

AXIAN TELECOM

**UNAUDITED
CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE THREE MONTH AND NINE MONTH
PERIODS ENDED SEPTEMBER 30, 2024



LET'S GROW TOGETHER

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

CORPORATE INFORMATION

COMPANY REGISTRATION No.	C46569 C1/GBL		
		Date of appointment	Date of resignation
DIRECTORS	Mr. Hassanein Shahreza Hiridjee	June 21, 2003	-
	Mr. Ahmud Ismael Parwiz Jugoo	April 30, 2018	-
	Mrs. Anja Blumert	August 15, 2020	-
	Mr. Afsar Azize Abdulla Ebrahim	November 16, 2020	-
	Mr. Michael Jimmy Wong Yuen Tien	December 1, 2021	-
	Mrs. Badiene Seynabou Ba	November 28, 2022	-
	Mr. Vivek Badrinath	February 18, 2024	-
ADMINISTRATOR & SECRETARY <i>(as from December 1, 2021)</i>	DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
REGISTERED OFFICE <i>(as from December 1, 2021)</i>	c/o DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
AUDITOR	Deloitte 7 th – 8 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
INVESTOR RELATIONS CONTACT	investorrelations@axian-telecom.com		

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DISCLAIMER

Forward-looking statements

The unaudited condensed consolidated financial statements (the “financial statements”) may contain certain statements which are not historical facts and are forward-looking. We may from time to time make written or oral forward-looking statements in reports to shareholders and in other communications.

Forward-looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future operating revenues or performance, capital expenditures, financing needs, the expected terms or timeline of the Acquisition, plans or intentions relating to any other acquisitions, our competitive strengths and weaknesses, our business strategy, and the trends we anticipate in the industries and the political and legal environments in which we operate and other information that is not historical information.

Words such as “believe”, “anticipate”, “estimate”, “target”, “potential”, “expect”, “intend”, “predict”, “project”, “could”, “should”, “may”, “will”, “plan”, “aim”, “seek” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

The forward-looking statements contained in these financial statements are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management’s assumptions about future events may prove to be inaccurate. We caution all readers that the forward-looking statements contained in these financial statements are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond our control, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. For the avoidance of doubt, the Company does not accept any liability in respect of any such forward-looking statements.

Non-IFRS financial measures

In these financial statements, we present certain financial measures of the Group that are not defined in, and thus, not calculated in accordance with International Financial Reporting Standard (“IFRS”), United States Generally Accepted Accounting Practice (“U.S. GAAP”) or generally accepted accounting principles in any other relevant jurisdiction.

These include EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin (each as defined on page 56). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

We do not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS.

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION

The unaudited condensed consolidated financial statements (the “financial statements”) are the financial statements of Axian Telecom (the “Company”) and its subsidiaries, together the “Group”.

The Group is a leading pan-African telecommunications services provider, operating in nine markets through subsidiaries and nonconsolidated joint ventures in Tanzania, Madagascar, Togo, Uganda, Democratic Republic of the Congo (“DRC”), Mauritius, Senegal, Réunion/Mayotte, and the Comoros. The Group’s activities span a diverse range of telecommunication assets and services, including retail mobile, residential and business fixed-line telephone, broadband internet, digital services offerings, including mobile financial services (“MFS”), and wholesale infrastructure (tower, bandwidth, and data centers).

The ultimate holding company of the Group, as at September 30, 2024 is Axian Telecom, a private company limited by shares incorporated under the laws of Mauritius on June 20, 2003, under the name Société Financière Malgache Ltée. The Company holds a Global Business License under the Financial Services Act 2007 and is regulated by the Financial Services Commission.

The ultimate holding company of Axian Telecom, as at September 30, 2024 is Axian Telecom Holding and Management Ltd (“Axian Telecom Holding”), a company incorporated under the Companies Law, DIFC Law No.5 of 2018, under the registration number 7891.

In February 2022, Axian Telecom, as Issuer, completed the offering of US\$420,000,000 in aggregate principal amount of its 7.375% Senior Notes due 2027 (the “Notes”), under an indenture dated February 16, 2022. Interest on the Notes will be paid semi-annually in arrear on February 16 and August 16 of each year, commencing on August 16, 2022. Interest on the Notes will accrue at a rate of 7.375% per annum. The Notes will mature on February 16, 2027.

Auditor

During April 2024, in line with good corporate governance practices, the Group launched a tender process for the audit of its annual financial statements. On June 21, 2024, the Group appointed Deloitte as auditors for the purposes of the audit of the annual financial statements, beginning with the audit of the financial statements for the year ended December 31, 2024.

Basis of preparation

These unaudited condensed consolidated financial statements do not constitute statutory accounts, and thus do not fully comply with International Financial Reporting Standards (“IFRS”), specifically, they do not comply with IFRS 34 “*Interim Financial Reporting*”. The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Group’s audited financial statements for the year ended December 31, 2023.

The preparation of the unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported numbers. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

In July 2023, the Company signed an agreement to acquire a further 40% equity interest in its joint venture business in Senegal (“Free in Senegal”). The transaction completed on October 2, 2023 resulting in the Group owning an 80% equity interest in Free in Senegal, allowing it to control and financially consolidate the operations from that date (the “Free in Senegal Acquisition”).

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION

Basis of preparation (continued)

On May 31, 2024, Axian Telecom completed the acquisition of an additional 50% of the issued share capital of Telecom Comores Holding, being the parent company of our joint operations in Comoros (together with the parent company referred to as "Telma Comoros"). Axian Telecom thereafter directly and indirectly controlled 100% of the voting rights in Telma Comoros. The operations of Telma Comoros are consolidated in these financial statements as from May 31, 2024.

The impacts of the Free in Senegal and Telma Comoros acquisitions are described in more detail in note 18.

These financial statements include the results of the operations of Free in Senegal from its acquisition completion date, and the statement of financial position of Free in Senegal as at December 31, 2023 and September 30, 2024; incorporated into the consolidated numbers. These financial statements do not include the results of the operations of Free in Senegal on a pro forma basis prior to its acquisition completion date.

We separately present the statement of profit or loss for the three month and nine month periods ended September 30, 2024 and the statement of other comprehensive income for the three and nine month periods ended September 30, 2024 on a combined basis, as if the Free in Senegal Acquisition had occurred as at the beginning of the earliest comparative period; in this case January 1, 2023. The pro forma adjustments made to the consolidated data and the resulting pro forma numbers are described in more detail and disclosed on pages 52 to 55 of these financial statements.

Given the value of revenue, gross assets, and Adjusted EBITDA of Telma Comoros, its acquisition is not considered to be a material acquisition which requires the disclosure of pro forma numbers in the financial statements in accordance with the reporting requirements under the Notes.

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OPERATING AND FINANCIAL REVIEW

Highlights for the quarter and year to date

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Revenue	366,271,103	269,028,726	1,026,559,954	762,831,234
Operating profit	80,361,362	71,037,668	230,739,330	181,761,411
Adjusted EBITDA*	156,676,869	126,975,016	457,935,326	349,375,140
Adjusted EBITDA Margin*	42.8%	47.2%	44.6%	45.8%
		As at September 30, 2024	As at September 30, 2023	As at December 31, 2023
		Units'000	Units'000	Units'000
Revenue generating subscribers ("RGS")		42,905	32,185	38,509
Active data users		11,431	8,512	11,338
Active MFS users		15,165	11,546	12,649
		Units	Units	Units
Owned Towers		4,215	3,571	3,698
Shared Towers		2,486	2,171	2,247
Tenants on Shared Towers		3,223	2,882	2,966
Tenancy Ratio		1.30x	1.33x	1.32x

* Non-IFRS measures are presented here to provide users with information which is regularly reviewed by management. Refer to Note 16 for a reconciliation of the non-IFRS measures to their nearest IFRS equivalent. We do not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS.

Operating results and market data

Revenue generating subscribers and other operational key performance indicators

Revenue generating subscribers increased by 4.4 million and 10.7 million during the nine month and twelve month periods ended September 30, 2024, respectively, resulting in 42.9 million RGS as at September 30, 2024. Active data users have remained stable during the nine month period ended September 30, 2024, and increased by 2.9 million in the twelve month period ended September 30, 2024, to 11.4 million Active data users. Active MFS users increased by 2.6 million and 3.7 million during the nine month and twelve month periods ended September 30, 2024, respectively, to 15.2 million Active MFS users.

The net movements for the twelve month period ended September 30, 2024 include the addition of 5.3 million Revenue generating subscribers, 2.2 million Active data users, and 0.6 million Active MFS users from the acquisition of Free in Senegal. Since its acquisition,

The net movements for the nine month and twelve month periods ended September 30, 2024 also include the addition of 0.3 million Revenue generating subscribers, 0.2 million Active data users, and 0.1 million Active MFS users from the acquisition of Telma Comoros.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue generating subscribers and other operational key performance indicators (continued)

Excluding the aggregate impacts of Free in Senegal and Telma Comoros, we reflect increases in Revenue generating subscribers, Active data users, and Active MFS users of 4.2 million, 0.3 million, and 2.5 million respectively for the nine month period ended September 30, 2024, and 5.2 million, 0.8 million, and 3.2 million respectively for the twelve month period ended September 30, 2024.

Excluding Free in Senegal and Telma Comoros, the increase in RGS for the nine month period ended September 30, 2024, of 4.2 million, is primarily driven by our Tanzania operation which saw an increase of 2.5 million RGS in the period. Our operations in Madagascar and Togo also saw increases in RGS of 1.4 million and 0.3 million respectively, in the same period. The increase in RGS for the twelve month period ended September 30, 2024, of 5.2 million, is primarily driven by our Madagascar and Tanzania operations which saw an increase of 2.8 million and 2.0 million RGS respectively, in the period.

Excluding Free in Senegal and Telma Comoros, the increase in Active data users for the nine month and twelve month periods ended September 30, 2024 is primarily driven by our Tanzania operation, which saw increases of 0.2 million and 0.3 million for the nine month and twelve month periods, respectively. Our Togo and Madagascar operations also saw increases of 0.3 million and 0.2 million Active data users respectively, in the twelve month period ended September 30, 2024.

Excluding Free in Senegal and Telma Comoros, the increase in Active MFS users for the nine month period ended September 30, 2024 is primarily driven by our Tanzania operation which saw an increase of 1.7 million in the nine month period. For the twelve month period ended September 30, 2024, our Active MFS users increased by 2.2 million, 0.7 million, and 0.3 million in our Tanzania, Madagascar, and Togo operations, respectively.

During the nine month period ended September 30, 2024, we have increased the number of Owned Towers and Shared Towers by 517 and 239 respectively, which includes the addition of 148 Owned Towers from Telma Comoros. The increase in Owned Towers of 369, excluding Telma Comoros, is mainly from an increase of 126 Owned Towers in our Tanzania operations in the period, and from our operations in Madagascar and Uganda which saw year-on-year increases in their Owned Towers (which are also Shared Towers in those operations) of 123 and 98, respectively, for the period. We also added 18 Owned Towers (which are also Shared Towers) in our DRC operations in the nine month period ended September 30, 2024.

Our Tenants on Shared Towers also increased by 257 in the same period as a result of net increases in our Madagascar, Uganda, and DRC operations of 126, 113, and 18, respectively. Our Tenancy Ratio decreased by 0.02x, to 1.30x, during the same period, as we continue to build new sites which currently have a Tenancy Ratio of 1.0x.

Revenue

Revenue for the three month period ended September 30, 2024 increased year-on-year by \$97.3 million or 36.1%, to \$366.3 million in Q3 2024, compared to \$269.0 million in Q3 2023. The year-on-year increase includes inorganic growth of \$42.7 million and \$9.2 million from Free in Senegal and Telma Comoros respectively, which were not consolidated in the prior year period. The remaining year-on-year increase of \$45.4 million, excluding Free in Senegal and Telma Comoros, is mainly comprised of increases in revenue related to our operations in Madagascar and Tanzania, which increased by \$18.7 million (or 21.7%), and \$20.7 million (or 18.8%), year-on-year, respectively. Our operations in Togo and Uganda also achieved year-on-year revenue increases of \$3.6 million (or 5.3%), and \$1.4 million (or 35.4%), respectively, for the same period.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue (continued)

The year-on-year increase in revenue in Madagascar is comprised of increases of \$11.6 million, \$7.0 million, and \$0.2 million in our Mobile and fixed-line communications, Digital and mobile financial services, and Infrastructure segments respectively. The increases in our Mobile and fixed-line communications and Digital and mobile financial services segments are primarily driven by the year-on-year increase in RGS, Active data users, and active MFS users, which results in increased activity in those segments. This is particularly pronounced in our Digital and mobile financial services segment which saw a year-on-year increase in Active MFS users in Madagascar of 25.6% but achieved year-on-year revenue growth of 38.4% for the quarter. The year-on-year revenue increase for the quarter ended September 30, 2024 in the Mobile and fixed-line communications segment is 18.4%, which is closely aligned with the year-on-year increase in RGS of 15.7%.

The year-on-year increase in revenue in Tanzania is comprised of increases of \$15.5 million (or 20.6%) and \$5.2 million (or 14.9%) in our Mobile and fixed-line communications, and Digital and mobile financial services segments respectively. These increases are primarily driven by the year-on-year increase in activity, resulting from year-on-year increases in RGS, Active data users, and active MFS users of 18.3%, 6.1%, and 29.9%, respectively.

The aggregate year-on-year revenue growth for the period from our Tanzania and Madagascar operations is partially offset by negative foreign exchange translation impacts of \$16.8 million (or 11.4%), and \$2.8 million (or 2.6%) respectively, owing to the year-on-year strengthening of the US Dollar against the local currencies of those markets.

Year-on-year growth in revenue for the quarter, in our Togo operation reflects growth in our Mobile and fixed-line communications segment and includes a positive year-on-year exchange rate impact of \$0.9 million, or 1.4%.

Revenue for the nine month period ended September 30, 2024 increased year-on-year by \$263.7 million or 34.6%, to \$1,027.6 million in the nine month period to September 30, 2024 compared to \$762.8 million in the prior year comparative period. Included in revenue for the nine month period ended September 30, 2024, are amounts of \$128.6 million and \$11.7 million for Free in Senegal and Telma Comoros, respectively, which reflect inorganic growth from these acquisitions.

