORS

To re-appoint Deloitte, Chartered Accountants, as Auditors of the Company for the year ending 31st December 2026 and to authorize the Directors to determine their remuneration.

5. RE-ELECTION OF DIRECTORS

- 5.1. To re-elect Dr. Lyton Chithambo (47) who retires by rotation in terms of Article 21 of the Articles of Association but being eligible has offered himself for re-election.

Dr. Chithambo has over 20 years of dedicated, broad Malawi financial market knowledge and extensive hands-on experience in high level financial and risk analysis, business and strategy development, project analysis and management, and diverse aspects of operations management. His expertise in turnaround strategies was also confirmed by his certification by Harvard Business School corporate revitalization strategies program.

He also has substantial and impactful peer review research publications in Finance, Accounting and Risk. Prior to rejoining the corporate world, Dr. Chithambo lectured in finance, accounting, investment management and risk in United Kingdom for 3 years. Prior to this, he had spent almost 10 years at the Reserve Bank of Malawi helping champion reforms in the financial sector supervision division.

He is currently the Chief Operations Officer for Press Corporation Plc and sits on various boards of its subsidiaries.

- 5.2. To note that Mr. Khumbo Phiri. (46) retires by rotation in terms of Article 21 of the Articles of Association and has not offered himself for re-election.

6. NON-EXECUTIVE DIRECTORS' REMUNERATION

- 6.1. To consider, and if deemed fit, approve an increase in the remuneration of the Chairman and Non-Executive Directors as follows:

6.1.1. Annual Fees

Chairperson of Board of Directors: MK14,026,320.00 (2025: MK12,196,800.00) per annum
Chairperson of Board Committees: MK12,356,520.00 (2025: MK10,744,800.00) per annum
Other Non-Executive Directors: MK11,204,358.00 (2025: MK9,742,920.00) per annum

6.1.2. Sitting Allowances

Chairperson of the Board of Directors: MK1,028,863.00 (2025: MK935,330.00) per sitting
Chairperson of the Board Committees: MK937,024.00 (2025: MK851,840.00) per sitting
Other Non-Executive Directors: MK834,537.00 (2025: MK758,670.00) per sitting



7. OTHER BUSINESS

- 7.1. To transact such other business as may be transacted at an Annual General Meeting of members of which prior notice should have been given to the Company Secretary not less than 21 days before the date of the Annual General Meeting.

Dated: 29th June 2026

BY ORDER OF THE BOARD

CHISOMO GOVERNOR
COMPANY SECRETARY

Registered Office:
Telekom Networks Malawi Plc,
Fifth Floor, Livingstone Towers,
Glyn Jones Road,
P.O Box 3039,
Blantyre, Malawi.

NOTES

1. The Annual Report, also containing the pack for the Annual General Meeting (AGM), has been dispatched to shareholders and can also be accessed on the Company's website: www.tnm.co.mw. Additionally, a physical copy of the Annual Report can be collected from the Company's registered office or at the Company's Transfer Secretaries office at National Bank of Malawi plc, NBM Towers, Transfer Secretaries Section, Legal Department, 7 Henderson Street, Blantyre
2. A member entitled to attend and vote at the meeting is entitled to appoint a representative (if it is a body corporate or unincorporated association), or proxy (or more than one proxy) to attend, speak and vote in his/her/its stead. The representative or proxy need not be a member of the Company.
3. The instrument appointing a proxy or representative and the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of that power of attorney or authority shall be deposited at the Company Secretary's office or the Transfer Secretary's Office not later than forty-eight (48) hours before the time appointed for holding the meeting and in default the instrument shall not be treated as valid.
4. All shareholders who intend to attend the AGM virtually are required to register their email addresses by sending their name and email address to the Transfer Secretaries through email to tnmshareholders@natbankmw.com. A link to the meeting will be sent to shareholders through their registered email addresses.
5. All questions and comments pertaining to the AGM should be channelled to tnmshareholders@natbankmw.com or cosec@tnm.co.mw. The consolidated questions and responses shall be shared via the Company's website: www.tnm.co.mw.
6. The Company may process personal data of attendees at the meeting. This may include photos, videos, and audio and other forms of personal data, including your name, contact details and the votes you cast. The Company shall process such personal data in accordance with Data Protection laws. If you do not wish to be recorded or included in photographs or video footage, please contact the Company Secretary in advance of the meeting at cosec@tnm.co.mw.

