

DOT COM ZAMBIA PLC
FINANCIAL STATEMENTS
for the year ended 31 December 2025

DOT COM ZAMBIA PLC
CORPORATE INFORMATION
for the year ended 31 December 2025

Country of registration	Zambia
Company Name	Dot Com Zambia PLC formerly Book Now Zambia Limited
Company registration number	120150135524
Date of registration	10th September, 2015
Nature of business	Technology company specialising in electronic payment systems, with electronic tolling as its principal business.
Directors	Mawano Kambeu Vincent Kouwenhoven Chabala Kaunda Tue Nyboe Andersen
Registered office	Suit 5, 46 Kudu Road Kabulonga, Lusaka Lusaka
Business address	Suit 5, 46 Kudu Road Kabulonga, Lusaka Lusaka
Banker	First National Bank (FNB)
Auditors	HLB Zambia 2nd Floor Saturnia House Dunduzi Chisidza Crescent, Longacres P.O Box 32232 Lusaka
Secretary	Back Office Solutions Limited



DOT COM ZAMBIA PLC
FINANCIAL STATEMENTS
for the year ended 31 December 2025

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DOT COM ZAMBIA PLC
REPORT OF THE DIRECTORS
for the year ended 31 December 2025

The Directors submit their report together with the audited annual financial statements for the year ended 31 December 2025, which disclose the state of affairs and performance of Dot Com Zambia Plc (“the Company”).

1. Business and operations

The principal activity of the Company continues to be that of provision of electronic payment systems, with electronic tolling as its principal business.

2. Financial results

The results for the year were:

	2025 ZMW	2024 ZMW
Total revenue	665,596,639	528,952,974
Profit after Tax for the year	6,754,084	3,478,511

3. Property, plant and equipment

During the year, the Company acquired property, plant and equipment valued at ZMW 660,302 (2024: ZMW 150,506) and made no disposals (2024: ZMW 335,000).

4. Share capital and beneficial owners

The authorised and issued share capital of the Company are 10,000,000 ordinary shares of K1 each. During the year ended, the shareholding structure was as follows:

	Shareholding %	No. of shares held
Significant Shareholders (Above 2%)	82.49%	8,248,861
Other Shareholders (below 2%)	17.51%	1,751,139
	<u>100.00%</u>	<u>10,000,000</u>

All share capital transactions from 1 January 2025 through to the November 2025 IPO constitute a planned, multi-stage beneficial ownership reorganization followed by a public listing. The August 22, 2025 capitalization of 9,400,000 new shares was funded from existing reserves (Share Premium, which is now fully exhausted, with the balance from Retained Earnings). The changes in beneficial owners during the year were totaling 900,001 (2024: Nil).

5. Dividends

During the year, the company declared and paid a final dividend of ZMW 5,420,000 (2024: ZMW 908,836)

6. Directors

The Directors of the Company during the year and up to the date of this report were as follows:

<i>Name</i>	<i>Position</i>	<i>Nationality</i>
Mawano Kambeu	Director	Zambian
Vincent Kouwenhoven	Director	Dutch
Chabala Kaunda	Director	Zambian
Tue Nyboe Andersen	Director	Danish

The Directors received remuneration during the year amounting to ZMW 313,566 (2024: ZMW 340,730).

DOT COM ZAMBIA PLC
REPORT OF THE DIRECTORS
for the year ended 31 December 2025

7. Corporate Governance

The Directors are committed to high standards of corporate governance which is fundamental to discharging their leadership responsibilities. The Board applies integrity, principles of good governance and accountability throughout its activities.

8. Interests register information

During the year, the Company officers (directors, company secretary or executive officers of the Company) did not declare any interest in the Company's transactions and business (2024: Nil).

The interests' register, as required by the Companies Act, 2017 of Zambia, which should contain particulars of the interests declared, is available for inspection at the Company

9. Company employees

The average number of employees during the year was 20 (2024: 16) and their gross remuneration was ZMW 4,616,540 (2024: ZMW 3,307,126).

The Directors are aware of their responsibilities towards the health and safety of employees and have, accordingly, put appropriate measures in place to safeguard the health and safety of employees.

10. Events after the reporting period

There has been no events subsequent to the reporting date that may require disclosure in or adjustment to the financial statements.

11. Auditors

Having indicated their willingness to continue in office, a resolution proposing the re-appointment of HLB Zambia as auditors to the Company will be put to the Annual General Meeting.

By order of the Board,



SECRETARY

DATE: 02/03/2026

DOT COM ZAMBIA PLC
STATEMENT OF RESPONSIBILITY
for the year ended 31 December 2025

Section 246 of the Companies Act of Zambia requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of the Company and of the profit or loss for that year. In preparing those financial statements, the Directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed the applicable accounting standards. The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Section 246 of the Companies Act of Zambia,, we the Directors of Dot Com Zambia Plc are of the opinion that:

- a) the statement of financial position is drawn up so as to give a true and fair view of the state of the affairs of the Company as at 31 December 2025;
- b) the statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the profit of the Company for the year ended 31 December 2025;
- c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and
- d) the financial statements have been prepared in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of Zambia.

The Directors are also responsible for the Company's system of internal financial control. These controls are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on a going concern basis, since the Directors have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future.

The financial statements which appear on pages 8 to 41 were approved by the Board of Directors.



Director

Date: 02/03/2026



Director

Date: 02/03/2026

REPORT OF THE INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF DOT COM ZAMBIA PLC

Opinion

We have audited the financial statements of DOT COM ZAMBIA PLC ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, cash flows for the year then ended and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **Dot Com Zambia Plc** at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of Zambia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ *code of ethics for Professional Accountants* (IESBA Code) that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained was 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
<p>Revenue Recognition - E-toll Revenue</p> <p>The Company engages in bulk purchase and distribution of e-tolls, as well as the provision of e-payment platform services to various customers under differing contractual arrangements.</p>	<ul style="list-style-type: none"> Obtained an understanding of the Company's revenue recognition process. Performed a detailed assessment of all revenue streams in line with IFRS 15, clearly identifying performance obligations for both e-toll distribution and e-payment services.

THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

2nd Floor Saturnia House, Plot 6392 Dunduza Chjsidza Crescent, Longacres, Lusaka, Zambia.

☎ Telephone: +260 955 336 060. 📱 Mobile: +260 978 980558 ✉ E-mail: lillian@hlb.co.zm info@hlb.co.zm shuko@hlb.co.zm Website: <http://www.hlb.global>

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Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in our audit
<p>Revenue Recognition - Etoil Revenue</p> <p>As required by IFRS 15 Revenue from Contracts with Customers - These multiple revenue streams, each with distinct terms and conditions, create complexity in determining the appropriate timing and basis for revenue recognition.</p>	<ul style="list-style-type: none"> • Determine whether the Company is acting as a principal or agent in each arrangement, and recognize revenue accordingly (gross vs net basis). • Documented revenue recognition policies across all contracts, taking into account varying contractual terms. • We Reconciled the system-generated revenue reports to underlying contracts and cash receipts on a regular basis. • Ensured adequate disclosures in the financial statements regarding the nature of revenue streams, significant judgements, and assumptions applied. • The results of our work were satisfactory.

Other information

The Directors are responsible for the other information. The other information comprises the Directors’ Report, as required by the Companies Act, 2017 and the statement of responsibility for the annual financial statements, which we obtained prior to the date of this auditor’s report. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained on the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditors responsibilities for the audit of financial statements

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

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Responsibilities of the Directors for the financial statements

Directors are responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards (IFRSs), and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Overview of the scope of the audit

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 misstatements, 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 controls.
- Obtain an understanding of internal controls 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 entity's internal accounting controls.
- Evaluate the completeness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Overview of the scope of the audit (continued)

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 accounting controls that we identify during our audit.

We also provide the Directors with a statement that we have complied with the 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, related safeguards.

Report on other legal and regulatory requirements

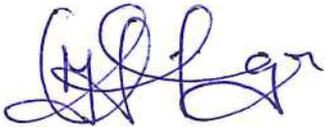
Companies Act, 2017 of Zambia

Section 250 (2) and 259 (3) of the Companies Act, 2017 requires that in carrying out our audit, we consider and report on whether:

- There is a relationship, interest or debt which we as the Company's auditors have in Dot Com Zambia plc.
- There are serious breaches by the Company's Directors of the corporate governance principles or practices contained in Part VII sections 82 to 112 of the Companies Act, 2017; and
- There is an omission in the financial statements as regards particulars of loans made to a Company officer (a director, Company secretary or executive officer of a Company) during the year, and if reasonably possible, disclose such information in our opinion.

In respect of the foregoing requirements, we have no reportable matters.

HLB Zambia



Nchimunya Hapeza, FZICA
Partner

AUD/F011985



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DOT COM ZAMBIA PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2025

	NOTES	2025 ZMW	2024 ZMW
Revenue		665,596,639	528,952,974
Cost of sales		(641,449,887)	(510,303,183)
Gross profit	Sch 1	24,146,752	18,649,791
Other income		3,825	86,335
Employee benefit expenses		(4,616,540)	(3,307,126)
Other operating expenses		(8,976,197)	(8,812,503)
Depreciation and amortisation	7	(340,173)	(408,943)
Amortisation	8	(656,368)	(613,933)
Operating Profit		9,561,299	5,593,621
Finance costs		(196,662)	(149,496)
Exchange losses - net		(121,364)	(959)
Profit before tax		9,243,273	5,443,166
Income tax credit/(charge)	13	(2,489,189)	(1,964,655)
Profit after taxation		6,754,084	3,478,511
Other comprehensive gains and losses		-	-
Total comprehensive for the year		<u>6,754,084</u>	<u>3,478,511</u>

DOT COM ZAMBIA PLC
STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

	NOTES	2025 ZMW	2024 ZMW
ASSETS			
Non - current assets			
Property, plant and equipment	7	1,127,028	806,874
Intangible Asset	8	445,830	1,102,198
		<u>1,572,858</u>	<u>1,909,072</u>
Current assets			
Trade and other receivables	9	9,400,259	14,785,349
Cash and bank balances	10	17,880,242	2,724,318
Amount due from Related parties	15	100,000	-
Tax recoverable	13	-	1,607
		<u>27,380,501</u>	<u>17,511,274</u>
Total assets		<u><u>28,953,359</u></u>	<u><u>19,420,346</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	10,000,000	8,236,204
Share premium	11	10,829,383	-
Treasury Shares	11	(50,497)	-
Surplus/(Deficit) in Reserves		376,450	(93,839)
		<u>21,155,336</u>	<u>8,142,365</u>
Non - current liabilities			
Deferred tax liability	14	170,667	1,470,098
		<u>170,667</u>	<u>1,470,098</u>
Current liabilities			
Trade and other payables	12	5,597,588	9,807,883
Tax payable	11	2,029,769	-
		<u>7,627,357</u>	<u>9,807,883</u>
Total liabilities		<u><u>7,798,023</u></u>	<u><u>11,277,981</u></u>
Total equity and liabilities		<u><u>28,953,359</u></u>	<u><u>19,420,346</u></u>

The financial statements on pages 8 to 41 were approved by the Board of Directors on and were signed on its behalf by:



