

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD
AND YEAR ENDED DECEMBER 31, 2021

AXIAN

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AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

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	-
	Mr. Keni Lufor	May 22, 2020	December 1, 2021
	Mrs. Anja Blumert	August 15, 2020	-
	Mr. Afsar Azize Abdulla Ebrahim	November 16, 2020	-
	Mr. Michael Jimmy Wong Yuen Tien	December 1, 2021	-
ADMINISTRATOR & SECRETARY <i>(up to 01 December 2021)</i>	Ocorian Corporate Services (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebène Republic of Mauritius		
ADMINISTRATOR & SECRETARY <i>(as from 01 December 2021)</i>	DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
REGISTERED OFFICE <i>(up to 01 December 2021)</i>	c/o Ocorian Corporate Services (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebène Republic of Mauritius		
REGISTERED OFFICE <i>(as from 01 December 2021)</i>	c/o DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
AUDITOR	PricewaterhouseCoopers PwC Centre Avenue de Telfair Telfair 80829 Moka 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 51). 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 eight markets through subsidiaries in Tanzania (including the completion of the Acquisition as defined below), Madagascar, Togo, Mauritius and Uganda, and nonconsolidated joint ventures in Senegal, Réunion/Mayotte and 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 and bandwidth).

The ultimate holding company of the Group 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.

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.

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, 2021.

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 Group acquired several operations during the years ended December 31, 2020 and December 31, 2021. The 2021 acquisitions are described in more detail in note 18. The impacts of these acquisitions have not been included in these financial statements on a pro forma basis if the acquisitions are not deemed material by reference to the size of the acquired operations, or if this is not required under the indenture; this is the case for the acquisitions of Silver Links Ltd (formerly Telma International Carrier Services Ltd) and its subsidiaries, Axian Support Services Ltd and its subsidiaries, Ubuntu Towers Uganda Limited, and Axian Financial Services Ltd and its subsidiaries.

On April 16, 2021, the Group entered into a share purchase agreement to acquire 98.5% of the issued and outstanding shares of MIC Tanzania Public Limited Company (“MIC Tanzania”), a public limited company incorporated under the laws of Tanzania, registered under company number 24275 (the “Acquisition”). The Acquisition completed on April 5, 2022, and the impact thereof is described in more detail in note 19.

These financial statements do not include the results of the operations of MIC Tanzania on a pro forma basis. We separately present the statements of profit or loss and the statements of other comprehensive income on a combined basis, as if the Acquisition had occurred as at the beginning of the earliest comparative period; in this case January 1, 2020. We also present statement of financial position on a pro forma basis, as if the Acquisition, the issue of the Notes and related transactions had occurred as at the reporting date (December 31, 2021). The pro forma adjustments made to the consolidated data and the resulting pro forma numbers are described in more detail and disclosed on pages 46 to 50 of these financial statements.

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Prior year restatements

(i) Change in presentation of statement of profit or loss

During the year ended December 31, 2021, the Group have changed their accounting policy in relation to the presentation of the statement of profit or loss from function to the relative nature of the different elements of income and expenses. The Group provides telecommunication services and given the way their income and expenses are incurred and analysed, the directors are of the opinion that the change in presentation of the statement of profit or loss provides reliable and more relevant information to the users of the financial statements. The change in accounting policy is in line with paragraph 29 of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors and is applied retrospectively to the current and comparative periods.

The reconciliation of income and expenses as restated with those as previously reported (in respect of the numbers for the year ended December 31, 2020) is as follows:

<u>Statement of profit or loss</u>	For the year ended December 31, 2020		
	As previously reported	Reclassification adjustment	As restated
	USD	USD	USD
Revenue	414,386,726	14,767,675	429,154,401
Cost of sales	(185,889,390)	185,889,390	-
Administrative expenses	(159,169,992)	159,169,992	-
Other operating income	37,723,790	(37,723,790)	-
Other operating expense	(32,209,819)	32,209,819	-
Finance income	19,219,884	919,350	20,139,234
Finance costs	(58,656,300)	(1,008,836)	(59,665,136)
Other income	-	28,572,569	28,572,569
Cost of devices and equipment	-	(4,984,335)	(4,984,335)
Cost of interconnection and roaming	-	(19,158,333)	(19,158,333)
Government and regulatory costs	-	(20,187,288)	(20,187,288)
Advertising and distribution costs	-	(3,653,026)	(3,653,026)
Commissions to sales agents	-	(27,290,027)	(27,290,027)
Impairment losses on financial assets	-	(233,611)	(233,611)
Technology operation costs	-	(35,529,890)	(35,529,890)
Staff costs	-	(37,959,837)	(37,959,837)
Other operating expenses	-	(38,547,637)	(38,547,637)
Derecognition of financial assets	-	(177,625)	(177,625)
Professional fees	-	(40,659,215)	(40,659,215)
Depreciation and amortisation	-	(113,322,309)	(113,322,309)
Impairment of non-financial assets	-	(8,915,793)	(8,915,793)
Gain on financial assets at fair value through profit or loss	-	32,576	32,576
Non-operating expense	-	(32,209,819)	(32,209,819)
<u>Non-IFRS measures</u>			
EBITDA	204,639,178	89,486	204,728,664
Adjusted EBITDA	220,290,799	277,294	220,568,093

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Prior year restatements (continued)

The reconciliation of income and expenses as restated with those as previously reported (in respect of the numbers for the nine month period ended September 30, 2020) is as follows:

<u>Statement of profit or loss</u>	For the nine month period ended September 30, 2020		
	As previously reported USD	Reclassification adjustment USD	As restated USD
Revenue	302,135,041	10,449,123	312,584,164
Cost of sales	(152,243,719)	152,243,719	-
Administrative expenses	(110,575,078)	110,575,078	-
Other operating income	25,364,265	(25,364,265)	-
Other operating expense	(32,201,768)	32,201,768	-
Finance income	12,422,091	1,840,203	14,262,294
Finance costs	(36,575,695)	(1,318,661)	(37,894,356)
Other income	-	13,915,142	13,915,142
Cost of devices and equipment	-	(6,961,473)	(6,961,473)
Cost of interconnection and roaming	-	(13,116,865)	(13,116,865)
Government and regulatory costs	-	(12,427,245)	(12,427,245)
Advertising and distribution costs	-	(2,612,531)	(2,612,531)
Commissions to sales agents	-	(20,089,053)	(20,089,053)
Impairment losses on financial assets	-	(3,460,618)	(3,460,618)
Technology operation costs	-	(33,481,549)	(33,481,549)
Staff costs	-	(29,402,827)	(29,402,827)
Other operating expenses	-	(33,109,888)	(33,109,888)
Professional fees	-	(25,075,599)	(25,075,599)
Depreciation and amortisation	-	(81,032,272)	(81,032,272)
Impairment of non-financial assets	-	(1,550,211)	(1,550,211)
Loss on financial assets at fair value through profit or loss	-	(12,159)	(12,159)
Non-operating expense	-	(32,209,819)	(32,209,819)
<u>Non-IFRS measures</u>			
EBITDA	129,012,018	(521,542)	128,490,476
Adjusted EBITDA	145,593,987	(513,493)	145,080,494

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Prior year restatements (continued)

The reconciliation of income and expenses as restated with those as previously reported (in respect of the numbers for the nine month period ended September 30, 2021) is as follows:

<u>Statement of profit or loss</u>	For the nine month period ended September 30, 2021		
	As previously reported USD	Reclassification adjustment USD	As restated USD
Revenue	346,104,034	10,352,193	356,456,227
Cost of sales	(162,285,955)	162,285,955	-
Administrative expenses	(95,149,749)	95,149,749	-
Other operating income	23,818,807	(23,818,807)	-
Other operating expense	-	-	-
Finance income	12,224,718	1,069,815	13,294,533
Finance costs	(34,772,716)	(180,516)	(34,953,232)
Other income	-	9,067,492	9,067,492
Cost of devices and equipment	-	(3,308,154)	(3,308,154)
Cost of interconnection and roaming	-	(13,609,743)	(13,609,743)
Government and regulatory costs	-	(17,710,862)	(17,710,862)
Advertising and distribution costs	-	(3,273,594)	(3,273,594)
Commissions to sales agents	-	(23,197,673)	(23,197,673)
Impairment losses on financial assets	-	(2,257,460)	(2,257,460)
Technology operation costs	-	(31,546,593)	(31,546,593)
Staff costs	-	(36,627,851)	(36,627,851)
Other operating expenses	-	(27,647,276)	(27,647,276)
Derecognition of financial assets	-	(1,717)	(1,717)
Professional fees	-	(16,323,999)	(16,323,999)
Depreciation and amortisation	-	(78,498,185)	(78,498,185)
Reversal of Impairment of non-financial assets	-	77,226	77,226
<u>Non-IFRS measures</u>			
EBITDA	261,774,484	(889,299)	260,885,185
Adjusted EBITDA	191,227,184	(889,300)	190,337,884

(ii) Change in presentation of statement of financial position

One of the subsidiaries of Axian Telecom previously reported restricted cash balance under cash and cash equivalents on the face of the statement of financial position. The restricted cash does not meet the definition of "cash and cash equivalents" as defined in IAS 7 'Statement of cash flows' since the cash is not available to settle short term liabilities arising from services and can only be used for the purpose of e-money transactions. This constitutes a prior year error and in line with the requirement of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the prior year error has been corrected by restating each of the affected financial statement line items at January 1, 2020. There is no impact on December 31, 2020 position as the subsidiary was no longer a part of the group since the group sold its interest in the subsidiary during the financial year 2020.

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Prior year restatements (continued)

(ii) Change in presentation of statement of financial position (continued)

This correction does not impact the statement of profit or loss and other comprehensive income or the statement of changes in equity for the year ended December 31, 2020.

<u>Statement of financial position</u>	As at January 1, 2020		
	As previously reported USD	Reclassification adjustment USD	As restated USD
Cash and cash equivalents (net of bank overdrafts)	126,330,927	(35,012,558)	91,318,369
Restricted cash	26,451,453	35,012,558	61,464,011

(iii) Change in presentation of statement of cash flows

Following the change in the presentation of statement of profit or loss and change in statement of financial position, the statement of cash flows has been impacted as follows:

<u>Statement of cash flows</u>	For the year ended December 31, 2020		
	As previously reported USD	Reclassification adjustment USD	As restated USD
Cash flows from operating activities			
Cash flows from operations	122,222,769	39,579,706	161,802,475
Interest paid	(24,554,046)	544,569	(24,009,477)
Interest received	3,665,201	(430,447)	3,234,754
Deposits receivable	-	692,519	692,519
Additional deposits	-	(37,669)	(37,669)
Cash flows from investing activities			
Deposits receivable	692,519	(692,519)	-
Additional deposits	(37,669)	37,669	-
Dividend received	11,642,453	(11,621,138)	21,315
Dividend received from joint ventures	-	11,642,453	11,642,453
Cash flows from financing activities			
Repayment of lease liability	(6,404,260)	3,084,208	(3,320,052)
Dividend paid	(225,109)	(15,660,000)	(15,885,109)
Effect of exchange rate on cash and cash equivalents			
	(6,549,363)	7,873,207	1,323,844
Cash and cash equivalents at the beginning of the period	126,330,927	(35,012,558)	91,318,369

AXIAN TELECOM
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OPERATING AND FINANCIAL REVIEW

Highlights for the quarter and year to date

	3 month period ended		Year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	USD	USD	USD	USD
Revenue	129,403,056	116,570,237	485,859,283	429,154,401
Operating profit	28,532,014	42,973,604	140,129,852	107,140,620
Adjusted EBITDA*	62,420,135	75,487,599	252,758,019	220,568,093
Adjusted EBITDA Margin*	48.2%	64.8%	52.0%	51.4%
			Units'000	Units'000
Revenue generating subscribers ("RGS")			12,582	10,669
Active data users			7,303	5,994
Active MFS users			3,264	2,561

* 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

Mobile subscribers increased by 1.9 million during the year ended December 31, 2021, from 10.7 million at December 31, 2020, to 12.6 million at December 31, 2021. Active data users and Active MFS users increased by 1.3 million and 0.7 million respectively during the same period.

The increases in Revenue Generating subscribers, Active data users and Active MFS users, are primarily driven by our operations in Madagascar which saw year-on-year increases of 1.6 million users (or 20.6%), 1.0 million users (or 23.8%), and 0.4 million users (or 30.0%) respectively for each of those metrics, for the year ended December 31, 2021.