Minutes of previous Annual General Meeting

TELEKOM NETWORKS MALAWI PLC

(COMPANY REGISTRATION NO. COYR-K9019K)

MINUTES OF THE 30TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY HELD AT SUNBIRD MOUNT SOCHE HOTEL, BLANTYRE, ON MONDAY, 21ST OF JULY 2025 FROM 14:00 HOURS

PRESENT:

Mr. Ted Sauti - Phiri	}	Chairman
Mr. Tobias Jack	}	Director
Dr. Lyton Chithambo	}	Director
Dr. Ronald Mangani	}	Director
Mr. Khumbo Phiri	}	Director
Mr. Gerald Chungu	}	Director
Dr. Frank Chozenga Phiri	}	Director

PRESENT VIRTUALLY

Ms. Madalo Nyambose	}	Director
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IN ATTENDANCE:

Ms. Nitta Chikaipa	}	Interim Company Secretary
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EXECUTIVE MANAGEMENT:

Mr. Michel A. Hebert	}	Chief Executive Officer
Mr. Lloyd Gowera	}	Chief Technical Officer
Mr. Peter Kadzitcha	}	Chief Finance Officer
Mr. Amon Jere	}	Chief Commercial Officer
Mr. Peter Munthali	}	Chief Information Officer
Ms. Dalitso Nkunika	}	Human Resources and Administration Director
Mr. Christopher Sukasuka	}	General Manager – TNM Mpamba Limited
Mr. Ackson Banda	}	Internal Audit Director

EXTERNAL AUDITORS

Mr. Vilengo Beza - Deloitte

SHAREHOLDERS PRESENT

No.	Names
1.	Jacqueline Kapyola
2.	Purity Chitalo
3.	Blessings Chinyamu
4.	Ronald Mangani
5.	Alex M. B. Chinyamu
6.	Douglas Nyirenda
7.	Douglas Musumbu
8.	Andrew Mkandawire
9.	Mverani Martin Chauluka
10.	Charles Katchire
11.	Takondwa Mlenga
12.	Gloria Maere
13.	Lucia Lucy Chola
14.	Frank Harawa
15.	Christopher Chamba
16.	Aubrey Kulugumba
17.	Joseph Maguza
18.	Arnold Kaombe
19.	G. Mwamira
20.	Chimwemwe Mangazi
21.	Sibhuza Ngwenya
22.	George Sambakunsi
23.	William Matewere
24.	Rex Kaunda
25.	Berta Trading
26.	Brian Kampanje
27.	Yankho Kampanje
28.	Yamiko Kampanje
29.	Ruth Magombo
30.	Christopher Makuta
31.	R. P. Musa
32.	Mrs. R. Phiri
33.	M. Kaumphawi
34.	Abel Kwelani
35.	Elson Mankhomwa
36.	Kondwani Kalua
37.	Snowden Chitsulo
38.	Annelisa Majamanda
39.	Darling Mathews Kachisi
40.	Grahna Kachisi
41.	Beston Jeremy Kachisi
42.	Hazel Chitsulo
43.	Fikile Chidzanja Nkhoma
44.	Maraaret Chitsulo
45.	Kondwani Chitsulo
46.	Desmond Chitsulo

SHAREHOLDERS REPRESENTED BY PROXIES

1. Press Corporation plc
2. Nico Life Insurance Company
3. Nico Life Deposit Administration Fund
4. NamI Public Service PF
5. Nico Timasuke Pension Fund - NBS
6. Nico Life Shareholders Fund
7. Nico Timasuke Pension Fund - Nico
8. National Investment Trust Limited
9. NamI Reserve Bank of Malawi Pension Fund
10. Nico Life Fund Limited
11. National Investment Trust Limited
12. Illovo Sugar Malawi Pension Fund
13. Press Corporation Limited Pension Fund
14. Nico Life Company
15. Limbe Leaf Tobacco Group Pension Fund
16. Associated Pensions Trust
17. Sucoma Group Pension Fund
18. Limbe Leaf Pension Fund
19. Nico General Insurance Company Ltd
20. Illovo Sugar Malawi Pension Fund
21. Associated Pensions Trust Ltd
22. Illovo Group Pension Fund
23. Associated Pensions Trust Limited
24. NamI - Gomezgani Neba
25. Toyota Malawi Severance Fund
26. Nico Life Group Life Assurance Fund
27. Nico Nominees A/C Unichem
28. Associated Pensions Trust Limited
29. Nico Life
30. Nico Life Annuities Fund
31. Old Mutual Life Assurance Co Mw Ltd
32. Old Mutual Life Assurance Company (Malawi) Ltd
34. Old Mutual Life Assurance Co.Mw.Ltd
35. Magetsi Pension Fund
36. Public Service Pension Trust Fund OML
37. Omig RBM Pension Fund
38. CHAM Pension Fund
39. Standard Bank Pension Fund
40. Standard Bank Pension Fund
41. Madzi Pension Fund OML
42. FMB Pension Fund
43. FMB Pension Fund
44. Indetrust Ltd Pension & Death Benefits Funds
45. National Bank of Malawi Pension Fund
46. FDH Holding Pension Fund
47. Cam Nominees A/C PCL Pension Fund
48. Cam Nominees A/C Magetsi Pension Fund
49. NBM Pal Unrestricted PF
50. Cam Nominees A/C Continental Unrestricted PF

