

AXIAN TELECOM

Q4 unaudited results | FY 2021 audited results

May 31st, 2022



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HASSANEIN HIRIDJEE

Chairman and Founder



PHILIPPE PRODHOMME

Chief Financial Officer



NICOLAS SYLVESTRE-BONCHEVAL

Head of Corporate Finance & IR

MACROECONOMIC ENVIRONMENT

Madagascar:

- 2021 GDP growth of 3.5%⁽¹⁾
- Inflation of 5.8%⁽¹⁾ in 2021 (vs. 4.2% in 2020)
- \$/MGA at 3,965⁽²⁾ in Dec'21, -3.4% YoY
- Foreign exchange reserves of \$2.3bn⁽³⁾ as of Dec'21, vs. \$3.0bn 12 months prior)

Togo:

- 2021 GDP growth of 5.1%⁽¹⁾
- Inflation of 4.3%⁽¹⁾ in 2021 (vs. 1.8% in 2020)
- \$/XOF at 580⁽²⁾ in Dec'21, -7.3% YoY
- Foreign exchange reserves of \$2.4bn⁽³⁾ as of Dec'21

Tanzania:

- Q4'21 GDP growth of 4.9%⁽¹⁾
- Inflation of 3.7%⁽¹⁾ in Dec'21 (vs. 3.3% in Dec'20)
- \$/TZS at 2,305⁽²⁾ in Dec'21, -0.1% YoY
- Foreign exchange reserves of \$6.4bn⁽³⁾ as of Dec'21 (vs. \$4.8bn 12 months prior)

TELECOM INDUSTRY

Madagascar⁽⁴⁾:

- Total subscribers as of Dec'21 were 13.8m which is a 7.0% increase compared with Dec'20
- Mobile and data penetration of 49% and 28% respectively as of Dec'21, which is +300bps and +300bps compared with Dec'20

Togo⁽⁴⁾:

- Total subscribers as of Dec'21 were 6.7m which is a 9.8% increase compared with Dec'20
- Mobile penetration of 76% as of Dec'21, which is +200bps compared with Dec'20

Tanzania⁽⁵⁾:

- Total subscribers as of Dec'21 were 54.1m, which is a 5.5% increase compared with Dec'20
- Mobile and data penetration of 91% and 50% respectively as of Dec'21, which is +200bps and +100bps compared with Dec'20

AXIAN TELECOM HIGHLIGHTS

- Strong FY 2021 operational and financial performance
- Double digit revenue and Adjusted EBITDA growth, respectively +13% and +15% YoY for the 12 month-period ended December 31, 2021
- Growth principally driven by increase in subscriber base, as well as Opex savings
- On April 5, 2022, we have completed the acquisition of MIC Tanzania for a consideration of \$101.4 million
- Earlier this year, we set up regional and commercial headquarters in Abidjan (Côte d'Ivoire)