Revenue

Revenue for the three month period ended December 31, 2021 increased year-on-year by \$12.8 million or 11.0%, to \$129.4 million in Q4 2021 compared to \$116.6 million in Q4 2020. The year-on-year increase is primarily comprised of an increase in revenue related to our operations in Togo and Madagascar which increased by \$7.8 million and \$6.5 million year-on-year respectively.

The year-on-year increase in revenue in both the Togo and Madagascar markets is comprised of increased in Mobile and fixed-line communications Fixed segment, primarily driven by the increase in RGS and Active data users, and increase in revenue from our mobile financial services, primarily driven by increased activity and the increase in Active MFS users, and is partially offset by a year-on-year decreases in revenue in our Infrastructure segment of \$9.5 million for the period, primarily related to our Madagascar operations.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue (continued)

The net year-on-year increases for the three month period ended December 31, 2021 are also partially offset year-on-year decrease in revenue in our Other segment of \$2.6 million, mainly related to management fees previously charged to companies which are now within the scope of the Group, thus resulting in the elimination and decrease of such revenue in the current year period.

Revenue for the year ended December 31, 2021 increased year-on-year by 56.7 million or 13.2%, to \$485.9 million in the year ended December 31, 2021 compared to \$429.2 million in the year ended December 31, 2020. The year-on-year increase is primarily comprised of an increase in revenue related to our operations in Togo and Madagascar which increased by \$33.1 million and \$22.6 million year-on-year respectively.

The year-on-year increase in revenue in both the Togo and Madagascar markets is comprised of increased in our fixed line and telecommunications segment, primarily driven by the increase in RGS and Active data users, and increase in revenue from our mobile financial services, primarily driven by increased activity and the increase in Active MFS users, and is partially offset by a year-on-year decreases in revenue in our Infrastructure segment of \$9.1 million for the period, primarily related to our Madagascar operations.

The net year-on-year increases for the year ended December 31, 2021 are also partially offset year-on-year decrease in revenue in our Other segment of \$0.7 million, mainly related to management fees previously charged to companies which are now within the scope of the Group, thus resulting in the elimination and decrease of such revenue in the current year period.

Revenue by segment is presented below:

For the three month period ended:

	December 31, 2021 USD	December 31, 2020 USD	Movement USD	Movement%
Mobile and fixed-line communications	111,461,431	100,656,892	10,804,539	10.7%
Infrastructure	4,169,450	13,665,760	(9,496,310)	(69.5)%
Digital and mobile financial services	14,099,427	13,550	14,085,877	n.m
Other	(327,252)	2,234,035	(2,561,287)	n.m
	129,403,056	116,570,237	12,832,819	11.0%

For the year ended:

	December 31, 2021 USD	December 31, 2020 USD	Movement USD	Movement%
Mobile and fixed-line communications	443,029,445	388,426,356	54,603,089	14.1%
Infrastructure	13,649,222	22,765,362	(9,116,140)	(40.0)%
Digital and mobile financial services	19,390,794	7,439,863	11,950,931	160.6%
Other	9,789,822	10,522,820	(732,998)	(7.0)%
	485,859,283	429,154,401	56,704,882	13.2%

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs

Operating costs for the three month period ended December 31, 2021 increased year-on-year by \$36.9 million or 41.9%, to \$125.2 million in Q4 2021 compared to \$88.3 million in Q4 2020. The year-on-year increase is primarily comprised of increases in cost of devices and equipment of \$7.6 million, commission costs paid to sales agents of \$7.9 million, technology operation costs of \$9.7 million, staff costs of \$7.1 million, write-off of financial assets of \$17.8 million, and an increase in other operating expenses of \$11.0 million. This aggregate year-on-year increase in operating costs is partially offset by year-on-year decreases in non-technical professional fees of \$11.3 million and a decrease in the impairment of non-financial assets of \$11.4 million, mainly related to a reversal of provisions for slow moving inventory.

Operating costs for the year ended December 31, 2021 increased year-on-year by \$28.6 million or 8.1%, to \$379.2 million in the year ended December 31, 2021 compared to \$350.6 million in the year ended December 31, 2020. The year-on-year increase is primarily comprised of increases in cost of devices and equipment of \$3.9 million, commission costs paid to sales agents of \$11.0 million, technology operation costs of \$7.8 million, staff costs of \$14.3 million, write-off of financial assets of \$17.8 million, and an increase in other operating expenses of \$5.5 million. This aggregate year-on-year increase in operating costs is partially offset by year-on-year decreases in non-technical professional fees of \$20.1 million and a decrease in the impairment of non-financial assets of \$13.0 million, mainly related to a reversal of provisions for slow moving inventory.

The year-on-year increases for the three month period and year ended December 31, 2021 in respect of cost of devices and equipment, commission paid to sales agents, and technology operational costs are primarily related to increased sales of prepaid cards and accessories, increased revenue for the period which attracts higher commission, and increases in site network fees and network repairs and maintenance on account of increased activity. The increase in commission paid to sales agents is also partly driven by the mix of revenue following the acquisition of Axian Financial Services Ltd, with mobile financial services revenue attracting a higher rate of commission and thus increasing the overall commission as a percentage of revenue.

The year-on-year increases for the three month period and year ended December 31, 2021 in respect of write off of financial assets is primarily related to the write off of trade receivables from related parties.

The year-on-year increases for the year ended December 31, 2021 in respect of other operating expenses is primarily related to an increase of \$2.6 million in respect of provisions for litigations (as a result of a supplier dispute), an increase of \$2.6 million in respect of penalties, and an increase of \$2.0 million in respect of a reversal of debt waivers resulting from early settlement supplier discounts accrued for but not received.

The year-on-year increases for the three month period ended December 31, 2021 in respect of other operating expenses is primarily related to an increase of \$5.9 million in respect of provisions for litigations (as a result of a supplier dispute), a \$3.6 million increase in other expense items, and an increase of \$2.0 million in respect of a reversal of debt waivers resulting from early settlement supplier discounts accrued for but not received.

The year-on-year increases in provisions for litigations, penalties and reversals of debt waivers, for the three month period and year ended December 31, 2021, are partially offset by a decreases in insurance costs and costs of security and cleaning of \$0.8 million and \$0.7 million respectively for the three month period ended December 31, 2021, and \$0.6 million and \$1.0 million respectively for the year ended December 31, 2021.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs (continued)

The year-on-year increases for the three month period and year ended December 31, 2021 in respect of staff costs is primarily driven by the consolidation of companies acquired during the period and a general increase in staff numbers and welfare benefits, such as medical insurance.

The year-on-year decrease in costs for non-technical professional fees of \$11.3 million and \$20.1 million respectively for the three month period and year ended December 31, 2021, is primarily due to decreases of \$2.0 million and \$6.7 million, respectively, in management fees, and decreases of \$9.4 million and \$13.8 million, respectively, in technical assistance fees, the majority of which were previously charged by Axian Support Services Limited ("ASSL") and such charges are now eliminated on consolidation following the acquisition of ASSL in March 2021.

Other operating income, and non-operating income and expenses

Other operating income increased by \$9.7 million year-on-year in the three month period ended December 31, 2021, to \$24.4 million in the three month period ended December 31, 2021, compared to \$14.7 million in the three month period ended December 31, 2020. This year-on-year increase is primarily driven by an increase of \$15.3 million related to the waiver of related party trade payable balances, and a year-on-year increase of \$1.6 million in the release of government grants following completion of more towers. The year-on-year increases are partially offset by year-on-year decreases in other income related to waiver of claims and reversals of accruals for operating taxes, duties and emphyteutic leases, which decreased by \$5.0 million and \$3.8 million year-on-year respectively.

Other operating income increased by \$4.8 million year-on-year in the year ended December 31, 2021, to \$33.4 million in the year ended December 31, 2021, compared to \$28.6 million in the year ended December 31, 2020. This year-on-year increase is primarily driven by an increase of \$15.3 million related to the waiver of related party trade payable balances, and a year-on-year increase of \$3.0 million in the release of government grants following completion of more towers. The year-on-year increases are partially offset by year-on-year decreases in other income related to waiver of claims and reversals of accruals for operating taxes, duties and emphyteutic leases, which decreased by \$5.0 million and \$7.1 million year-on-year respectively.

Non-operating expenses increased by \$15.6 million year-on-year in the three month period ended December 31, 2021. Non-operating expenses for the three month period ended December 31, 2021 are comprised of aggregate losses of \$15.6 million related to the write-off of related party loan principal and accrued interest, which did not occur in the prior year.

Non-operating expenses decreased by \$16.6 million year-on-year in the year ended December 31, 2021. Non-operating expenses for the year ended December 31, 2021 are comprised of aggregate losses of \$15.6 million related to the write-off of related party loan principal and accrued interest, which did not occur in the prior year. Non-operating expenses for the year ended December 31, 2020 represent a loss of \$32.2 million related to the disposal of the Group's 99.8% stake in MVola (formerly known as Telma Money) to Axian Financial Services Ltd.

Net finance costs

Our net finance cost was \$11.0 million in the three month period ended December 31, 2021, compared to \$15.9 million in the three month period ended December 31, 2020; a year-on-year decrease of \$4.9 million, or 30.7%. The year-on-year decrease in net finance costs is primarily driven by a year-on-year increase in interest income of \$0.5 million, a decrease of \$3.9 million in net foreign exchange losses, and a year-on-year decrease in net other finance costs of \$2.9 million; from a net cost of \$0.8 million for the three month period ended December 31, 2020, to a net income of \$2.1 million in the current year period, mainly related to non-cash profits from preferential payment terms with a supplier. These year-on-year decreases in net finance costs for the three month period ended December 31, 2021 are partially offset by a year on year increase of \$1.0 million related to the interest on the provision for decommissioning resulting primarily from an increased tower count.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Net finance costs (continued)

Our net finance cost was \$32.7 million in the year ended December 31, 2021, compared to \$39.5 million in the year ended December 31, 2020; a year-on-year decrease of \$6.8 million, or 17.3%. The year-on-year decrease in net finance costs is primarily driven by a decrease of \$1.1 million in net foreign exchange losses, an aggregate decrease of \$3.4 million in interest on bank overdrafts and related party loans, and a year-on-year decrease on net other finance costs of \$4.2 million; from a net cost of \$1.4 million for the year ended December 31, 2020, to a net income of \$2.8 million in the current period, mainly related to non-cash profits from preferential payment terms with a supplier. These year-on-year decreases in net finance costs for the year ended December 31, 2021 are partially offset by a year-on-year decrease in interest income of \$0.5 million for the same period, primarily due to a decrease in interest-earning fixed deposits.

Share of profit in joint ventures and associates

Our share of profit in joint ventures and associates decreased year-on-year by \$49.3 million, from a profit of \$1.0 million in the three month period ended December 31, 2020, to a loss of \$48.3 million in the three month period ended December 31, 2021. The decrease mainly results from losses of \$52.6 million in Maya Africa Holding Ltd for the quarter ended December 31, 2021, compared to losses of \$1.2 million in the prior year comparative period; a year-on-year decrease of \$51.3 million. This decrease is mainly due to the reversal of profits on the sale and leaseback of its towers which were initially recognised in the statement of profit or loss in May 2021 and reversed in order to be capitalised to the resulting right-of-use asset (in accordance with IFRS 16 – Leases) in Q4 2021.

Our share of profit in joint ventures and associates increased year-on-year by \$5.9 million, from \$16.5 million in the year ended December 31, 2020, to \$22.4 million in the year ended December 31, 2021. The year-on-year increase primarily results from a year-on-year increase in profits from Telecom Reunion Mayotte of \$28.1 million, mainly related to profits on the sale of 70% of its shareholding in Towerco of Reunion Mayotte, and are partially offset by a year-on-year loss in Maya Africa Holding Ltd of \$25.1 million, mainly as a result of a reversal of deferred tax assets in respect of assessed losses carried forward.

Income tax

Income tax expense decreased by \$2.0 million year-on-year for the three month period ended December 31, 2021. The decrease is primarily due to a year-on-year decrease in actual income tax of \$3.3 million, partially offset by a year on year increases in deferred tax expense of \$0.5 million. The year-on-year decrease in current income tax is primarily related to lower year-on year taxable profits for the period, particularly for Towerco of Madagascar.