Director

Date: 02/03/2026



Director

Date: 02/03/2026

DOT COM ZAMBIA PLC
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2025

	Share capital ZMW	Share Premium ZMW	Treasury Shares ZMW	Revenue reserves ZMW	Total ZMW
At 1 January 2024	8,236,204	-	-	(2,932,414)	5,303,790
Prior year adjustment*	-	-	-	268,900	268,900
Dividends paid	-	-	-	(908,836)	(908,836)
Total comprehensive profit for the year	-	-	-	3,478,511	3,478,511
At 31 December 2024	8,236,204	-	-	(93,839)	8,142,365
At 1 January 2025	8,236,204	-	-	(93,839)	8,142,365
Dividends paid	-	-	-	(5,420,000)	(5,420,000)
Reclassification to share premium	(8,136,205)	8,136,205	-	-	-
Issued Share Capital	9,000,000	(8,136,205)	-	(863,795)	-
Share Forfeiture	-	99,999	(99,999)	-	-
Forfeited Shares Re-Issued	-	559,373	49,502	-	608,875
Issue of Shares IPO	900,001	10,170,011	-	-	11,070,012
Total comprehensive profit for the year	-	-	-	6,754,084	6,754,084
At 31 December 2025	10,000,000	10,829,383	(50,497)	376,450	21,155,336

DOT COM ZAMBIA PLC
STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

	NOTES	2025 ZMW	2024 ZMW
Cash flow from operating activities			
Profit before taxation	Sch 1	9,243,273	5,443,166
Items not involving the movement of funds			
Depreciation	7	340,173	475,494
Amortisation	6	656,368	555,064
Profit on disposal		-	(82,500)
Prior year adjustment*		-	268,900
Finance costs		196,662	149,496
Operating cashflows before movement in working capital		10,436,476	6,809,620
Adjustment for changes in working capital			
Decrease in trade and other receivables	9	5,385,090	(5,648,886)
Increase in amounts due from Related parties	15	(100,000)	-
Decrease in trade and other payables	12	(4,210,295)	2,272,573
Cash generated from operating activities		11,511,271	3,433,307
Taxation paid	13	(1,757,245)	(6,351)
Net cash generated from operating activities		9,754,026	3,426,956
Cashflows from Investing activities			
Additions to property, plant and equipment	7	(660,327)	(150,506)
Opening balance adjustment on PPE- Computer equipment		-	(268,900)
Proceeds from sale of non-current assets		-	250,000
Net cash used in investing activities		(660,327)	(169,406)
Cashflow from financing activities			
Dividends paid		(5,420,000)	(908,836)
Issued share capital		9,036,206	-
Share premium		2,693,178	-
Treasury shares		(50,497)	-
Interest paid		(196,662)	(149,496)
Net cash used in financing activities		6,062,225	(1,058,332)
Net increase/(decrease) in cash and cash equivalents		15,155,924	2,199,218
Cash and cash equivalents at the beginning of the year		2,724,318	525,100
Cash and cash equivalents at the end of the year		17,880,242	2,724,318
Cash and cash equivalents consist of:			
Cash and bank balances	10	17,880,242	2,724,318

DOT COM ZAMBIA PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. GENERAL INFORMATION

Dot Com Zambia Plc is a public listed Company domicile and incorporated in Zambia. The addresses of its registered office and principal place of business and principal activities are disclosed in the company information page.

2. SUMMARY OF NEW AND REVISED ACCOUNTING POLICIES RELEVANT TO THE COMPANY

2.1 *New and amended standards and interpretations*

The Company applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022;

- *Amendments to IAS 16 Property, Plant and Equipment— Proceeds before Intended Use;*
- *Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract;*
- *Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).*

The amendments and interpretations apply for the first time in 2022, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.1.1 Amendments to IAS 16 Property, Plant and Equipment— Proceeds before Intended Use.

The Company has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

2.1.2 Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract.

The Company has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract.

Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

2.1.3 Annual Improvements to IFRS Standards 2018-2020

- *IFRS 9 Financial Instruments*
Clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- *IFRS 16 Leases*
Amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

2. SUMMARY OF NEW AND REVISED ACCOUNTING POLICIES RELEVANT TO THE COMPANY (CONTINUED)

2.1 New and amended standards and interpretations (continued)

2.1.3 Annual Improvements to IFRS Standards 2018-2020 (continued)

- *IFRS 1 First-time Adoption of International Financial Reporting Standards* allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

2.2 New and revised IFRSs in issue that are not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Title of IFRS	Brief overview of the changes	Effective date
IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	<p>The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.</p> <p>Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit.</p> <p>Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.</p> <p>The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:</p> <ul style="list-style-type: none"> • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: <ul style="list-style-type: none"> (i). Right-of-use assets and lease liabilities (ii). Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date <p>The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p>	1 January 2023

2. SUMMARY OF NEW AND REVISED ACCOUNTING POLICIES RELEVANT TO THE COMPANY (CONTINUED)

2.2 New and revised IFRSs in issue that are not yet effective (continued)

Title of IFRS	Brief overview of the changes	Effective date
<p>IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent</p>	<p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p> <p>The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.</p> <p>The directors of the Company anticipate that the application of these amendments may have an impact on the Company’s consolidated financial statements in future periods.</p>	<p>1 January 2023</p>
<p>IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies.</p>	<p>The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’.</p> <p>Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.</p> <p>The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.</p> <p>Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.</p> <p>The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.</p> <p>The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.</p>	<p>1 January 2023</p>

2. SUMMARY OF NEW AND REVISED ACCOUNTING POLICIES RELEVANT TO THE COMPANY (CONTINUED)

2.2 *New and revised IFRSs in issue that are not yet effective (continued)*

Title of IFRS	Brief overview of the changes	Effective date
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	<p>The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:</p> <ul style="list-style-type: none"> • A change in accounting estimate that results from new information or new developments is not the correction of an error. • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. <p>The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.</p> <p>The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.</p>	1 January 2023

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY

3.1 *Basis of financial statements preparation*

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Kwacha (“K” or “ZMW”) rounded to the nearest Kwacha. The financial statements were approved for issue by the Board of Directors.

The financial statements have been prepared on the going concern basis which assumes the Company will continue in operational existence for the foreseeable future.