The remaining year-on-year increase, net of the impact of Free in Senegal and Telma Comoros, is \$123.4 million (or 16.2% on a like-for-like basis), and is mainly comprised of an increase in revenue related to our operations in Madagascar, Tanzania, and Togo, which increased by \$52.3 million (or 22.0%), \$47.0 million (or 14.8%), and by \$16.0 million (or 8.4%) year-on-year, respectively. Our operations in Uganda also achieved a year-on-year revenue increase of \$3.3 million (or 30.0%) for the same period.

The year-on-year increase in revenue for the nine month period ended September 30, 2024 is impacted by aggregate negative foreign exchange translation impacts of \$44.3 million (or 4.1%), primarily related to our Tanzania and Madagascar markets, which reflected negative foreign exchange translation impacts of \$38.3 million (or 9.5%) and \$6.8 million (or 2.3%), respectively, for the period.

The year-on-year increase in revenue in our Uganda operations for the three month and nine month period ended September 30, 2024 are driven by increases in the number of Shared Towers and Tenants on Shared Towers which increased by 106 (or 26.6%) and 124 (or 25.2%) respectively, in the twelve month period ended September 30, 2024. The Tenancy Ratio decreased by 0.02x in the same period (from 1.24x at September 30, 2023, to 1.22x at September 30, 2024), owing to the construction of new Owned Towers which are yet to be collocated.

The year-on-year growth in revenue in our other smaller markets is also primarily related to our infrastructure segment and relates primarily to the sale of capacity on undersea cables.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue (continued)

Revenue by segment is presented below:

<u>For the three month period ended:</u>	September 30, 2024 USD	September 30, 2023 USD	Movement USD	Movement %
Mobile and fixed-line communications	286,241,763	204,683,413	81,558,350	39.8%
Infrastructure	13,309,009	11,475,580	1,833,429	16.0%
Digital and mobile financial services	66,514,805	52,951,444	13,563,361	25.6%
Other	205,526	(81,711)	287,237	n.m
	366,271,103	269,028,726	97,242,377	36.1%

<u>For the nine month period ended:</u>	September 30, 2024 USD	September 30, 2023 USD	Movement USD	Movement %
Mobile and fixed-line communications	800,412,402	584,577,191	215,835,211	36.9%
Infrastructure	41,511,071	31,471,495	10,039,576	31.9%
Digital and mobile financial services	184,260,229	146,273,595	37,986,634	26.0%
Other	376,252	508,953	(132,701)	(26.1)%
	1,026,559,954	762,831,234	263,728,720	34.6%

Operating costs

Total operating costs increased by \$83.5 million year-on-year for the three month period ended September 30, 2024, to \$287.1 million in Q3 2024 compared to \$203.6 million in Q3 2023. The year-on-year increase includes amounts of \$40.3 million and \$6.6 million related to Free in Senegal and Telma Comoros respectively, without which the like-for-like year on year increase is \$36.6 million, or 18.0%.

The year-on-year increase of \$36.6 million is primarily comprised of a year-on-year increase in staff costs of \$7.7 million, a year-on-year increase in commission to sales agents of \$7.4 million, a year-on-year increase in depreciation and amortization of \$6.8 million, a year-on-year increase in costs of devices and equipment of \$5.2 million, a year-on-year increase in technology operation costs of \$4.6 million, a year-on-year increase in government and regulatory costs of \$2.2 million, a year-on-year increase in professional fees of \$1.4 million, and a year-on-year increase in net provisions for and write-off of accounts receivable and loans of \$1.1 million.

Operating costs for the nine month period ended September 30, 2024 increased year-on-year by \$209.5 million (or 35.1%), to \$806.0 million in the current year compared to \$596.5 million in the prior year. The year-on-year increase includes amounts of \$118.7 million and \$9.0 million related to Free in Senegal and Telma Comoros respectively, without which the like-for-like year on year increase is \$81.8 million, or 13.7%.

The remaining year-on-year increase of \$81.8 million, is primarily comprised of a year-on-year increase in depreciation and amortization of \$25.8 million, a year-on-year increase in staff costs of \$18.5 million, a year-on-year increase in commission to sales agents of \$14.9 million, a year-on-year increase in technology operation costs of \$5.9 million, a year-on-year increase in cost of devices and equipment of \$4.6 million, a year-on-year increases in other operating costs of \$4.7 million, a year-on-year increase in net provisions and write-off of accounts receivable and loans of \$2.8 million, and year-on-year increases in professional fees and government regulatory costs of \$3.3 million and \$4.1 million respectively. The aggregate year-on-year-increase for the period is partially offset by a year-on-year decrease in impairment of non-financial assets of \$2.3 million.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs (continued)

The year-on-year increase in depreciation and amortization for the three month and nine month periods ended September 30, 2024 (excluding Free in Senegal and Telma Comoros), is primarily related to the depreciation of property, plant and equipment resulting from network investments in Tanzania, Togo, and Madagascar in the last 12 months, and thus in a higher asset base. In the nine month period to September 30, 2024, we also have an impact from accelerated depreciation of assets we expect to decommission in a shorter period as we complete the network modernizations.

We also reflect year-on-year increases in the amortization of intangible assets for both periods, primarily due to increased intangible asset values on account of license acquisition. Depreciation of right-of-use assets has decreased year-on-year for both the three month and the nine month periods ended September 30, 2024. While we have a higher lease liability and right-of-use asset values in our operations, these increases represent the impact of longer lease periods compared to the prior year, on account of lease contract renewals in 2023; thus decreasing the annual rate of depreciation.

The year-on-year increase (excluding Free in Senegal and Telma Comoros) for the three month and nine month periods ended September 30, 2024 in respect of staff costs is primarily driven by a general increase in staff numbers, particularly at the group level, and an increase in average wages and welfare benefits, such as medical insurance, in our operating entities. We also see a year-on-year increase in travel costs for both periods, primarily driven by group staff travel.

The year-on-year increase (excluding Free in Senegal and Telma Comoros) for the three month and nine month periods ended September 30, 2024 in respect of commissions to sales agents is primarily driven by increased sales, which drive our increased revenues in the same periods; and reflect lower year-on-year percentage increases than our revenue.

The year-on-year increases (excluding Free in Senegal and Telma Comoros) in the net costs associated with the write-off and impairment of financial and contract assets for the same periods, mainly result from credit loss provisions in respect of nanoloan customers and device finance customers which have increased year-on-year, as the value of nanoloans granted has increased year-on-year. The value of nanoloans extended to customers has increased by 68% year-on-year for the 9 month period ended September 30, 2024. The year-on-year increase in the balance of device financing, which results from increased device sales activity, also results in the year-on-year increase in the cost of devices and equipment.

The year-on-year increase in government and regulatory costs for the three month and nine month period ended September 30, 2024 is primarily driven by increased revenue in our Mobile and fixed-line communications and Digital and mobile financial services segments, as reflected by the increase in revenue in those segments and by the increase in RGS and Active MFS users. Our year-on-year increases in professional fees for the same periods primarily reflect increased advisory costs in respect of commercial and M&A activity.

The year-on-year increase in technology operation costs for the three month and nine month period ended September 30, 2024 is primarily driven by increased site energy costs and transmission fees. The year-on-year increases in site energy costs are primarily due to the increase in the number of Owned Towers, and from increases in local energy costs. The year-on-year increases in transmission fees are primarily driven by the purchase of additional fiber capacity. Aggregate network maintenance and professional fees reflect a modest year-on-year decrease of \$1.0 million for the nine month period ended September 30, 2024.

The year-on-year increase in other operating expenses for the three month and nine month periods ended September 30, 2024, is primarily driven by increases in general IT expenses, insurance charges, and security costs.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs (continued)

The year-on-year decrease in impairment of non-financial assets for the three month and nine month periods ended September 30, 2024, reflects the maturity of our network modernization programs, as we have less assets being replaced, and thus impaired in anticipation of replacement. This is also reflected in the year-on-year stability of interconnection and roaming costs for the same periods, which is primarily driven by our increased network coverage in our Tanzania and Togo markets, resulting in less requirement for interconnections.

Other operating income, and non-operating income and expenses

Other operating income was \$1.2 million and \$10.2 million for the three month and nine month periods ended September 30, 2024, respectively, compared to \$5.6 million and \$15.5 million for the three month and nine month periods ended September 30, 2023, respectively. The year-on-year decreases of \$4.4 million and \$5.3 million respectively, for the three month and nine month periods ended September 30, 2024 are primarily related to a decrease in the release of income from government grants, resulting from a re-assessment of the period over which the grant obligations remain applicable.

Net non-operating income increased year on year by \$16.5 million and by \$16.9 million for the three month and nine month periods ended September 30, 2024, respectively. The year-on-year increases for both periods primarily reflect the prior period impact of \$16.4 million resulting from an accrual for a post-acquisition M&A adjustment; this was not repeated in the current year periods. The nine-month period ended September 30, 2024 also includes a positive impact of \$0.9 million from the fair valuation of our previously held interest in Telma Comoros.

Net finance costs

Our net finance costs for the three month and nine month periods ended September 30, 2024 were \$59.7 million and \$147.6 million respectively, compared to \$48.9 million and \$121.3 million in the prior year comparative periods; representing year-on-year increases of \$10.8 million and \$26.3 million for the three month period and nine month periods respectively.

The year-on-year increases for the three month and nine month periods ended September 30, 2024 include net finance cost of \$8.7 million and \$27.6 million, respectively, owing to the inclusion of the aggregate results of Free in Senegal and Telma Comoros, which, if excluded, result in a year-on-year increase in net finance costs of \$2.1 million for Q3 2024, and a year-on-year decrease in net finance costs of \$1.2 million for the nine month period ended September 30, 2024.

The year-on-year increase in net finance costs for Q3 2024 of \$2.1 million, is primarily driven by an aggregate year-on-year increase of \$4.3 million in respect of interest expense for bank loans and shareholder loans, mainly on account of additional bank loan facilities drawn down in the current year. We also reflect an aggregate year-on-year unfavorable impact of \$1.3 million in net other finance costs, primarily related to vendor balances. This aggregate year-on-year increase is partially offset by a year-on-year decrease in net foreign exchange losses of \$0.4 million, a year-on-year increase in interest income of \$0.7 million, and a year-on-year increase of \$2.2 million in respect of net gains from the fair valuation of call option and other derivatives.

The year-on-year decrease in net finance costs for the nine month period ended September 30, 2024 of \$1.2 million, is primarily driven by a year-on-year net favorable impact in foreign exchange losses of \$11.2 million, which reflects a net foreign exchange loss in the current year period of \$32.4 million compared to a net foreign exchange loss of \$43.4 million in the prior year comparative period, on a like-for-like basis. We also had a year-on-year increase in interest income of \$0.8 million, and a year-on-year increase of \$2.7 million in respect of net gains from the fair valuation of call option and other derivatives. The aggregate year-on-year positive impact is partially offset by a year-on-year aggregate increase of \$10.9 million in respect of interest expense for bank loans, shareholder loans, and bank overdrafts, and a year-on-year increase of \$0.8 million in respect of interest on lease liabilities; in all cases as a result of larger underlying balances.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Net finance costs (continued)

The year-on-year decrease in net foreign exchange losses for the three month and nine month periods ended September 30, 2024 primarily result from our Mobile and fixed line and Infrastructure operations in Madagascar which reflect net foreign exchange losses of \$8.2 million for the nine month period ended September 30, 2023, compared to net foreign exchange gains of \$3.0 million in the current year period; a favorable year-on-year impact of \$11.2 million. Despite the larger devaluation of the Tanzanian Shilling against the US Dollar in Q3 2024 when compared to Q3 2023, foreign exchange losses in our Tanzania operations have decreased by \$1.0 million year-on-year for the three month period ended September 30, 2024, owing to a year-on-year decrease in USD denominated loans in those operations.

Share of profit in joint ventures and associates

Our share of profit in joint ventures and associates decreased year-on-year by \$0.5 million for the three month period ended September 30, 2024, and increased year-on-year by \$1.5 million for the nine month period ended September 30, 2024.

The year-on-year decrease for the three month period ended September 30, 2024 results from decreased profits from BNI Madagascar and Telecom Comoros of \$0.7 million and \$0.2 million respectively; with the latter becoming a subsidiary in June 2024 and thus having nil profits or losses for Q3 2024. We also reflect a year-on-year increase in profits from Telecom Reunion Mayotte of \$0.4 million for the same period.

The year-on-year increase for the nine month period ended September 30, 2024 mainly results from increased profits from BNI Madagascar and Telecom Reunion Mayotte of \$0.7 million and \$1.2 million, respectively. These profits are partially offset by year-on-year increased losses from Indian Ocean Financial Holdings Limited of \$0.5 million for the same period.

Income tax

Income tax charge increased by \$9.7 million and decreased by \$1.5 million year-on-year for the three month and nine month periods ended September 30, 2024, respectively.

The year-on-year increase of \$9.7 million for Q3 2024, is comprised of a decrease in net year-on-year deferred tax credit movements of \$8.5 million, and a year-on-year increase in current income tax expense of \$1.8 million, partially offset by a year-on-year decrease of \$0.5 million in withholding tax expense.

The year-on-year decrease of \$1.5 million for the nine month period ended September 30, 2024, is comprised of net year-on-year deferred tax credit movements of \$6.6 million and a year-on-year decrease of \$1.3 million in withholding tax expense. Current income tax expense increased by \$6.4 million year-on-year for the same period.

The year-on-year increase in current income tax expense for both the three month and nine month period ended September 30, 2024, is primarily driven by the year-on-year increase in operating and taxable profits, which are reflected by the increased year-on-year Adjusted EBITDA for the same periods. These increases are derived primarily from our operations in Madagascar and Togo.

The net year-on-year increase in deferred income tax credits for the nine month period ended September 30, 2024, is primarily driven by the deferred tax assets recognized in respect of unrealized foreign exchange losses in our Tanzania operations, partially offset by increased deferred tax liabilities related to fixed assets for which we utilize capital allowances over a shorter period than their depreciable lives. The net deferred tax credits for the three month period ended September 30, 2023, reflect the impact of the restructure of the Tanzania entities, thus resulting in a larger net deferred tax credit in the prior year comparative period which is not solely driven by foreign exchange losses in that period.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Income tax (continued)

The withholding tax expense in the current year is primarily related to interest payments made to Axian Telecom by its subsidiaries in respect of related party loans, which are subject to withholding taxes when the borrowers pay. The prior year comparative periods also reflect withholding taxes in Silver Links Limited related to the provision of capacity services. Following a technical tax assessment in Q2 2024, it was noted that a portion of the withholding taxes is likely to be set off against future tax liabilities, and we have thus recognized withholding tax payments as withholding tax assets rather than expensing them, resulting in a year-on-year decrease in withholding tax expense. Such withholding tax assets are periodically assessed for recoverability, and irrecoverable portions will be expensed.