Income tax expense increased by \$26.6 million year-on-year for the year ended December 31, 2021. The increase is primarily due to a year-on-year decrease in net deferred tax credits of \$21.7 million, from a credit of \$28.9 million in the prior year, to a credit of \$7.2 million in the current period. The year-on-year net is primarily as a result of year-on-year decreases in deferred tax credits related tax losses carried forward and provisions for impairments, of \$17.3 million and \$7.5 million respectively, partially offset by increased deferred tax credit movements in respect of provisions for slow-moving inventory of \$3.1 million.

Actual income tax expense also increased by \$3.4 million year-on-year, from an expense of \$29.1 million in the year ended December 31, 2020, to an expense of \$32.5 million in the current year period; mainly due to increased taxable profits as a result of a year-on-year increase in operating profits for the full year period.

The Group also incurred withholding taxes of \$0.9 million and \$1.6 million for the three month period and year ended December 31, 2021, respectively. The withholding tax expense is related to infrastructure revenue contracts in Silver Links Limited which are subject to withholding taxes when customers pay. Such withholding taxes are not set off against future tax liabilities and are thus recognized as a tax expense in the period in which they are withheld.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Profit for the period

Our profit for the period decreased by \$72.5 million year-on-year in the three month period ended December 31, 2021, to a loss of \$46.2 million in the three month period ended December 31, 2021, compared to a profit of \$26.3 million in the three month period ended December 31, 2020. This year-on-year decrease is primarily driven by a year-on-year decrease in share of profit in joint ventures and associates, and year-on-year increases in operating costs, and net non-operating expenses. The year-on-year decrease is partially offset by year-on-year increases in revenue and other operating income, and year-on-year decreases in net finance costs and income tax expense.

Our profit for the period increased by \$35.7 million year-on-year in the year ended December 31, 2021, to \$87.3 million in the year ended December 31, 2021, compared to \$51.6 million in the year ended December 31, 2020. This year-on-year increase is primarily driven by a year-on-year increase in revenue, an increase in share of profit in joint ventures and associates, and year-on-year decreases in net non-operating expenses and net finance costs. The year-on-year increase is partially offset by increases in operating costs and income tax expense.

Adjusted EBITDA

Our Adjusted EBITDA for the three month period ended December 31, 2021 decreased year-on-year by \$13.1 million, to \$62.4 million in the three month period ended December 31, 2021, compared to \$75.5 million in the prior year comparative period. The year-on-year decrease is primarily driven by a decrease in operating profits of \$14.5 million, as a result of an increase in operating costs of \$36.9 million, partially offset by increases in revenue and other operating income of \$12.8 million and \$9.7 million respectively; all as described in earlier sections of this operating and financial review.

The Adjusted EBITDA for the three month period ended December 31, 2020 is also increased by amounts of other income related to waiver of claims and reversals of accruals for operating taxes and of \$5.0 million and \$4.6 million respectively, which did not recur in the current year.

Our Adjusted EBITDA for the year ended December 31, 2021 increased year-on-year by \$32.2 million, to \$252.8 million in the three month period ended December 31, 2021, compared to \$220.6 million in the prior year comparative period. The year-on-year increase is primarily driven by an increase in operating profits of \$33.0 million, as a result of increases in revenue and other operating income of \$56.7 million and \$4.8 million respectively, partially offset by increases in operating costs of \$28.6 million; all as described in earlier sections of this operating and financial review.

Statements of Cash flow and liquidity

The Group had cash and cash equivalents (net of bank overdrafts) of 112.0 million as at December 31, 2021 (December 31, 2020: \$62.0 million), of which a total of \$52.9 million (December 31, 2020: \$14.9 million) was held in either USD or Euro.

Net cash generated from/(used in) operating activities

Net cash generated from operating activities decreased by \$39.8 million year-on-year for the three month period ended December 31, 2021, mainly as a result of decreased operating profits, resulting in a year-on-year decrease of \$10.3 million in cash generated from operations before working capital changes, and from a year-on-year net negative cash flow impact of \$28.9 million in respect of working capital which reflected a net cash outflow in the current year of \$62.8 million compared to a net cash outflow of \$33.9 million in the prior year comparative period. The Group also had year-on-year increases in taxes paid of \$1.2 million, due to higher taxable profits, and year on year decreases in aggregate cash inflows from deposits received of \$7.3 million. The aggregate year-on-year decrease in cash generated from operations was partially offset by a year-on-year decrease of \$7.5 million in interest paid.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Statements of Cash flow and liquidity (continued)

Net cash generated from operating activities (continued)

Net cash generated from operating activities increased by \$103.6 million year-on-year for the year ended December 31, 2021, mainly as a result of increased operating profits, resulting in a year-on-year increase of \$28.6 million in cash generated from operations before working capital changes, and from a year-on-year net positive cash flow impact of \$82.4 million in respect of working capital which reflected a net cash inflow in the current year of \$42.7 million compared to a net cash outflow of \$39.7 million in the prior year comparative period. This year-on-year increase was partially offset by a year-on-year decrease of \$0.7 million in interest received, on account of lower interest earned, and a year-on-year increase of \$7.6 million in cash outflows for tax paid, due to higher taxable profits.

Net cash used in investing activities

Net cash outflows used in investing activities increased by \$4.6 million year-on-year for the three month period ended December 31, 2021, primarily due to a decrease in aggregate cash utilized in the purchase of property, plant and equipment and intangible assets of \$9.6 million and a year-on-year decrease of \$6.2 million in respect of cash inflows from the disposal of property, plant and equipment and intangible assets. The year-on-year cash outflow impacts are partially offset by an increase in net cash inflows in respect of loans made to or repaid by to related parties of \$3.5 million, and an increase of \$7.2 million in respect of grants received related to telecom sites built in Madagascar.

Net cash outflows used in investing activities decreased by \$6.8 million year-on-year for the year ended December 31, 2021, primarily due to a decrease in aggregate cash outflows used in the acquisition of financial assets, subsidiaries and joint ventures (net of proceeds from disposal of such investments) of \$29.4 million, an increase in net cash inflows in respect of loans made to or repaid by to related parties of \$10.3 million, an increase of \$6.6 million in respect of dividends received from joint ventures and other investments, and an increase of \$7.2 million in respect of grants received related to telecom sites built in Madagascar. The year-on-year positive cash impact is partially offset by a year-on-year increase in aggregate cash utilized in the purchase of property, plant and equipment and intangible assets of \$32.3 million, and a year-on-year decrease of \$13.7 million in respect of cash inflows from the disposal of property, plant and equipment and intangible assets.

Net cash used in or generated from financing activities

Net cash used in financing activities increased by \$9.0 million year-on-year, for the three month period ended December 31, 2021, from a cash outflow of \$4.0 million in the three month period ended December 31, 2020 to a cash outflow of \$13.0 million in the current year. This year-on-year increase in cash outflows is primarily related to a year-on-year decrease in cash inflows of \$108.0 million in respect of proceeds from the issue of shares, and from a year-on-year increase of \$6.2 million in cash outflows for dividends paid. The increase in net cash outflows is partially offset by a year-on-year decrease of \$104.1 million in respect of net cash outflows for new borrowings and repayment of borrowings.

Net cash used in financing activities increased by \$35.1 million year-on-year, for the year ended December 31, 2021, from a cash outflow of \$28.9 million in the year ended December 31, 2020 to a cash outflow of \$64.0 million in the current year. This year-on-year increase in cash outflows is primarily related to a year-on-year decrease in cash inflows of \$108.0 million in respect of proceeds from the issue of shares, and from a year-on-year increase of \$18.7 million in cash outflows for dividends paid. The increase in net cash outflows is partially offset by a year-on-year decrease of \$91.8 million in respect of net cash outflows for new borrowings and repayment of borrowings.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the three month period and year ended December 31, 2021

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
Revenue (Note 3)	129,403,056	116,570,237	485,859,283	429,154,401
Cost of devices and equipment (Note 5)	(5,572,603)	1,977,138	(8,880,757)	(4,984,335)
Cost of interconnection and roaming (Note 5)	(4,715,462)	(6,041,468)	(18,325,205)	(19,158,333)
Government and regulatory costs (Note 5)	(4,873,732)	(7,760,043)	(22,584,594)	(20,187,288)
Advertising and distribution costs (Note 5)	(548,267)	(1,040,495)	(3,821,861)	(3,653,026)
Commission to sales agents (Note 5)	(15,086,039)	(7,200,974)	(38,283,712)	(27,290,027)
Net reversals of impairment/(impairment) on financial and contract assets (Note 5)	1,577,542	3,227,007	(679,918)	(233,611)
Technology operation costs (Note 5)	(11,723,548)	(2,048,341)	(43,270,141)	(35,529,890)
Staff costs (Note 5)	(15,712,741)	(8,557,010)	(52,340,592)	(37,959,837)
Other operating expenses (Note 5)	(16,391,965)	(5,437,749)	(44,039,241)	(38,547,637)
Write-off of financial assets (Note 5)	(17,959,378)	(177,625)	(17,961,095)	(177,625)
Professional fees, non-technical (Note 5)	(4,305,008)	(15,583,616)	(20,629,007)	(40,659,215)
Depreciation and amortization (Note 5)	(33,801,306)	(32,290,037)	(112,299,491)	(113,322,309)
Reversal of impairment/(impairment) of non-financial assets (Note 5)	4,023,254	(7,365,582)	4,100,480	(8,915,793)
Other income (Note 4)	24,359,711	14,657,427	33,427,203	28,572,569
Net (loss)/gain on financial assets at fair value through profit or loss (Note 5)	(141,500)	44,735	(141,500)	32,576
OPERATING PROFIT	28,532,014	42,973,604	140,129,852	107,140,620
Finance income (Note 6)	11,612,772	5,876,940	24,907,305	20,139,234
Finance costs (Note 6)	(22,629,139)	(21,770,780)	(57,582,371)	(59,665,136)
Non-operating expenses (Note 4)	(15,600,429)	-	(15,600,429)	(32,209,819)
Share of (loss)/profit in joint ventures and associates	(48,347,042)	974,547	22,442,120	16,475,554
PROFIT BEFORE INCOME TAX	(46,431,824)	28,054,311	114,296,477	51,880,453
Income tax credit/(expense) (Note 7)	159,536	(1,756,469)	(26,880,856)	(258,996)
(LOSS)/PROFIT FOR THE PERIOD	(46,272,288)	26,297,842	87,415,621	51,621,457
(Loss)/Profit for the period attributable to:				
- Owners of the Company	(57,082,584)	20,605,911	56,643,615	31,388,322
- Non-controlling interest	10,810,296	5,691,931	30,772,006	20,233,135
	(46,272,288)	26,297,842	87,415,621	51,621,457

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the three month period and year ended December 31, 2021

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
(LOSS)/PROFIT FOR THE PERIOD	(46,272,288)	26,297,842	87,415,621	51,621,457
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	2,411,427	7,914,365	(10,797,977)	33,358,145
Exchange differences on translation of foreign joint ventures	1,245,235	2,247,344	(1,908,364)	4,156,259
Share of other reserves of joint ventures	269,695	6,040	269,695	58,212
Other comprehensive income/(loss) for the period, net of tax	3,926,357	10,167,749	(12,436,646)	37,572,616
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(42,345,931)	36,465,591	74,978,975	89,194,073
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
- Owners of the Company	(52,789,316)	29,963,989	45,821,496	63,384,247
- Non - controlling interest	10,443,385	6,501,602	29,157,479	25,809,826
	(42,345,931)	36,465,591	74,978,975	89,194,073

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	December 31, 2021 USD	December 31, 2020 USD
ASSETS		
Non-current assets		
Property, plant and equipment (Note 8)	495,789,056	495,375,876
Intangible assets (Note 9)	86,968,628	84,083,564
Interests in joint ventures and associates (Note 10)	68,846,258	72,717,052
Deferred tax assets	36,514,957	31,913,442
Loans receivable	-	5,902,332
Trade and other receivables	30,582,014	64,521,084
Deposits receivable	2,628,252	2,637,664
Right-of-use assets (Note 11)	44,007,136	36,632,210
Goodwill	49,759,990	53,585,192
Financial assets at fair value through profit or loss	5,867,383	1,155,561
Treasury bonds	2,392,521	2,938,256
	823,356,195	851,462,233
Current assets		
Inventories	17,044,520	11,553,411
Loan receivables	5,862,653	-
Trade and other receivables	141,013,207	275,317,814
Income tax receivable (Note 7)	445,763	-
Cash and cash equivalents (Note 12)	134,506,254	71,062,413
Restricted cash	82,199,911	23,540,884
	381,072,308	381,474,522
Total assets	1,204,428,503	1,232,936,755