In \$m, unless otherwise stated

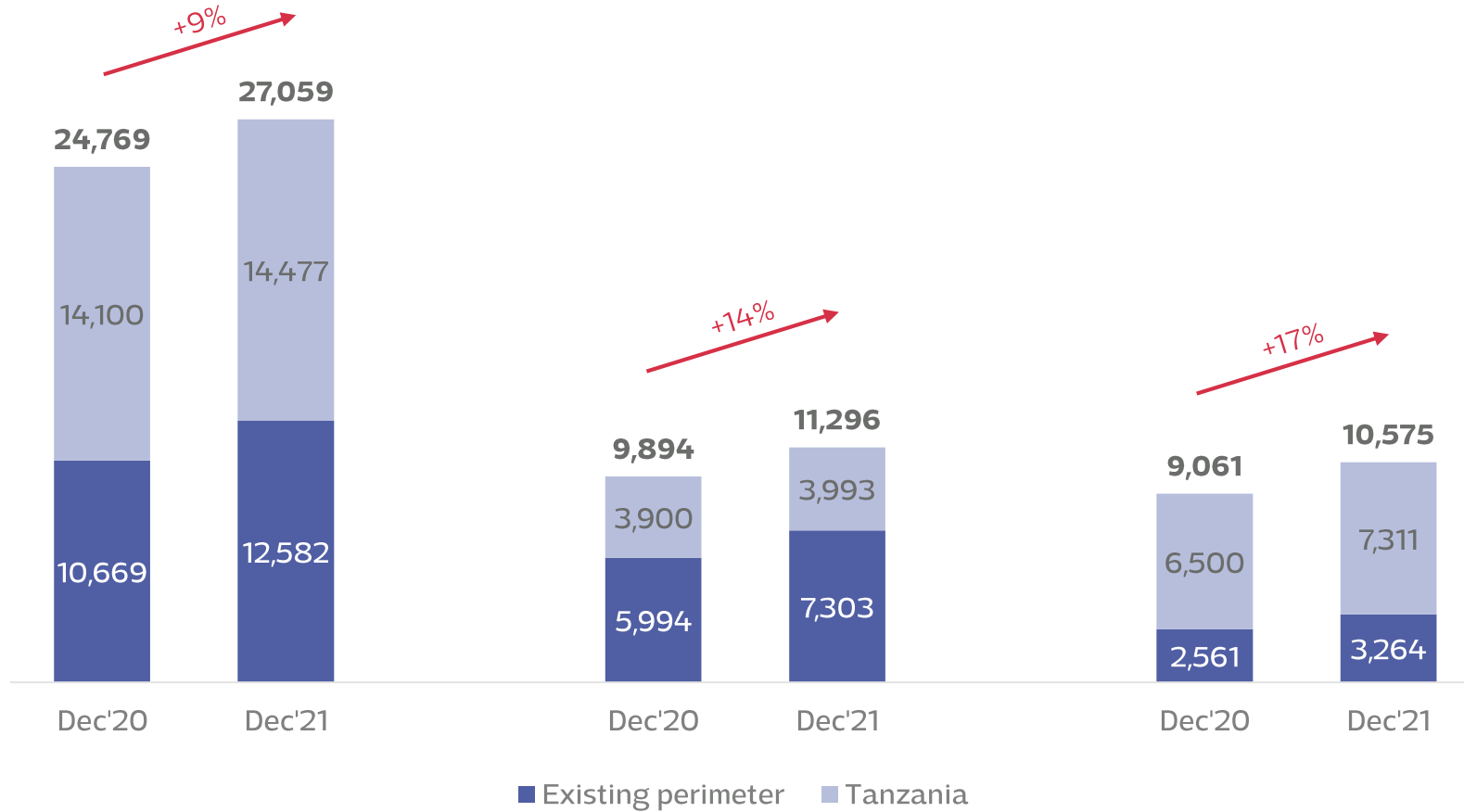
| | Q4'21 | Q4'20 | VPY | FY 2021 | FY 2020 | VPY |
|--|---------------|---------------|--------------|------------|------------|------------|
| Existing perimeter | | | | | | |
| Revenue generating subscribers ('000) | 12,582 | 10,669 | 18% | | | |
| Active data users ('000) | 7,303 | 5,994 | 22% | | | |
| Active MFS users ('000) | 3,264 | 2,561 | 27% | | | |
| Revenue | 129 | 117 | 11% | 486 | 429 | 13% |
| Adjusted EBITDA | 62 | 75 | (17%) | 253 | 221 | 15% |
| Adjusted EBITDA Margin | 48% | 65% | (1,652) bps | 52% | 51% | 63 bps |
| Capital Expenditure | 37 | 28 | 34% | 148 | 116 | 28% |
| As a % of revenue | 29% | 24% | 498 bps | 30% | 27% | 350 bps |
| Adjusted Net Debt | 149 | 207 | | | | |
| Adjusted Net Debt to Adjusted EBITDA ratio (x) | 0.6x | 0.9x | | | | |
| Pro forma post Tanzania acquisition & bond issuance | | | | | | |
| Revenue generating subscribers ('000) | 27,059 | 24,769 | 9% | | | |
| Active data users ('000) | 11,296 | 9,894 | 14% | | | |
| Active MFS users ('000) | 10,575 | 9,061 | 17% | | | |
| Revenue | 221 | 214 | 3% | 843 | 797 | 6% |
| Adjusted EBITDA | 90 | 112 | (20%) | 376 | 351 | 7% |
| Adjusted EBITDA Margin | 40% | 52% | (1,178) bps | 45% | 44% | 52 bps |
| Capital Expenditure | 53 | 40 | 32% | 189 | 156 | 21% |
| As a % of revenue | 24% | 19% | 521 bps | 22% | 20% | 278 bps |
| Adjusted Net Debt | 602 | 708 | | | | |
| Adjusted Net Debt to Adjusted EBITDA ratio (x) | 1.6x | 2.0x | | | | |