51. RBM Provident Fund
52. Equity Investments Limited
53. TNM pension fund
54. TNM pension fund
55. NBM Equity Fund
56. STD Bank MW ITF Old Mutual Unit Trust Bal. Fund
57. Madzi Pension Fund Cap
58. Madzi Pension Fund - Cam
59. NBM Equity Fund
60. NBM Equity Fund
61. NBM Pension Fund
62. NBM Pension Fund
63. MPC Pension Fund
64. STD Bank MW ITF Old Mutual Unit Trust Bal. Fund
65. FDH Financial Holdings Ltd Pension Fund Omig
66. Aviation Pension Fund
67. NBM Pension Fund
69. NBM Equity Fund
70. Malawi Environmental Endowment Trust
71. NBM Equity Fund
72. Illovo Non-Contributory Pension Fund
73. The National Investment Trust Ltd
74. National Investment Trust Limited
75. CEAR Pension Fund
76. NBM Death Benefits Top Up Fund
77. Omig Ponson Properties
78. LifeCo Unrestricted Pension Fund
79. STB MW ITF Old Mutual Unit Trust Bal. Fund
80. Standard Bank ITF OMUT Balanced Fund
81. SUCOMA Group Pension Scheme
82. Limbe Leaf Pension Fund
83. CPL Pension Fund
84. CPL Pension Fund
85. FMB Pension Fund
86. Limbe Leaf Pension Fund
87. National Bank of Malawi Pension Fund
88. Madzi Pension Fund
89. Musa Gabriel Precious
90. Cam Nom / Audrey Mwala
91. Cam Nom / Allan Banda
92. Cam Nom / Bizvest Investment Group
93. Cam Nom / Chiza Jere
94. Cam Nom / Grant Mwenechanya
95. Cam Nom / Mabvuto J. Mukaka
96. Cam Nom / Tedaa Trust
97. Cam Nom / Themba Mzilahowa
98. Cam Nom A/C Helen C.S. Mkandawire
99. Cam Nom Abundant Life Investment Trust
100. Cam Nom Bertha Phingiwe Misomali
101. Cam Nom Brenald Martin Dzonzi
102. Cam Nom Chikumbutso Namelo

103. Cam Nom Dr. Chipiliro Kadzongwe
 104. Cam Nom Eugenio Tebulo
 106. Cam Nom Eunice Itate
 107. Cam Nom Hoka Coaching Centre
 108. Cam Nom Lillian Henriette Thindwa
 109. Cam Nom Mathews Mtumbuka
 110. Cam Nom Michael Malingamoyo
 111. Cam Nom Motha Investment Ltd
 112. Cam Nom Pirira Chirwa Kachiwala
 113. Cam Nom Reuben Kumwenda and Lillian Chirwa
 114. Cam Nom Ronald ITF Ronhenry Tsonga
 115. Cam Nom SMGSS Class of 91 Investors
 116. Cam Nom Tchutchutchu Group
 117. Cam Nom Vanguard Pension Serv Co. SHF
 118. Cam Nominees A/C Multi Choice Malawi Ltd PF
 119. Cam Nominees A/C CEAR P/F
 120. Cam Nominees A/C Central East African Railways
 121. Cam Nominees A/C Ethyo Trust
 122. Cam Nominees / DDD & PC Charitable Trust
 123. Cam Nominees / Simon Itaye
 124. Cam Nominees / United General Insurance
 125. Cam Nominees A/C Chisomo Katulukira
 126. Cam Nominees A/C Rebert Abbey
 127. Cam Nominees A/C Sophie Katulukira
 128. Cam Nominees A/C Takondwa Katulukira
 129. Cam Nominees A/C Abdul Panjwani
 130. Cam Nominees A/C Almond Investment Alliance
 131. Cam Nominees A/C Anastasia Chirambo
 132. Cam Nominees A/C Anne Fletcher
 133. Cam Nominees A/C Arnold Hastings Makanda
 134. Cam Nominees A/C Aviation Pension Fund
 135. Cam Nominees A/C Bena Nkhoma
 136. Cam Nominees A/C Benard Mwenebungu
 137. Cam Nominees A/C Benedicto and Victoria Nkhoma
 138. Cam Nominees A/C Bernard P.P Mwenebungu
 139. Cam Nominees A/C Bertha Magwira
 140. Cam Nominees A/C Bride Investments
 141. Cam Nominees A/C Bywell Blair Chiwoni
 142. Cam Nominees A/C CDH Group
 144. Cam Nominees A/C CEAR Pension Fund
 145. Cam Nominees A/C CHAM Pension Fund
 146. Cam Nominees A/C Chatonda Manda
 147. Cam Nominees A/C Chaupi Chihana
 148. Cam Nominees A/C Chifwayi Chirambo
 149. Cam Nominees A/C Chikondi Senzani
 150. Cam Nominees A/C Chimwemwe Katulukira
 151. Cam Nominees A/C Chisomo Faith Kuyenda
 152. Cam Nominees A/C Chiwawa Nkhoma
 153. Cam Nominees A/C Chiza Austin Patrick Jere
 154. Cam Nominees A/C Christine and Balraj Sharma
 155. Cam Nominees A/C Christopher Kapanga