Profit for the period

Our profit for the period increased by \$4.8 million year-on-year for the three month period ended September 30, 2024 and by \$42.5 million year-on-year for the nine month period ended September 30, 2024. Our profit for the three month period ended September 30, 2024, includes aggregate losses from Free in Senegal and Telma Comoros of \$3.4 million, while our profit for the nine month period ended September 30, 2024 includes aggregate losses from Free in Senegal and Telma Comoros of \$13.9 million.

The year-on-year increases in profits for the three month and nine month periods ended September 30, 2024, result mainly from higher operating profits, which increased by \$9.3 million and \$49.0 million for the three month and nine month period respectively, including Free in Senegal and Telma Comoros, and from year-on-year decreases in net non-operating expenses of \$16.5 million and \$16.9 million for the three month and nine month periods respectively. These aggregate year-on-year increases in profits are partially offset by year-on-year increases in net finance costs for both periods, while the net profit for Q3 2024 is also negatively impacted by the year-on-year increase in income tax expense.

Adjusted EBITDA

Our Adjusted EBITDA for the three month period ended September 30, 2024 increased year-on-year by \$29.7 million (or 23.4%), to \$156.7 million in the three month period ended September 30, 2024, compared to \$127.0 million in the prior year comparative period. Our Adjusted EBITDA for Q3 2024 includes Adjusted EBITDA from Free in Senegal and Telma Comoros of \$13.3 million and \$3.6 million respectively, without which we reflect a year-on-year growth of \$9.7 million, or 7.6%.

Our Adjusted EBITDA for the nine month period ended September 30, 2024 increased year-on-year by \$108.5 million (or 31.1%), to \$457.9 million in the nine month period ended September 30, 2024, compared to \$349.4 million in the prior year comparative period. Our Adjusted EBITDA for the nine month period to September 30, 2024 includes Adjusted EBITDA from Free in Senegal and Telma Comoros of \$44.7 million and \$5.5 million respectively, without which we reflect a year-on-year growth of \$58.3 million, or 16.7%.

The year-on-year increase in Adjusted EBITDA for both periods reflects the year-on-year increase in operating profits (excluding non-cash operating costs such as depreciation and amortization), driven primarily by increased revenue for both periods; as discussed above. The year-on-year increases in revenue is partially offset by year-on-year increases in operating costs, resulting primarily from increased staff costs, commission to sales agents, government regulatory costs, device costs, and provisions for financial and contract assets.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Statements of cash flow and liquidity

The Group had cash and cash equivalents (net of bank overdrafts) of \$115.1 million as at September 30, 2024 (December 31, 2023: \$127.8 million), of which a total of \$42.5 million (December 31, 2023: \$39.0 million) was held in either USD or Euro.

Net cash generated from operating activities

Net cash generated from operating activities decreased by \$58.3 million year-on-year for the three month period ended September 30, 2024. The year-on-year decrease is primarily as a result of year-on-year movements in working capital, whereby the current year period reflects net cash outflows from working capital changes of \$14.2 million compared to net cash inflows of \$41.8 million in the prior year comparative period; a year-on-year cash outflow movement of \$56.0 million. The year-on-year decrease is partially offset by a year-on-year increase in operating profits, as adjusted for non-cash items and as reflected by the year-on-year increase in Adjusted EBITDA for the period. This year-on-year increase in Adjusted EBITDA resulted in a year-on-year increase of \$9.6 million in cash generated from operations before working capital changes. We also reflect year-on-year increases in aggregate interest paid in respect of borrowings and leases of \$3.4 million, and a year-on-year increase in tax paid of \$9.1 million for the same period.

Net cash generated from operating activities increased by \$65.4 million year-on-year for the nine month period ended September 30, 2024, primarily as a result of increased operating profits, resulting in a year-on-year increase of \$106.6 million in cash generated from operations before working capital changes. We also reflected a positive year-on-year cash flow impact of \$8.1 million in respect of working capital which reflected a net cash inflow in the current year period of \$14.6 million compared to a net cash inflow of \$6.5 million in the prior year comparative period. This positive aggregate cash flow impact from operating activities is partially offset by a year-on-year increase in aggregate interest paid in respect of borrowings and leases of \$29.9 million (mainly related to site leases in Senegal), and by a year-on-year increase in tax paid of \$20.3 million.

Net cash used in investing activities

Net cash outflows used in investing activities decreased by \$54.9 million year-on-year for the three month period ended September 30, 2024, primarily due to a year-on-year decrease in aggregate cash outflows for the purchase of property, plant and equipment and intangible assets of \$35.7 million. We also reflected year-on-year decreases of \$21.8 million for the purchase of minority interest and other investments, primarily representing the acquisition of Free in Senegal in the prior year period. This aggregate positive cash flow impact is partially offset by a year-on-year decrease of \$2.5 million in respect of government grants received.

Net cash outflows used in investing activities increased by \$18.4 million year-on-year for the nine month period ended September 30, 2024, primarily due to a year-on-year increase in aggregate cash outflows for the purchase of property, plant and equipment and intangible assets of \$41.4 million. We also reflected a year-on-year decrease of \$3.6 million in respect of dividends received. This aggregate negative cash flow impact is partially offset by a year-on-year increase of \$2.6 million in respect of government grants received, and a year-on-year decrease in aggregate cash outflows for the purchase of subsidiaries and minority interest of \$24.1 million, representing primarily the aggregate effect of the acquisition of Free in Senegal in the prior year period (\$22.5 million) and the first payment for the purchase of Telma Comoros, net of cash acquired (\$2.6 million).

The cash outflows from the purchase of property, plant and equipment and intangible assets for the nine month period ended September 30, 2024, mainly result from our network improvement plans in Madagascar and Senegal (including a part payment for new license in Senegal), as well as reflecting increased tower construction activity in Uganda, Madagascar, DRC, and Tanzania when compared to the prior year comparative period. The cash outflows for the nine month period ended September 30, 2024 also include the settlement of creditors for capital expenditure, with the balance of creditors for capital expenditure reflecting a net decrease of \$31.3 million in the current year period.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Statements of cash flow and liquidity (continued)

Net cash used in financing activities

We had net cash outflows from financing activities of \$20.5 million for the three month period ended September 30, 2024, compared with net cash outflows of \$5.4 million in the prior year comparative period; a year on year net cash outflow impact of \$15.1 million. This year-on-year net cash outflow impact is primarily related to dividends paid, which increased by \$10.9 million year-on-year for the period, and to net receipts and repayment of borrowings (including the payment of loan costs), which reflected net cash outflows of \$2.1 million in the current year period, compared to net cash inflows of \$1.5 million in the prior year comparative period; a year-on-year negative cash flow impact of \$3.6 million. We also reflect a year-on-year increase of \$0.6 million in cash outflows for the payment of lease liabilities.

We had net cash outflows from financing activities of \$58.0 million for the nine month period ended September 30, 2024, compared with net cash outflows of \$57.0 million in the prior year comparative period; a year on year net cash outflow impact of \$1.0 million. This year-on-year net cash outflow impact is primarily related to dividends paid, which increased by \$10.9 million year-on-year for the period. The net cashflow outflow impact is partially offset by a year-on-year increase in net cash inflows from receipts and repayment of borrowings (including the payment of loan costs), which reflected net cash inflows of \$18.2 million in the current year period, compared to net cash inflows of \$9.6 million in the prior year comparative period; a year-on-year positive cash flow impact of \$8.6 million. We also reflect a year-on-year decrease of \$0.7 million in cash outflows for the payment of lease liabilities.

Refer to note 14 for more information regarding facilities and borrowings drawn down and repaid during the nine month period ended September 30, 2024.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the three month and nine month periods ended September 30, 2024

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Revenue (Note 3)	366,271,103	269,028,726	1,026,559,954	762,831,234
Cost of devices and equipment (Note 5)	(12,735,503)	(7,029,281)	(27,745,965)	(21,235,056)
Cost of interconnection and roaming (Note 5)	(11,942,077)	(6,629,181)	(31,061,277)	(21,258,508)
Government and regulatory costs (Note 5)	(22,655,522)	(14,630,318)	(64,469,655)	(44,225,885)
Advertising and distribution costs (Note 5)	(4,718,766)	(3,362,675)	(13,508,266)	(10,495,109)
Commission to sales agents (Note 5)	(50,057,088)	(38,172,417)	(139,360,956)	(111,222,813)
Net impairment losses on financial and contract assets (Note 5)	(5,863,224)	(2,073,319)	(12,486,145)	(4,686,281)
Technology operation costs (Note 5)	(30,165,586)	(21,697,782)	(82,154,346)	(66,132,689)
Staff costs (Note 5)	(38,519,474)	(24,166,584)	(111,043,753)	(73,126,690)
Other operating expenses (Note 5)	(25,749,584)	(20,267,218)	(74,591,535)	(57,108,797)
Write-off of financial assets (Note 5)	(254,537)	(1,825,054)	(1,186,930)	(4,246,687)
Professional fees, non-technical (Note 5)	(9,099,631)	(7,154,334)	(22,630,060)	(17,581,813)
Depreciation and amortization (Note 5)	(75,786,914)	(55,755,666)	(226,791,171)	(163,311,598)
(Impairment)/reversal impairment of non-financial assets (Note 5)	(218,865)	(793,942)	306,691	(1,906,174)
Other income (Note 4)	1,166,919	5,566,713	10,212,451	15,468,277
Net gain on financial assets at fair value through profit or loss (Note 5)	690,111	-	690,293	-
OPERATING PROFIT	80,361,362	71,037,668	230,739,330	181,761,411
Finance income (Note 6)	6,421,624	9,266,867	33,368,358	36,236,004
Finance costs (Note 6)	(66,072,783)	(58,139,062)	(180,997,519)	(157,492,525)
Non-operating income (Note 4)	828,885	342,403	2,166,514	852,852
Non-operating expenses (Note 4)	(366,546)	(16,378,489)	(802,699)	(16,378,489)
Share of profit in joint ventures and associates	5,184,979	5,724,064	14,749,215	13,167,288
PROFIT BEFORE INCOME TAX	26,357,521	11,853,451	99,223,199	58,146,541
Income tax expense (Note 7)	(10,179,067)	(485,961)	(28,828,822)	(30,280,675)
PROFIT FOR THE PERIOD	16,178,454	11,367,490	70,394,377	27,865,866
Profit for the period attributable to:				
- Owners of the Company	15,233,720	3,914,610	56,638,008	13,962,000
- Non-controlling interest	944,734	7,452,880	13,756,369	13,903,866
	16,178,454	11,367,490	70,394,377	27,865,866

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the three month and nine month periods ended September 30, 2024

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
PROFIT FOR THE PERIOD	16,178,454	11,367,490	70,394,377	27,865,866
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	10,471,547	2,369,992	808,907	18,855,221
Exchange differences on translation of foreign joint ventures	2,127,678	(1,290,704)	819,636	(676,542)
Other comprehensive income for the period, net of tax	12,599,225	1,079,288	1,628,543	18,178,679
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	28,777,679	12,446,778	72,022,920	46,044,545
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
- Owners of the Company	32,200,077	3,810,309	60,973,823	29,416,373
- Non - controlling interest	(3,422,398)	8,636,469	11,049,097	16,628,172
	28,777,679	12,446,778	72,022,920	46,044,545

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2024

	September 30, 2024 USD	December 31, 2023 USD
ASSETS		
Non-current assets		
Property, plant and equipment (Note 8)	1,068,495,107	967,943,066
Intangible assets (Note 9)	299,907,934	287,289,719
Interests in joint ventures and associates (Note 10)	71,183,829	73,213,174
Deferred tax assets	69,408,488	51,934,575
Trade and other receivables	14,656,978	29,805,761
Deposits receivable	4,419,826	4,258,973
Loans receivable	12,375,053	11,713,729
Right-of-use assets (Note 11)	593,033,401	642,375,938
Goodwill	243,142,959	249,468,397
Financial assets at fair value through profit or loss	12,976,917	11,004,179
Financial assets at fair value through OCI	16,190,533	17,490,668
Embedded derivative assets	5,600,000	1,000,000
Treasury bonds	1,094,024	1,402,023
	2,412,485,049	2,348,900,202
Current assets		
Inventories	18,483,196	27,517,337
Loan receivables	33,097,714	20,493,983
Trade and other receivables	279,610,626	270,893,325
Dividend receivable	73,766	-
Income tax receivable (Note 7)	11,195,055	13,619,187
Cash and cash equivalents (Note 12)	174,050,001	181,846,003
Restricted cash	362,885,044	325,070,229
	879,395,402	839,440,064
Total assets	3,291,880,451	3,188,340,266

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at September 30, 2024

	September 30, 2024 USD	December 31, 2023 USD
EQUITY AND LIABILITIES		
Equity and reserves		
Stated capital	1,372,564	1,372,564
Reorganization reserves	76,538,841	76,538,841
Other reserves	12,448,557	(18,861,385)
Legal reserves	8,947,181	6,503,426
Translation reserves	(4,882)	(4,340,978)
Retained earnings	126,477,973	153,593,943
Equity attributable to owners of the Company	225,780,234	214,806,411
Non-controlling interest	79,716,485	90,525,447
Total equity	305,496,719	305,331,858
LIABILITIES		
Non-current liabilities		
Borrowings (Note 14)	408,262,556	317,141,921
Bond borrowings (Note 14)	415,601,832	414,356,520
Trade and other payables (Note 13)	61,687,389	73,523,171
Government grants	22,702,478	9,180,531
Provisions	48,691,577	45,623,573
Lease liability (Note 11)	735,145,609	774,517,716
Deposits payable	8,080,668	7,918,759
Deferred tax liability	18,948,854	21,969,859
Retirement benefit obligations	7,174,386	6,644,439
	1,726,295,349	1,670,876,489
Current liabilities		
Trade and other payables (Note 13)	1,007,858,842	948,743,291
Client savings accounts	4,417,499	3,142,045
Borrowings (Note 14)	64,429,716	118,377,222
Bond borrowings (Note 14)	3,808,402	11,594,467
Provisions	11,445,368	13,171,671
Lease liability (Note 11)	51,637,886	36,386,565
Bank overdraft (Note 12)	58,924,635	54,021,078
Government grants	1,012,544	11,565,553
Dividend payable	32,629,632	5,783,890
Income tax payable (Note 7)	23,176,284	8,981,915
Deposits payable	1,963	-
Swap Derivative Liability	745,612	364,222
	1,260,088,383	1,212,131,919
Total liabilities	2,986,383,732	2,883,008,408
Total equity and liabilities	3,291,880,451	3,188,340,266

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital USD	Retained Earnings USD	Other reserves ¹ USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2023	1,372,564	137,416,590	22,632,544	161,421,698	98,947,434	260,369,132
Comprehensive income:						
Profit for the year	-	39,151,183	-	39,151,183	15,404,349	54,555,532
Other comprehensive income for the year, net of tax	-	504,243	16,391,849	16,896,092	2,027,892	18,923,984
Total comprehensive income for the year	-	39,655,426	16,391,849	56,047,275	17,432,241	73,479,516
Transactions with owners in their capacity as owners:						
Acquisition through business combination (Note 18)	-	-	-	-	(1,404,853)	(1,404,853)
Issue of shares	-	-	-	-	390,940	390,940
Purchase of minority interest ²	-	-	17,310,166	17,310,166	(10,107,765)	7,202,401
Transfer to legal reserve	-	(3,478,073)	3,478,073	-	-	-
Dividend paid	-	(20,000,000)	-	(20,000,000)	(14,732,550)	(34,732,550)
Disposal of subsidiary	-	-	27,272	27,272	-	27,272
Total transactions with owners	-	(23,478,073)	20,815,511	(2,662,562)	(25,854,228)	(28,516,790)
At December 31, 2023	1,372,564	153,593,943	59,839,904	214,806,411	90,525,447	305,331,858

¹ Other reserves are comprised of reorganization reserves, legal reserves, translation reserves (in respect of the translation of foreign currency subsidiaries and joint ventures), and other equity reserves.

