ANNOUNCEMENT OF RELATED PARTY TRANSACTION

In accordance with paragraph 10.5(h)(i)(c) of the Malawi Stock Exchange Listings Requirements ("MSE Listings Requirements"), an issuer is required to publish details of a relevant related party transaction in line with paragraph 10.4(1)(a) of the MSE Listings Requirements. Telekom Networks Malawi Plc ("TNM" or "the Company") accordingly informs its shareholders of a proposed related party transaction as follows:

1. Parties to the Transaction

Purchaser:
Telekom Networks Malawi Plc

Vendor:
Open Connect Limited ("OCL")
OCL is a related party of TNM as Press Corporation plc holds 45.21% of the shares in TNM and 21.8% of the shares in OCL.

2. Description of the Transaction
TNM intends to enter into an Asset Purchase Agreement for the acquisition of specified Data Centre Assets owned by OCL. The transaction is structured as an acquisition of assets only and does not involve the acquisition of shares in OCL or the assumption of OCL's historical business liabilities.

3. Description of the Assets and Business
The Data Centre Assets comprise land, purpose-built data centre building, generators, UPS, cooling equipment, fire suppression systems, security systems, environmental monitoring systems and server racks.

The Business carried on by means of the Data Centre Assets is the operation of a data centre facility providing colocation, hosting and related infrastructure services. Through the facility, an operator makes available to customers secure physical space (including server racks and cabinets) together with the resilient power, cooling, connectivity and physical and logical security necessary to house, operate and maintain customers' information technology equipment and to host, store and process their data and computing workloads.

The facility is engineered with redundant power infrastructure (generators and uninterruptible power supplies), precision cooling, fire suppression, security and environmental monitoring systems so as to deliver a controlled, high-availability operating environment suitable for the continuous hosting and processing of business-critical and mission-critical IT workloads.

Data centre assets are also required by telecommunications companies because their core network functions, billing and charging systems, subscriber and customer relationship management platforms, network operations and monitoring systems, value-added services, and virtualised network functions and cloud-native applications on which service delivery depends, all run on IT workloads that must be hosted within a secure, resilient and continuously available environment.

4. Consideration
The consideration payable for the acquisition is Twelve Billion Malawi Kwacha **(MK12,000,000,000).**

The consideration shall be satisfied as follows:
- Cash consideration: **MK12,000,000,000**; and
- No deferred consideration is payable.

5. Net Asset Value
The net book value of the Data Centre Assets as at 30 June is MK11,633,356,750.33. The only liability attaching to the assets is a loan in the sum of MK11,046,125,810.77. Accordingly, the net asset value attributable to the Data Centre Assets as at 30 June 2026 is MK587,230,939.56.

Based on the Company's preliminary assessment, the transaction is not expected to have a material effect on TNM's net asset value per share.

6. Profitability of the Assets
The Data Centre Assets have not previously been commercialised and accordingly did not generate profit during the financial year ended 31st December 2025. Following commissioning, the facility was placed under care and maintenance.

Based on the Company's preliminary assessment, the transaction is not expected to have a material effect on TNM's earnings per share in the current financial year.

7. Expected benefits of the Transaction
The acquisition addresses TNM's current and anticipated Data Centre infrastructure requirements by providing immediate access to a secure, resilient and purpose-built facility capable of supporting the Company's operational and strategic objectives.

The strategic significance of the asset extends well beyond TNM's internal requirements. Demand for in-country compute and storage is accelerating sharply, driven by the rise of artificial intelligence, accelerating cloud adoption, and the growing expectation across government, the financial sector and business that Malawian data be stored and processed within Malawi's borders. AI workloads in particular are data- and compute-intensive and depend on precisely the kind of resilient, well-powered and well-cooled facility this asset provides. As data-localisation requirements take hold and enterprises increasingly seek sovereign, low-latency hosting at home rather than in foreign facilities, demand for quality domestic Data Centre capacity will only intensify.

The transaction is accordingly expected to:

i. provide a secure and resilient home for TNM's core network and IT systems including the equipment that routes voice calls, SMS and internet traffic, and the servers that run essential business functions such as billing, mobile money, customer records and enterprise applications;

ii. work in tandem with TNM's existing state-of-the-art operational data centre in the southern region to provide stronger resilience in TNM network services, with full disaster recovery features that will improve TNM's business continuity program;

iii. strengthen TNM's Data Centre infrastructure and capacity to meet the accelerating demand for data hosting, storage, disaster recovery and related digital services. It is a timely alternative to a data centre facility in the central region which is not sufficient for TNM's current needs;

iv. provide a scalable, institutional-grade platform (52 racks of immediate capacity, internally expandable to 104 racks) positioned to support the compute- and storage intensive workloads generated by artificial intelligence, cloud services and enterprise digitalisation;

v. enable TNM to commercialise the facility through colocation, cloud and hosting services to government, financial institutions and enterprises, opening a high-growth revenue stream at the centre of the country's emerging digital and AI economy and materially enhancing the return on the investment; and

vi. advance TNM's long-term digital infrastructure strategy, and the wider objective of Malawian data sovereignty, at a cost that compares favourably with alternative options for securing equivalent Data Centre capacity.

The TNM Board of Directors is satisfied that the acquisition materially strengthens TNM's technological foundation, positions the Company to capture the growth in domestic demand for AI and cloud-ready infrastructure, and enhances its ability to serve the evolving requirements of its customers and stakeholders in an increasingly data-driven market.

8. Fairness Opinion
Paragraph 10.5(h)(i)(b) of the MSE Listings Requirements has been complied with. The Board Audit Committee of TNM has reviewed the terms of the Transaction and determined that the terms of the Transaction are fair as far as the shareholders of the Company are concerned. A fairness opinion has been issued by the Board Audit Committee.

The fairness opinion will be available for inspection at TNM's registered office for a period of twenty-eight (28) days from the date of this announcement. Shareholders can also request to be furnished with the fairness opinion by email to cosec@tnm.co.mw.

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

By Order of the Board
CHISOMO NYEMBA GOVERNOR
COMPANY SECRETARY

30th June 2026

The Best Network in Malawi