- Strong operational and financial end to the year
- Full year results in line with internal expectations
- Q4'21 Adjusted EBITDA -\$13m decrease YoY due to non-recurring items (refer to slide 10 for Adjusted EBITDA reconciliation)

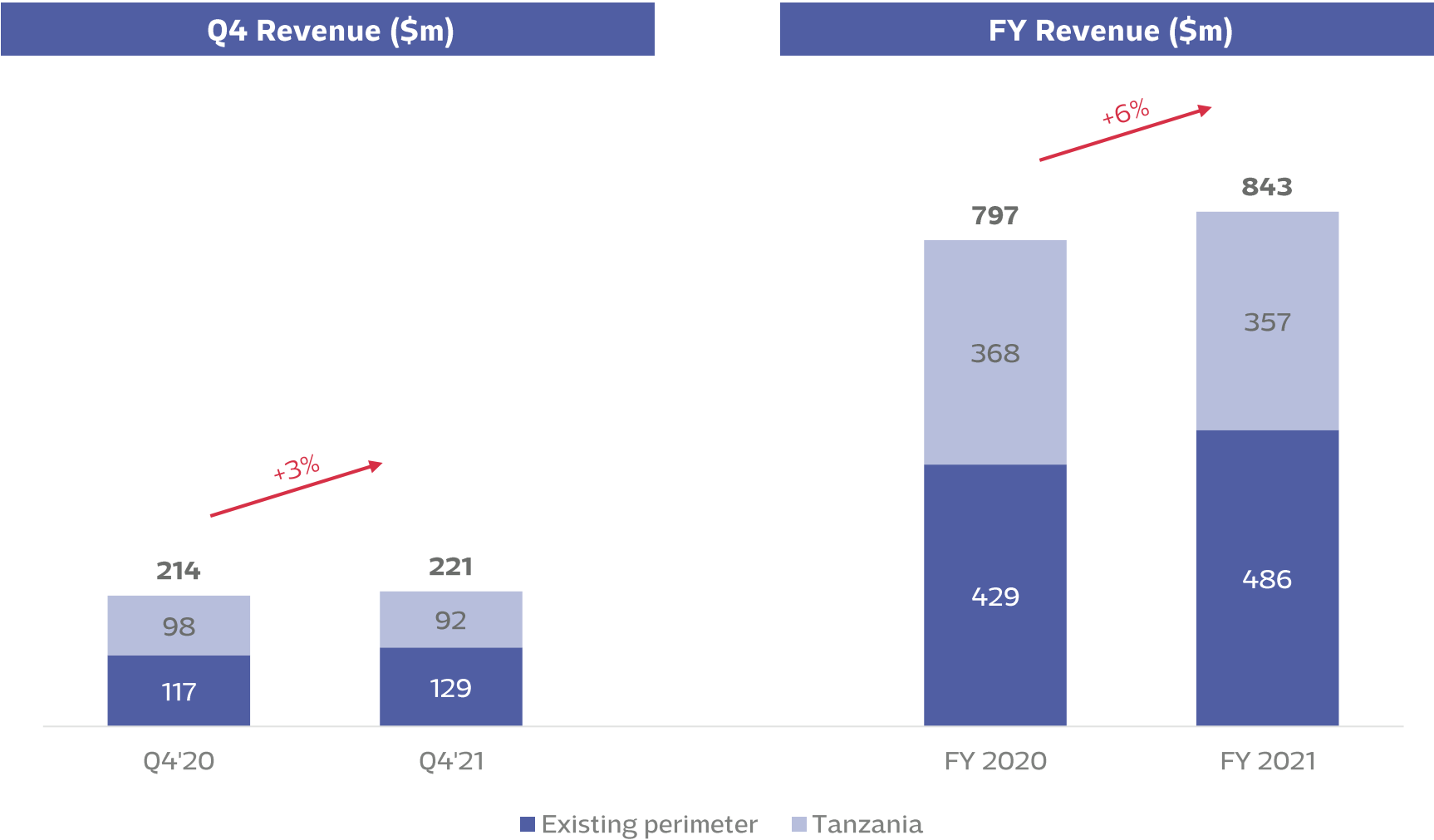
Revenue generating subscribers ('000)