3.2 *Revenue recognition*

Revenue is recognised in accordance with International Financial Reporting Standard 15: Revenue from Contracts with Customers (IFRS 15), as adopted by the Zambia Institute of Chartered Accountants (ZICA) and applicable to financial statements prepared under the Companies Act No. 10 of 2017 of Zambia. Revenue is measured at the transaction price agreed under the contract, net of trade discounts, and rebates.

Dot Com Zambia Limited derives revenue from three primary streams: (i) electronic tolling transaction sales; (ii) provision of Software as a Service (SaaS); and (iii) equipment installation services. The Company's performance obligations under each stream are described below.

i). *Electronic Tolling Transaction Sales*

The Company operates an electronic tolling system that facilitates the collection and processing of road usage charges on behalf of toll road operators and government authorities in Zambia. Under these arrangements, the Company provides technology infrastructure, transaction processing services, and system management to enable automated tolling at designated toll plazas.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.2 Revenue recognition (Continued)

i). Electronic Tolling Transaction Sales (Continued)

The Company's performance obligation is satisfied at the point in time when each individual tolling transaction is processed and recorded in the electronic tolling system. Revenue is recognised on a per-transaction basis as vehicles pass through toll plazas equipped with the Company's technology. The transaction price is determined based on the Tolls Act 2014, Statutory Instrument No.85 of 2016, which is bulk buying model for tolls with a percentage-based profit calculated on the gross toll revenue collected through the system.

Each processed transaction constitutes a distinct performance obligation that is satisfied instantaneously when the tolling event occurs and is captured by the electronic system. Revenue is recognised at that point in time, as control of the service (transaction processing) transfers to the customer immediately upon completion of the transaction.

The Company acts as principal in these arrangements, as it controls the technology platform and transaction processing services before they are transferred to the customer. The Company is primarily responsible for fulfilling the promise to provide the tolling fees and processing capability and bears inventory risk related to the technology assets deployed at toll plazas.

Transaction revenue is measured and recognised based on data captured by the electronic tolling system. The Company reconciles system-generated transaction reports on a daily basis to ensure accurate revenue recognition. Where toll transactions are processed but payment from the road operator or authority has not yet been received, a contract asset (trade receivable) is recognised, subject to assessment of recoverability in accordance with IFRS 9: Financial Instruments.

Management exercises judgement in determining whether the Company acts as principal or agent in each tolling arrangement. This assessment is made by evaluating which party controls the tolling service before it is transferred to the end user, considering factors including responsibility for service delivery, and credit risk exposure. The assessment is performed at contract inception and reviewed if there are significant changes to the contractual terms.

ii). Software as a service (SaaS)

The Company provides software solutions to its clients on a subscription or project basis, enabling customers to access and use cloud-hosted software applications over agreed contract periods. These arrangements constitute a single performance obligation to provide continuous access to the software platform throughout the subscription term.

Where SaaS revenue arises from project-based engagements (such as software implementation, configuration, or customisation projects), revenue is recognised over time using an input-based method. Progress towards complete satisfaction of the performance obligation is measured by comparing the number of hours actually expended on the project against the total estimated hours required to deliver the project. Management considers this to be a faithful representation of the transfer of services to the customer, as contracts are initially priced on the basis of anticipated hours, and the measure of progress therefore corresponds to the amount to which the Company is entitled based on its performance to date.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.2 Revenue recognition (Continued)

ii). *Software as a service (SaaS) (Continued)*

Where SaaS revenue arises from recurring subscription arrangements, revenue is recognised on a straight-line basis over the subscription period, reflecting the Company's continuous obligation to provide access to the software platform. Amounts invoiced in advance of the performance period are recognised as deferred revenue (contract liabilities) in the statement of financial position and released to profit or loss as the performance obligation is satisfied.

Management exercises judgement in estimating total project hours for input-based recognition. These estimates are reviewed at each reporting date, and any changes in estimated hours are accounted for prospectively.

iii). *Equipment installation services*

The Company provides equipment installation services to its clients, which may be contracted on a standalone basis or bundled together with the supply and sale of hardware equipment. Installation services of this nature can also be sourced from alternative third-party providers, and the installation activity does not significantly customise or modify the underlying equipment supplied.

Where equipment and installation services are sold as part of a bundled arrangement, the Company identifies two distinct performance obligations within the contract: (i) the transfer of equipment; and (ii) the provision of installation services. These are considered capable of being distinct and separately identifiable because the customer can benefit from each deliverable independently, and the promises are separately identifiable within the contract. Accordingly, the total transaction price is allocated between the two performance obligations on the basis of their relative stand-alone selling prices, determined by reference to observable prices at which the Company sells each element separately in the Zambian market.

Revenue attributable to installation services is recognised over time, as the customer simultaneously receives and consumes the benefits of the service as it is performed. An input method is applied to measure the Company's progress towards complete satisfaction of the installation performance obligation, consistent with the pattern of transfer to the customer.

Revenue attributable to the sale of equipment is recognised at a point in time, being when control of the equipment has transferred to the customer. This is generally determined to occur upon delivery of the equipment to the customer's premises within Zambia, when the significant risks and rewards associated with ownership have passed to the customer and the Company retains no continuing managerial involvement.

Where consideration is received in advance of delivery of equipment, the amount is recognised as a contract liability (deferred revenue) in the statement of financial position until the associated performance obligation has been satisfied. Contract assets are recognised where the Company has satisfied a performance obligation prior to the customer's payment falling due, subject to assessment of recoverability.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.3 Borrowing costs

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss.

To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate. Net gains and losses arising from changes in fair value less estimated point of sale costs of biological assets are recognised in profit and loss in the statement of comprehensive income.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.4 Income and deferred tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

3.5 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.5 Property, plant and equipment (continued)

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Land is not depreciated. Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

<i>Asset class</i>	<i>Percentage</i>
computer Equipment	30%
Computer Software	25%
Furniture and fittings	20%
Motor vehicles	25%
Capital work in progress	Nil

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.6 Intangible assets

Intangible assets with finite useful lives that are acquired separately 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 a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less impairment losses.

