

PRESS ANNOUNCEMENT

PROPOSED ACQUISITION OF NATIONAL FIBRE NETWORK INFRASTRUCTURE FROM OPEN CONNECT LIMITED

Shareholders and the investing public are advised that the board of directors of TNM (the “Board”) has resolved, subject to the approval of shareholders and to the requisite regulatory approvals, to acquire from Open Connect Limited (“OCL”) their national fibre network infrastructure, together with all associated rights, fixtures and ancillary assets (the “Fibre Assets”), for an aggregate cash consideration of **MK 11,500,000,000 (Eleven Billion, Five Hundred Million Malawi Kwacha)** (the “Proposed Transaction”).

This announcement is made in compliance with Paragraphs 10.4(1) and 9.11 of the Malawi Stock Exchange Listings Requirements (the “Listings Requirements”).

1. Particulars of the Proposed Transaction and the vendor

The Proposed Transaction is an acquisition of assets. The vendor is OCL, a company incorporated in Malawi, and the purchaser is TNM. The Fibre Assets comprise fibre network infrastructure of an aggregate length of approximately 2,983 kilometres, made up of backbone links of approximately 2,118 km, metro links of approximately 430 km, an access network of approximately 793 km and FTTx of approximately 77 km, together with all associated rights, fixtures and ancillary assets necessary for the continued operation and maintenance of the network.

These include the physical infrastructure and active and passive equipment, the network elements, all rights of way, easements, wayleaves and permits, the technical documentation and the applicable business licences. The Proposed Transaction is structured as an acquisition of assets only; OCL's liabilities prior to completion are not assumed by TNM.

2. Description of the business carried on using the Fibre Assets

The Fibre Assets constitute the fibre transport infrastructure used to carry telecommunications and data traffic across Malawi. The network is the physical optical layer over which voice, data and internet services – including high-capacity data services, mobile data backhaul for 4G and 5G, broadband, and cloud, streaming and data-centre connectivity – are conveyed to retail and enterprise customers, linking the country end to end. TNM presently leases fibre capacity to carry its own traffic, including from OCL as its principal supplier, and will, upon completion, own and operate the Fibre Assets directly in support of its telecommunications business, carrying its services over infrastructure it controls rather than over leased third-party capacity.

3. Consideration and how it is to be satisfied

The consideration for the Fibre Assets is MK 11,500,000,000 (Eleven Billion, Five Hundred Million Malawi Kwacha), payable in cash. There are no arrangements for deferred consideration.

4. The related party relationship

The vendor, OCL, is a related party of TNM. Press Corporation plc (“PCL”) is the controlling shareholder of TNM, holding 45.21% of the shares in TNM, and also holds 21.8% of the shares in OCL. By reason of PCL's shareholding in both companies, OCL is a related party of TNM and the Proposed Transaction is a related party transaction for the purposes of Section 10 of the Listings Requirements.

5. Bases on which the terms were arrived at

The terms of the Proposed Transaction were arrived at through negotiation between the parties on an arm's length basis. The cash consideration of MK 11,500,000,000 represents exceptional value. On a comparative assessment, the replacement cost of building an equivalent network at current construction prices is materially in excess of the consideration, and the rights of way, wayleaves, easements, permits and licences comprised in the Fibre Assets – assembled over decades and spanning the length of the country – cannot readily be replicated by a new build. The fairness of the consideration has been assessed by an independent expert, Pinnacle Projects Limited, whose opinion is referred to in paragraph 10.

6. Value of the net assets and effect on net asset value per share

The netbook value of the Fibre Assets is MK15,611,614,007. Based on the Company's preliminary assessment, the Proposed Transaction is expected to not have a material effect on TNM's net asset value per share.

7. Profits attributable to the net assets and effect on net profit per share

The Fibre Assets did not generate profit during the financial year ended 31st December 2025, primarily because OCL operated at minimal capacity throughout the period owing to capital constraints. Notwithstanding that subdued performance, the infrastructure remains strategically sound and presents a significant opportunity for scale-up under TNM's ownership and operation. Based on the Company's preliminary assessment, the Proposed Transaction is expected to not have a material effect on TNM's earnings per share in the current financial year.

8. Rationale for, and benefits to, TNM

The Proposed Transaction is a strategic acquisition and the TNM Board of Directors is satisfied that it delivers clear, immediate and enduring benefits to the Company and its shareholders, including the following:

(a) Ownership and control of critical network infrastructure: TNM will own, operate and maintain the fibre backbone on which its service offering depends, replacing its reliance on leased third-party capacity. TNM will have direct control over the quality, resilience, expansion and continuity of the network. Customers will benefit from faster and more reliable connectivity, fewer service interruptions and quicker restoration when faults occur, as TNM will no longer be dependent on a third party's maintenance priorities or response times.

(b) Substantial and lasting cost savings: The recurring and escalating fibre-leasing charges that TNM would otherwise continue to pay would, over a relatively short period, exceed the entire purchase price. The Proposed Transaction eliminates a significant and rising operating cost, insulates TNM from future lease escalations, and is expected to be both cost-saving and value-accretive, strengthening margins and cash flow over time.

(c) Acquisition on exceptional terms: The cash consideration of MK 11,500,000,000 is materially below the cost of constructing an equivalent network at current prices. The rights of way, wayleaves, easements, permits and licences comprised in the network – assembled over decades and spanning the length of the country – cannot be easily replicated.

(d) A platform for growth and new revenue: Ownership of a national fibre network of approximately 2,983 kilometres equips TNM to support the migration to high-capacity data services, the further rollout of 4G and 5G, and the growth of cloud, streaming, data-centre and artificial-intelligence workloads. It positions the Company to scale up utilisation of infrastructure that was previously under-deployed, and to pursue wholesale and enterprise connectivity opportunities across the length of the network.

(e) Strategic and national significance: The network is critical national infrastructure underpinning Malawi's connectivity, digital economy and data sovereignty. By acquiring it, TNM secures the essential transport layer of its business for the long term and positions itself at the centre of the nation's digital future.

9. Nature of the acquisition

The Proposed Transaction is an acquisition of assets and does not involve the acquisition of any securities.

10. Fairness of the Proposed Transaction

An independent expert, Pinnacle Projects Limited, was appointed to assess the fairness of the Proposed Transaction and has confirmed that the Proposed Transaction is fair insofar as the shareholders of TNM are concerned (“Independent Expert's Opinion”). The Independent Expert's Opinion will be available for inspection at TNM's registered office for a period of twenty-eight (28) days from the date of this notification.

The Board of Directors of TNM, having considered the terms and conditions of the Transaction, and having been so advised by Pinnacle Projects Limited, an independent expert whose opinion has been accepted by the Malawi Stock Exchange, are of the opinion that the terms and conditions of the Transaction are fair insofar as the shareholders of TNM are concerned.

11. Shareholder approval and conditions

The Proposed Transaction requires the approval of TNM shareholders. In accordance with Paragraph 10.4(1) of the Listings Requirements, the passing of the resolution will be subject to a simple majority of the votes attaching to shares held by shareholders other than PCL and its associates being cast in favour. Completion of the Proposed Transaction is further conditional upon the receipt of all requisite regulatory approvals.

A circular containing particulars of the Proposed Transaction, the Independent Expert's Opinion and the notice of the 31st Annual General Meeting at which the proposed resolution will be tabled, have been circulated to shareholders. These documents are also available to shareholders on request from the Company Secretary at the Company's registered office or by email to cosec@tnm.co.mw.

Registered Office:

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By Order of the Board

CHISOMO NYEMBA GOVERNOR
COMPANY SECRETARY

16th July 2026