

AXIAN TELECOM

Q2 2022 unaudited results

August 30th, 2022



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Chairman and Founder



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MACROECONOMIC ENVIRONMENT

Madagascar:

- 2022 projected real GDP of 5.1%⁽¹⁾
- 2022 projected inflation of 8.8%⁽¹⁾ (vs. 5.8% in Dec'21)
- \$/MGA at 4,079⁽²⁾ in Jun'22, -6.9% YoY

Tanzania:

- 2022 projected real GDP of 4.8%⁽¹⁾
- 2022 projected inflation of 4.4%⁽¹⁾ (vs. 3.7% in Dec'21)
- \$/TZS at 2,332⁽²⁾ in Jun'22, -0.6% YoY
- Foreign exchange reserves of \$5.1bn⁽³⁾ as of Mar'22 (vs. \$5.2bn 12 months prior)

Togo:

- 2022 projected real GDP of 5.6%⁽¹⁾
- 2022 projected inflation of 4.6%⁽¹⁾ (vs. 4.3% in Dec'21)
- \$/XOF at 631⁽²⁾ in Jun'22, -12.2% YoY

TELECOM INDUSTRY

Madagascar⁽⁴⁾:

- Total subscribers as of Jun'22 were 14.6m which is a 6% increase compared with Dec'21
- Mobile and data penetration of 66% and 61% respectively as of Jun'22, which is +1pp and +3pp compared with Dec'21

Tanzania⁽⁵⁾:

- Total subscribers as of Jun'22 were at 56.2m, which is a 4% increase compared Dec'21
- Mobile and data penetration of 93% and 48% respectively as of Jun'22, which is +2pp and -2pp compared with Dec'21

Togo⁽⁴⁾:

- Total subscribers as of Jun'22 were at 6.6m which is a 3% increase compared with Dec'21
- Mobile and data penetration of 81% and 62% respectively as of Jun'22, which is +6pp and +6pp compared with Dec'21