² On July 20, 2023, the Group has acquired the non-controlling interest's 20% shareholding in Agou Holding SAS. The transaction resulted in the extinguishment of USD 9.8 million of loans owing to the non-controlling interest, the extinguishment of USD 32.4 million of put option liabilities, and the extinguishment of USD 2.7 million of call option assets. The difference between the aggregate consideration of USD 32.2 million, and the net liability position settled of USD 39.5 million, was recognized as a credit movement in equity, in restructuring reserves. This credit movement amounts to USD 7.3 million. The transaction has also resulted in the reclassification of USD 10.1 million of non-controlling interest within equity, with this amount being reclassified to restructuring reserves.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Stated Capital USD	Retained Earnings USD	Other reserves ¹ USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2024	1,372,564	153,593,943	59,839,904	214,806,411	90,525,447	305,331,858
Comprehensive income:						
Profit for the period	-	56,638,008	-	56,638,008	13,756,369	70,394,377
Other comprehensive income/(loss) for the period, net of tax	-	-	4,335,815	4,335,815	(2,707,272)	1,628,543
Total comprehensive income for the period	-	56,638,008	4,335,815	60,973,823	11,049,097	72,022,920
Transactions with owners in their capacity as owners:						
Transfer to other reserves	-	(33,753,978)	33,753,978	-	-	-
Issue of shares to NCI	-	-	-	-	81,269	81,269
Dividend declared	-	(50,000,000)	-	(50,000,000)	(21,939,328)	(71,939,328)
Total transactions with owners	-	(83,753,978)	33,753,978	(50,000,000)	(21,858,059)	(71,858,059)
At September 30, 2024	1,372,564	126,477,973	97,929,697	225,780,234	79,716,485	305,496,719

¹ Other reserves are comprised of reorganization reserves, legal reserves, translation reserves (in respect of the translation of foreign currency subsidiaries and joint ventures), and other equity reserves.

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 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the three month and nine month periods ended September 30, 2024

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Cash flows from operating activities				
Cash flows from operations (Note 15)	135,003,212	181,318,274	455,490,979	340,824,279
Interest paid on lease liabilities	(24,204,110)	(21,760,267)	(68,902,861)	(44,336,015)
Interest paid on loans, bonds and other borrowings	(21,602,600)	(20,606,938)	(48,838,142)	(43,519,791)
Interest received	3,580,585	2,923,538	9,774,051	8,786,828
Tax paid	(12,441,032)	(3,277,677)	(34,299,157)	(14,003,558)
Net cash generated from operating activities	80,336,055	138,596,930	313,224,870	247,751,743
Cash flows from investing activities				
Acquisition of financial assets at fair value through profit or loss	(962,360)	(200,000)	(1,262,360)	(200,000)
Proceeds from disposal of financial assets at fair value through profit or loss	122,808	-	122,808	-
Proceeds from disposal of property, plant and equipment	102,778	225,147	1,070,513	300,966
Proceeds from disposal of intangible assets	-	6,758	-	6,758
Purchase of property, plant and equipment	(70,579,727)	(100,260,676)	(268,003,914)	(219,055,780)
Purchase of minority interest	-	(22,459,407)	-	(22,459,407)
Acquisition of investment in subsidiaries (net of cash acquired) (Note 18)	(53,014)	-	2,601,389	4,155
Disposal of subsidiary, net of cash disposed	-	-	-	(2,707)
Purchase of intangible assets	(949,092)	(6,920,836)	(21,749,866)	(29,234,156)
Dividend received from investment in joint ventures	-	-	9,409,401	12,945,792
Loan received from/(paid to) related parties	-	10,000	(227,989)	(10,000)
Repayment made by related parties	13,033	37,111	42,809	181,283
Net deposits refunded	173,128	27,475	87,550	275,531
Corporate bonds matured	155,597	155,516	310,768	456,954
Grants received	4,125,846	6,561,329	9,552,246	7,045,428
Dividend received	9,050	100,451	34,902	125,520
Net cash used in investing activities	(67,841,953)	(122,717,132)	(268,011,743)	(249,619,663)
Cash flows from financing activities				
Proceeds from issue of shares/from NCI Investment	6,087	196,969	81,269	296,533
Additional borrowings	22,052,205	21,350,311	129,864,930	57,220,782
Repayment of borrowings	(20,681,405)	(19,884,704)	(106,190,481)	(47,362,257)
Repayment of principal on lease liabilities	(1,747,198)	(1,067,382)	(28,437,566)	(29,053,578)
Dividend paid	(16,569,476)	(5,724,385)	(47,325,279)	(37,128,913)
Payment of loan transaction costs	(3,421,149)	-	(5,477,536)	(266,026)
Premium on settlement of swap derivative liability	(186,820)	(282,390)	(521,433)	(674,090)
Net cash flow used in financing activities	(20,547,756)	(5,411,581)	(58,006,096)	(56,967,549)
Net (decrease)/increase in cash and cash equivalents	(8,053,654)	10,468,217	(12,792,969)	(58,835,469)
Effect of exchange rate on cash and cash equivalents	1,650,235	(21,142,533)	93,410	(2,534,060)
Cash and cash equivalents at beginning of the period	121,528,785	148,166,415	127,824,925	198,861,628
Cash and cash equivalents at end of the period (Note 12)	115,125,366	137,492,099	115,125,366	137,492,099

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The unaudited condensed consolidated financial statements (the “financial statements”) are the financial statements of Axian Telecom (the “Company”) and its subsidiaries, together the “Group”.

The Group is a leading pan-African telecommunications services provider, operating in nine markets through subsidiaries and nonconsolidated joint ventures in Tanzania, Madagascar, Togo, Uganda, Democratic Republic of the Congo (“DRC”), Mauritius, Senegal, Réunion/Mayotte, and the Comoros. The Group’s activities span a diverse range of telecommunication assets and services, including retail mobile, residential and business fixed-line telephone, broadband internet, digital services offerings, including mobile financial services (“MFS”), and wholesale infrastructure (tower, bandwidth, and data centers).

The ultimate holding company of the Group, as at September 30, 2024 is Axian Telecom, a private company limited by shares incorporated under the laws of Mauritius on June 20, 2003, under the name Société Financière Malgache Ltée. The Company holds a Global Business License under the Financial Services Act 2007 and is regulated by the Financial Services Commission.

The ultimate holding company of Axian Telecom, as at September 30, 2024 is Axian Telecom Holding and Management Ltd (“Axian Telecom Holding”), a company incorporated under the Companies Law, DIFC Law No.5 of 2018, under the registration number 7891.

In February 2022, Axian Telecom, as Issuer, completed the offering of US\$420,000,000 in aggregate principal amount of its 7.375% Senior Notes due 2027 (the “Notes”), under an indenture dated February 16, 2022. Interest on the Notes will be paid semi-annually in arrear on February 16 and August 16 of each year, commencing on August 16, 2022. Interest on the Notes will accrue at a rate of 7.375% per annum. The Notes will mature on February 16, 2027.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements do not constitute statutory accounts, and thus do not fully comply with International Financial Reporting Standards (“IFRS”), specifically, they do not comply with IFRS 34 “*Interim Financial Reporting*”. The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Group’s audited financial statements for the year ended December 31, 2023.

The preparation of the unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported numbers. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

The functional and presentation currency of the Company is US dollar (“USD”, “\$”). Unless otherwise indicated, the financial information is presented in US dollar, rounded to the nearest US dollar.

The financial statements were approved by the board of directors on November 25, 2024.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Mobile services	214,592,200	155,837,247	607,822,002	447,299,064
Fixed services	23,268,263	18,637,102	66,098,036	51,486,421
Interconnection/Roaming/MVNO	16,077,996	9,451,437	42,674,862	30,108,367
Customer Equipment and Infrastructure	10,342,357	4,101,541	19,748,894	11,947,235
Operator Infrastructure services	7,623,584	7,309,811	23,844,734	21,527,419
Commissions received on electronic money activities	71,763,706	58,212,738	202,834,674	157,666,296
Content and value-added services	7,534,738	3,464,243	21,403,971	10,229,077
Other revenue	1,606,958	775,663	4,134,446	2,546,412
Hosting and rental of sites	11,168,788	9,742,829	30,730,794	26,471,411
Trademark and license fees	(70,939)	94,712	198,226	248,612
Administration and general management fees	-	(151,458)	-	314,399
Digital solutions and other support services	2,363,452	1,552,861	7,069,315	2,986,521
	366,271,103	269,028,726	1,026,559,954	762,831,234

4. OTHER INCOME AND EXPENSES

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Other income				
(Loss)/gain on disposal of property, plant, and equipment	(66,254)	160,721	94,009	160,721
Dividend Income	81,544	100,451	107,396	2,914,023
Release of government grant	945,075	4,780,089	5,659,079	9,747,908
Waiver of claims obtained	45,617	156,467	92,279	156,467
Trade payables waived	-	-	-	34,952
Other income	160,937	368,985	4,259,688	2,454,206
	1,166,919	5,566,713	10,212,451	15,468,277

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. OTHER INCOME AND EXPENSES (CONTINUED)

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Non-operating income				
Amortization of deferred gain on sale of PPE	222,149	241,446	689,418	751,895
Other payable waived	-	-	1,194	-
Gain on lease modification and termination of contract	606,736	100,957	606,736	100,957
Gain on remeasurement of provision for dismantling costs	-	-	4,185	-
Gain on fair value of previously held interest	-	-	864,981	-
	828,885	342,403	2,166,514	852,852

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Non-operating expenses				
Loss on lease modification	(366,546)	-	(802,699)	-
Post-acquisition M&A settlement	-	(16,378,489)	-	(16,378,489)
	(366,546)	(16,378,489)	(802,699)	(16,378,489)

5. OPERATING COSTS

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Cost of equipment, devices	9,179,677	5,284,560	19,991,285	16,136,173
Provision for device inventories	231,135	34,085	217,065	138,834
Prepaid cards and accessories	3,324,691	1,710,636	7,537,615	4,960,049
Cost of devices and equipment	12,735,503	7,029,281	27,745,965	21,235,056
Interconnection fees	9,516,057	6,288,371	27,965,051	20,172,408
Roaming fees	2,426,020	340,810	3,096,226	1,086,100
Cost of interconnection and roaming	11,942,077	6,629,181	31,061,277	21,258,508
Telecom operator and regulatory fees	12,372,938	8,626,824	35,697,037	26,340,739
Frequency fees	6,217,103	2,715,653	17,841,342	8,765,973
Excise Duty	4,065,481	3,287,841	10,931,276	9,119,173
Government and regulatory costs	22,655,522	14,630,318	64,469,655	44,225,885
Advertising and distribution costs	4,718,766	3,362,675	13,508,266	10,495,109
Commission to sales agents	50,057,088	38,172,417	139,360,956	111,222,813
Impairment/(reversal of impairment) of financial assets	7,438	20,514	(161,743)	20,514
Impairment of loans to clients	2,714,745	748,688	7,813,234	2,790,745
Loss allowance on trade receivables	3,141,041	1,304,117	4,834,654	1,875,022
Net impairment on financial and contract assets	5,863,224	2,073,319	12,486,145	4,686,281

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. OPERATING COSTS (CONTINUED)

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Transmission fees	2,469,871	1,415,344	11,253,465	7,026,279
Content and value-added service (VAS) charges	1,803,369	2,775,686	5,286,206	4,823,341
Backbone charges	471	-	471	-
Satellite and bandwidth charges	870,534	476,688	2,302,601	1,306,990
Site energy	10,003,327	6,916,583	28,107,317	21,928,508
Site and network repairs and maintenance	7,093,850	2,559,294	14,091,312	7,462,562
Professional fees, technical	3,304,796	2,190,084	5,840,642	6,804,414
Rental (credit)/expenses for short term and low value leases, technical sites	(623,766)	230,118	926,007	443,188
Maintenance of Materials, software and Network	5,243,134	5,133,985	14,346,325	16,337,407
Technology operation costs	30,165,586	21,697,782	82,154,346	66,132,689
Payroll and social charges	33,936,918	21,812,238	100,973,678	67,776,133
Travel expenses	3,501,603	2,382,192	8,161,306	5,127,693
Training	910,112	63,636	1,443,028	185,777
Provision/(reversal of provision) for retirement benefit obligations	170,841	(91,482)	465,741	37,087
Staff costs	38,519,474	24,166,584	111,043,753	73,126,690
Write-off of financial assets	254,537	1,825,054	1,186,930	4,246,687
Professional fees, non-technical	9,099,631	7,154,334	22,630,060	17,581,813
Depreciation of property, plant & equipment	45,182,357	33,184,784	136,813,182	97,201,571
Amortization of intangible assets	13,791,529	8,555,885	39,228,762	23,691,990
Depreciation of rights of use assets	16,813,028	14,014,997	50,749,227	42,418,037
Depreciation and amortization	75,786,914	55,755,666	226,791,171	163,311,598
Impairment or write-off of property, plant and equipment, and intangible assets	-	-	-	3,610,000
Reversal of impairment of interest in joint ventures	-	-	-	(54,029)
Impairment/(reversal of impairment) of inventory	218,865	793,942	(306,691)	(1,649,797)
Impairment/(reversal of impairment) of non-financial assets	218,865	793,942	(306,691)	1,906,174
Other operating expenses*	25,749,584	20,267,218	74,591,535	57,108,797
Net gain on financial assets at fair value through profit or loss	(690,111)	-	(690,293)	-
Total operating costs	287,076,660	203,557,771	806,033,075	596,538,100