Active data users ('000)

Active MFS users ('000)

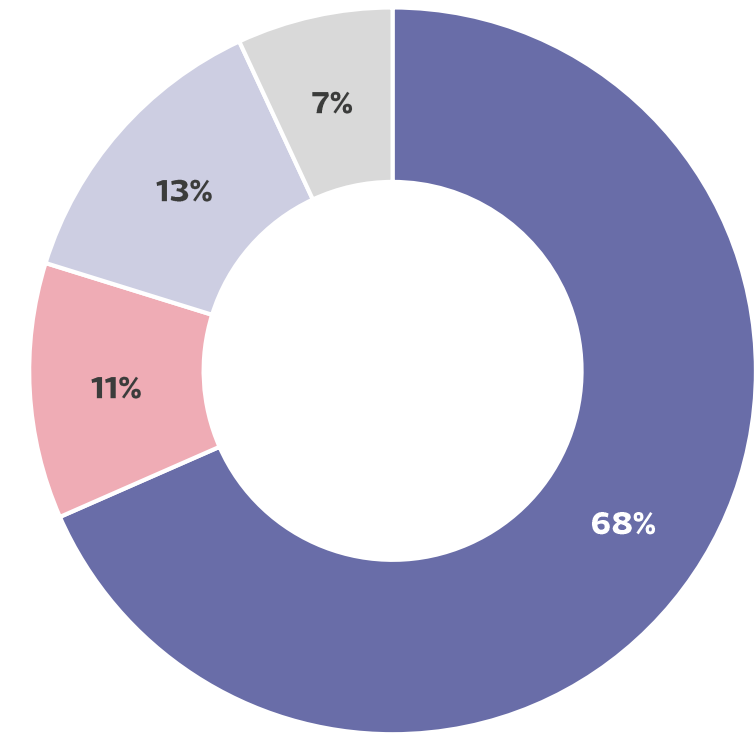


- Very strong performance in Madagascar with Revenue generating subscribers growing by 21% YoY; Active data users and Active MFS users grew by 24% and 30% respectively
- Togo also performed well with Revenue generating subscribers growing by 11% YoY; Active data users and Active MFS users grew by 18% and 24% respectively
- In Tanzania, Revenue generating subscribers grew by 3%; Active data users and Active MFS users grew by 2% and 12% respectively