3.7 Impairment of assets

At each reporting date, property and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.8 Impairment of assets

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.9 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

• **The company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i). Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

<i>Asset class</i>	<i>Useful life</i>
Motor vehicles	4 years

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

ii). Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.9 Leases (continued)

• **The company as a lessee (continued)**

ii). Lease liabilities

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii). Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

• **The company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.10 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

The Company also contributes to the National Pension Scheme ("NAPSA") for its eligible employees as provided by Law. Membership of the statutory National Pension Scheme ("NAPSA") is compulsory and monthly contributions by both employer and employees are made. The employer's contribution is accounted for in the statement of profit or loss as it arises.

3.11 Provisions

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

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (continued)

3.11 Provisions (continued)

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and debt securities issued are initially recognised when they are originated, all other financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

a) Financial asset

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.

For the purposes of subsequent measurement, the financial assets are classified in four categories:

- Amortised cost – debt instruments
- Fair Value through Other Comprehensive Income (FVOCI) with recycling of cumulative gains and losses – debt instruments
- Fair Value Through Profit or Loss (FVTPL)

(i) Amortised cost

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 amortisation 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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, loans and advances receivable, loans to an associate and loan to a director included under other non-current financial assets.

DOT COM ZAMBIA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (continued)

3.12 Financial instruments

a) Financial asset (continued)

(ii) Fair value through other comprehensive income (FVOCI)

The Company measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(iii) Fair value through profit or loss (FVTPL)

The Company may make the following irrevocable election at initial recognition of a financial asset:

- present subsequent changes in fair value of an equity investment in other comprehensive income if it is not held for trading. A financial asset is held for trading if:
 - a. it has been acquired principally for the purpose of selling it in the near term; or
 - b. on initial recognition it is part of a portfolio of identified financial instruments that the Company
 - c. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).
- designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see above) are classified as at FVTPL

b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred substantially all the risks and rewards of the asset and/or has transferred control of the asset.

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. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (continued)

3.12 Financial instruments

b) Derecognition of financial assets (continued)

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

c) Impairment of financial assets

The Company recognises a loss allowance for Expected Credit Losses (ECLs) on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. 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 Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECL for trade receivables, contract assets and lease receivables are estimated using a provision matrix based on the Company'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.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.12 Financial instruments

c) Impairment of financial assets (continued)

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Write off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement of Expected Credit Losses

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial

For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Measurement of Expected Credit Losses (continued)

This is in exception of investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

d) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.12 Financial instruments

d) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of the financial liabilities depends on their classification as described below:

- *Fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

- *Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

- *Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to do so.

e) Derecognition of financial liabilities and equity instrument

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.12 Financial instruments

f) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- *Fair value hedges* when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- *Cash flow hedges* when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

• *Fair value hedges*

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense.

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (continued)

3.12 Financial instruments

f) Derivative financial instruments and hedge accounting

• *Fair value hedges (continued)*

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

• *Cashflow hedges*

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised as other expense and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Company expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Company discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised.

4. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1 Key accounting estimates

a). Estimates of asset lives, residual values and depreciation methods

The Company reviewed the residual values, useful lives and carrying amount of its equipment and other moveable assets to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. The Company judged a residual value of zero as a result of the fact that equipment and other moveable assets are not held for trading and are normally scrapped.

4. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Key accounting estimates

b). Taxation

The Company's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the Zambia Revenue Authority (ZRA). Uncertain tax items for which a provision is made, relate principally to the interpretation of tax legislation regarding arrangements entered into by the Company.

c). Calculation of expected credit loss allowance

When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

d). Measurement of fair values

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards, as explained below:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

a). Income taxes

The Company is subject to income taxes in the Republic of Zambia. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

4. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

4.2 Key Judgements in applying these accounting policies

a). Income taxes

The Company recognises liabilities for anticipated tax 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 on the income tax and deferred tax provisions in the period in which such determination is made.

b). Judgements in determining the amount of revenue to be recognised

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The entity assesses the nature and timing of the satisfaction of a performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies as agreed in the contract with the customer.

Variable consideration relating to volume rebates has been constrained in estimating contract revenue in order that it is highly probable that there will not be a future reversal in the amount of revenue recognised when the amount of volume rebates has been determined.

c). Significant increase in credit risk

As explained in note 3.13 (c), ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

DOT COM ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

	2025 ZMW	2024 ZMW
5 REVENUE		
Sales Revenue	<u>665,596,639</u>	<u>528,952,974</u>

6 PROFIT BEFORE TAXATION

The following items have been recognised as expenses (income) in

Depreciation	340,173	408,943
Accounting and Audit fees	483,521	164,000
Net exchange losses	<u>121,364</u>	<u>959</u>
and after crediting:		
Profit on disposal	-	82,500
Interest Income	<u>3,825</u>	<u>3,825</u>

7 PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost / valuation ZMW	Accumulated depreciation ZMW	Carrying value ZMW	Cost / valuation ZMW	Accumulated depreciation ZMW	Carrying value ZMW
<i>Owned assets</i>						
Computer equipment	1,542,256	(1,152,854)	389,402	1,148,379	(981,089)	167,290
Furniture and Motor vehicles	394,372	(215,773)	178,599	282,922	(190,755)	92,167
	820,000	(260,973)	559,027	665,000	(117,583)	547,417
Total	<u>2,756,628</u>	<u>(1,629,600)</u>	<u>1,127,028</u>	<u>2,096,301</u>	<u>(1,289,427)</u>	<u>806,874</u>

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of the year ZMW	Additions ZMW	Disposals/ Transfers ZMW	Adjustment ZMW	Depreciation write back ZMW	Depreciation ZMW	Carrying value at end of year ZMW
<i>Owned assets</i>							
Computer	167,290	393,877	-	-	-	(171,765)	389,402
Furniture and Motor vehicles	92,167	111,450	-	-	-	(25,018)	178,599
	547,417	155,000	-	-	-	(143,390)	559,027
Total	<u>806,874</u>	<u>660,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(340,173)</u>	<u>1,127,028</u>