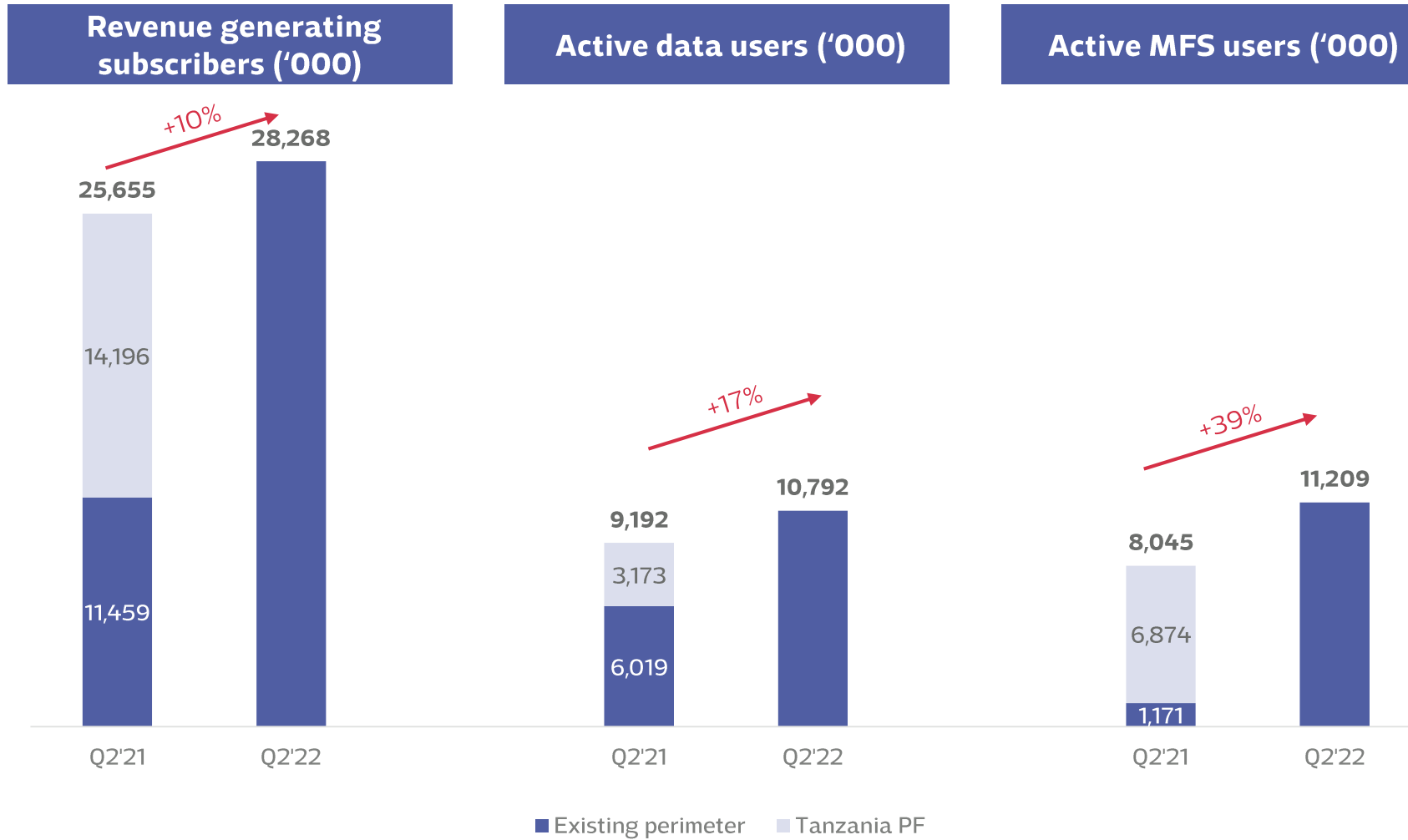
AXIAN TELECOM HIGHLIGHTS

- Completed the acquisition of MIC Tanzania on April 5th 2022 for a consideration of \$101m
 - Our numbers for the Q2'22 and H1'22 thus include the performance of MIC Tanzania from the date of acquisition
- Despite currency headwinds, we continue to experience double digit growth in our existing perimeter excluding Tanzania with +12% in H1'22 YoY
- Our Adjusted EBITDA excluding Tanzania grew by 5% in H1'22 driven in parts by the acquisition of Axian Financial Services but impacted by an increase in non-recurring non-operating expenses and by the accrual of acquisition cost related to MIC Tanzania in Q2'22