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	December 31, 2021 USD	December 31, 2020 USD
EQUITY AND LIABILITIES		
Equity and reserves		
Stated capital	1,372,564	117,389,774
Reorganization reserves	76,511,569	23,981,559
Other reserves	6,059,348	5,789,653
Legal reserves	781,147	300,727
Translation reserves	(8,587,980)	2,503,834
Retained earnings	83,706,080	23,525,675
Equity attributable to owners of the Company	159,842,728	173,491,222
Non-controlling interest	91,152,614	63,553,316
Total equity	250,995,342	237,044,538
LIABILITIES		
Non-current liabilities		
Borrowings (Note 14)	267,477,680	190,733,796
Trade and other payables (Note 13)	85,777,942	101,797,079
Government grants	26,397,175	33,242,190
Provisions	36,584,910	24,563,509
Lease liability (Note 11)	45,310,470	33,692,552
Deposits payable	6,073,969	6,563,132
Deferred tax liability	27,942	30,221
Retirement benefit obligations	2,308,036	3,320,459
	469,958,124	393,942,938
Current liabilities		
Trade and other payables (Note 13)	342,125,698	479,676,138
Client savings accounts	695,993	-
Borrowings (Note 14)	79,000,856	100,525,381
Provisions	1,308,775	993,256
Lease liability (Note 11)	5,943,398	4,307,066
Bank overdraft (Note 12)	22,554,266	9,054,645
Dividend payable	21,690,698	-
Income tax payable (Note 7)	10,155,353	7,392,793
	483,475,037	601,949,279
Total liabilities	953,433,161	995,892,217
Total equity and liabilities	1,204,428,503	1,232,936,755

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital USD	Retained Earnings USD	Other reserves* USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2020	9,350,734	(11,664,297)	(22,504,152)	(24,817,715)	43,188,413	18,370,698
Comprehensive income:						
Profit for the period	-	31,388,322	-	31,388,322	20,233,135	51,621,457
Other comprehensive income for the period, net of tax	-	-	31,995,925	31,995,925	5,576,691	37,572,616
Total comprehensive income for the period	-	31,388,322	31,995,925	63,384,247	25,809,826	89,194,073
Transactions with owners in their capacity as owners:						
Issue of shares	108,039,040	-	-	108,039,040	-	108,039,040
Disposal of subsidiary	-	(1,376,948)	8,517	(1,368,431)	(41,216)	(1,409,647)
Change in non-controlling interest	-	5,403,707	-	5,403,707	(5,403,707)	-
Acquisition through business combination	-	-	23,075,483	23,075,483	-	23,075,483
Dividend declared	-	(225,109)	-	(225,109)	-	(225,109)
Total transactions with owners	108,039,040	3,801,650	23,084,000	134,924,690	(5,444,923)	129,479,767
At December 31, 2020	117,389,774	23,525,675	32,575,773	173,491,222	63,553,316	237,044,538

*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.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Stated Capital USD	Retained Earnings USD	Other reserves* USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2021	117,389,774	23,525,675	32,575,773	173,491,222	63,553,316	237,044,538
Comprehensive income/(loss):						
Profit for the period	-	56,643,615	-	56,643,615	30,772,006	87,415,621
Other comprehensive loss for the period, net of tax	-	-	(10,822,119)	(10,822,119)	(1,614,527)	(12,436,646)
Total comprehensive income/(loss) for the period	-	56,643,615	(10,822,119)	45,821,496	29,157,479	74,978,975
Transactions with owners in their capacity as owners:						
Disposal of shares	-	-	-	-	10	10
Acquisition through business combination (Note 18)	-	-	52,530,010	52,530,010	2,694,488	55,224,498
Capital reduction	(56,017,210)	56,017,210	-	-	-	-
Share buy-back	(60,000,000)	-	-	(60,000,000)	-	(60,000,000)
Dividend declared	-	(52,000,000)	-	(52,000,000)	(4,252,679)	(56,252,679)
Transfer to legal reserve	-	(480,420)	480,420	-	-	-
Total transactions with owners	(116,017,210)	3,536,790	53,010,430	(59,469,990)	(1,558,181)	(61,028,171)
At December 31, 2021	1,372,564	83,706,080	74,764,084	159,842,728	91,152,614	250,995,342

* 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.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the three month period and year ended December 31, 2021

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
Cash flows from operating activities (Note 15)				
Cash flows from operations	(13,616,690)	25,643,463	272,905,079	161,802,475
Interest paid	(2,114,772)	(9,550,745)	(22,525,313)	(24,009,477)
Interest received	1,064,362	568,692	2,530,432	3,234,754
Tax paid	(6,655,528)	(5,535,310)	(30,403,947)	(22,798,176)
Deposits receivable	-	683,657	-	692,519
Additional deposits received/(refunded)	-	6,647,483	-	(37,669)
Net cash (used in)/generated from operating activities	(21,322,628)	18,457,240	222,506,251	118,884,426
Cash flows from investing activities				
Acquisition of financial assets at fair value through profit or loss	-	-	(5,000,000)	-
Proceeds from disposal of financial assets at fair value through profit or loss	61,975	-	61,975	-
Proceeds from disposal of property, plant and equipment	-	6,265,569	259,643	14,159,431
Proceeds from disposal of intangible assets	79,507	-	210,717	-
Purchase of property, plant and equipment	(24,159,069)	(9,938,909)	(130,816,199)	(96,199,347)
Buy-back of shares by joint ventures	-	-	22,387,945	3,595,464
Acquisition of investment in subsidiaries (net of cash acquired) (Note 18)	-	-	(19,983,006)	2,087,000
Disposal of subsidiary, net of cash disposed	-	-	-	(37,573,509)
Purchase of intangible assets	(13,275,050)	(17,980,042)	(16,986,384)	(19,320,390)
Dividend received from investment in joint ventures	-	-	17,853,053	11,642,453
Loan granted to related parties	-	-	(1,388,713)	-
Repayment made by related parties	3,517,098	-	11,741,365	-
Net deposits (paid)/refunded	(44,166)	-	(74,846)	-
Treasury bonds matured/(deposited)	-	-	337,406	935,111
Grants received	7,180,215	-	7,180,215	-
Dividend received	315,053	-	337,397	21,315
Net cash generated from/(used in) investing activities	(26,324,437)	(21,653,382)	(113,879,432)	(120,652,472)
Cash flows from financing activities				
Proceeds from issue or disposal of own shares	-	108,039,040	10	108,039,040
Additional borrowings	2,658,776	5,172,910	48,571,494	20,964,546
Repayment of borrowings	(9,053,785)	(115,719,043)	(74,501,852)	(138,664,824)
Repayment of lease liability	(206,425)	(1,290,290)	(3,480,062)	(3,320,052)
Dividend paid	(6,442,028)	(153,109)	(34,566,406)	(15,885,109)
Net cash flow used in financing activities	(13,043,462)	(3,950,492)	(63,976,816)	(28,866,399)
Net (decrease)/increase in cash and cash equivalents	(60,690,527)	(7,146,634)	44,650,003	(30,634,445)
Effect of exchange rate on cash and cash equivalents	6,656,891	4,725,557	5,294,217	1,323,844
Cash and cash equivalents at beginning of the period	165,985,624	64,428,845	62,007,768	91,318,369
Cash and cash equivalents at end of the period (Note 12)	111,951,988	62,007,768	111,951,988	62,007,768

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

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 eight markets through subsidiaries in Tanzania (including the completion of the Acquisition as defined below), Madagascar, Togo, Mauritius and Uganda, and nonconsolidated joint ventures in Senegal, Réunion/Mayotte and 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 and bandwidth).

The ultimate holding company of the Group is Axian Telecom, a private company limited by shares incorporated under the laws of Mauritius. 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, 2021.

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 May 30, 2022.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
Mobile services	81,741,885	71,174,259	323,610,698	276,027,146
Fixed services	13,744,229	13,023,141	55,376,041	48,586,153
Interconnection/Roaming/MVNO	5,078,569	7,692,063	24,604,082	25,594,383
Customer Equipment and Infrastructure	1,338,652	1,417,712	5,867,401	5,022,506
Operator Infrastructure services	6,457,644	6,367,355	25,091,877	27,648,234
Commissions received on electronic money activities	14,495,549	529,047	24,301,573	12,465,690
Other revenue	1,042,285	(656,621)	2,985,128	13,549
Hosting and rental of sites	3,217,047	2,670,922	10,491,454	10,313,683
Trademark and license fees	1,365,423	368,070	1,564,713	1,509,490
Administration and general management fees	436,166	1,100,737	1,696,482	1,405,811
Digital solutions and other support services	485,607	12,883,552	10,269,834	20,567,756
	129,403,056	116,570,237	485,859,283	429,154,401

4. OTHER INCOME AND EXPENSES

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
Other income				
Net gain/(loss) on disposal of property, plant, and equipment and intangible assets	104,871	(118,794)	104,871	-
Dividend income	315,053	(98)	337,397	21,315
Reversal of provision for retirement of benefit obligation	795,384	28,862	795,384	2,941,736
Reversal of provision for risks and charges	670,222	791,972	670,222	1,740,000
Release of government grant	6,509,912	4,912,460	13,269,340	10,313,764
Trade payables waived	573,506	-	573,506	-
Amount payable waived	15,330,652	-	15,330,652	-
Other income	60,111	9,043,025	2,345,831	13,555,754
	24,359,711	14,657,427	33,427,203	28,572,569
Non-operating expenses				
Loss on disposal of subsidiary	-	-	-	(32,209,819)
Loan receivable written off	(14,791,368)	-	(14,791,368)	-
Interest receivable written off	(809,061)	-	(809,061)	-
	(15,600,429)	-	(15,600,429)	(32,209,819)

Included in other income for the three month period ended December 31, 2020 are the following amounts: \$5.0 million in respect of claims which are no longer due and have been waived, an amount of \$1.3 million in respect of provisions for operational taxes and duties no longer due and which have been reversed, and an amount of \$2.5 million in respect of the write off of a liability for an emphyteutic lease.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. OTHER INCOME AND EXPENSES (CONTINUED)

Included in other income for the year ended December 31, 2020 are the following amounts: \$5.0 million in respect of claims which are no longer due and have been waived, an amount of \$4.6 million in respect of provision for operational taxes and duties no longer due and which have been reversed, and an amount of \$2.5 million in respect of the write off of a liability for an emphyteutic lease.

5. OPERATING COSTS

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
Cost of equipment, devices	2,529,261	1,962,096	5,478,687	6,451,690
Reversal of provision for device inventories	(364,281)	(2,434,798)	(118,839)	(684,869)
Prepaid cards and accessories	3,407,623	(1,504,436)	3,520,909	(782,486)
Cost of devices and equipment	5,572,603	(1,977,138)	8,880,757	4,984,335
Interconnection fees	4,659,964	5,865,800	17,808,710	18,370,254
Roaming fees	55,498	175,668	516,495	788,079
Cost of interconnection and roaming	4,715,462	6,041,468	18,325,205	19,158,333
Telecom operator and regulatory fees	2,652,611	3,408,302	14,666,826	12,103,292
Frequency fees	2,221,121	4,351,741	7,917,768	8,083,996
Government and regulatory costs	4,873,732	7,760,043	22,584,594	20,187,288
Advertising and distribution costs	548,267	1,040,495	3,821,861	3,653,026
Commission to sales agents	15,086,039	7,200,974	38,283,712	27,290,027
Impairment of financial assets	419,482	130,303	419,482	130,303
Loss allowance on trade receivables	(1,997,024)	(3,357,310)	260,436	103,308
Net impairment losses on financial and contract assets	(1,577,542)	(3,227,007)	679,918	233,611
Transmission fees	3,541,570	(45,281)	5,125,380	508,238
Satellite and bandwidth charges	99,788	158,854	1,966,415	856,846
Site energy	2,838,282	3,170,790	13,273,627	13,522,262
Site and network repairs and maintenance	4,186,829	(4,031,578)	12,842,903	7,828,114
Professional fees, technical	153,988	135,129	687,962	1,770,747
Rental expenses for short term and low value leases, technical sites	(655,185)	116,296	376,119	932,871
Maintenance of Materials, software and Network	1,558,276	2,544,131	8,997,735	10,110,812
Technology operation costs	11,723,548	2,048,341	43,270,141	35,529,890
Payroll and social charges	15,283,686	8,108,527	50,314,154	36,383,111
Travel expenses	633,389	448,483	2,026,140	1,576,726
Training	(568)	-	298	-
Provision for retirement benefit obligations	(203,766)	-	-	-
Staff costs	15,712,741	8,557,010	52,340,592	37,959,837
Write-off of financial assets	17,959,378	177,625	17,961,095	177,625

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. OPERATING COSTS (CONTINUED)

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
Professional fees, non-technical	4,305,008	15,583,616	20,629,007	40,659,215
Depreciation of property, plant & equipment	27,747,029	29,065,629	95,987,382	102,117,153
Amortization of intangible assets	2,197,472	2,195,891	8,005,896	7,108,396
Depreciation of rights of use assets	3,856,805	1,028,517	8,306,213	4,096,760
Depreciation and amortization	33,801,306	32,290,037	112,299,491	113,322,309
Impairment or write-off of property, plant and equipment, and intangible assets	412,819	-	412,819	-
(Reversal of impairment)/impairment on inventory (Reversal of impairment)/impairment of non- financial assets	(4,436,073)	7,365,582	(4,513,299)	8,915,793
	(4,023,254)	7,365,582	(4,100,480)	8,915,793
Other operating expenses*	16,391,965	5,437,749	44,039,241	38,547,637
Net gain/(loss) on financial assets at fair value through profit or loss	141,500	(44,735)	141,500	(32,576)
Total operating costs	125,230,753	88,254,060	379,156,634	350,586,350

*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.