*Other operating expenses are comprised of the following significant items, among other items: general IT expenses, bank charges, utility costs, security and cleaning costs, insurance costs, operating levies and taxes, penalties, and provisions for litigations.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. FINANCE INCOME AND EXPENSE

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Finance income				
Foreign exchange gain	695,676	5,702,482	17,923,787	18,999,937
Interest income	3,487,380	2,712,496	10,378,613	9,384,605
Gain/(loss) on fair valuation of derivatives	2,100,000	(200,000)	4,600,000	5,330,702
Other finance income	138,568	1,051,889	465,958	2,520,760
	6,421,624	9,266,867	33,368,358	36,236,004
Finance costs				
Foreign exchange loss	(21,323,718)	(26,667,277)	(50,369,147)	(62,439,540)
Interest on bank loans	(6,586,212)	(2,851,247)	(17,672,335)	(8,827,089)
Interest on listed bonds	(8,214,205)	(8,182,645)	(24,434,247)	(24,255,740)
Interest on loan and amount payable to related parties	(2,980,613)	(1,775,898)	(8,757,886)	(5,427,632)
Interest on bank overdraft	(704,370)	(596,294)	(2,208,915)	(1,532,957)
Interest on lease liabilities	(23,597,725)	(16,409,275)	(70,987,698)	(45,829,836)
Interest expense on provision for dismantling costs	(138,767)	(101,528)	(1,260,134)	(1,182,391)
Loss on fair valuation of derivatives	(308,549)	(185,674)	(945,204)	(4,303,913)
Other interest charges	(2,218,624)	(1,369,224)	(4,361,953)	(3,693,427)
	(66,072,783)	(58,139,062)	(180,997,519)	(157,492,525)
Net finance costs	(59,651,159)	(48,872,195)	(147,629,161)	(121,256,521)

7. INCOME TAX

a) Income tax expense

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Actual income tax	19,630,309	17,874,867	50,727,179	44,333,273
Withholding tax	54,789	573,847	762,638	2,063,911
Deferred tax credit	(9,506,031)	(17,962,753)	(22,660,995)	(16,116,509)
	10,179,067	485,961	28,828,822	30,280,675

As at September 30, 2024, the Company is liable to income tax in Mauritius on its chargeable income at the rate of 15%. Under the current regime, the Company is able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption are taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in foreign jurisdiction where it generates income.

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 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX (CONTINUED)

The Madagascar, Togo, Comoros, Uganda, Kenya, Senegal and Tanzania subsidiaries are subject to income tax on their income at 20% (Madagascar), 27% (Togo), 35% (Comoros) and 30% (Uganda, Kenya, Senegal and Tanzania) respectively (2023: 20%, 27% and 30% (for Uganda, Kenya, Senegal and Tanzania)). Therefore, the income tax rate for the Group is in the range of 15% - 35% (2023: 15% - 30%). Local law in Madagascar further provides that all loss-making entities should be liable to a minimum tax of 5% of revenue.

b) Net tax liability/(receivable)

	September 30, 2024 USD	December 31, 2023 USD
At January 1,	(4,637,272)	(2,209,780)
Acquisition through business combination (Note 18)	91,685	(294,657)
Disposal of subsidiary	-	(23,102)
Charge during the period/year	50,727,179	44,078,755
Tax paid	(34,299,157)	(43,965,046)
Withholding tax suffered	-	(2,390,844)
Translation difference	98,794	167,402
At September 30/December 31	<u>11,981,229</u>	<u>(4,637,272)</u>

Analyzed as follows:

Income tax receivable	(11,195,055)	(13,619,187)
Income tax payable	23,176,284	8,981,915
	<u>11,981,229</u>	<u>(4,637,272)</u>

AXIAN TELECOM
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 FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT

	Materials USD	Land and Building USD	Technical Equipment USD	Others ¹ USD	Assets in Progress USD	Total USD
Cost						
At January 1, 2023	56,298,963	289,114,693	1,336,868,621	13,823,479	104,098,607	1,800,204,363
Reclassification adjustments ²	392,642	(109,319)	(1,021,302)	635,345	-	(102,634)
Acquisition through business combinations (Note 18)	-	9,096,324	73,558,265	5,435,587	14,844,798	102,934,974
Additions	248,423	98,127	(5,446,454)	3,084,759	368,348,449	366,333,304
Transfers	12,279,711	72,378,253	251,796,158	957,212	(337,411,334)	-
Disposals and scrap	(1,381,861)	(785,737)	(3,418,225)	(851,861)	-	(6,437,684)
Provision for dismantling	-	(1,038,956)	507,651	-	-	(531,305)
Transfer to inventories	-	-	(107,558)	-	-	(107,558)
Translation difference	1,012,359	(3,938,332)	12,064,774	(87,920)	(758,386)	8,292,495
At December 31, 2023	68,850,237	364,815,053	1,664,801,930	22,996,601	149,122,134	2,270,585,955
Reclassification adjustments ³	-	-	-	(27,758)	16,160,989	16,133,231
Acquisition through business combinations (Note 18)	727,981	12,858,764	7,470,660	111,278	2,586,856	23,755,539
Additions	3,127,437	12,365,178	3,054,427	604,091	201,183,823	220,334,956
Transfers	6,115,771	30,983,477	156,008,700	2,472,245	(195,580,193)	-
Transfer to intangible assets ⁴	1,760	-	(5,002,603)	-	-	(5,000,843)
Disposals and scrap	(1,137,682)	(324,712)	(13,465,550)	(975,733)	(513,362)	(16,417,039)
Provision for dismantling	-	968,641	-	-	-	968,641
Translation difference	(514,847)	2,375,704	(14,789,027)	122,212	(1,896,534)	(14,702,492)
At September 30, 2024	77,170,657	424,042,105	1,798,078,537	25,302,936	171,063,713	2,495,657,948

¹ The category 'Others' comprises IT equipment, furniture and fixtures, and motor vehicles.

² Telecom Malagasy has made a reclassification between cost and depreciation in the presentation of its property, plant, and equipment for the year ended December 31, 2023. Thus, reclassification adjustments have been made. Togocom and its subsidiaries have made changes in the presentation of its property, plant and equipment from intangible assets on reviewing the nature of each asset during the year ended December 31, 2023.

³ Togocom and its subsidiaries and Stellar IX made a reclassification from advance payments (in trade and other receivables) to work in progress during the period ended September 30, 2024.

⁴ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the period ended September 30, 2024.

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8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Materials USD	Land and Building USD	Technical Equipment USD	Others ¹ USD	Assets in Progress USD	Total USD
Accumulated depreciation						
At January 1, 2023	(44,738,563)	(128,765,515)	(950,002,805)	(12,833,059)	-	(1,136,339,942)
Reclassification adjustments ⁵	(182,731)	(26,892)	912,022	(635,345)	-	67,054
Charge for the year	(5,616,587)	(27,501,767)	(112,116,064)	(2,281,368)	-	(147,515,786)
Impairment	(243,218)	(269,718)	(5,806,074)	-	-	(6,319,010)
Disposals and scrap	1,374,174	661,483	3,027,507	839,692	-	5,902,856
Translation difference	(1,398,829)	959,429	(18,256,646)	257,985	-	(18,438,061)
At December 31, 2023	(50,805,754)	(154,942,980)	(1,082,242,060)	(14,652,095)	-	(1,302,642,889)
Reclassification adjustments ⁶	4,817	-	1,145,330	-	(2,426,649)	(1,276,502)
Charge for the period	(5,869,630)	(24,412,306)	(104,565,867)	(1,965,379)	-	(136,813,182)
Disposals and scrap	1,136,821	30,788	13,201,640	976,058	-	15,345,307
Transfer to intangible assets ⁷	-	-	127,386	-	-	127,386
Translation difference	(62,042)	(2,287,378)	714,665	(178,493)	(89,713)	(1,902,961)
At September 30, 2024	(55,595,788)	(181,611,876)	(1,171,618,906)	(15,819,909)	(2,516,362)	(1,427,162,841)
Net book value						
At September 30, 2024	21,574,869	242,430,229	626,459,631	9,483,027	168,547,351	1,068,495,107
At December 31, 2023	18,044,483	209,872,073	582,559,870	8,344,506	149,122,134	967,943,066

⁵ Telecom Malagasy has made a reclassification between cost and depreciation in the presentation of its property, plant, and equipment for the year ended December 31, 2023. Thus, reclassification adjustments have been made. Togocom and its subsidiaries have made changes in the presentation of its property, plant and equipment from intangible assets on reviewing the nature of each asset during the year ended December 31, 2023.

⁶ Togocom and its subsidiaries and Stellar IX made a reclassification from advance payments (in trade and other receivables) to work in progress during the period ended September 30, 2024.

⁷ Maya Africa Holding Ltd and its subsidiaries have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the period ended September 30, 2024.

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9. INTANGIBLE ASSETS

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Customer related assets USD	Brand USD	Total USD
Cost										
At January 1, 2023	28,819,123	220,497,869	20,185,043	26,730,469	13,417,653	1,303,820	10,693,666	49,040,544	16,048,894	386,737,081
Reclassification adjustments ¹	14,004,188	(2,586,230)	-	(1,551)	-	(9,856)	(10,943,913)	-	-	462,638
Reclassification to PPE ²	696,065	41,914	-	-	-	-	-	-	-	737,979
Acquisition through business combinations (Note 18)	720,043	48,896,346	-	-	-	14,091,818	-	13,853,110	3,387,799	80,949,116
Additions	1,071,917	5,715,626	20,163,746	-	-	706,889	-	-	-	27,658,178
Transfers to Profit and Loss	6,434,657	473,826	(13,555,249)	-	-	6,646,766	-	-	-	-
Transfer to inventories	-	46,303	-	-	-	-	-	-	-	46,303
Disposals and scrap	(6,758)	-	-	-	-	(443,675)	-	-	-	(450,433)
Translation difference	604,783	(179,897)	340,842	(1,239,625)	250,864	760,830	255,614	(785,822)	(3,659,559)	(3,651,970)
At December 31, 2023	52,344,018	272,905,757	27,134,382	25,489,293	13,668,517	23,056,592	5,367	62,107,832	15,777,134	492,488,892
Reclassification adjustments ³	-	-	-	(748,695)	-	1,671,133	-	-	-	922,438
Reclassification to PPE ⁴	-	-	(7,978)	5,008,821	-	-	-	-	-	5,000,843
Acquisition through business combinations (Note 18)	9,030,139	-	-	-	-	-	-	4,222,565	1,070,938	14,323,642
Additions	230,577	25,194,785	10,891,392	548,437	-	306,481	2,558	-	-	37,174,230
Transfer to Profit and Loss	5,913,518	1,717,160	(9,294,140)	-	-	1,663,462	-	-	-	-
Disposals and scrap	(44,808)	-	-	(181)	-	-	-	-	-	(44,989)
Translation difference	824,261	(1,065,560)	771	(1,836,772)	-	167,362	164,723	(3,086,538)	(1,027,446)	(5,859,199)
At September 30, 2024	68,297,705	298,752,142	28,724,427	28,460,903	13,668,517	26,865,030	172,648	63,243,859	15,820,626	544,005,857

¹ Telecom Malagasy and Honora Tanzania Public Limited Company has made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the year ended December 31, 2023.

² Togocom and its subsidiaries have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2023.

³ Maya Africa Holding Ltd and its subsidiaries and Honora Tanzania Public Limited Company has made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the period ended September 30, 2024.

⁴ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the period ended September 30, 2024.

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9. INTANGIBLE ASSETS (CONTINUED)

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Customer related assets USD	Brand USD	Total USD
Accumulated amortization										
At January 1, 2023	(25,082,813)	(120,701,424)	-	(2,423,040)	(1,727,220)	(94,101)	(7,144,645)	(9,457,252)	(1,370,519)	(168,001,014)
Reclassification adjustments ⁵	(9,057,441)	1,401,871	-	(266)	-	9,856	7,183,342	-	-	(462,638)
Reclassification to PPE ⁶	(696,065)	(6,334)	-	-	-	-	-	-	-	(702,399)
Amortization charge for the year	(4,158,227)	(10,718,268)	-	(3,100,852)	(900,525)	(1,319,468)	(480)	(12,335,799)	(4,454,839)	(36,988,458)
Provision for impairment	(7,100)	-	-	(97)	-	-	-	-	-	(7,197)
Disposals and scrap	-	-	-	-	-	443,675	-	-	-	443,675
Translation difference	(658,637)	263,631	-	(405,282)	(32,293)	(19,334)	(43,584)	196,429	1,217,928	518,858
At December 31, 2023	(39,660,283)	(129,760,524)	-	(5,929,537)	(2,660,038)	(979,372)	(5,367)	(21,596,622)	(4,607,430)	(205,199,173)
Reclassification adjustments ⁷	-	-	-	(882,226)	-	(40,212)	-	-	-	(922,438)
Reclassification from PPE ⁸	-	-	-	(127,386)	-	-	-	-	-	(127,386)
Amortization charge for the period	(4,328,993)	(13,580,711)	-	(2,112,349)	(675,393)	(4,003,824)	(10,050)	(9,019,423)	(5,498,019)	(39,228,762)
Disposals and scrap	3,008	-	-	181	-	-	-	-	-	3,189
Translation difference	(380,302)	(988,132)	-	478,481	-	40,318	(164,721)	1,841,977	549,026	1,376,647
At September 30, 2024	(44,366,570)	(144,329,367)	-	(8,572,836)	(3,335,431)	(4,983,090)	(180,138)	(28,774,068)	(9,556,423)	(244,097,923)
Net book value										
At September 30, 2024	23,931,135	154,422,775	28,724,427	19,888,067	10,333,086	21,881,940	(7,490)	34,469,791	6,264,203	299,907,934
At December 31, 2023	12,683,735	143,145,233	27,134,382	19,559,756	11,008,479	22,077,220	-	40,511,210	11,169,704	287,289,719

⁵ Telecom Malagasy and Honora Tanzania Public Limited Company has made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the year ended December 31, 2023.