	Carrying value at beginning of the year ZMW	Additions ZMW	Disposals/ Transfers ZMW	Adjustment ZMW	Depreciation write back ZMW	Depreciation ZMW	Carrying value at end of year ZMW
<i>Owned assets</i>							
Computer	19,628	95,262	-	268,900	-	(216,500)	167,290
Furniture and Motor vehicles	74,381	55,244	-	-	167,500	(37,458)	92,167
	936,453	-	(335,000)	-	-	(221,536)	547,417
Total	<u>1,030,462</u>	<u>150,506</u>	<u>(335,000)</u>	<u>268,900</u>	<u>167,500</u>	<u>(475,494)</u>	<u>806,874</u>

The Directors consider that the carrying values of the assets are not materially different from their fair values.

DOT COM ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

8 INTANGIBLE ASSETS

	Core Platform Software ZMW	E-Levy Software ZMW	Total ZMW
Year ended 31 December 2025			
Cost			
At 1 January 2025	3,069,668	424,350	3,494,018
Additions	-	-	-
At 31 December, 2025	3,069,668	424,350	3,494,018
Amortisation			
At 1 January 2025	2,391,820	-	2,391,820
Charge for the year	613,933	42,435	656,368
At 31 December 2025	3,005,753	42,435	3,048,188
Net carrying amount			
At 31 December 2025	63,915	381,915	445,830
Year ended 31 December 2024			
Cost			
At 1 January 2024	3,069,668	424,350	3,494,018
Additions	-	-	-
At 31 December 2024	3,069,668	424,350	3,494,018
Amortisation			
At 1 January 2024	1,836,756	-	1,836,756
Charge for the year	613,933	-	613,933
Amortisation write-back	(58,869)	-	(58,869)
At 31 December 2024	2,391,820	-	2,391,820
Net carrying amount			
At 31 December 2024	677,848	424,350	1,102,198

9 TRADE AND OTHER RECEIVABLES

Trade receivables	7,982,368	10,077,692
Allowance for doubtful debts	(579,397)	-
	7,402,971	10,077,692
Other receivables and prepayments	1,997,288	4,707,657
	9,400,259	14,785,349

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current.

DOT COM ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

	2025	2024
	ZMW	ZMW

TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the expected credit loss allowance are provided in Note 17 "Impairment losses".

Aged analysis of trade receivables as at yearend is as follows;

Current	356,764	548,503
1 - 15 days	3,751,049	7,949,837
16 - 30 days	1,152,508	388,770
31 - 45 days	265,503	125,485
Over 45 days	2,456,544	1,065,098
	7,982,368	10,077,692

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of 100% against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable.

10 BANK AND CASH BALANCES

Bank balances	17,790,219	2,692,543
Cash on hand	90,023	31,775
	17,880,242	2,724,318

DOT COM ZAMBIA PLC
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2025

11 SHARE CAPITAL

(i) *Authorised and fully paid up:*

10,000,000 ordinary shares of ZMW 1 each	<u>10,000,000</u>	<u>8,236,204</u>
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SHARE PREMIUM

(ii) 900,001 Ordinary shares of ZMW 12.03

	<u>10,829,383</u>	<u>-</u>
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TREASURY SHARES

(iii) 50,497 Ordinary shares of ZMW 1 each

	<u>(50,497)</u>	<u>-</u>
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(iv) *Shareholding:*

	Shareholding %	No. of shares held
Mawano Kambeu	41.6%	4,156,201
Vkouwenhoven Beheer B.V	22.4%	2,235,600
TNA A/S	8.5%	851,040
Lowani zambia Ltd	5.2%	517,410
UJ Holdings APS	2.8%	281,610
Fredrick Mushimba	2.1%	207,000
Others (below 2%)	17.5%	1,751,139
	<u>100%</u>	<u>10,000,000</u>

The follows transactions occurred in the Share Capital & Share Premium accounts during the year;

- i) The Share capital was increased from 600,000 Shares to 10,000,000 shares as pre-listing capital restructuring requirement to meet LUSE alternative market requirements and to enable a viable retail offering.
- ii) 9,000,000 share where issued to existing shareholders at a proportion equivalent to the existing shareholding structure before the increase.
- iii) 900,001 Shares where issued on the stock market and a Share premium of ZMW 10,170,011 was raised from this offering.
- iv) Mawano Innovations Limited formerly known as Dot Com Zambia Limited (the former holding company)surrendered 99,999 shares to the company as part of the IPO restructuring. A portion was allocated to the employee share scheme and the remainder formed part of the IPO share allocation.
- v) 50,497 shares are allocated to employees under a five-year retention vesting schedule. Employees will not pay for the shares at grant date. However, the shares remain in Treasury until each annual tranche vests. Each year for five years 10,099 shares vest.

DOT COM ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

	2025 ZMW	2024 ZMW
12 TRADE AND OTHER PAYABLES		
IPO funds	1,071,447	-
Trade payables	3,705,429	6,398,535
Accrued expenses	280,157	7,529
Other payables	540,555	3,401,819
	<u>5,597,588</u>	<u>9,807,883</u>

Trade payables include amounts outstanding in respect of trade purchases. Other payables and accrued expenses principally comprise amounts outstanding in respect of non-trade purchases and ongoing costs, as well as amounts accrued in respect of operating costs.

IPO Funds Liability comprise amounts related to the Initial listing of Dot Com Zambia Ltd. The liability arose because the IPO was oversubscribed and the company obtained shares from existing shareholders to meet excess demand.