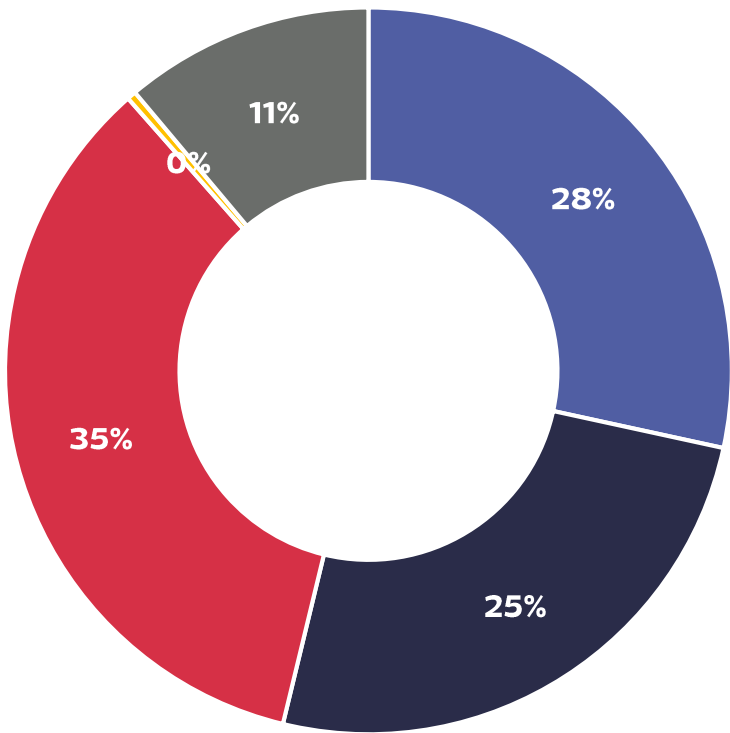
- +13% FY 2021 revenue growth YoY from our exiting perimeter
- Strong performance of our Mobile and fixed-line communications segment, primarily driven by the increase in Revenue generating subscribers and Active data users
- Increase in revenue from our mobile financial services, primarily driven by increased activity and the increase in Active MFS users
- Slight decrease of Tanzania revenue following i) implementation of mobile money levy impacting MFS transaction costs for the MFS users and ii) delayed investment during transaction process ; both impacts were captured in our acquisition business plan

FY 2021 Revenue⁽¹⁾ by segment (%)



■ Mobile/Fixed ■ Infrastructure ■ Digital ■ Others

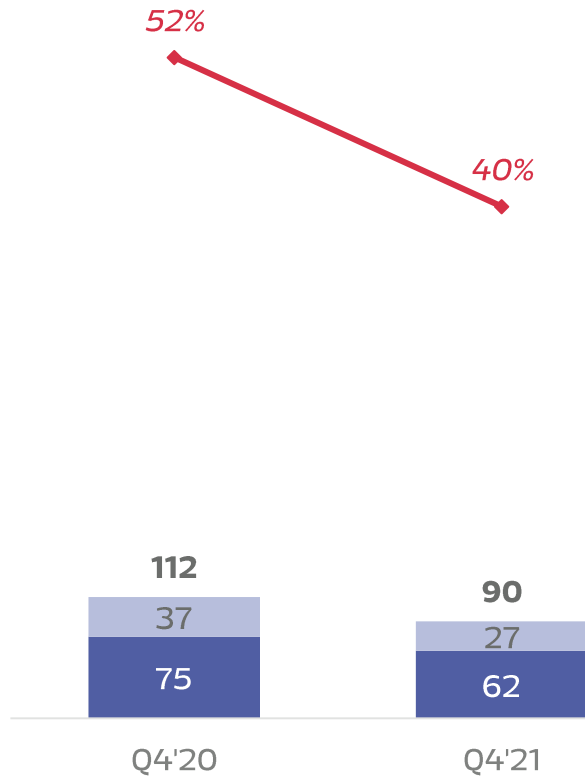
FY 2021 Revenue⁽¹⁾ by country (%)



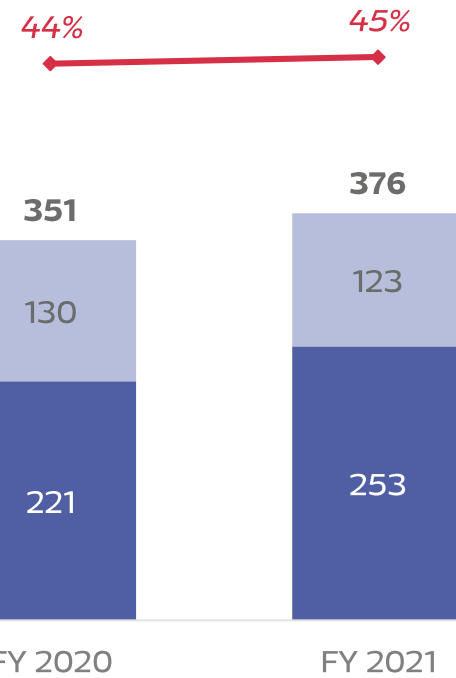
■ Madagascar ■ Togo ■ Tanzania ■ Uganda ■ Mauritius