156. Cam Nominees A/C Clement Kayila
 157. Cam Nominees A/C Collins Mtambo
 158. Cam Nominees A/C Constance Musopole
 159. Cam Nominees A/C Continental Unrestricted PF
 160. Cam Nominees A/C Daniel Henry Dunga
 161. Cam Nominees A/C David ITF Divine Mzandu
 162. Cam Nominees A/C Denzio Likungwa
 163. Cam Nominees A/C Dr. Chatonda Manda
 164. Cam Nominees A/C Dr. Kawaza
 165. Cam Nominees A/C Dr. Kondwani Kawazai
 166. Cam Nominees A/C Dr. Tilinde Chokotho
 167. Cam Nominees A/C Dr. Titha Moses Dzwela
 168. Cam Nominees A/C Elias Azele Malion
 169. Cam Nominees A/C Elias Banda
 170. Cam Nominees A/C Evarista Chafulumira
 171. Cam Nominees A/C Faith Kufeyani Daudi
 172. Cam Nominees A/C Faith Mzandu
 173. Cam Nominees A/C Farida Mendes
 174. Cam Nominees A/C Felicite Sazuze
 175. Cam Nominees A/C First Street Fund
 176. Cam Nominees A/C George Nnensa
 177. Cam Nominees A/C Gloria Angella Chingota
 178. Cam Nominees A/C Gomezgani Neba
 179. Cam Nominees A/C H.H. Hanjahanja
 181. Cam Nominees A/C Harold Lungu
 182. Cam Nominees A/C Henosis Group Investment Group
 183. Cam Nominees A/C Henry Mathanga
 184. Cam Nominees A/C Ian Bonongwe
 185. Cam Nominees A/C Ida Fatch Suliwa
 186. Cam Nominees A/C Ida Suliya
 187. Cam Nominees A/C Indira Sharma Surtee Trust
 188. Cam Nominees A/C Indiss Trust
 189. Cam Nominees A/C Investmates Limited
 190. Cam Nominees A/C Isaac Yamikani Chilima
 191. Cam Nominees A/C Isabel Kachinjika
 192. Cam Nominees A/C J & J Nsamala Trust
 193. Cam Nominees A/C James Bwirani
 194. Cam Nominees A/C James Mbingwa
 195. Cam Nominees A/C John Lino
 196. Cam Nominees A/C Jones J Chidothe
 197. Cam Nominees A/C Kelvin Mponda
 198. Cam Nominees A/C Kenneth Mmadi
 199. Cam Nominees A/C Khumbo & Hilda Soko
 200. Cam Nominees A/C Kingsley Zulu
 201. Cam Nominees A/C Labren Frank Sondhi
 202. Cam Nominees A/C Lorraine Chalamba Itf Tavereli
 203. Cam Nominees A/C Loyce Merrick
 204. Cam Nominees A/C Lucy Nyirenda
 205. Cam Nominees A/C Lusizi Mhangho
 206. Cam Nominees A/C Luvinda General Dealers
 207. Cam Nominees A/C Lydia Sauti Phiri

208. Cam Nominees A/C Magetsi Pension Fund
 209. Cam Nominees A/C Maja Trust
 210. Cam Nominees A/C Major & Fortune Mwawa
 211. Cam Nominees A/C Mathias Malunga
 212. Cam Nominees A/C Matilda Kachule
 213. Cam Nominees A/C Matundu Mbulo Trust
 214. Cam Nominees A/C Maxwell Mtupanyama
 215. Cam Nominees A/C Mayamiko & Tereza Mtimaukanena
 216. Cam Nominees A/C Mayamiko Bazale
 218. Cam Nominees A/C Mbiraga Mussa
 219. Cam Nominees A/C Mercy Banda
 220. Cam Nominees A/C Mercy Kumbatira
 221. Cam Nominees A/C Mirrium Chisi
 222. Cam Nominees A/C Misheck Esau
 223. Cam Nominees A/C Modesai Msisha
 224. Cam Nominees A/C Monfort Howahowa
 225. Cam Nominees A/C Mr. Devanand Manubhai Amin
 226. Cam Nominees A/C Mtakati Holdings
 227. Cam Nominees A/C Mwiza & Dorica Nkhata
 228. Cam Nominees A/C Nginache Nampota
 229. Cam Nominees A/C O & A Trust
 230. Cam Nominees A/C O And A Trust
 231. Cam Nominees A/C Omar Farrok Siddiq
 232. Cam Nominees A/C Panja Ziyad Yunus
 233. Cam Nominees A/C PCL Pension Fund
 234. Cam Nominees A/C Pempho Chalamanda
 235. Cam Nominees A/C Peter Maele
 236. Cam Nominees A/C Pierre Mhango
 237. Cam Nominees A/C Precious Kumbatira
 238. Cam Nominees A/C Press Motor Fund
 239. Cam Nominees A/C Principal Mdolo
 240. Cam Nominees A/C Public Service Pension Trust Fund
 241. Cam Nominees A/C Raphael Kamoto
 242. Cam Nominees A/C Renee Chikaonda
 243. Cam Nominees A/C Robert Abbey
 244. Cam Nominees A/C Rowland Imran Masi
 245. Cam Nominees A/C Samba Nyirenda Esau
 246. Cam Nominees A/C Shadrack Chikusilo
 247. Cam Nominees A/C Sylvia Gomes
 248. Cam Nominees A/C St. Martins House
 249. Cam Nominees A/C Stella Nthara
 250. Cam Nominees A/C T H Trust
 251. Cam Nominees A/C Takondwa Kausi
 252. Cam Nominees A/C Tamandani Mzandu
 253. Cam Nominees A/C Temwa Nyirenda
 255. Cam Nominees A/C Thokozani Katulukira
 256. Cam Nominees A/C Thokozani Mwapasa
 257. Cam Nominees A/C Tiwonga Kaluwa
 258. Cam Nominees A/C Tiyenkhu Chavula
 259. Cam Nominees A/C Tiyezge Matandika
 260. Cam Nominees A/C Towera Gondwe Chigwenembe