	2025 ZMW	2024 ZMW
13 INCOME TAX		
<i>Income tax</i>		
Income tax expense comprise of:		
Current tax expense	3,788,621	1,519,092
Deferred taxation - movement for the year	<u>(1,299,431)</u>	<u>445,563</u>
	<u>2,489,189</u>	<u>1,964,655</u>
The tax on the Company's profit before income tax differs from the		
Profit for the year	9,243,273	5,443,166
Income tax using the Company's domestic tax rate 30% (2024: 30%)	2,772,982	1,632,950
Permanent differences	804,139	97,168
Under provision in prior years	<u>(1,087,932)</u>	<u>234,537</u>
Total income tax expense	<u>2,489,189</u>	<u>1,964,655</u>
<i>Current tax</i>		
At 1 January	(1,607)	4,744
Tax adjustment	-	(6,351)
Charge for the year	3,788,621	-
Paid during the year	<u>(1,757,245)</u>	<u>-</u>
At 31 December	<u>2,029,769</u>	<u>(1,607)</u>

DOT COM ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

	2025 ZMW	2024 ZMW
14 DEFERRED TAXATION		
Deferred income tax is computed using the enacted income tax rate of 30% (2024: 30%). The gross movement on the deferred income tax account is as follows:		
At 1 January	1,470,098	(494,557)
Charge for the year	(1,299,431)	1,964,655
At 31 December	170,667	1,470,098
Deferred tax (asset)/liability is attributable to the following items:		
Excess of capital allowances over depreciation	207,076	61,224
Interest carried forward	-	(109,931)
Unrealised exchange loss	(36,409)	(288)
Tax adjustment	-	1,519,093
Net deferred tax asset	170,667	1,470,098

15 RELATED PARTY TRANSACTIONS

The Company's related entities are related by virtue of their common ownership with the Company.

The following transactions were carried out with related parties:

	2025 ZMW	2024 ZMW
(ii) Amounts due from Related Parties		
Bookpay Zambia Limited	100,000	-
	100,000	-

16 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- market risk.
- liquidity risk; and
- credit risk;

Market risk

(i) Foreign exchange risk

Foreign exchange risks arises from loans and borrowings, related party transactions and recognised assets and liabilities. Management's policy to manage foreign exchange risk is to hold foreign currency bank accounts which act as a natural hedge for foreign denominated transactions.

(ii) Price risk

The Company does not hold any financial instruments subject to price risk.

(iii) Interest rate risk

The Company's borrowings carry a fixed interest rate; hence it is not exposed to risk of fluctuations in interest rates.

17 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

Financial risk management

Market risk

The Directors oversee how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposure to customers, including outstanding receivables and committed transactions. Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk is managed by the Finance Manager, except for credit risk relating to accounts receivable balances. Credit risk arises from cash at the bank and short term deposits with banks, as well as trade and other receivables. The Company does not have any significant concentration of credit risk.

Impairment losses

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance).

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Liquidity risk

Prudent Liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet its operational needs.

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their balances, as the impact of discounting is not significant.

17 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

Liquidity risk

At 31 December 2025	Notes	Carrying amount	Total	Less than 1 year	Between 2 and 5 years
Trade and other payables	12	5,597,588	5,597,588	5,597,588	-
		<u>5,597,588</u>	<u>5,597,588</u>	<u>5,597,588</u>	<u>-</u>
At 31 December 2024	Notes	Carrying amount	Total	Less than 1 year	Between 2 and 5 years
Trade and other payables	12	9,807,883	9,807,883	9,807,883	-
		<u>9,807,883</u>	<u>9,807,883</u>	<u>9,807,883</u>	<u>-</u>

Currency risk

The Company is exposed to currency risk on purchases and borrowings that are denominated in a currency other than the functional currency of the Company. This risk arises due to transactions in Zambian Kwacha (ZMK).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

	Notes	Total	ZMK equivalent to US\$	denominated in ZMK
At 31 December 2025				
Trade and other receivables	7	9,400,259	-	9,400,259
Cash and bank balances	13	17,880,242	-	17,880,242
		<u>27,280,501</u>	<u>-</u>	<u>27,280,501</u>
Trade and other payables	12	5,597,588	-	5,597,588
		<u>5,597,588</u>	<u>-</u>	<u>5,597,588</u>
At 31 December 2024				
Amount due from related parties	15	100,000	-	100,000
Trade and other receivables	7	14,785,349	-	14,785,349
Cash and bank balances	13	2,724,318	-	2,724,318
		<u>17,609,667</u>	<u>-</u>	<u>17,609,667</u>

17 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

Currency risk (continued)

	Notes	Total	ZMK equivalent to US\$	denominated in ZMK
At 31 December 2024				
Trade and other payables	12	9,807,883	-	9,807,883
		<u>9,807,883</u>	<u>-</u>	<u>9,807,883</u>

Fair values

All financial assets (trade and other receivables and cash and cash equivalents) of the Company are classified as loans and receivables. All financial liabilities (loans and borrowings and trade and other payables) are classified as financial liabilities at amortised costs.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position are as follows:

	Notes	31 December 2025		31 December 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Trade and other receivables	7	9,400,259	9,400,259	14,785,349	14,785,349
Cash and bank balances	13	17,880,242	17,880,242	2,724,318	2,724,318
		<u>27,280,501</u>	<u>27,280,501</u>	<u>17,509,667</u>	<u>17,509,667</u>

Fair values

	Notes	31 December 2025		31 December 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Trade and other payables	12	5,597,588	5,597,588	9,807,883	9,807,883
		<u>5,597,588</u>	<u>5,597,588</u>	<u>9,807,883</u>	<u>9,807,883</u>

The Directors are of the opinion that fair values approximate the carrying amount because most of the financial instruments are short term in nature or are realisable or settled on demand, and the impact of discounting would be immaterial.

18 SHARE BASED PAYMENT

The Company operates equity-settled compensation plans. The fair value of the employee services (measured by the fair value of the awards granted) received in exchange for the grant of the shares and awards is recognised as an expense. For deferred share awards granted as part of an annual performance award, the expense is recognised over the period from the start of the performance period to the vesting date.