Note: Revenue split is shown before the impact of intragroup eliminations. Thus, not aligned with segmental reporting reported under International Financial Reporting Standards ("IFRS")
⁽¹⁾On combined basis including Tanzania

Q4 Adjusted EBITDA (\$m)



FY Adjusted EBITDA (\$m)



Existing perimeter Tanzania Adjusted EBITDA margin (incl. Tanzania)

- Our exiting perimeter's FY 2021 Adjusted EBITDA grew by \$32m vs. prior year, a +15% increase
- Our FY 2021 Adjusted EBITDA Margin increased by 63 bps vs. prior year, from 51.4% to 52.0%
- On a pro-forma consolidated basis Adjusted EBITDA increased by \$25m, a +7% increase YoY for FY 2021
- Slight decrease of Tanzania Adjusted EBITDA -\$7m, mainly from -\$10m revenue decrease explained slide 7

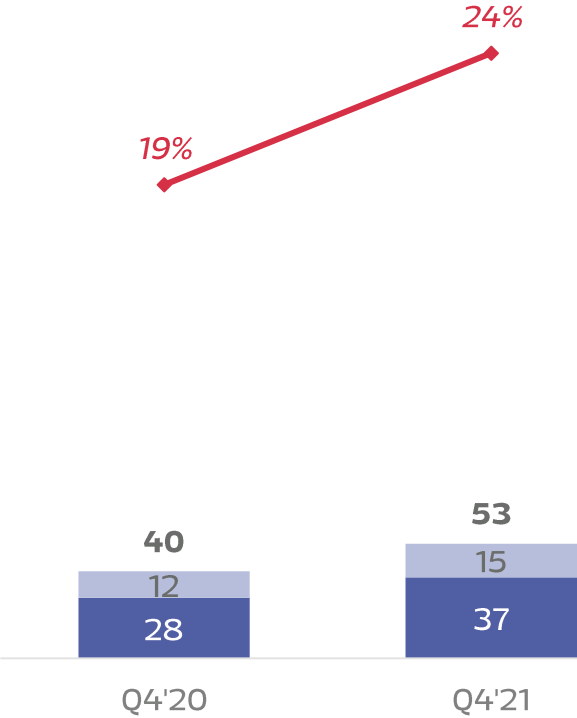
EBITDA RECONCILIATION

In \$m, unless otherwise stated

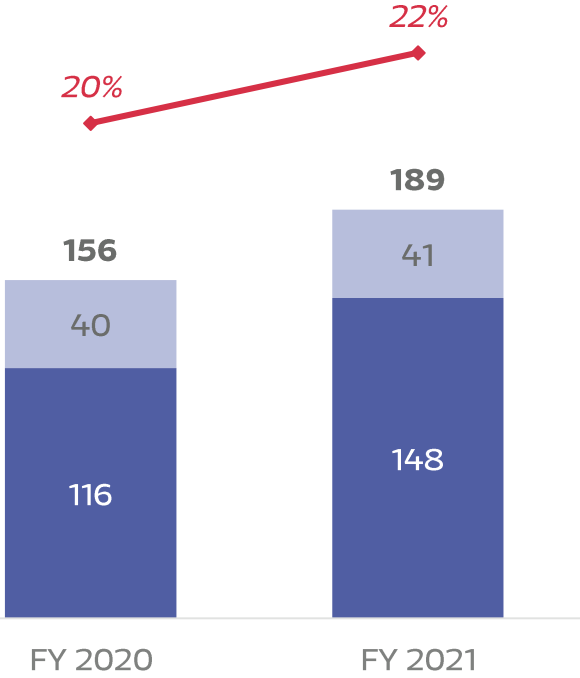
| | Q4'21 | Q4'20 | FY 2021 | FY 2020 |
|---|-------------|-----------|------------|------------|
| Existing perimeter | | | | |
| (Loss)/profit for the period | (46) | 26 | 87 | 52 |
| Income tax (credit)/expense | (0) | 2 | 27 | 0 |