261. Cam Nominees A/C Udziti Capital
 262. Cam Nominees A/C UGI Company Limited
 263. Cam Nominees A/C Unrestricted PF
 264. Cam Nominees A/C Vanguard Pension Services Company
 265. Cam Nominees A/C Vintage Investico Limited
 266. Cam Nominees A/C Weston S. Chindebvu
 267. Cam Nominees A/C Wezi Kumwenda
 268. Cam Nominees A/C Yalenga Likaku
 269. Cam Nominees A/C ZMR Investment Group
 270. Cam Nominees DDD & PC Charitable
 271. Cam Nominees Joline Bapu
 272. Cam Nominees A/C David ITF Favour Mzandu
 273. Cam Nominees A/C Gillian Nkhalamba
 274. Cam Nominees A/C Graham Carr
 275. Cam Nominees A/C Khusi Trust
 276. Cam Nominees A/C Lillian H. Thindwa
 277. Cam Nominees A/C Makhumbo Chikaonda
 278. Cam Nominees A/C MUST Gratuity Fund
 279. Cam Nominees A/C Pamawa Investments Group
 280. Cam Nominees A/C Sam Thunde & Rachel Erickson
 281. Cam Nominees A/C Tiwonge Kaluwa
 282. Canda Trading & Investments Ltd
 283. CDH Asset Mgt A/C Dr. Kondwani Kawaza
 284. CDHAM A/C Sazuze ITF Felicite Katrina Sazuze
 285. CDHAM A/C MEET
 286. CDHAM A/C Shabir Mussa ITF Laabih S Mussa
 287. CDHAM Nominees A/C CEAR Pension Fund
 288. CDHAM Nominees A/C Kingsley Zulu

NON-SHAREHOLDERS PRESENT

No.	Names
1.	Lindah Sewero
2.	Linda Nkhonjera
3.	Freedom Chirwa
4.	Cyrus Kandodo
5.	Dziwani Kabvalo
6.	G. Phiri
7.	Potina Herbert
8.	Mark Lackson
9.	Trinity Mau
10.	Alex Zhang
11.	Douglas David Nyirenda
12.	Mwayi Kachoka
13.	Sharon Chirwa
14.	Mtisunge Mbwana
15.	Khatija Khan Makungwa
16.	Daniel Milandu
17.	Sunganani Kalingu

18. Steven Mkwetera
19. Wilfred Wasili
20. Sandra Salim
21. Emanuel Moyo
22. Veracious Mphuwa
23. Agnes Kamaliza
24. Moureen Mbeye
25. Joseph Kapite
26. Takondwa Kamtwangala
27. Steve Tembo
28. Evelyn Banda
29. Esther banda
30. Femidah Mbaula
31. Lonely Kandaya
32. Esther Mpungula
33. Redson K. Jere
34. Richard Tiyesi
35. Chimwemwe Mangazi
36. Mayamiko Phiri
37. Britta Mpata
38. Eliezer Tembo
39. Andrew Tembo
40. Angela Saidi
41. Pemphero Musowa
42. Shaiffie A. Mtembo
43. Hezekiah Namonde
44. Chris Sande
45. Noel Mkwaila
46. Gift Kaimira
47. Ackson Banda
48. Victor Munthali
49. Steven Ngwira
50. Lloyd Gowero
51. Peter Kadzitchi
52. Chris Sukasuka
53. Nordeen Majaja
54. Stanley Phiri
55. Levison Fraser
56. Wakisa Msindira
57. Jean Kalampa
58. Dyson Mwadzera
59. Gift Kasonda
60. Tayesa Mvula
61. Sebastian Nkosi
62. Hastings Wakhuta
63. Rondwell Harawa
64. Noel Nkukumila

01.25 WELCOME REMARKS

- 01.25.1 The meeting was called to order at 2:00pm by the Chairman who welcomed all those who attended the meeting.