6. FINANCE INCOME AND EXPENSE

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
Finance income				
Foreign exchange gain/(loss)	4,498,652	(548,597)	14,993,929	10,183,660
Interest income	1,022,874	517,913	2,707,474	3,234,754
Other finance income	6,091,246	5,907,624	7,205,902	6,720,820
	11,612,772	5,876,940	24,907,305	20,139,234
Finance costs				
Foreign exchange loss	(8,697,820)	(7,610,807)	(24,689,286)	(21,012,603)
Interest on bank loans	(4,697,817)	(4,310,954)	(17,499,647)	(17,383,608)
Interest on loan and amount payable to related parties	(1,696,745)	(599,329)	(3,439,706)	(5,431,371)
Bank overdraft	(361,422)	(975,594)	(634,043)	(1,954,947)
Lease liability	(1,372,665)	(886,533)	(3,526,646)	(3,084,208)
Interest expense on provision for dismantling costs	(1,639,961)	(557,446)	(2,715,149)	(2,229,782)
Finance costs on other borrowings	(179,229)	(127,644)	(630,047)	(417,183)
Other interest charges	(3,983,480)	(6,702,473)	(4,447,847)	(8,151,434)
	(22,629,139)	(21,770,780)	(57,582,371)	(59,665,136)
Net finance costs	(11,016,367)	(15,893,840)	(32,675,066)	(39,525,902)

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX

a) Income tax expense

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
Actual income tax	4,943,882	8,217,873	32,510,534	29,144,987
Withholding tax	872,740	-	1,593,335	-
Deferred tax charge/(credit)	(5,976,158)	(6,461,404)	(7,223,013)	(28,885,991)
	(159,536)	1,756,469	26,880,856	258,996

As at 31 December 2021, the Company is liable to income tax in Mauritius on its chargeable income at the rate of 15%. Until 30 June 2021, the Company was entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax payable with respect to its foreign source income.

The Company's GBC1 licence has been converted to a GBC licence on 01 July 2021 and the Company now operates under the new tax regime. Under the new 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 the foreign jurisdiction.

The Malagasy, Togo and Uganda subsidiaries are subject to income tax on their income at 20%, 27% and 30% respectively (2020 - 20% and 27%). The subsidiary in Uganda has been acquired in 2021. Therefore, the income tax rate for the Group is in the range of 15% - 30% (2020: 15% - 27%). Local law in Madagascar further provides that all loss-making entities should be liable to a minimum tax of 5% of revenue.

b) Tax liability

	December 31, 2021 USD	December 31, 2020 USD
At January, 1	7,392,793	1,449,749
Acquisition through business combination (Note 18)	682,282	260,320
Disposal of subsidiary	-	(323,759)
Charge during the period/year	32,510,534	29,144,987
Tax paid	(30,403,947)	(22,798,176)
Withholding tax suffered	-	(767,191)
Translation difference	(472,072)	426,863
At December 31	9,709,590	7,392,793

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT

	Materials USD	Land and Building USD	Technical Equipment USD	Others USD	Assets in Progress USD	Total USD
Cost						
At January 1, 2020	72,131,580	170,121,611	1,171,986,233	22,113,582	31,616,941	1,467,969,947
Acquisition through business combinations	-	-	-	10,753	-	10,753
Additions	7,069,395	894,359	31,659,303	2,242,247	106,824,819	148,690,123
Transfers	4,965,941	27,991,502	49,915,445	838,764	(83,711,652)	-
Disposals and scrap	(776,089)	(174,193)	(18,966,880)	(1,247,755)	(8,867,565)	(30,032,482)
Disposal of subsidiary	-	-	-	(28,502)	-	(28,502)
Provision for dismantling	-	(1,257,144)	-	-	-	(1,257,144)
Translation difference	4,000,026	(845,347)	66,150,795	(1,164,759)	(1,748,333)	66,392,382
At December 31, 2020	87,390,853	196,730,788	1,300,744,896	22,764,330	44,114,210	1,651,745,077
Reclassification adjustments*	(3,414,250)	7,758,737	(41,983,472)	-	37,638,985	-
Acquisition through business combinations (Note 18)	471,213	212,302	343,968	-	83,118	1,110,601
Additions	1,746,395	7,783,813	34,517,523	2,256,673	66,442,268	112,746,672
Transfers	-	40,170,805	52,502,877	692,202	(93,365,884)	-
Disposals and scrap	(2,022,207)	(313,354)	(230,653)	(1,939,676)	-	(4,505,890)
Provision for dismantling	-	7,090,031	-	-	-	7,090,031
Translation difference	(5,281,369)	(9,264,690)	(82,333,786)	(610,524)	(2,632,122)	(100,122,491)
At December 31, 2021	78,890,635	250,168,432	1,263,561,353	23,163,005	52,280,575	1,668,064,000

*Togocom Group has made changes in the presentation of the property, plant and equipment on reviewing the nature of each asset. Thus, a reclassification adjustment has been made.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Materials USD	Land and Building USD	Technical Equipment USD	Others USD	Assets in Progress USD	Total USD
Accumulated depreciation						
At January 1, 2020	(63,288,269)	(57,590,214)	(867,789,180)	(17,055,702)	-	(1,005,723,365)
Acquisition through business combinations	-	-	-	(7,556)	-	(7,556)
Charge for the year	(5,215,797)	(12,808,546)	(81,399,665)	(2,693,145)	-	(102,117,153)
Disposals and scrap	758,025	3,646	11,566,243	1,257,085	-	13,584,999
Disposal of subsidiary	-	-	-	13,265	-	13,265
Translation difference	(3,139,410)	(1,021,856)	(58,850,693)	892,568	-	(62,119,391)
At December 31, 2020	(70,885,451)	(71,416,970)	(996,473,295)	(17,593,485)	-	(1,156,369,201)
Reclassification adjustments*	(1,116,398)	(4,869,026)	5,985,424	-	-	-
Acquisition through business combinations (Note 18)	(152,107)	(6,217)	(137,642)	-	-	(295,966)
Charge for the year	(6,431,677)	(20,509,536)	(66,210,912)	(2,835,257)	-	(95,987,382)
Impairment	237,285	(736,966)	207,917	-	-	(291,764)
Disposals and scrap	1,917,502	272,328	176,095	1,859,594	-	4,225,519
Translation difference	4,377,751	3,994,157	67,598,296	473,646	-	76,443,850
At December 31, 2021	(72,053,095)	(93,272,230)	(988,854,117)	(18,095,502)	-	(1,172,274,944)
Net book value						
At December 31, 2021	6,837,540	156,896,202	274,707,236	5,067,503	52,280,575	495,789,056
At December 31, 2020	16,505,402	125,313,818	304,271,601	5,170,845	44,114,210	495,375,876

*Togocom Group has made changes in the presentation of the property, plant and equipment on reviewing the nature of each asset. Thus, a reclassification adjustment has been made.

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 FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. INTANGIBLE ASSETS

	Software USD	Licence USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Total USD
Cost								
At January 1, 2020	164,612,556	31,538,383	738,816	895,998	-	-	6,443,870	204,229,623
Acquisition through business combinations	-	-	-	1,158,657	-	-	-	1,158,657
Additions	12,909	1,409,102	13,346,146	-	4,552,234	-	-	19,320,391
Transfers	-	1,142,260	(1,142,260)	-	-	-	-	-
Disposals and scrap	-	(31,958)	-	-	-	-	(197,599)	(229,557)
Translation difference	15,372,452	1,834,592	951,020	39,957	338,824	-	(330,743)	18,206,102
At December 31, 2020	179,997,917	35,892,379	13,893,722	2,094,612	4,891,058	-	5,915,528	242,685,216
Acquisition through business combinations (Note 18)	327,262	318,440	82,952	-	-	18,605	1,466	748,725
Additions	1,706,854	36,703	14,729,972	-	-	490,766	22,091	16,986,386
Transfers	(144,930,430)	147,660,004	(14,560,634)	-	10,111,105	-	1,719,955	-
Disposals and scrap	-	-	-	-	-	-	(128,917)	(128,917)
Translation difference	(7,961,665)	(8,023,600)	(1,017,089)	(116,008)	(762,410)	6,429	(169,405)	(18,043,748)
At December 31, 2021	29,139,938	175,883,926	13,128,923	1,978,604	14,239,753	515,800	7,360,718	242,247,662

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9. INTANGIBLE ASSETS (CONTINUED)

	Software USD	Licence USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Total USD
Accumulated amortization								
At January 1, 2020	(108,617,472)	(25,255,524)	-	(410,211)	-	-	(5,180,793)	(139,464,000)
Acquisition through business combinations	-	-	-	(224,940)	-	-	-	(224,940)
Charge for the year	(3,686,988)	(2,710,200)	-	(122,135)	(37,935)	-	(551,138)	(7,108,396)
Disposals and scrap	-	-	-	-	-	-	197,599	197,599
Translation difference	(10,413,649)	(1,854,966)	-	(678)	(2,824)	-	270,202	(12,001,915)
At December 31, 2020	(122,718,109)	(29,820,690)	-	(757,964)	(40,759)	-	(5,264,130)	(158,601,652)
Acquisition through business combinations (Note 18)	(234,109)	(31,496)	-	-	-	(249)	(548)	(266,402)
Amortization charge for the year	(1,923,101)	(3,782,472)	-	(126,595)	(892,020)	(12,689)	(1,269,019)	(8,005,896)
Impairment	(121,055)	-	-	-	-	-	-	(121,055)
Disposals and scrap	-	-	-	-	-	-	23,070	23,070
Transfers*	94,112,327	(94,112,327)	-	-	-	-	-	-
Translation difference	5,648,846	5,818,344	-	39,229	37,893	(161)	148,750	11,692,901
At December 31, 2021	(25,235,201)	(121,928,641)	-	(845,330)	(894,886)	(13,099)	(6,361,877)	(155,279,034)
Net book value								
At December 31, 2021	3,904,737	53,955,285	13,128,923	1,133,274	13,344,867	502,701	998,841	86,968,628
At December 31, 2020	57,279,808	6,071,689	13,893,722	1,336,648	4,850,299	-	651,398	84,083,564

Others include other licenses and IT support. Assets in progress relate to assets (mainly licences and software) purchased but not yet brought into use.

*The net book values of software and license were inter-changed as at 31 December 2020. Thus, a reclassification has been made.