For equity-settled awards, the total amount to be expensed over the vesting period is determined by reference to the fair value of the shares and awards at the date of grant, which excludes the impact of any non-market vesting conditions (for example, profitability and growth targets). The fair value of equity instruments granted is based on market prices, if available, at the date of grant. In the absence of market prices, the fair value of the instruments is estimated using an appropriate valuation technique, such as a binomial option pricing model. Non-market vesting conditions are included in assumptions for the number of shares and awards that are expected to vest. At each balance sheet date, the Company revises its estimates of the number of shares and awards that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the Statement of Profit or Loss and a corresponding adjustment to equity over the remaining vesting period. Forfeitures prior to vesting attributable to factors other than the failure to satisfy service conditions and non-market vesting conditions are treated as a cancellation and the remaining unamortised charge is debited to the Statement of Profit or Loss at the time of cancellation. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when awards in the form of options are exercised. The Company operates a share-based arrangements for its executive directors and employees. Details are set out below

Share-based payment transactions

The Company operates a share-based payments schemes for its directors and employees in which employees participate. These schemes are as outlined below.

	2025	2024
Restricted share scheme	10,352	-
Shares awarded	231,818	-
	<u>242,170</u>	<u>-</u>

Restricted share scheme

The restricted share scheme (RSS) is used as an incentive plan to motivate and retain high performing staff at any level of the organisation. It is also used as a vehicle for deferring part of bonuses of certain employees. 50% of the award vests three years after the date of grant and the balance after two years. The awards can be exercised within five years of the grant date. For awards, the fair value is based on the market value less an adjustment to take into account the expected dividends over the vesting period.

	2025	2024
Outstanding at the beginning of the reporting period	-	-
Granted during the year	70,677	-
Exercised during the year	(20,180)	-
Outstanding 31 December 2025	<u>50,497</u>	<u>-</u>

DOT COM ZAMBIA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2025

19 CONTINGENT LIABILITIES

There are no other known material contingent liabilities at 31 December 2025 (2024: Nil)

20 CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2025 (2024:Nil).

DOT COM ZAMBIA PLC
DETAILED INCOME AND EXPENDITURE SCHEDULE
for the year ended 31 December 2025

Schedule I

	2025 ZMW	2024 ZMW
Revenue		
eToll Revenue - NRFA etoll	398,270,061	385,219,659
eToll Revenue - TKC Plaza (PPP Toll operator)	213,151,790	136,282,970
eToll revenue - MOIC LN Plaza (PPP Toll operator)	50,461,946	-
eLevy	3,771,476	3,749,239
eFuel Revenue Fleet	(83,414)	3,557,953
Smart cards	24,780	118,390
Ticket sales	-	24,763
	<u>665,596,639</u>	<u>528,952,974</u>
Cost of sales		
eToll Credit - 'NRFA	379,133,331	368,959,712
eToll Credit - TKC Toll Plaza credit (PPP Toll Operator)	208,978,300	134,307,710
eToll Credit - MOIC LN Toll Plaza credit (PPP Toll Operator)	49,466,430	-
Cost of goods sold e-levy	3,638,618	3,445,865
Smart cards materials	165,000	210,000
Cost of Goods Sold eFuel	68,208	3,379,896
	<u>641,449,887</u>	<u>510,303,183</u>
Gross profit	24,146,752	18,649,791
Other income		
Miscellaneous	3,825	3,835
Profit on disposal	-	82,500
	<u>3,825</u>	<u>86,335</u>
	<u>24,150,577</u>	<u>18,736,126</u>
Employee benefit expenses		
Salaries and wages	4,616,540	3,307,126
Operating expenses		
IPO Costs & related expenses	1,390,354	-
Intellectual property license and system fees (usa)	1,022,194	1,002,200
IPO Marketing & sensitisation expenses	935,344	-
Licenses-ICT Software	844,460	768,586
Consultant Expense- Others	807,534	1,032,640
Travel, Meals, Gifts and Entertainment	380,364	235,313
Vehicle and Transportation	327,907	230,283
Rental and Rates Expense	321,552	321,552
Utilities (Phone, Internet, Electricity and Others)	169,181	277,583
Bad debts	579,397	3,757,787
Product Development and Management	-	297,621
<i>Total carried forward to next page</i>	<u>6,778,287</u>	<u>7,923,565</u>

DOT COM ZAMBIA PLC
DETAILED INCOME AND EXPENDITURE SCHEDULE
for the year ended 31 December 2025

Schedule I
(Continued)

	2025 ZMW	2024 ZMW
Total brought forward from previous page	6,778,287	7,923,565
Accounting and Audit Fees	483,521	164,000
Directors fees	313,566	4,606
Fines and penalties	296,513	-
Advertising And Marketing	225,665	11,316
Medical and Health Insurance Expenses	225,366	153,879
Office Expenses	158,884	35,980
USA Office Expenses and Admin Fees	120,000	120,000
Bank Fees and Charges	112,682	86,030
financing charge	74,800	61,500
Legal expenses	73,140	5,100
Shipping Expenses	31,086	19,277
Corporate Social Responsibility (CSR)	31,000	23,500
Subscriptions and Membership Fees	17,670	12,000
Insurances and licenses	13,769	4,063
Njuka expenses -Non IT	12,898	-
Repairs and Maintenance	7,350	15,185
eToll Breakage	-	59,795
TKC Toll Plaza	-	52,990
ZRA Tax Expenses (Others)	-	33,065
Fuel Bonuses and Promotions	-	26,652
	<u>8,976,197</u>	<u>8,812,503</u>
Depreciation	<u>340,173</u>	<u>408,943</u>
Amortisation	<u>656,368</u>	<u>613,933</u>
Finance costs		
Interest	<u>196,662</u>	<u>149,496</u>
Exchange losses/(gains)- net		
Exchange losses	<u>121,364</u>	<u>959</u>
Profit before tax	<u><u>9,243,273</u></u>	<u><u>5,443,166</u></u>