02.25 NOTICE AND QUORUM

- 02.25.1 The notice of the meeting, which was published in the local papers, was taken as read.
- 02.25.2 The Secretary confirmed that since there were more than three (3) shareholders present in person or by proxy, the requirements for a quorum set out in Article 27.2 of the Articles of Association, quorum was confirmed.

03.25 PROXIES

- 03.25.1 The Secretary confirmed that 248 instruments of proxy had been received.

04.25 ADOPTION OF AGENDA

- 04.25.1 The Agenda was adopted without amendment.
- 04.25.2 The Secretary informed the meeting that notice had not been received of any other business to be transacted at the meeting.

05.25 CONFIRMATION OF THE MINUTES OF THE 29TH ANNUAL GENERAL MEETING HELD ON TUESDAY 23RD JULY 2024

- 05.25.1 On a proposal of the motion duly seconded and voted on, it was resolved that the Minutes of the 29th Annual General Meeting be confirmed as a correct record of the proceedings thereat.

06.25 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024 AND THE DIRECTORS' AND AUDITORS' REPORTS THEREON

- 06.25.1 The audited Financial Statements and the Directors' and Auditors' Reports for the year ended 31st December 2024 were presented.
- 06.25.2 On a proposal of the motion duly seconded and voted on, it was resolved that the Financial Statements for the year ended 31st December 2024 together with the Reports of the Directors and Auditors thereon as presented at the meeting be adopted.

07.25 DECLARATION OF FINAL DIVIDEND

- 07.25.1 During the year ended 31st December 2024 no interim dividend was declared as recommended by the Directors.

07.25.2. On a proposal of the motion duly seconded and voted on, it was resolved that in respect of the year ended 31st December 2024, no dividend be declared.

08.25. RE-APPOINTMENT OF AUDITORS

08.25.1. Deloitte had indicated their willingness to continue to act as Auditors of the Company during the financial year ending 31st December 2025.

08.25.2. On a proposal of the motion duly seconded and voted on, it was resolved that, having agreed to act as Auditors, Deloitte Chartered Public Accountants, be appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorized to fix the remuneration of the Auditors.

09.25 DIRECTOR'S RESIGNATION

It was noted that during the year, Mr. Lekani Katandula resigned from the Board as a Director. On behalf of the entire Company, the Chairman expressed his deepest gratitude for the services he offered to TNM.

10.25 APPOINTMENT OF DIRECTORS

10.25.1 APPOINTMENT OF DR. FRANK DALITSO CHOZENGA AS DIRECTOR

To confirm the appointment of Dr. Frank Dalitso Chozenga who was co-opted during the year to fill a casual vacancy. His qualifications and experience were set out in the notice of the meeting.

10.25.2. On a proposal of the motion duly seconded and voted on it was resolved that Dr. Frank Dalitso Chozenga Phiri who was co-opted during the year to fill a casual vacancy, be appointed as Director.

11.25 RE- ELECTION OF MR. TOBIAS JACK AS DIRECTOR

11.25.1. Mr. Tobias Jack retired by rotation in terms of Article 21 of the Articles of Association, but, being eligible, offered himself for re-election.

11.25.2. On a proposal of the motion duly seconded and voted on, it was resolved that Mr. Tobias Jack, who retired by rotation in terms of Article 21 of the Articles of Association but, being eligible, offered himself for re-election be re-elected as Director.

12.25 RE-ELECTION OF DR. RONALD MANGANI AS DIRECTOR

Dr. Ronald Mangani retired by rotation in terms of Article 21 of the Articles of Association, but, being eligible, offered himself for re-election.

12.25.1. On a proposal of the motion duly seconded and voted on, it was resolved that Dr. Ronald Mangani, who retired by rotation in terms of Article 21 of the Articles of Association but, being eligible, offered himself for re-election be re-elected as Director.

13.25. APPROVAL DIRECTORS' REMUNERATION

13.25.1. On a proposal of the motion duly seconded and voted on, it was resolved that Annual Retainer Fees for the Chairman of the Board of Directors, the Chairpersons of the Board Committees and other Non-Executive Directors with effect from 1st August 2025 be increased by 20% as follows:

13.25.1.1.1 Annual Retainer Fees

Chairperson of Board of Directors: MK12,196,800 per annum
Chairperson of Board Committees: MK10,744,800 per annum
Other Non-Executive Directors: MK9,742,920 per annum

13.25.2. On a proposal of the motion duly seconded and voted on, it was resolved that the meeting attendance fees for the Chairman of the Board of Directors, Chairpersons of the Board Committees and other Non-Executive Directors with effect from 1st August 2025 be increased by 10% as follows:

13.25.2.1.1 Meeting Attendance Fees

Chairperson of the Board of Directors: MK935,330.00 per sitting
Chairperson of the Board Committees: MK851,840.00 per sitting
Other Non-Executive Directors: MK758,670.00 per sitting

14.25 AMENDMENT OF THE MEMORANDUM OF ASSOCIATION

14.25.1. Following the special resolution of the Company to amend the memorandum of association of the company to convert the ordinary shares of the Company from shares of nominal value to shares of no par or nominal value, that the Company's Memorandum of Association.