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10. INTEREST IN JOINT VENTURES AND ASSOCIATES

	December 31, 2021 USD	December 31, 2020 USD
At January, 1	72,717,052	65,095,144
Acquisition through business combination (Note 18)	17,986,429	-
Capital reduction	-	(3,595,464)
Buy-back of shares by joint ventures	(22,387,945)	-
Share of profit in joint ventures and associates	22,442,120	16,475,554
Share of translation reserves	(1,908,364)	4,156,259
Share of other reserves	269,695	58,212
Dividend received	(17,853,053)	(11,642,453)
Translation difference	(2,419,676)	2,169,800
At December 31	68,846,258	72,717,052

Details pertaining to the investment in joint ventures and associates at December 31, 2021 and December 31, 2020 are as follows:

Name of Company	Country of Incorporation /place of activity	Class of shares held	% Holding		Direct/ Indirect	Relationship	Activities
			Dec 31, 2021	Dec 31, 2020			
Telecom Comores Holding Ltd	Mauritius	Ordinary	15%	15%	Direct	Joint venture	Investment holding
Telecom Comores Holding Ltd	Mauritius	Ordinary	28.28%	28.28%	Indirect	Joint venture	Investment holding
Maya Africa Holding Ltd	Mauritius	Ordinary	40%	40%	Direct	Joint venture	Investment holding
Telecom Reunion Mayotte	France	Ordinary	50%	50%	Direct	Joint venture	Telecommunications
Societe D'Exploration et de Promotion Iliad Axian	Reunion	Ordinary	50%	50%	Direct	Joint venture	Real estate
BNI Madagascar	Madagascar	Ordinary	31.2%	-	Direct & Indirect	Associate	Banking
Indian Ocean Financial Holdings Limited	Mauritius	Ordinary	41.57%	-	Direct	Associate	Investment holding

During the year ended December 31, 2021, following the directors' resolution dated May 19, 2021, it was resolved to approve the capital reduction of 160,202 ordinary shares of EUR 1 each and the buy-back of 18,360,000 ordinary shares of EUR 1, held by the Group in Maya Africa Holding Ltd.

During the year ended December 31, 2021, the Group acquired 73,247 ordinary Shares of EUR 100 each in Indian Ocean Financial Holdings Limited.

The Group has a direct interest of 10% in BNI Madagascar by acquiring 54,000 ordinary shares of MGA 20,000 each during the year ended December 31, 2021. Following the acquisition of 41,57% in Indian Ocean Financial Holdings Limited who in turn holds 51% of BNI Madagascar, the Group has an indirect interest of 21.2%.

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10. INTEREST IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Telecom Comores Holdings Ltd and Maya Africa Holding Ltd are both investment entities holding stake in subsidiaries operating in the telecommunication sector. These are strategic investments for the Group which complement the telecommunication services being provided by the Group.

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.

Societe 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. Both are strategic investments for the Group.

11. RIGHT OF USE ASSETS AND LIABILITIES

	December 31, 2021 USD	December 31, 2020 USD
<i>Right of use assets</i>		
At January, 1	36,632,210	15,511,890
Additions during the year	16,992,062	25,728,901
Acquisition through business combination (Note 18)	680,458	-
Disposals during the year	-	(159,768)
Amortization charge during the year	(8,306,213)	(4,096,760)
Translation difference	(1,991,381)	(352,053)
At December 31	44,007,136	36,632,210
<i>Lease liabilities</i>		
At January, 1	37,999,618	16,336,673
Additions during the year	16,992,062	25,815,883
Acquisition through business combination (Note 18)	760,564	-
Interest expense	3,526,646	3,084,208
Principal paid on lease liabilities	(3,480,062)	(3,320,052)
Interest paid on lease liabilities	(3,526,646)	(3,084,208)
Translation difference	(1,018,314)	(832,886)
At December 31	51,253,868	37,999,618
<i>Of which non-current</i>	45,310,470	33,692,552
<i>Of which current</i>	5,943,398	4,307,066

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12. CASH AND CASH EQUIVALENTS

	December 31, 2021 USD	December 31, 2020 USD
Cash at bank	134,506,254	71,062,413
Bank overdraft	(22,554,266)	(9,054,645)
	<u>111,951,988</u>	<u>62,007,768</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 and the Company place its cash at bank with highly reputable financial institutions.

13. TRADE AND OTHER PAYABLES

	December 31, 2021 USD	December 31, 2020 USD
<i>Non-current</i>		
Trade payables	5,810,594	2,367,997
Deferred revenue	16,512,511	19,886,418
Amounts payable to entities under common control*	-	36,877,892
Other payables	63,454,837	42,664,772
	<u>85,777,942</u>	<u>101,797,079</u>
<i>Current</i>		
Trade payables	133,640,880	200,639,327
Other payables	12,772,777	19,597,657
Deferred revenue	26,928,114	25,762,613
Sundry creditors	-	927,897
VAT payable	64,669,970	66,523,054
Mobile financial services creditors	83,961,325	27,124,513
Amounts payable to shareholder**	92,778	26,963,294
Amounts payable to entities under common control*	20,059,854	112,137,783
	<u>342,125,698</u>	<u>479,676,138</u>
Total trade and other payables	<u>427,903,640</u>	<u>581,473,217</u>

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

** The amount payable to shareholder is unsecured, interest free and repayable on demand

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14. BORROWINGS

	December 31, 2021 USD	December 31, 2020 USD
Non-current		
Bank loans (a)	129,140,310	189,272,578
Loans payable to related parties	136,189,314	-
Other borrowings	2,148,056	1,461,218
	267,477,680	190,733,796
Current		
Bank loans	77,531,041	38,938,941
Loans payable to related parties	382,263	60,710,308
Other borrowings	1,087,552	876,132
	79,000,856	100,525,381
Total borrowings	346,478,536	291,259,177
(a) Bank loans		
Bank of Africa-Madagascar ('BOA')	26,615,981	36,298,599
Banque Malgache de L'Océan Indien ('BMOI')	20,167,593	6,494,516
BFV Société Générale ('BFV')	5,365,929	9,899,411
BNI Banque de l'Industrie ('BNI')	19,442,941	14,701,269
Uganda Development Bank	2,962,741	-
Société de Gestion et d'Intermédiation ('SGI')	26,475,313	40,906,250
Société Générale Togo ('SGT')	49,276,500	56,100,000
Banque Togolaise pour le Commerce et l'Industrie ('BTCI')	13,623,100	19,321,086
Union Togolaise de Banque ('UTB')	16,710,433	18,489,625
Orabank ('ORB')	24,532,619	23,631,556
Accrued interest	1,498,201	2,369,206
Total bank loans	206,671,351	228,211,518
Loans payable within one year	77,531,041	38,938,941
Loans payable after one year	129,140,310	189,272,577

The bank loans of the Group and the Company are refundable monthly, quarterly or semi-annually at interest rates varying between 6.6% and 9.0%.

The bank loans are secured as follows:

- First rank pledge of the Group's business and associated rights, and equipment with transfer of benefits and rights under insurance contracts.
- Mortgage with transfer of benefits and rights under insurance contracts.
- Pledge of shareholders' bank current accounts, with preferential rights.
- Letter of intent made by the Group

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	346,478,536	427,487,628	184,630,155	60,857,976	154,793,053	27,206,444

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15. CASH FLOW FROM OPERATING ACTIVITIES

	3 month period ended		Year ended	
	December 31,	December	December 31,	December
	2021	31, 2020	2021	31, 2020
	USD	USD	USD	USD
Cash flows from operating activities:				
Profit before income tax	(46,431,824)	28,054,311	114,296,477	51,880,453
<i>Adjustments:</i>				
Amortization of right-of-use assets	3,856,805	1,028,517	8,306,213	4,096,760
Depreciation of property, plant and equipment	27,747,029	29,065,629	95,987,382	102,117,153
Amortization of intangible assets	2,197,472	2,195,891	8,005,896	7,108,396
Gain/(loss) on disposal of property, plant and equipment	(221,133)	223,958	20,728	105,164
Scrapping of property, plant and equipment and intangible assets	-	2,313,732	-	2,313,732
Gain on disposal of intangible assets	(104,871)	-	(104,871)	-
Provision on litigations	4,334,657	(1,531,821)	4,468,149	1,893,564
Provision for short term risks on operating activities	(1,136,564)	480,348	(670,222)	921,163
Write-back of government grants	(6,509,912)	(4,912,460)	(13,269,340)	(10,313,764)
Share of loss/(profit) in associates and joint ventures	48,347,042	(974,547)	(22,442,120)	(16,475,554)
Interest expense on lease liability	1,372,665	886,533	3,526,646	3,084,208
Interest expense on provision for dismantling costs	1,639,961	557,446	2,715,149	2,229,782
Other interest expense	10,918,693	12,715,994	26,651,290	33,338,543
Finance income	(7,110,972)	(6,425,537)	(9,910,228)	(9,955,574)
Dividend income/(reversal)	(315,053)	98	(337,397)	(21,315)
Write-off of financial assets	33,044,917	177,625	33,044,917	177,625
Waiver of financial liabilities	(15,903,974)	(4,982,113)	(15,917,654)	(4,982,113)
Provision for impairment of receivables	(1,997,024)	(3,357,310)	260,436	103,308
Impairment of loans receivable and other financial assets	350,935	-	350,935	-
(Reversal)/additional provision on provision for slow moving inventories	(4,436,073)	7,365,582	(4,513,299)	8,915,793
Reversal of provision for retirement benefits obligation	(999,150)	(28,862)	(795,384)	(2,941,736)
Loss on disposal of subsidiary	-	-	-	32,209,819
Provision/(reversal of provision) for impairment of financial assets at fair value through profit or loss	141,500	(44,735)	141,500	(32,576)
Provision for impairment of property, plant and equipment	412,819	-	412,819	-
Other Provisions	(3,148)	(3,273,081)	(3,148)	(4,221,109)
	49,194,797	59,535,198	230,224,874	201,551,722
Changes in working capital:				
Decrease/(Increase) in inventories	3,606,435	(8,132,709)	491,281	(7,389,729)
Decrease/(Increase) in trade and other receivables	154,401,919	13,251,077	249,019,747	(45,624,631)
(Decrease)/Increase in trade and other payables	(215,929,367)	(39,010,103)	(201,940,349)	13,265,113
Increase in loan to clients	(5,586,467)	-	(5,586,467)	-
Increase in deposits from customers	695,993	-	695,993	-
Net cash (used in)/generated from operating activities	(13,616,690)	25,643,463	272,905,079	161,802,475

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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		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
(Loss)/profit for the period	(46,272,288)	26,297,842	87,415,621	51,621,457
<i>Adjustments:</i>				
Income tax (credit)/expense	(159,536)	1,756,469	26,880,856	258,996
Finance income	(11,612,772)	(5,876,940)	(24,907,305)	(20,139,234)
Finance costs	22,629,139	21,770,780	57,582,371	59,665,136
Depreciation of property, plant and equipment	27,747,029	29,065,629	95,987,382	102,117,153
Amortization of right of use assets	3,856,805	1,028,517	8,306,213	4,096,760
Amortization of intangible assets	2,197,472	2,195,891	8,005,896	7,108,396
EBITDA	(1,614,151)	76,238,188	259,271,034	204,728,664
Share of net loss/(profit) in joint ventures	48,347,042	(974,547)	(22,442,120)	(16,475,554)
Loss on disposal of subsidiary	-	-	-	32,209,819
Impairment of property, plant and equipment and intangible assets	412,819	-	412,819	-
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(326,004)	223,958	(84,143)	105,164
Other non-operating expenses ⁽¹⁾	15,600,429	-	15,600,429	-
Adjusted EBITDA	62,420,135	75,487,599	252,758,019	220,568,093

Other non-operating expenses for the year and three month period ended December 31, 2021 is comprised of losses resulting from the write-off of loan principal and interest receivable from entities under common control.

17. SEGMENTAL REPORTING

Business Segments

For the year ended December 31, 2021, 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 December 31, 2021:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	111,461,431	4,169,450	14,099,427	(327,252)	129,403,056
Profit/(loss) for the period before tax	40,425,501	(33,104,322)	4,837,327	(58,590,330)	(46,431,824)
<i>Adjustments:</i>					
Finance income	(6,953,481)	(258,075)	(1,229,271)	(3,171,945)	(11,612,772)
Finance costs	12,669,418	3,948,004	71,554	5,940,163	22,629,139
Depreciation of property, plant and equipment	19,568,681	8,062,449	114,466	1,433	27,747,029
Amortization of right of use assets	2,939,679	917,126	-	-	3,856,805
Amortization of intangible assets	1,863,447	280,004	54,020	1	2,197,472
EBITDA	70,513,245	(20,154,814)	3,848,096	(55,820,678)	(1,614,151)
Share of net (profit)/loss in joint ventures and associates	(300,352)	-	-	48,647,394	48,347,042
Impairment of property, plant and equipment and intangible assets	412,819	-	-	-	412,819
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(246,081)	(80,897)	-	974	(326,004)
Other non-operating expense ⁽¹⁾	-	4,349,915	-	11,250,514	15,600,429
Adjusted EBITDA	70,379,631	(15,885,796)	3,848,096	4,078,204	62,420,135

⁽¹⁾ Other non-operating expenses for the three month period ended December 31, 2021 represents aggregate losses of \$15.6 million related to the write-off of related party loan principal and accrued interest.