| Finance income | (12) | (6) | (25) | (20) |
| Finance costs | 23 | 22 | 58 | 60 |
| Depreciation of property, plant and equipment | 28 | 29 | 96 | 102 |
| Amortization of right of use assets | 4 | 1 | 8 | 4 |
| Amortization of intangible assets | 2 | 2 | 8 | 7 |
| EBITDA | (2) | 76 | 259 | 205 |
| Share of net loss/(profit) in joint ventures | 48 | (1) | (22) | (16) |
| Loss on disposal of subsidiary | - | - | - | 32 |
| Impairment of property, plant and equipment and intangible assets | 0 | - | 0 | - |
| (Gain)/loss on disposal of property, plant and equipment | (0) | 0 | (0) | 0 |
| Other non-operating expense | 16 | - | 16 | - |
| Adjusted EBITDA | 62 | 75 | 253 | 221 |

- Q4'21 EBITDA at -\$2m mainly due to the reversal of profits on the sale and leaseback of Senegal towers which were initially recognized in the statement of profit or loss in May 2021. No impact on FY 2021
- Adjusted EBITDA for Q4'21 -\$13m YoY mainly from non-cash items in Q4'21 and Q4'20, which are non-recurring and non-operational

Q4 Capital Expenditure (\$m)

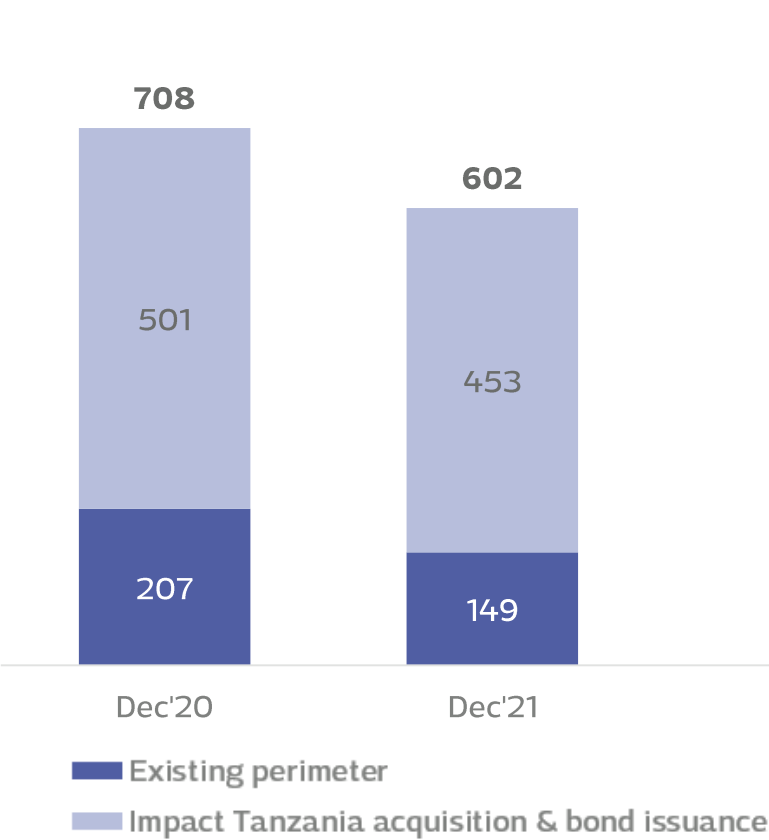


FY Capital Expenditure (\$m)