14.25.1. On a proposal of the motion duly seconded and voted on, it was resolved that the current clause 5 be deleted and replaced with the following: The stated capital of the Company is K32,269,037,294.23.

15.25 ALTERATION OF SELECTED PROVISIONS OF ARTICLES OF ASSOCIATION

15.25.1. A recommendation was made that Article 20.2 of the Articles of Association of the Company be amended to align with Section 11.20(d) of Schedule 11 of the Malawi Stock Exchange Listings Requirements.

15.25.1.1. On a proposal of the motion duly seconded and voted on, it was resolved that the Article 20.2 of the Articles of Association of the Company should not be amended.

15.25.2 A recommendation was made that Article 66.3 of the Articles of Association of the Company be amended to align with Section 11.22(d) of Schedule 11 of the Malawi Stock Exchange Listings Requirements and the Public Finance Management Act, 2022.

15.25.2.1 On a proposal of the motion duly seconded and voted on, it was resolved that Article 66.3 of the Articles of Association of the Company should not be amended.

16.25 ANY OTHER BUSINESS/CLOSURE

As there was no further business to discuss for which prior notice had been given, the meeting was declared closed at 16:22 hours.

CONFIRMED AS CORRECT



MR. TED SAUTI- PHIRI

Form of proxy



Telekom Networks Malawi plc

FORM OF PROXY FOR THE 31ST ANNUAL GENERAL MEETING

I/We _____ [name(s) in block letters]

of _____ [address]

being a shareholder / member of the above-named company and entitled to [1 share = 1 vote]

number of votes

Agenda item	Mark with an 'X' where applicable		
	In Favour	Against	Abstain
1. Approval of Minutes of the 30th AGM			
2. Adoption of the 2025 financial statements, Auditors and Directors' reports			
3. Declaration of final dividend			
4. Reappointment of Deloitte as Auditors for the financial year 2026			
5. Approval to authorise Directors to fix the remuneration of the Auditors.			
6. Re-election of Dr. Lyton Chithambo as Non-executive Director of the Company			
7. Approval of Directors' remuneration <u>Annual Fees</u> Chairperson of Board of Directors: MK12,196,800 (2024: MK10,164,000) per annum			
Chairperson of Board Committees: MK14,026,320.00 (2025: MK12,196,800.00) per annum			
Other Non-Executive Directors: MK11,204,358.00 (2025: MK9,742,920.00) per annum			
<u>Sitting Allowances</u> Chairperson of the Board of Directors: MK1,028,863.00 (2025: MK935,330.00) per sitting			
Chairperson of the Board Committees: MK937,024.00 (2025: MK851,840.00) per sitting			
Other Non-Executive Directors: MK834,537.00 (2025: MK758,670.00) per sitting			

Signed at _____ on this _____ day of _____ 2026

Signature _____

Assisted by me _____ [where applicable] [see Note 3]

Assisted by me _____ [where applicable] [see Note 3]
Full name(s) of signatory(ies) if signing in a representative capacity [see Note 4]

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her/its stead. A proxy need not be a member of the company.
2. If this proxy form is returned without any indication as to how the proxy should vote, the proxy will be entitled to vote or abstain from voting as he/she thinks fit.
3. A minor must be assisted by his/her guardian.
4. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless the company has already recorded that authority.
5. In order to be effective, proxy forms must reach the registered office of the company Fifth Floor, Livingstone Towers, P O Box 3039, Blantyre, Malawi or the transfer secretaries National Bank of Malawi, Transfer Secretaries Section, Legal Department, NBM Towers, 7 Henderson Street, P.O. Box 945, Blantyre, Malawi by not later than forty-eight (48) hours before the time appointed for holding the meeting.
6. The delivery of a duly completed proxy form shall not preclude any member or his/her/its duly authorised representative from attending the meeting, speaking and voting instead of such duly appointed proxy.
7. If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form, and whose name is not deleted, shall be regarded as the validly appointed proxy.