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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 December 31, 2020:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	100,656,892	13,665,760	13,550	2,234,035	116,570,237
Profit/(loss) for the period before tax	34,923,510	(4,640,855)	(22,927)	(2,205,417)	28,054,311
<i>Adjustments:</i>					
Finance income	(1,594,435)	(2,374,003)	(189)	(1,908,313)	(5,876,940)
Finance costs	11,913,334	5,596,268	19	4,261,159	21,770,780
Depreciation of property, plant and equipment	21,768,188	7,296,902	539	-	29,065,629
Amortization of right of use assets	718,800	309,717	-	-	1,028,517
Amortization of intangible assets	2,142,689	53,202	-	-	2,195,891
EBITDA	69,872,086	6,241,231	(22,558)	147,429	76,238,188
Share of net loss/(profit) in joint ventures	279,738	-	-	(1,254,285)	(974,547)
Loss/(gain) on disposal of property, plant and equipment and intangible assets	319,104	(95,146)	-	-	223,958
Adjusted EBITDA	70,470,928	6,146,085	(22,558)	(1,106,856)	75,487,599

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17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the year ended December 31, 2021:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	443,029,445	13,649,222	19,390,794	9,789,822	485,859,283
Profit/(loss) for the period before tax	167,933,430	(61,626,877)	6,003,219	1,986,705	114,296,477
<i>Adjustments:</i>					
Finance income	(9,063,573)	(3,502,365)	(1,768,769)	(10,572,598)	(24,907,305)
Finance costs	24,632,856	12,601,307	166,035	20,182,173	57,582,371
Depreciation of property, plant and equipment	71,368,277	24,423,483	190,847	4,775	95,987,382
Amortization of right of use assets	6,274,722	2,031,491	-	-	8,306,213
Amortization of intangible assets	6,863,176	1,026,062	116,716	(58)	8,005,896
EBITDA	268,008,888	(25,046,899)	4,708,048	11,600,997	259,271,034
Share of net profit in joint ventures and associates	(516,614)	-	-	(21,925,506)	(22,442,120)
Impairment of property, plant and equipment and intangible assets	412,819	-	-	-	412,819
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(4,220)	(80,897)	-	974	(84,143)
Other non-operating expense ⁽¹⁾	-	4,349,915	-	11,250,514	15,600,429
Adjusted EBITDA	267,900,873	(20,777,881)	4,708,048	926,979	252,758,019
Segment assets	794,908,944	186,308,258	85,095,269	138,116,032	1,204,428,503
Segment liabilities	(560,681,890)	(98,927,647)	(66,781,256)	(227,042,368)	(953,433,161)

⁽¹⁾ Other non-operating expenses for the year ended December 31, 2021 represents aggregate losses of \$15.6 million related to the write-off of related party loan principal and accrued interest.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the year ended December 31, 2020:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	388,426,356	22,765,362	7,439,863	10,522,820	429,154,401
Profit/(loss) for the period before tax	71,473,887	(28,395,135)	1,718,941	7,082,760	51,880,453
<i>Adjustments:</i>					
Finance income	(11,065,525)	(3,072,516)	(844,983)	(5,156,210)	(20,139,234)
Finance costs	33,301,943	10,510,202	157,221	15,695,770	59,665,136
Depreciation of property, plant and equipment	84,267,333	17,849,281	539	-	102,117,153
Amortization of right of use assets	2,898,598	1,198,162	-	-	4,096,760
Amortization of intangible assets	6,971,034	137,362	-	-	7,108,396
EBITDA	187,847,270	(1,772,644)	1,031,718	17,622,320	204,728,664
Share of net loss/(profit) in joint ventures	364,607	-	-	(16,840,161)	(16,475,554)
Loss on disposal of subsidiary	32,209,819	-	-	-	32,209,819
Loss/(gain) on disposal of property, plant and equipment and intangible assets	200,310	(95,146)	-	-	105,164
Adjusted EBITDA	220,622,006	(1,867,790)	1,031,718	782,159	220,568,093
Segment assets	851,751,257	267,107,190	557,059	113,521,249	1,232,936,755
Segment liabilities	(685,223,747)	(143,040,539)	(334,851)	(167,293,080)	(995,892,217)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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 recorded 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.

The Group acquired the following entities during the period ended December 31, 2021;

- On August 26, 2021, it was resolved to acquire 100 % of the share capital of Axian Financial Services Ltd and its subsidiaries for a consideration of USD 92,900,000. This is a business combination under common control.
- Following the directors' resolution dated November 4, 2020, it was proposed for the Company to acquire the 100 ordinary shares of par value EUR 1 each in Axian Support Services Ltd and its subsidiaries. The acquisition of the shares was effective on March 1, 2021. This is a business combination under common control.
- Following the directors' resolution of Towerco of Africa Ltd dated May 6, 2021, it was resolved to approve the investment agreement dated May 6, 2021, in relation with the contemplated equity investment of the Company in Ubuntu Towers Uganda Limited.

The above acquisitions have significantly increased the group's market share in this industry and complements the group's existing business units.

The assets and liabilities of Axian Support Services Ltd and its subsidiaries, Axian Financial Services Ltd and its subsidiaries, and Ubuntu Towers Uganda Limited at the date of acquisition are reflected in the table below. The fair value of the assets and liabilities of Ubuntu Towers Uganda Limited approximate their fair values.

	Book values	Book values	Fair values	
	Axian	Axian	Ubuntu	Total
	Financial	Support	Towers	
	Services Ltd and	Services Ltd	Uganda	
	its subsidiaries	and its	Limited	
	USD	subsidaries	USD	USD
ASSETS				
Property, plant and equipment	248,475	354,472	211,688	814,635
Intangible assets	205,237	94,071	183,015	482,323
Investment in associates	17,986,429	-	-	17,986,429
Right of use assets	-	-	680,458	680,458
Loan receivables	-	73,134,287	-	73,134,287
Inventories	-	-	55,069	55,069
Trade and other receivables	14,648,033	83,813,302	106,615	98,567,950
Cash and cash equivalents	63,462,909	9,484,699	32,364	72,979,972
Income tax receivable	118	48,128	-	48,246
Total assets	96,551,201	166,928,959	1,269,209	264,749,369

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

	Book values Axian Financial Services Ltd and its subsidiaries USD	Book values Axian Support Services Ltd and its subsidiaries USD	Fair values Ubuntu Towers Uganda Limited USD	Total USD
LIABILITIES				
Other borrowings	125,580	157,876	-	283,456
Lease liability	-	-	760,564	760,564
Trade and other payables	72,552,556	41,712,458	638,444	114,903,458
Loan payable to shareholder	59,077	-	-	59,077
Bank overdraft	-	9	-	9
Income tax liability	510,108	220,420	-	730,528
Dividend payable	4,478	-	-	4,478
Total liabilities	73,251,799	42,090,763	1,399,008	116,741,570
Cost of investment	92,900,000	120	62,849	92,962,969
Add: Non-controlling interest share of net assets at date of acquisition	2,707,468	-	(12,980)	2,694,488
Less: Net (assets)/liabilities at date of acquisition	(23,299,402)	(124,838,196)	129,799	(148,007,799)
Reorganization (surplus)/deficit	72,308,066	(124,838,076)	-	(52,530,010)
Goodwill	-	-	179,668	179,668
Revenue - post acquisition	16,317,323	3,776,232	941,201	21,034,756
Net profit/(loss) – post acquisition	3,319,669	23,494,562	(1,318,737)	25,495,494

The net reorganization surplus of \$52.5 million represents the difference between the net asset value of the acquired entities and the purchase price. The goodwill of \$0.2 million is attributable to acquired customer base and economies of scale expected from combining the operations of the Group. These will not be deductible for tax purposes.

The cash flows associated with the business acquisitions are as follows:

	Axian Financial Services Ltd and its subsidiaries USD	Axian Support Services Ltd and its subsidiaries USD	Ubuntu Towers Uganda Limited USD	Total USD
<i>Cash outflow/(inflow) from acquisition of subsidiaries</i>				
Purchase consideration	92,900,000	120	62,849	92,962,969
Cash and cash equivalents	(63,462,909)	(9,484,699)	(32,364)	(72,979,972)
Bank overdraft	-	9	-	9
Acquisition of subsidiaries, net of cash	29,437,091	(9,484,570)	30,485	19,983,006

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. SUBSEQUENT EVENTS

Acquisition of STELLAR-IX DATA CENTERS LTD

On 20 January 2022, Axian Telecom acquired the 1 ordinary share of par value EUR 1 each held in STELLAR-IX DATA CENTERS LTD from Silver Links Ltd (Formerly known as 'Telma International Carrier Services Ltd') for a total consideration of EUR 1.

Completion of MIC Tanzania acquisition

On April 5, 2022, the Group completed the acquisition of MIC Tanzania. The purchase was completed for a consideration of USD 101,398,262.74, subject to further adjustment for cash balances and working capital. The Group has not yet completed the purchase price adjustment calculation required as per IFRS 3 (Business Combinations). Refer to the Pro forma financial information section for the combined results incorporating MIC Tanzania.

Issue of the Notes

On February 16, 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.

Revolving credit facility (RCF) agreement

On February 16, 2022, the Company entered into a revolving credit facility (RCF) agreement with J.P. Morgan Securities plc, Société Générale and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) as mandated lead arrangers; JPMorgan Chase Bank, N.A., London Branch (together with J.P. Morgan Securities plc), Société Générale and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) as underwriters; The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) as Agent and Documentation Bank; and Madison Pacific Trust Limited as Security Agent and others. Subject to the terms of this agreement, the lenders make available to the Company a USD revolving loan facility in an aggregate amount equal to the total commitments as follows:

Name of Lender	Revolving Facility Commitment (USD)
JPMorgan Chase Bank, N.A., London Branch	14,000,000
Société Générale	14,000,000
Standard Bank (Mauritius) Limited	14,000,000
Total	42,000,000

The purpose of the RCF is to assist towards the general corporate and working capital purposes of the Group (including, without limitation, for payment of interest on the Senior Notes amongst others) and shall not be used towards (i) the Refinancing; or (ii) the prepayment or redemption of principal of the Senior Notes.

Shareholder agreement with ECP Africa Fund IV LLC and ECP Africa Fund IV A LLC ("ECP")

On March 4, 2022, the Company entered into a shareholder's agreement with ECP Africa Fund IV LLC and ECP Africa Fund IV A LLC ("ECP") which in aggregate hold the 20% non-controlling interest in Agou Holdings SAS.

The agreement provides ECP with an option to put its shares to the Company during the years ended December 2024 and December 2025, at a price which is determined using a formula defined in the agreement. It also gives the Company a right to call the shares during the years ended December 2025 and December 2026, at the same price as offered in the ECP put option.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. SUBSEQUENT EVENTS (CONTINUED)

Facility agreement between Ubuntu Towers Uganda Limited and Stanbic Bank Uganda Limited

On February 2, 2022, Ubuntu Towers Uganda Limited, a subsidiary of the Company, entered into a loan facility agreement of UGX equivalent of USD 35,000,000 with Stanbic Bank Uganda Limited .

The interest rate is the 3-month average of the Government of Uganda 182-day Treasury Bill Rate (“reference rate”) plus the margin of 4.25% and is subject to a margin ratchet in certain circumstances which will result in an adjusted margin.

All interest that accrues shall be calculated daily on the outstanding amount of the loans on the basis of a 365-day year and be compounded quarterly in arrear. The interest shall be paid on the last day of each quarter.

As at the date of approval of the financial statements, Ubuntu Towers Uganda had drawn down a total amount equivalent to USD \$20.0 million.

Medium-term loan agreement between Telecom Malagasy and BFV-Société Générale

On 31 December 2021, Telecom Malagasy, a subsidiary of the Company, entered into a loan facility agreement of \$12.0 million with the BFV-Société Générale for a duration of 60 months as from the date of disbursement. Repayment should be done on a quarterly basis, each repayment consisting of Ariary equivalent of USD 600,000 plus any interest accrued, as from date of disbursement. The loan shall be fully repaid by latest 23 December 2026.

The interest rate is the Secured Overnight Financing Rate (“SOFR”) plus 3.75%. The SOFR shall be subject to fluctuations based on international monetary context. If the actual interest rate (SOFR + 3.75%) exceeds 4.5%, both parties shall renegotiate the interest rate, taking into account macroeconomic developments. The interest shall be calculated on the outstanding amount of the loan on the basis of a 360-day year.