⁶ Togocom and its subsidiaries have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2023.

⁷ Maya Africa Holding Ltd and its subsidiaries and Honora Tanzania Public Limited Company has made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the period ended September 30, 2024.

⁸ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the period ended September 30, 2024.

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10. INTEREST IN JOINT VENTURES AND ASSOCIATES

	September 30, 2024 USD	December 31, 2023 USD
At January, 1	73,213,174	61,522,220
Share of profit in joint ventures and associates	14,749,215	20,371,643
Share of translation reserves	-	1,426,283
Reversal of impairment loss	-	54,029
Dividend received	(9,409,401)	(10,161,001)
Fair value adjustment	864,982	-
Transfer to investment in Subsidiary	(8,886,340)	-
Share of OCI	819,636	-
Translation difference	(167,437)	-
At September 30/December 31	71,183,829	73,213,174

Details pertaining to the investment in joint ventures and associates at September 30, 2024 and December 31, 2023 are as follows:

Name of Company	Country of Incorporation /place of activity	Class of shares held	% Holding		Direct/ Indirect	Relationship	Activities
			Sep 30, 2024	Dec 31, 2023			
Telecom Comores Holding Ltd	Mauritius	Ordinary	-	15%	Direct	Subsidiary	Investment holding
Telecom Comores Holding Ltd	Mauritius	Ordinary	100%	43.3%	Direct & Indirect	Subsidiary	Investment holding
Telecom Reunion Mayotte	France	Ordinary	50%	50%	Indirect	Joint venture	Telecommunications
Société d'Exploration et de Promotion Iliad Axian	Reunion	Ordinary	50%	50%	Indirect	Joint venture	Real estate
BNI Madagascar	Madagascar	Ordinary	31.2%	31.2%	Direct & Indirect	Associate	Banking
Indian Ocean Financial Holdings Limited	Mauritius	Ordinary	41.6%	41.6%	Indirect	Associate	Investment holding

On May 31, 2024, Axian Telecom completed the acquisition of an additional 50% of the issued share capital of Telecom Comores Holding, being the parent company of our joint operations in Comoros (together with the parent company referred to as "Telma Comoros"). Axian Telecom thereafter directly and indirectly controlled 100% of the voting rights in Telma Comoros. The operations of Telma Comoros are consolidated in these financial statements as from May 31, 2024.

Telecom Reunion Mayotte is a telecommunication operator and service provider. It is a strategic investment for the Group which complements the telecommunication services being provided by the Group.

Société d'Exploration et de Promotion Iliad Axian operates in the real estate development and is not significant to the Group.

BNI Madagascar operates in the banking sector and Indian Ocean Financial Holdings Limited is an investment holding company, which in turn holds BNI Madagascar.

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11. RIGHT OF USE ASSETS AND LIABILITIES

	September 30, 2024 USD	December 31, 2023 USD
<i>Right of use assets</i>		
At January, 1	642,375,938	400,255,860
Additions during the period/year	32,247,598	59,048,605
Acquisition through business combination (Note 18)	1,804,234	179,746,735
Disposals, termination, and modifications during the period/year	(1,943,723)	(12,093,722)
Remeasurements	(2,222,902)	103,310,862
Amortization charge during the period/year	(50,749,227)	(65,981,292)
Translation difference	(28,478,517)	(21,911,110)
At September 30/December 31	593,033,401	642,375,938
<i>Lease liabilities</i>		
At January, 1	810,904,281	429,875,132
Additions during the period/year	35,170,915	59,048,605
Acquisition through business combination (Note 18)	1,803,733	298,494,678
Disposals, termination, and modifications during the period/year	(2,544,374)	(17,440,678)
Remeasurements	(1,426,288)	103,310,862
Interest expense for the period/year	70,987,698	63,070,818
Principal paid on lease liabilities	(28,437,566)	(39,285,872)
Interest paid on lease liabilities	(68,902,861)	(67,416,905)
Translation difference	(30,772,043)	(18,895,996)
Other finance costs	-	143,637
At September 30/December 31	786,783,495	810,904,281
<i>Of which non-current</i>	735,145,609	774,517,716
<i>Of which current</i>	51,637,886	36,386,565

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12. CASH AND CASH EQUIVALENTS

	September 30, 2024 USD	December 31, 2023 USD
Cash at bank	174,050,001	181,846,003
Bank overdraft	(58,924,635)	(54,021,078)
	<u>115,125,366</u>	<u>127,824,925</u>

While cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, the identified expected credit loss was immaterial as the Group places its cash with highly reputable financial institutions.

13. TRADE AND OTHER PAYABLES

	September 30, 2024 USD	December 31, 2023 USD
<i>Non-current</i>		
Trade payables	48,270,906	-
Deferred revenue	12,536,893	15,602,785
Amounts payable to entities under common control*	965	520
Other payables	878,625	57,075,528
VAT payable	-	844,338
	<u>61,687,389</u>	<u>73,523,171</u>
<i>Current</i>		
Trade payables	424,794,196	289,127,414
Other payables	73,707,404	202,101,725
Deferred revenue	56,761,877	41,664,914
VAT payable	88,805,487	92,564,260
Mobile financial services creditors	357,022,941	317,402,602
Amounts payable to entities under common control*	6,766,937	5,882,376
	<u>1,007,858,842</u>	<u>948,743,291</u>
Total trade and other payables	<u>1,069,546,231</u>	<u>1,022,266,462</u>

* The amount payable to entities under common control is unsecured, interest free and repayable on demand.

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14. BORROWINGS

	September 30, 2024 USD	December 31, 2023 USD
Non-current		
Bank loans (a)	232,074,895	152,935,670
Listed bonds	415,601,832	414,356,520
Loans payable to related parties	176,187,661	164,206,251
	823,864,388	731,498,441
Current		
Bank loans (a)	64,121,325	118,377,222
Listed bonds	3,808,402	11,594,467
Other borrowings	308,391	-
	68,238,118	129,971,689
Total borrowings	892,102,506	861,470,130
(a) Bank loans		
Bank of Africa-Madagascar ('BOA')	12,518,846	10,461,050
Banque Malgache de L'océan Indien ('BMOI')	17,848,712	14,628,477
BFV Société Générale ('BFV')	15,396,440	26,342,155
BNI Banque de l'Industrie ('BNI')	9,653,367	12,186,936
Stanbic bank Uganda	33,380,704	24,352,950
CRDB Bank Plc	983,445	17,299,140
National Bank of Commerce (Tanzania)	8,040,144	9,459,327
NMB Bank Plc	4,133,544	-
Syndicated loan from 4 banks of Senegal:		
- Societe Générale de Banques au Senegal	6,456,857	7,653,186
- Banque Internationale pour le Commerce et l'Industrie du Senegal ('BICIS')	6,205,027	7,288,749
- CBAO Groupe Attijariwafabank	8,299,992	9,839,811
- Orabank Senegal	9,820,923	11,648,826
Société de Gestion et d'Intermédiation ('SGI')	-	11,081,935
Banque Togolaise pour le Commerce et l'Industrie ('BTCI')	-	4,170,074
Union Togolaise de Banque ('UTB')	-	13,965,460
Orabank ('ORB')	-	16,098,403
International Finance Corporation ('IFC')	23,954,298	-
Ecobank Togo SA	20,302,889	-
Société Générale Bénin SA	19,870,163	-
Agence pour le Developpement de L'Entreprenariat Rapide	90,276	270,093
JP Morgan Chase Bank	99,255,593	73,953,632
Accrued interest	-	612,688
FX - Conso Adjustment	(15,000)	-
Total bank loans	296,196,220	271,312,892
Loans payable within one year	64,121,325	118,377,222
Loans payable after one year	232,074,895	152,935,670

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14. BORROWINGS (CONTINUED)

Axian Telecom Notes

On 16 February 2022, the Company, as Issuer, completed the offering of USD 420,000,000 in aggregate principal amount of its 7.375% Senior Notes due 2027 (the "Notes"), under an indenture dated February 16, 2022. Interest on the Notes will be paid semi-annually in arrears on 16 February and 16 August of each year, commencing on 16 August 2022. Interest on the Notes accrues at a rate of 7.375% per annum. The Notes will mature on 16 February 2027. The Notes are subject to customary restrictive covenants which limits the ability of the Issuer and the guarantors to take on additional debt.

Bank loans

The bank loans of the Group companies are repayable monthly, quarterly, semi-annually, or annually at fixed or variable interest rates varying between 5.0% and 15.7%. With the exception of the bank loans described below, all utilized principal values and terms of bank loans remain the same as those described in the audited consolidated financial statements of Axian Telecom for the year ended December 31, 2023.

1. Telecom Malagasy S.A.

During the nine month period ended September 30, 2024, Telecom Malagasy S.A. drew down an additional amount of MGA 56.5 billion (approximately USD 12.4 million) and made aggregate payments amounting to MGA 60.5 billion (approximately USD 13.4 million).

2. Towerco of Africa S.A.

During the nine month period ended September 30, 2024, Towerco of Africa S.A. has not drawn down any additional amount and has made aggregate payments amounting to MGA 17.7 billion (approximately USD 3.9 million).

3. Telecom Comores Holding Ltd (as acquired during the period)

On October 21, 2019, Telecom Comores Holding Ltd entered into a facility agreement with the International Finance Corporation (IFC) for an amount of EUR 13.0 million (approximately USD 14.1 million) for the implementation of various projects and investment in capex. The facility has a duration of 7 years, bears interest at a variable rate of 6 months Euribor plus a margin of 5.40% per annum, and repayments are made on a semi-annual basis beginning in December 2020.

At the date of acquisition, Telecom Comores Holding Ltd had an outstanding principal amount against this facility of EUR 6.1 million (approximately USD 6.6 million). During the period from the date of acquisition until September 30, 2024, Telecom Comores Holding Ltd made aggregate repayments of EUR 2.8 million (approximately USD 3.0 million) against the outstanding principal and drew down no additional amounts.

4. Togo Cellulaire S.A.

Togo Cellulaire S.A. has fully repaid their loan principal amounting to XOF 13.9 billion (approximately USD 22.8 million) during the nine month period ended September 30, 2024, and thus no longer has any third-party loans payable.

5. Togo Telecom S.A.

Togo Telecom S.A. has fully repaid their loan principal amounting to XOF 14.8 billion (approximately USD 24.4 million) during the nine month period ended September 30, 2024, and thus no longer has any third-party loans payable.

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14. BORROWINGS (CONTINUED)

Bank loans (continued)

6. Togocom S.A.

On February 8, 2024, Togocom S.A. entered into a common terms agreement for a syndicated loan facility with 3 lenders; Ecobank Togo SA, International Finance Corporation (IFC) and Société Générale Bénin SA, for the refinancing of existing debts. The final principal repayment is due on December 15, 2031. The terms and conditions of the facilities are detailed in the table below:

Bank Names	Repayment Terms	Currency	Initial principal amounts	Interest rates
Ecobank Togo SA	Principal repayments will start as from June 15, 2026, on a semi-annual basis representing 8.33% of the principal amount.	XOF	12,000,000,000	7%
Société Générale Bénin SA		XOF	12,000,000,000	7%
International Finance Corporation (IFC)		EUR	18,000,000	6 months Euribor plus a margin of 5.5%

During the period from the initial drawdown to September 30, 2024, Togocom S.A withdrew an amount of XOF 12.0 billion (USD 19.7 million) against the Ecobank Togo SA facility, an amount of XOF 12.0 billion (USD 19.7 million) against the Société Générale Bénin SA facility, and an amount of EUR 18.0 million (USD 19.4 million) against the IFC facility. Togocom S.A. has not made any repayment towards these loans as at September 30, 2024.

7. Towerco of Africa Uganda Limited

During the nine month period ended September 30, 2024, Towerco of Africa Uganda Limited drew down an additional amount of UGX 37.3 billion (approximately USD 9.9 million) from the Stanbic Bank Uganda Limited's facility and made aggregate repayments amounting to UGX 5.0 billion (approximately USD 1.3 million) in the same period.

8. Honora Tanzania Public Limited Company ("Honora Tanzania Plc")

During the nine month period ended September 30, 2024, Honora Tanzania Plc has not drawn down any additional amount against the CRDB Bank Plc's LC facility and made aggregate payments of EUR 14.7 million (approximately USD 16.0 million).

Honora Tanzania Public Limited Company has utilized TZS 10.9 billion against the NBC Bank Ltd.'s facility (approximately USD 4.2 million) and made payments of TZS 12.3 billion (approximately USD 4.7 million) during the period nine month period ended September 30, 2024.

Honora Tanzania Plc entered a letter of credit (LC) facility on June 30, 2023, with the NMB Bank Plc (NMB). The facility does not accrue contractual interests but instead attracts quarterly commission, calculated as 0.35% of the facility amount, and attracts arrangement fees of 0.25% for every portion utilized. The LC facility has an initial availability period of 270 days and is repayable on semi-annual basis with deferred payment terms. The purpose of the LC facility was mainly to finance the purchase and import of capital expenditure. The LC facilities are secured by an all-assets debenture over the assets of Honora Tanzania Public Limited Company.

During the period from the initial drawdown to September 30, 2024, Honora Tanzania Public Limited Company has utilized EUR 5.6 million against the NBCs facility (approximately USD 6.0 million) and made payments of EUR 1.8 million (approximately USD 2.0 million).

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14. BORROWINGS (CONTINUED)

9. Maya Africa Holding Limited

During the nine month period ended September 30, 2024, Maya Africa Holding Limited has not drawn down any additional amount against its facilities and made payments of EUR 5.8 million (approximately USD 6.3 million).

10. Axian Telecom - Term facilities agreement

During the nine month period ended September 30, 2024, Axian Telecom drew down an amount of USD 12.9 million against Facility A and an amount of USD 22.5 million against Facility B. Axian Telecom also made a repayment of USD 8.4 million against the capital portion of the Facility A.