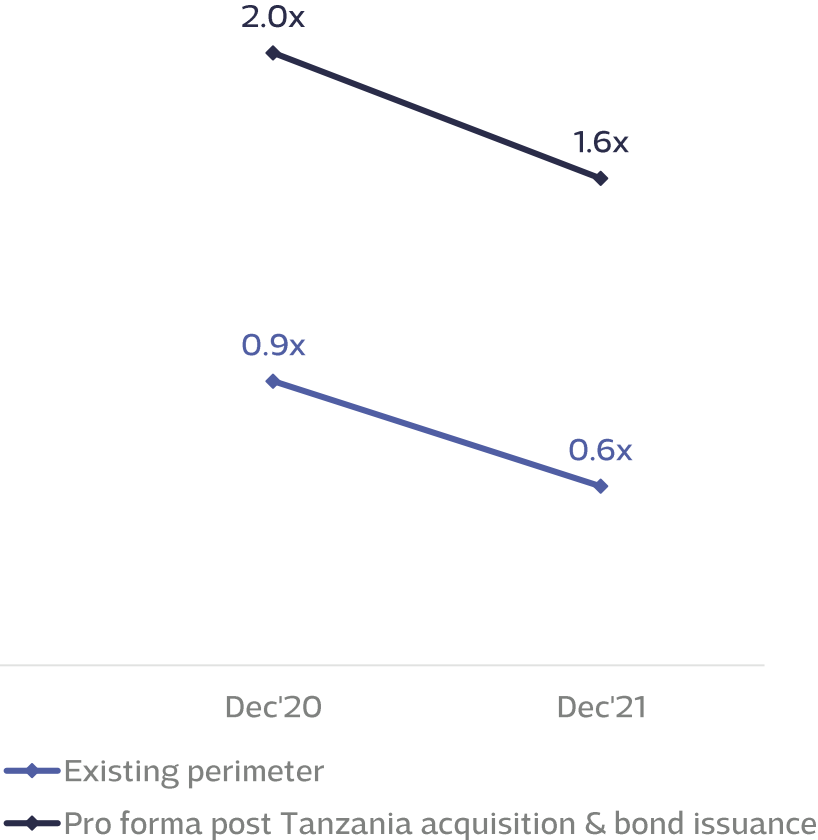


- FY 2021 Capital Expenditure at \$189m, representing 22% of revenue, mainly from Madagascar and Togo tower deployment (Radio access networks & Passive site infrastructure)
- Lower Capital Expenditure levels in Tanzania (11% of FY 2021 revenue), due to delayed investment during transaction process

Adjusted Net debt (\$m)



Adjusted Net Debt to Adjusted EBITDA ratio (x)



- Adjusted Net Debt to Adjusted EBITDA ratio has decreased to 0.6x on existing perimeter, from 0.9x prior year, from Adjusted EBITDA increase and Adjusted Net Debt decrease
- Adjusted Net Debt to Adjusted EBITDA ratio at 1.6x pro forma of Tanzania acquisition & bond issuance

Appendix

In this presentation, 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.

Revenue generating subscribers: 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;

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

Active MFS users: total number of mobile financial users 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;

EBITDA: 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;

Adjusted EBITDA: 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;

Adjusted EBITDA Margin: ratio of Adjusted EBITDA to our revenue, expressed as a percentage;

Capital Expenditure: purchases of property, plant and equipment and purchases of intangible assets as stated in the Financial Statements;

Adjusted Total Debt: current and non-current borrowings plus capitalized debt issuance costs (excluding the Subordinated Shareholder Loans and loans payable to entities under common control) and lease liability as at the date of the consolidated statement of financial position

Adjusted Net Debt: Adjusted Total Debt less cash and cash equivalents (excluding deposits held at banks and bank overdraft) as at the date of the consolidated statement of financial position;

Adjusted Net Debt to Adjusted EBITDA ratio: Adjusted Net Debt divided by Adjusted EBITDA for a stated period, expressed as a multiple;

VPY: versus prior year.

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