As at the date of approval of the financial statements, Telecom Malagasy had drawn the total amount of \$12.0 million.

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

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PRO FORMA AND COMBINED FINANCIAL INFORMATION

On April 16, 2021, the Group entered into a share purchase agreement to acquire 98.5% of the issued and outstanding shares of MIC Tanzania Public Limited Company (“MIC Tanzania”), a public limited company incorporated under the laws of Tanzania, registered under company number 24275 (the “Acquisition”). The Acquisition completed on April 5, 2022.

These financial statements do not include the results of the operations of MIC Tanzania on a pro forma basis. In order to provide useful information to the users of the financial statements, we present the following combined and pro forma information:

- The combined statements of profit or loss and the statements of comprehensive income beginning from the earliest comparative period, in this case January 1, 2020. We present the combined results by incorporating the financial performance of MIC Tanzania into the numbers presented in the statements of profit or loss and statements of other comprehensive income, from January 1, 2020.
- The statement of financial position on a pro forma basis as if the Acquisition and the issue of the Notes and related transactions, had occurred as at the reporting date. In order to reflect this pro forma impact of the acquisition in the statement of financial position, the pro forma adjustments affected to the consolidated data, and the resulting pro forma numbers, are described in more detail below.

Pro forma adjustments

The following pro forma adjustments have been made to the statement of financial position information presented in these financial statements in order to reflect the Acquisition and the issue of the Notes and related transactions, as if it had occurred on December 31, 2021. All purchase price adjustments below, including goodwill, are based on initial estimates of the purchase price adjustments related to the Acquisition and are subject to change following the completion of the valuation of the acquired business as required under IFRS 3 – Business Combinations.

- Accounting for the issue of the Notes, the settlement of the MIC Tanzania Facility and the settlement of the Agou Holding Facility as if these had taken place on December 31, 2021. This resulted in the following financial impacts:
 - An increase in non-current borrowings and a decrease in current borrowings of \$336.0 million and \$173.6 million respectively as at December 31, 2021, and
 - A net increase in cash and cash equivalents of \$162.4 million as at December 31, 2021, representing the issue of the Notes, settlement of the MIC Tanzania Facility, and the settlement of the Agou Holding Facility.
- Incorporating the financial position of MIC Tanzania as at December 31, 2021 and accounting for the Acquisition related adjustments as follows:
 - An increase in Goodwill of \$261.1 million, and
 - A decrease in cash and cash equivalents of \$105.0 million
 - A decrease in non-current borrowings \$143.1 million, related to a loan owing by MIC Tanzania to its related party and which is transferred to Honora Holding and this eliminated.

The financial information of MIC Tanzania is translated to USD using an exchange rate of TZS2,296.51/USD1 as at December 31, 2021 and an average exchange rate of TZS2,307.88/USD1 for the year ended December 31, 2021. The average exchange rate used for the year ended December 31, 2020 is TZS2,305.93/USD1.

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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 period and year ended December 31, 2021

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
Revenue	221,179,436	214,459,766	843,281,730	796,923,651
Cost of devices and equipment	(6,680,718)	699,416	(12,145,241)	(10,495,144)
Cost of interconnection and roaming	(9,610,818)	(12,509,577)	(33,841,186)	(41,589,803)
Government and regulatory costs	(10,515,834)	(13,114,561)	(43,630,484)	(41,150,627)
Advertising and distribution costs	(2,988,323)	(3,689,933)	(13,486,735)	(11,957,694)
Commission to sales agents	(39,674,348)	(33,857,021)	(133,436,695)	(122,979,048)
Net (reversal of impairment)/impairment losses on financial and contract assets	1,597,577	3,350,200	(1,281,085)	(2,326,148)
Technology operation costs	(18,686,539)	(8,841,431)	(70,839,182)	(61,420,087)
Staff costs	(23,419,553)	(14,966,304)	(80,815,194)	(63,302,141)
Write-off of financial assets	(17,959,378)	(177,625)	(17,961,095)	(177,625)
Professional fees	(6,146,477)	(18,009,516)	(29,948,068)	(53,926,654)
Depreciation and amortization	(53,039,430)	(53,383,138)	(192,962,415)	(200,129,909)
Impairment of non-financial assets	4,042,469	(7,517,610)	4,148,549	(8,975,315)
Other operating expenses	(25,288,758)	(10,488,459)	(69,379,624)	(59,957,058)
Other income, general	24,377,281	15,818,030	33,619,939	29,694,163
Net gain on financial assets at fair value through profit or loss	(141,500)	44,735	(141,500)	32,576
OPERATING PROFIT	37,045,087	57,816,972	181,181,714	148,263,137
Finance income	12,264,349	5,903,218	25,622,654	20,267,039
Finance costs	(38,082,655)	(37,975,838)	(116,308,546)	(126,746,775)
Non-operating income	15,294,413	589,779	16,804,566	2,264,001
Non-operating expenses	(31,709,358)	(1,059,077)	(16,849,769)	(37,044,513)
Share of profit in joint ventures and associates	(48,347,042)	974,547	22,442,120	16,475,554
(LOSS)/PROFIT BEFORE INCOME TAX	(53,535,206)	26,249,601	112,892,739	23,478,443
Income tax (expense)/credit	(79,220,796)	14,172,967	(75,484,416)	(8,589,873)
(LOSS)/PROFIT FOR THE PERIOD	(132,756,002)	40,422,568	37,408,323	14,888,570
(Loss)/Profit for the period attributable to:				
- Owners of the Company	(133,750,396)	33,127,481	12,312,145	(1,175,382)
- Non-controlling interest	994,394	7,295,087	25,096,178	16,063,952
	(132,756,002)	40,422,568	37,408,323	14,888,570

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,307.88/USD1 for the year ended December 31, 2021 (2020: TZS2,305.93/USD1)

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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 period and year ended December 31, 2021

	3 month period ended		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
(LOSS)/PROFIT FOR THE PERIOD	(132,756,002)	40,422,568	37,408,323	14,888,570
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	4,118,290	5,479,308	(5,909,462)	30,923,088
Exchange differences on translation of foreign joint ventures	1,245,235	2,247,344	(1,908,364)	4,156,259
Other reserves of joint ventures	269,695	6,040	269,695	58,212
Other comprehensive income/(loss) for the period, net of tax	5,633,220	7,732,692	(7,548,131)	35,137,559
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(127,122,782)	48,155,260	29,860,192	50,026,129
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
- Owners of the Company	(127,943,994)	40,326,881	5,823,695	28,661,865
- Non - controlling interest	821,212	7,828,379	24,036,497	21,364,264
	(127,122,782)	48,155,260	29,860,192	50,026,129

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,307.88/USD1 for the year ended December 31, 2021 (2020: TZS2,305.93/USD1)

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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		Year ended	
	December 31, 2021 USD	December 31, 2020 USD	December 31, 2021 USD	December 31, 2020 USD
(Loss)/profit for the period	(132,756,002)	40,422,568	37,408,323	14,888,570
<i>Adjustments:</i>				
Income tax expense/(credit)	79,220,796	(14,172,967)	75,484,416	8,589,873
Finance income	(12,264,349)	(5,903,218)	(25,622,654)	(20,267,039)
Finance costs	38,082,655	37,975,838	116,308,546	126,746,775
Depreciation of property, plant and equipment	37,912,063	40,522,191	139,363,394	150,173,882
Amortization of right of use assets	11,089,674	8,763,519	38,228,779	35,136,247
Amortization of intangible assets	4,037,693	4,097,428	15,370,242	14,819,780
EBITDA	25,322,530	111,705,359	396,541,046	330,088,088
Share of net loss/(profit) in joint ventures and associates	48,347,042	(974,547)	(22,442,120)	(16,475,554)
Loss on disposal of subsidiary	-	-	-	32,209,819
Impairment of property, plant and equipment and intangible assets	501,145	152,028	472,291	59,522
Gain/(loss) on disposal of property, plant and equipment and intangible assets	(326,004)	223,958	(84,143)	105,164
Other non-operating expense ⁽¹⁾	15,660,933	949,074	1,065,023	4,776,073
Adjusted EBITDA	89,505,646	112,055,872	375,552,097	350,763,112

⁽¹⁾ Other non-operating expenses for the three month period ended December 31, 2021 is comprised of losses in the accounts of Axian Telecom of \$15.6 million resulting from the write-off of loan principal and interest receivable from entities under common control

Other non-operating income for the three month period ended December 31, 2020 is mainly comprised of losses in the accounts of MIC Tanzania of \$1.0 million relating to accruals in respect of withholding tax on interest on leases which was expected to be due (refer to reversal in the year ended December 31, 2021).

Other non-operating expense for the year ended and for the three month period ended December 31, 2021 is comprised of losses in the accounts of Axian Telecom of \$15.6 million resulting from the write-off of loan principal and interest receivable from entities under common control, mostly offset by net gains in the accounts of MIC Tanzania of \$14.6 million, related to the reversal of accruals in respect of withholding tax on interest on leases which was previously thought to be payable, but has been confirmed to not be due.

Other non-operating expenses for the year ended December 31, 2020 is comprised of accruals of \$4.8 million in the accounts of MIC Tanzania in respect of withholding tax on interest on leases which was expected to be due (refer to reversal in the year ended December 31, 2021).

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,307.88/USD1 for the year ended December 31, 2021 (2020: TZS2,305.93/USD1)

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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Pro forma financial position

Pro forma condensed combined statement of financial position as at December 31, 2021

	Axian Telecom USD	MIC Tanzania USD	Adjustments USD	Total USD
ASSETS				
Non-current assets				
Property, plant and equipment	495,789,056	167,202,699	-	662,991,755
Intangible assets	86,968,628	36,446,922	-	123,415,550
Interests in joint ventures and associates	68,846,258	15,674,176	-	84,520,434
Deferred tax assets	36,514,957	-	-	36,514,957
Trade and other receivables	30,582,014	-	-	30,582,014
Deposits receivable	2,628,252	159,065	-	2,787,317
Right-of-use assets	44,007,136	157,895,629	-	201,902,765
Goodwill	49,759,990	-	261,146,060	310,906,050
Financial assets at fair value through profit or loss	5,867,383	-	-	5,867,383
Treasury bonds	2,392,521	-	-	2,392,521
	823,356,195	377,378,491	261,146,060	1,461,880,746
Current assets				
Inventories	17,044,520	1,595,031	-	18,639,551
Loan receivables	5,862,653	-	-	5,862,653
Trade and other receivables	141,013,207	53,414,811	-	194,428,018
Income tax receivable	445,763	4,132,916	-	4,578,679
Cash and cash equivalents	134,506,254	25,938,489	57,368,698	217,813,441
Restricted cash	82,199,911	145,472,807	-	227,672,718
	381,072,308	230,554,054	57,368,698	668,995,060
Total assets	1,204,428,503	607,932,545	318,514,758	2,130,875,806
LIABILITIES AND EQUITY				
Non-current liabilities				
Borrowings	267,477,680	171,522,572	192,851,192	631,851,444
Trade and other payables	85,777,942	9,553,934	-	95,331,876
Government grants	26,397,175	-	-	26,397,175
Provisions	36,584,910	7,415,363	-	44,000,273
Lease liability	45,310,470	148,123,055	-	193,433,525
Contract liabilities	-	7,683,814	-	7,683,814
Deposits payable	6,073,969	-	-	6,073,969
Deferred tax liability	27,942	49,520,822	-	49,548,764
Retirement benefit obligations	2,308,036	-	-	2,308,036
	469,958,124	393,819,560	192,851,192	1,056,628,876
Current liabilities				
Trade and other payables	342,125,698	284,428,208	-	626,553,906
Borrowings	79,000,856	167,300,800	(173,630,604)	72,671,052
Provisions	1,308,775	2,200,663	-	3,509,438
Lease liability	5,943,398	39,672,679	-	45,616,077
Bank overdraft	22,554,266	-	-	22,554,266
Client savings accounts	695,993	-	-	695,993
Contract liabilities	-	12,437,211	-	12,437,211
Dividend payable	21,690,698	-	-	21,690,698
Income tax payable	10,155,353	9,745,453	-	19,900,806
	483,475,037	515,785,014	(173,630,604)	825,629,447
Total liabilities	953,433,161	909,604,574	19,220,588	1,882,258,323
Total equity	250,995,342	(301,672,029)	299,294,170	248,617,483

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2021

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.

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.

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.

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.

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.

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

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