The below table reflects the carrying values and future cash flows associated with our total borrowings as at the end of the reporting period:

	Carrying value USD	Total cash flows USD	Cash flows within 1 year USD	Cash flows between 1 and 2 years USD	Cash flows between 3 and 4 years USD	Cash flows after 5 years USD
Borrowings	472,692,272	645,003,764	137,939,492	100,255,803	377,146,156	29,662,313
Listed bonds	419,410,234	512,925,000	30,975,000	30,975,000	450,975,000	-

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15. CASH FLOW FROM OPERATING ACTIVITIES

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Cash flows from operating activities:				
Profit before income tax	26,357,521	11,853,451	99,223,199	58,146,541
<i>Adjustments:</i>				
Amortization of right-of-use assets	16,813,028	14,014,997	50,749,227	42,418,037
Depreciation of property, plant and equipment	45,182,357	33,184,784	136,813,182	97,201,571
Amortization of intangible assets	13,791,529	8,555,885	39,228,762	23,691,990
Loss/(gain) on disposal of property, plant and equipment	203,282	(184,066)	43,019	(160,721)
Gain on Disposal of Financial Assets at fair value through profit or loss	(122,793)	-	(122,793)	-
Gain on fair value of previously held interest	-	-	(864,982)	-
Release of deferred profits on sale of property, plant and equipment	(222,149)	(241,443)	(689,418)	(751,892)
Provision/(reversal of provision) on litigations	448,611	(2,987,260)	501,021	(2,506,623)
Write-back of government grants	(945,075)	(4,780,089)	(5,659,079)	(9,747,908)
Share of profit in associates and joint ventures	(5,184,979)	(5,724,064)	(14,749,215)	(13,167,288)
Interest expense on lease liability	23,597,725	16,409,275	70,987,698	45,829,836
Net interest expense on provision for dismantling costs	138,767	101,528	1,260,134	1,182,391
Gain on remeasurement of provision for dismantling costs	-	-	(4,185)	-
Other finance costs (excluding realized foreign exchange)	28,839,092	51,962,511	65,262,446	80,924,048
Finance income	(3,625,948)	(3,764,385)	(10,844,571)	(11,905,365)
Dividend income	(81,544)	(100,451)	(107,396)	(2,914,023)
(Gain)/loss on fair valuation of derivatives	(1,791,451)	385,674	(3,654,796)	(1,026,789)
Write-off of financial assets	254,537	1,825,054	1,186,930	4,246,687
Waiver of financial liabilities	-	-	-	(34,952)
Other payable waived	-	-	(1,194)	-
Provision for impairment of receivables	3,141,041	1,304,117	4,834,654	1,875,022
Impairment of loans receivable and other financial assets	2,722,183	769,202	7,651,491	2,811,259
Provision/(reversal of provision) for slow moving inventories	450,000	793,942	(89,626)	(1,649,797)
Provision/(reversal of provision) for retirement benefits obligation	170,841	(91,482)	465,741	37,087
(Gain)/loss on lease modification	(240,190)	(100,957)	195,963	(100,957)
Reversal of impairment of investment in joint ventures	-	-	-	(54,029)
Fair value gain on financial assets at fair value through profit or loss	(690,111)	-	(690,293)	-
Provision for impairment of property, plant and equipment and intangible assets	-	-	-	3,610,000
Post-acquisition M&A settlement	-	16,378,489	-	16,378,489
Cash generated from operating activities before working capital changes	149,206,274	139,564,712	440,925,919	334,332,614
Changes in working capital:				
Decrease/(increase) in inventories	8,507,954	(1,381,230)	9,317,871	(1,822,263)
Increase in trade and other receivables	(20,419,739)	(6,339,810)	(9,641,503)	(48,839,141)
Increase in trade and other payables	6,050,794	53,917,257	33,931,008	66,930,178
Increase in loans to customers	(8,958,526)	(5,266,175)	(20,326,785)	(11,007,826)
Increase in deposits from customers	616,455	823,520	1,284,469	1,230,717
Net cash generated from operating activities	135,003,212	181,318,274	455,490,979	340,824,279

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16. NON-IFRS MEASURES

The table below reflects the reconciliation of profit for the period to Adjusted EBITDA:

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Profit for the period	16,178,454	11,367,490	70,394,377	27,865,866
<i>Adjustments:</i>				
Income tax expense	10,179,067	485,961	28,828,822	30,280,675
Finance income	(6,421,624)	(9,266,867)	(33,368,358)	(36,236,004)
Finance costs	66,072,783	58,139,062	180,997,519	157,492,525
Depreciation of property, plant and equipment	45,182,357	33,184,784	136,813,182	97,201,571
Amortization of right of use assets	16,813,028	14,014,997	50,749,227	42,418,037
Amortization of intangible assets	13,791,529	8,555,885	39,228,762	23,691,990
EBITDA	161,795,594	116,481,312	473,643,531	342,714,660
Share of net profit in joint ventures and associates	(5,184,979)	(5,724,064)	(14,749,215)	(13,167,288)
Gain on fair value of previously held interest	-	-	(864,981)	-
Impairment of property, plant and equipment and intangible assets	-	-	-	3,610,000
Loss/(gain) on disposal of property, plant and equipment	66,254	(160,721)	(94,009)	(160,721)
Other non-operating expenses	-	16,378,489	-	16,378,489
Adjusted EBITDA	156,676,869	126,975,016	457,935,326	349,375,140

17. SEGMENTAL REPORTING

Business Segments

For the nine month period ended September 30, 2024, and for the year ended December 31, 2023, internal reports reviewed by the Chief Operating Decision Makers (i.e the Directors) in order to allocate resources to the segments and to assess their performance, are comprised of the following segments: mobile and fixed line communications, infrastructure, digital and mobile financial services, and other (which includes holding companies and their associated income and costs). The following disclosures are made with respect to segmental reporting, including a reconciliation of profit before tax for the period to Adjusted EBITDA for each segment.

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17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the three month period ended September 30, 2024:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	286,241,763	13,309,009	66,514,805	205,526	366,271,103
Profit/(loss) for the period before tax	33,597,510	(16,929,746)	35,915,804	(26,226,047)	26,357,521
<i>Adjustments:</i>					
Finance income	4,476,540	1,689,124	(2,983,944)	(9,603,344)	(6,421,624)
Finance costs	46,437,714	1,586,471	430,355	17,618,243	66,072,783
Depreciation of property, plant and equipment	36,191,083	8,834,165	115,358	41,751	45,182,357
Amortization of right of use assets	15,716,463	716,768	272,623	107,174	16,813,028
Amortization of intangible assets	12,836,559	318,920	618,312	17,738	13,791,529
EBITDA	149,255,869	(3,784,298)	34,368,508	(18,044,485)	161,795,594
Share of net (profit)/loss in joint ventures and associates	-	-	(5,882,427)	697,448	(5,184,979)
Loss/(gain) on disposal of property, plant and equipment and intangible assets	162,310	(57,387)	(38,669)	-	66,254
Adjusted EBITDA	149,418,179	(3,841,685)	28,447,412	(17,347,037)	156,676,869

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the three month period ended September 30, 2023:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	204,683,413	11,475,580	52,951,444	(81,711)	269,028,726
Profit/(loss) for the period before tax	31,414,077	(8,101,678)	23,699,781	(35,158,729)	11,853,451
<i>Adjustments:</i>					
Finance income	(1,471,847)	(85,024)	(1,967,169)	(5,742,827)	(9,266,867)
Finance costs	37,343,139	2,211,588	569,502	18,014,833	58,139,062
Depreciation of property, plant and equipment	26,174,667	6,939,450	61,236	9,431	33,184,784
Amortization of right of use assets	13,280,103	365,562	310,545	58,787	14,014,997
Amortization of intangible assets	8,169,809	332,301	(2,572)	56,347	8,555,885
EBITDA	114,909,948	1,662,199	22,671,323	(22,762,158)	116,481,312
Share of net profit in joint ventures and associates	-	-	-	(5,724,064)	(5,724,064)
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(236,414)	75,693	-	-	(160,721)
Other non-operating expense*	-	-	-	16,378,489	16,378,489
Adjusted EBITDA	114,673,534	1,737,892	22,671,323	(12,107,733)	126,975,016

* Other non-operating expenses represents a one-off cost following the finalization of the purchase price of a historical acquisition.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the nine month period ended September 30, 2024:

	Mobile and fixed- line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	800,412,402	41,511,071	184,260,229	376,252	1,026,559,954
Profit/(loss) for the period before tax	107,499,874	(33,400,976)	97,885,958	(72,761,657)	99,223,199
<i>Adjustments:</i>					
Finance income	(4,498,719)	(1,466,757)	(9,237,339)	(18,165,543)	(33,368,358)
Finance costs	120,873,223	7,311,024	1,479,601	51,333,671	180,997,519
Depreciation of property, plant and equipment	110,225,466	26,249,928	286,089	51,699	136,813,182
Amortization of right of use assets	47,455,149	2,079,720	890,432	323,926	50,749,227
Amortization of intangible assets	37,382,464	1,088,847	631,852	125,599	39,228,762
EBITDA	418,937,457	1,861,786	91,936,593	(39,092,305)	473,643,531
Share of net profit in joint ventures	-	-	(5,882,427)	(8,866,788)	(14,749,215)
Loss/(gain) on disposal of property, plant and equipment and intangible assets	167,620	(57,125)	(204,504)	-	(94,009)
Gain on fair value of previously held interest	-	-	-	(864,981)	(864,981)
Adjusted EBITDA	419,105,077	1,804,661	85,849,662	(48,824,074)	457,935,326
			Digital and mobile financial services USD	Other USD	Total USD
Segment assets	2,365,105,996	341,078,253	445,262,901	140,433,301	3,291,880,451
Segment liabilities	(1,681,475,654)	(186,972,568)	(358,039,278)	(759,896,232)	(2,986,383,732)

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17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the nine month period ended September 30, 2023:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	584,577,191	31,471,495	146,273,595	508,953	762,831,234
Profit/(loss) for the period before tax	76,447,728	(24,547,249)	64,801,642	(58,555,580)	58,146,541
<i>Adjustments:</i>					
Finance income	(4,990,483)	(698,146)	(5,368,647)	(25,178,728)	(36,236,004)
Finance costs	97,221,595	7,651,285	1,186,415	51,433,230	157,492,525
Depreciation of property, plant and equipment	76,214,414	20,762,477	198,400	26,280	97,201,571
Amortization of right of use assets	40,116,295	1,180,680	946,618	174,444	42,418,037
Amortization of intangible assets	22,557,265	951,419	50,469	132,837	23,691,990
EBITDA	307,566,814	5,300,466	61,814,897	(31,967,517)	342,714,660
Share of net profit in joint ventures and associates	-	-	-	(13,167,288)	(13,167,288)
Impairment of property, plant and equipment and intangible assets	3,610,000	-	-	-	3,610,000
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(236,414)	75,693	-	-	(160,721)
Other non-operating expense*	-	-	-	16,378,489	16,378,489
Adjusted EBITDA	310,940,400	5,376,159	61,814,897	(28,756,316)	349,375,140

* Other non-operating expenses represents a one-off cost following the finalization of the purchase price of a historical acquisition.

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Segment assets	1,791,849,785	280,419,272	334,740,549	142,568,933	2,549,578,539
Segment liabilities	(1,168,287,621)	(201,594,930)	(294,467,624)	(602,392,796)	(2,266,742,971)

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18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS

For acquisitions that meet the definition of a business combination, the Group applies the acquisition method of accounting where assets acquired and liabilities assumed are recorded at fair value at the date of each acquisition, and the results of operations are included with those of the Group from the dates of the respective acquisitions.

For acquisitions involving entities under common control (which are excluded from the scope of IFRS 3 – *Business Combinations*), the Group has elected to record assets and liabilities at the carrying value in the accounts of the acquiree, at the date of each acquisition, and the results of operations are included with those of the Group from the dates of the respective acquisitions. The difference between the net assets or liabilities of the acquiree on the date of acquisition and the consideration paid, is recorded within reorganization reserves, directly in equity.

Sen Connect S.A.

On April 10, 2023, the Group acquired 100% of the share capital of Sen Connect S.A., a company providing data center services in Senegal. The Group acquired the shares through its subsidiary Stellar IX Data Centers Limited for a consideration of USD 1.

The Group previously held a minority stake in Sen Connect S.A. of 40%, through its investment in its Mauritian associate, Maya Africa Holding Limited. The fair value of the Group's indirect equity interest in Sen Connect SA before the business combination amounted to USD nil, resulting in a gain of nil in the statement of consolidated statement of profit or loss prior to the disposal of the previously held interest. The total consideration was settled in cash on completion.

The assets and liabilities of Sen Connect SA at the date of acquisition are reflected in the table below at their draft fair values at the date of acquisition.

	Fair values Sen Connect SA USD
ASSETS	
Property, plant and equipment	4,378,279
Intangible assets	745,360
Deposits receivable	26,983
Trade and other receivables	6,719,839
Cash and cash equivalents	4,156
Total assets	11,874,617
LIABILITIES	
Deferred tax liability	330,505
Trade and other payables	14,248,827
Income tax liability	9,622
Total liabilities	14,588,954
Cost of investment	1
Fair value of previously held interest	-
Net liabilities at date of acquisition	2,714,337
Goodwill	2,714,338

The goodwill arising from this acquisition, is attributable to the acquired customer base and economies of scale expected from combining the operations of the Group.

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18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Sen Connect SA (continued)

	Fair values Sen Connect SA USD
Revenue - post acquisition to December 31, 2023	950,958
Net profit - post acquisition to December 31, 2023	(450,348)
The cash flows associated with the business acquisitions are as follows:	
<i>Cash outflow/(inflow) from acquisition of subsidiaries</i>	
Purchase consideration	1
Cash and cash equivalents acquired	(4,156)
Cash inflow from acquisition, net of cash acquired	(4,155)

Maya Africa Holding Limited and its subsidiaries

On October 2, 2023, Axian Telecom acquired a further 40% equity interest in its former associate, Maya Africa Holding Ltd and its subsidiaries, for a total consideration of EUR 50 million. Following the transfer of shares, Axian Telecom now holds 80% shareholding in Maya Africa Holding Ltd, allowing it to control and financially consolidate the operations of Maya Africa Holding Ltd and its subsidiaries from that date.

The assets and liabilities of the acquired companies at the date of acquisition are reflected in the table below at their fair values at the date of acquisition, determined as required by IFRS 3 – Business combinations.