ANNUAL GENERAL MEETING ON 28 JULY 2026

HOW TO ACCESS VOTING APP

1. Open your internet browser and go to: www.tnm.co.mw/agm
2. Alternatively, scan the QR Code below:

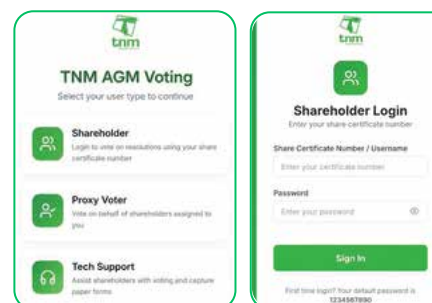


3. To log in to the App, you will need the following:

- Shareholder Certificate Number / Username
- Default Password **'1234567890'**

HOW TO LOGIN

1. Once the app opens, the page below will appear;



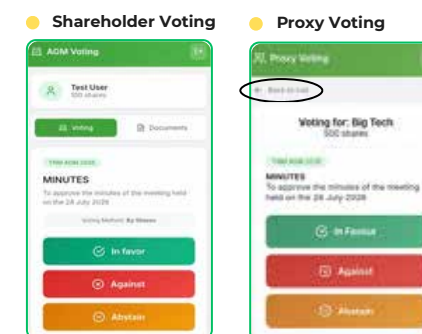
- Select your role: Proxy or Shareholder

- Enter shareholder certificate number / username

- For proxies, use your registered email address as the username.
- Enter the default password provided.
- You will be required to change your password before proceeding.
- The new password must have a minimum of 10 characters.

HOW TO VOTE

- Vote for each resolution by clicking; **In Favour, Against or Abstain.**
- You will have 30 seconds to vote, after which the next resolution will be displayed.



Note:

If you are acting as a proxy, please follow the steps below to vote:

- At each resolution, click on the shareholder's name you are voting on behalf of and proceed to cast vote.
- To vote for a different shareholder, click **Back to List** as highlighted above, under proxy voting.
- Repeat the process for each shareholder as needed.
- The progress of votes submitted for each shareholder will be displayed for your reference.

Head office

Off Glyn Jones Road, Livingstone Towers, Fifth Floor
c/o Telekom Networks Malawi Plc, Livingstone Towers
P.O. Box 3039, Blantyre, Malawi
Tel: +265 (0) 888 800 800 Fax: +265 (0) 1 830 092
Email: customer@tnm.com.mw

Administration

Service Centre	Location
TNM Mzimba Service Centre	Mzimba Boma
TNM Mzuzu Shoprite Service Centre	At Mzuzu Shopwise
TNM Ntcheu Service Centre	Ntcheu Township Opposite Old Bus Depot
TNM Balaka Service Centre	Opposite NBS Bank
TNM BICC Service Centre	Bingu International Convention Center
TNM Blantyre Service Centre	Blantyre City in Livingstone Towers
TNM Maselama Service Centre	Area 43 Opposite Area 30 Filling Station
TNM Chitipa Service Centre	Chitipa Township Near Chitipa Old Market
TNM City Centre Service Centre	Opposite Select Financial Services
TNM Cross Roads Service Centre	Opposite Crossroads Hotels
TNM Dedza Service Centre	Dedza Township Closer to the Bus Depot
TNM Gateway Mall Service Centre	At Gateway Opposite National Bank
TNM Karonga Service Centre	Karonga Township Next to National Bank
TNM Kasungu Service Centre	Kasungu Township Opposite Chikho Hotel
TNM KIA Service Centre	Kia International Airport
TNM Limbe Service Centre	Limbe Township Opposite Limbe Police
TNM Liwonde Service Centre	Liwonde Township Next to Banja La Mtsogolo
TNM Mangochi Service Centre	Mangochi Township Opposite FDH Bank
TNM Mchinji Service Centre	Mchinji Township Opposite National Bank
TNM Mponela Service Centre	Mponela Trading Center
TNM Mwanza Service Centre	Mwanza Township Next to Vitafoam
TNM Mzuzu Service Centre	Mzuzu Township in Mpico House
TNM Nchalo Service Centre	Nchalo Township Opposite National Bank
TNM Nkhatabay Service Centre	Nkhatabay Township Next to Zanack Pharmacy
TNM Salima Service Centre	Salima Township Next to NBS Bank
TNM Zomba Service Centre	Zomba Township Opposite One Acre Fund
TNM Mulanje Service Centre	Mulanje Township Next to Marantha Herbal Clinic
TNM Rumphi Service Centre	Rumphi Township Next to Kulima Gold
TNM Phalombe Service Centre	Phalombe Township Next to Nice
TNM Jenda Service Centre	Jenda Trading Center
TNM Nsanje Service Centre	Nsanje Boma Near Mbanyale Lodge
TNM Northgate Service Centre	Blantyre Ginnery Corner
TNM Area 23 Service Centre	Area 23 Market
TNM Area 2 Service Centre	Lilongwe Township Closer to the Mosque
TNM Chichiri Service Centre	Chichiri Shopwise
TNM Lilongwe City Mall Service Centre	Opposite Game Stores



Cities Districts

1. Super Dealers	96
2. Mobile Money Branches	426
3. Mpamba Agents	123,955
4. KYC Agents	21,557