	Fair values Maya Africa Holding Limited and its subsidiaries USD
ASSETS	
Property, plant and equipment	98,556,695
Intangible assets	63,708,207
Customer-related intangible	13,107,751
Brand intangible	3,387,798
Right-of-use assets	179,746,735
Financial assets at fair value through profit or loss	14,112
Long-term deposits	1,983,538
Inventories	2,544,721
Trade and other receivables	48,874,905
Cash and cash equivalents	10,806,381
Restricted cash	8,331,432
Income tax receivables	311,304
Total assets	431,373,579

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18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Maya Africa Holding Limited (Continued)

	Fair values Maya Africa Holding Limited and its subsidiaries USD
LIABILITIES	
Borrowings	35,069,178
Provisions	4,233,701
Lease liability	298,494,678
Retirement benefit obligations	2,374,528
Contract liabilities	2,394,424
Deferred tax liability	5,788,241
Trade and other payables	80,949,288
Deferred income	3,537,533
Bank overdraft	5,549,247
Income tax liability	7,025
Total liabilities	438,397,843
Cost of investment	52,921,253
Fair value of previously held interest	(1,404,853)
Net liabilities at date of acquisition	7,024,264
Goodwill	58,540,664

The goodwill arising from this acquisition is attributable to the acquired customer base and economies of scale expected from combining the operations of the Group.

	Maya Africa Holding Limited and its subsidiaries USD
Revenue - post acquisition	43,197,121
Net profit - post acquisition	(2,935,186)
The cash flows associated with the business acquisitions are as follows:	
<i>Cash outflow from acquisition of subsidiaries</i>	
Purchase consideration	52,921,253
Cash and cash equivalents acquired	(10,806,381)
Bank overdraft acquired	5,549,247
Cash inflow from acquisition, net of cash acquired	47,664,119

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18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Telecom Comores Holding Limited and its subsidiaries

On May 31, 2024, Axian Telecom completed the acquisition of an additional 50% of the issued share capital of Telecom Comores Holding, being the parent company of our joint operations in Comoros (together with the parent company referred to as "Telma Comoros"). Axian Telecom thereafter directly and indirectly controlled 100% of the voting rights in Telma Comoros, allowing it to control and financially consolidate the operations of Telma Comoros. The operations of Telma Comoros are consolidated in these financial statements as from May 31, 2024.

The assets and liabilities of Telma Comoros at the date of acquisition are reflected in the table below at their fair values at the date of acquisition, determined as required by IFRS 3 – Business combinations. These values are reflected in the table below at their draft fair values at the date of acquisition. We have not yet completed the IFRS 3 – Business combinations valuation, and these numbers may be subject to change.

	Fair values Telecom Comores Holding Limited and its subsidiaries USD
ASSETS	
Property, plant and equipment	21,164,771
Intangible assets	9,030,138
Customer-related intangible	4,222,565
Brand intangible	1,070,939
Right-of-use assets	1,804,234
Fixed assets: Works in progress	2,590,768
Deposits and bonds receivables	95,638
Financial assets at fair value through profit or loss	22
Inventories	275,874
Trade and other receivables	2,956,512
Income tax receivables	87,996
Cash and cash equivalents	8,036,026
Total assets	51,335,483

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18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Telecom Comores Holding Limited and its subsidiaries (Continued)

	Fair values Telecom Comores Holding Limited and its subsidiaries USD
LIABILITIES	
Borrowings	6,771,813
Provisions	3,073
Lease liability	1,803,733
Retirement benefit obligations	892,734
Deferred tax liability	1,188,355
Trade and other payables	20,248,572
Income tax payables	179,682
Bank overdraft	12,819
Total liabilities	31,100,781
Cost of investment	14,392,645
Fair value of previously held interest	8,847,312
Net assets at date of acquisition	(20,234,702)
Goodwill	3,005,255

The goodwill arising from this acquisition is attributable to the acquired customer base and economies of scale expected from combining the operations of the Group.

	Telecom Comores Holding Limited and its subsidiaries USD
Revenue - post acquisition	11,666,499
Net profit - post acquisition	2,277,699
The cash flows associated with the business acquisitions are as follows:	
<i>Cash outflow from acquisition of subsidiaries</i>	
Purchase consideration ¹	14,392,645
Cash and cash equivalents acquired	(8,036,026)
Bank overdraft acquired	12,819
Deferred consideration ¹	(8,970,827)
Cash inflow from acquisition, net of cash acquired	(2,601,389)

¹ The total value of purchase consideration represents the present value of the current and future payments due in respect of the acquisition. The total acquisition price of EUR 14.0 million is payable in three installments: EUR 5.0 million on completion, EUR 5.0 million on January 1, 2025, and EUR 4.0 million on January 1, 2026.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. SUBSEQUENT EVENTS

There are no material events after the reporting date which require disclosure of or amendments to the financial statements.

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PRO FORMA AND COMBINED FINANCIAL INFORMATION

In July 2023, the Company signed an agreement to acquire a further 40% equity interest in its joint venture business in Senegal ("Free in Senegal"). The transaction completed on October 2, 2023 resulting in the Group owning an 80% equity interest in Free in Senegal, allowing it to control and financially consolidate the operations from that date (the "Free in Senegal Acquisition"). The impact thereof is described in more detail in note 18.

On May 31, 2024, Axian Telecom completed the acquisition of an additional 50% of the issued share capital of Telecom Comores Holding, being the parent company of our joint operations in Comoros (together with the parent company referred to as "Telma Comoros"). Axian Telecom thereafter directly and indirectly controlled 100% of the voting rights in Telma Comoros.

These financial statements include the results of the operations of Free in Senegal from its acquisition completion date, and the statement of financial position of Free in Senegal as at December 31, 2023; incorporated into the consolidated numbers. These financial statements do not include the results of the operations of Free in Senegal on a pro forma basis prior to its acquisition completion date. In order to provide useful information to the users of the financial statements, we present the combined statement of profit or loss and the statement of comprehensive income beginning from the earliest comparative period, in this case January 1, 2023.

We present the combined results by incorporating the financial performance of Free in Senegal into the numbers presented in the statement of profit or loss and statement of other comprehensive income, from January 1, 2023.

Given the value of revenue, gross assets, and Adjusted EBITDA of Telma Comoros, its acquisition is not considered to be a material acquisition which requires the disclosure of pro forma numbers in the financial statements in accordance with the reporting requirements under the Notes. We have therefore not reflected the financial information of Telma Comoros on a pro forma basis in these financial statements.

Pro forma adjustments

The pro forma combined statement of profit or loss includes pro forma adjustments in respect of transactions with Free in Senegal which would have been removed upon consolidation, had the entity been a part of the consolidated Group from the earliest comparative period. The results for the respective periods are thereafter combined, and no further adjustments are made.

The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rate of XOF605.64/USD1 and EUR0.9233/USD1 for three month and nine month periods ended September 30, 2023.

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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results

Condensed combined statements of profit or loss for the three month and nine month period ended September 30, 2024

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Revenue	366,271,103	311,461,172	1,026,559,954	892,758,620
Cost of devices and equipment	(12,735,503)	(7,687,134)	(27,745,965)	(23,095,690)
Cost of interconnection and roaming	(11,942,077)	(9,919,333)	(31,061,277)	(31,058,509)
Government and regulatory costs	(22,655,522)	(19,497,766)	(64,469,655)	(58,805,066)
Advertising and distribution costs	(4,718,766)	(4,325,322)	(13,508,266)	(13,307,548)
Commission to sales agents	(50,057,088)	(43,140,601)	(139,360,956)	(126,193,681)
Net impairment losses on financial and contract assets	(5,863,224)	(2,683,141)	(12,486,145)	(6,164,234)
Technology operation costs	(30,165,586)	(23,960,377)	(82,154,346)	(72,913,685)
Staff costs	(38,519,474)	(29,173,488)	(111,043,753)	(88,722,313)
Write-off of financial assets	(254,537)	(1,825,054)	(1,186,930)	(4,246,687)
Professional fees	(9,099,631)	(7,983,269)	(22,630,060)	(19,979,019)
Depreciation and amortization	(75,786,914)	(67,018,593)	(226,791,171)	(196,188,714)
Impairment of non-financial assets	(218,865)	(793,942)	306,691	(1,906,174)
Other operating expenses	(25,749,584)	(24,549,066)	(74,591,535)	(68,471,093)
Other income	1,166,919	5,859,147	10,212,451	15,760,712
Net gain on financial assets at fair value through profit or loss	690,111	-	690,293	-
OPERATING PROFIT	80,361,362	74,763,233	230,739,330	197,466,919
Finance income	6,421,624	9,358,470	33,368,358	36,491,725
Finance costs	(66,072,783)	(65,975,642)	(180,997,519)	(180,216,572)
Non-operating income	828,885	350,471	2,166,514	4,371,859
Non-operating expenses	(366,546)	(16,378,489)	(802,699)	(16,378,489)
Share of profit in joint ventures and associates	5,184,979	5,724,064	14,749,215	13,167,288
PROFIT BEFORE INCOME TAX	26,357,521	7,842,107	99,223,199	54,902,730
Income tax expense	(10,179,067)	(485,992)	(28,828,822)	(30,294,263)
PROFIT FOR THE PERIOD	16,178,454	7,356,115	70,394,377	24,608,467
Profit for the period attributable to:				
- Owners of the Company	15,233,720	705,510	56,638,008	11,356,081
- Non-controlling interest	944,734	6,650,605	13,756,369	13,252,386
	16,178,454	7,356,115	70,394,377	24,608,467

Note: The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rate of XOF605.64/USD1 and EUR0.9233/USD1 for three month and nine month periods ended September 30, 2023.

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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results (continued)

**Condensed combined statements of other comprehensive income for the three month and
nine month period ended September 30, 2024**

	3 month period ended		9 month period ended	
	September 30,	September 30,	September 30,	September 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
PROFIT FOR THE PERIOD	16,178,454	7,356,115	70,394,377	24,608,467
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	10,471,547	1,666,584	808,907	13,811,580
Exchange differences on translation of foreign joint ventures	2,127,678	(1,290,704)	819,636	(676,542)
Other comprehensive income for the period, net of tax	12,599,225	375,880	1,628,543	13,135,038
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	28,777,679	7,731,995	72,022,920	37,743,505
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
- Owners of the Company	32,200,077	38,483	60,973,823	22,775,541
- Non - controlling interest	(3,422,398)	7,693,512	11,049,097	14,967,964
	28,777,679	7,731,995	72,022,920	37,743,505

Note: The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rate of XOF605.64/USD1 and EUR0.9233/USD1 for three month and nine month periods ended September 30, 2023.

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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results (continued)

The table below reflects the reconciliation of profit for the period to Adjusted EBITDA, on a condensed, combined basis:

	3 month period ended		9 month period ended	
	September 30, 2024 USD	September 30, 2023 USD	September 30, 2024 USD	September 30, 2023 USD
Profit for the period	16,178,454	7,356,115	70,394,377	24,608,467
<i>Adjustments:</i>				
Income tax expense	10,179,067	485,992	28,828,822	30,294,263
Finance income	(6,421,624)	(9,358,470)	(33,368,358)	(36,491,725)
Finance costs	66,072,783	65,975,642	180,997,519	180,216,572
Depreciation of property, plant and equipment	45,182,357	37,260,338	136,813,182	108,744,798
Amortization of right of use assets	16,813,028	17,615,927	50,749,227	52,636,529
Amortization of intangible assets	13,791,529	12,142,328	39,228,762	34,807,387
EBITDA	161,795,594	131,477,872	473,643,531	394,816,291
Share of net profit in joint ventures and associates	(5,184,979)	(5,724,064)	(14,749,215)	(13,167,288)
Gain on fair value of previously held interest	-	-	(864,981)	-
Impairment of property, plant and equipment and intangible assets	-	-	-	3,610,000
Loss/(gain) on disposal of property, plant and equipment and intangible assets	66,254	(453,155)	(94,009)	(453,155)
Other non-operating expense	-	16,378,489	-	16,378,489
Adjusted EBITDA	156,676,869	141,679,142	457,935,326	401,184,337

Note: The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rate of XOF605.64/USD1 and EUR0.9233/USD1 for three month and nine month periods ended September 30, 2023.

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DEFINITIONS

In these financial statements, we present certain financial measures of the Group that are not defined in, and thus, not calculated in accordance with International Financial Reporting Standard (“IFRS”), United States Generally Accepted Accounting Practice (“U.S. GAAP”) or generally accepted accounting principles in any other relevant jurisdiction.

These include EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin (each as defined below). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. We do not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS.

Active data users: We monitor the total number of customers using more than 5 MB of mobile data over a 30-day period.

Active MFS users: We monitor the total number of mobile financial subscribers that made, received or participated in a Mobile Money Active Event within 30 days. A Mobile Money Active Event is a transaction initiated by a mobile money user, whether or not it is revenue-generating.

Adjusted EBITDA: We define “Adjusted EBITDA”:

- in the case of Axian Telecom, EBITDA adjusted for: (i) share of net profit of joint ventures; (ii) loss on disposal of subsidiary; and (iii) gain on disposal of property, plant and equipment; and
- in the case of MIC Tanzania, EBITDA adjusted for other non-operating expenses/(income) – net.

Adjusted EBITDA Margin: We define “Adjusted EBITDA Margin” as the ratio of Adjusted EBITDA to our revenue, expressed as a percentage.

Data penetration: We monitor the percentage of revenue generating subscribers that are also active data users over a 30-day period.

EBITDA: We define “EBITDA” as profit or loss for the year/period, excluding the impact of: (i) income tax expense; (ii) finance income; (iii) finance costs; (iv) depreciation of property, plant and equipment; (v) amortization of intangible assets; and (vi) amortization of right-of-use assets.

MFS penetration: We monitor the percentage of revenue generating subscribers that are also active MFS users over a 30-day period.

Owned Towers: Refers to ground-based towers, rooftop towers, and cell-on-wheels. Our Towers support wireless telecommunication equipment, and we measure the number of Owned Towers by considering the number of towers which are owned by all consolidated subsidiaries of the Group.

Revenue generating subscribers (“RGS”): We monitor our revenue generating subscribers over fixed periods, usually a 90-day period at the Group level (a block of which we refer to as an “RGS90”), and one-, seven-, 30- and 60-day periods at the operational level.

Shared Towers: Refers to a subset of Owned Towers, specifically those towers which are owned by companies in our Group which provide passive telecommunications infrastructure services. We measure the number of Shared Towers by considering only those Towers with at least one Tenant at the date of measurement.

Tenancy Ratio: Represents the average number of Tenants per Shared Tower across our portfolio. Tenancy Ratio is calculated by dividing the number of Tenants on Shared Towers by the number of Shared Towers at the date of measurement.

Tenants: Refers to the number of distinct customer points of presence across our Shared Tower portfolio.