In \$m, unless otherwise stated

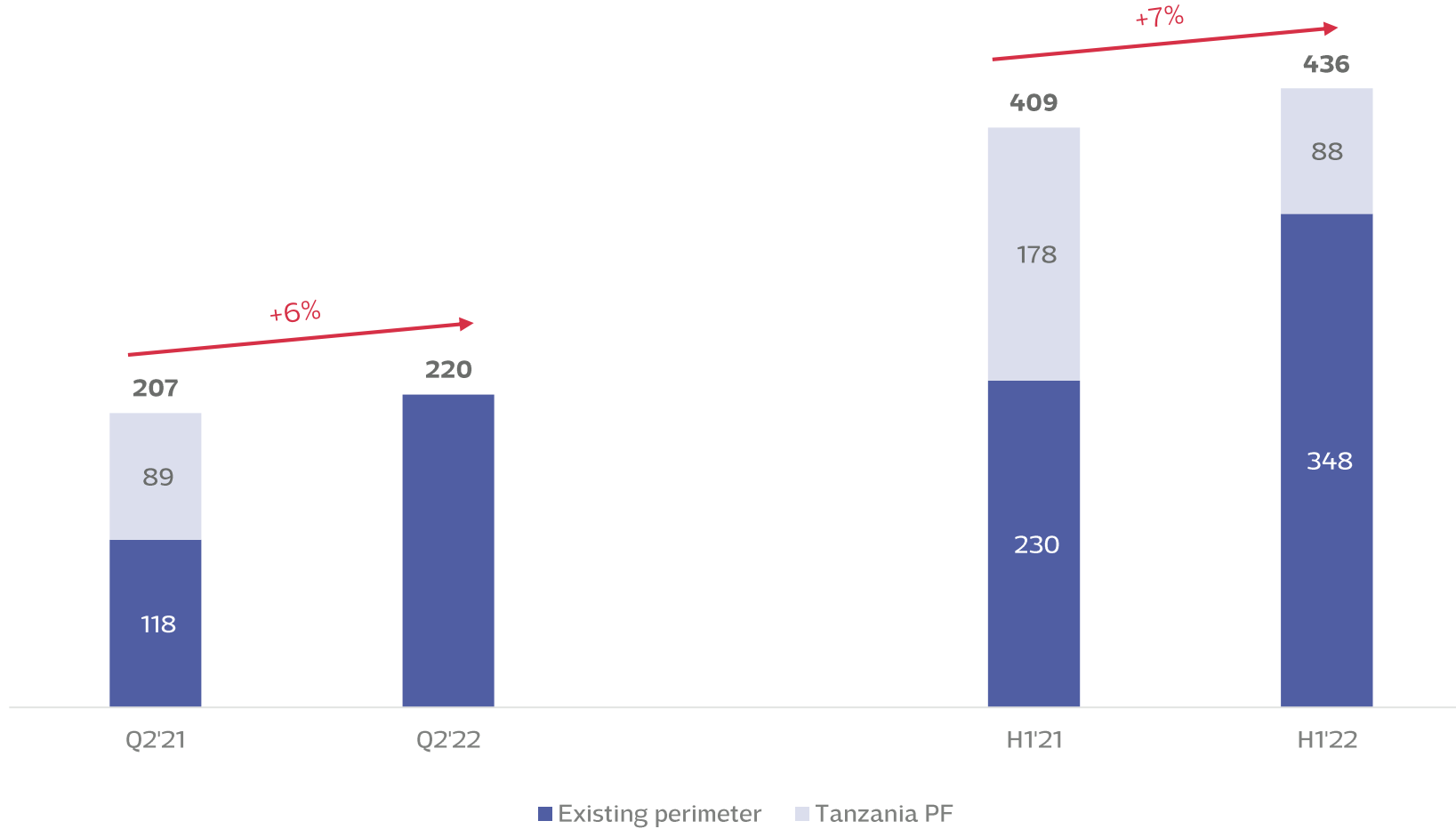
	Q2'22	Q2'21	Var.	H1'22	H1'21	Var.
Existing perimeter						
Revenue generating subscribers ('000)	28,268	11,459	147%	28,268	11,459	147%
Active data users ('000)	10,792	6,019	79%	10,792	6,019	79%
Active MFS users ('000)	11,209	1,171	858%	11,209	1,171	858%
Revenue	220	118	87%	348	230	51%
Adjusted EBITDA	91	65	40%	160	121	33%
Adjusted EBITDA Margin	41%	55%	(1,372) bps	46%	52%	(634) bps
Capital Expenditure	67	16	329%	103	36	184%
As a % of revenue	30%	13%	1,708 bps	30%	16%	1,380 bps
Adjusted Net Debt	611			611		
Adjusted Net Debt to Adjusted EBITDA ratio (x)	1.6x			1.6x		
Pro Forma⁽¹⁾						
Revenue generating subscribers ('000)	28,268	25,655	10%	28,268	25,655	10%
Active data users ('000)	10,792	9,192	17%	10,792	9,192	17%
Active MFS users ('000)	11,209	8,045	39%	11,209	8,045	39%
Revenue	220	207	6%	436	409	7%
Adjusted EBITDA	91	98	(7%)	196	185	6%
Adjusted EBITDA Margin	41%	47%	(604) bps	45%	45%	(43) bps
Capital Expenditure	67	25	170%	111	50	120%
As a % of revenue	30%	12%	1,831 bps	25%	12%	1,310 bps
Existing Perimeter excluding Tanzania						
Revenue generating subscribers ('000)	13,345	11,459	16%	13,345	11,459	16%
Active data users ('000)	6,963	6,019	16%	6,963	6,019	16%
Active MFS users ('000)	3,498	1,171	199%	3,498	1,171	199%
Revenue	131	118	11%	258	230	12%
Adjusted EBITDA	57	65	(12%)	127	121	5%
Adjusted EBITDA Margin	44%	55%	(1,112) bps	49%	52%	(328) bps
Capital Expenditure	57	16	264%	93	36	156%
As a % of revenue	43%	13%	3,019 bps	36%	16%	2,018 bps

- Strong H1'22 YoY customer growth across operations and segments especially in our Madagascar operations
- +7% YoY growth in combined Revenues in H1'22
- +6% YoY growth in combined Adjusted EBITDA in H1'22 ; Q2'22 EBITDA affected by a non-recurring increase in other non-operating expenses of \$6m and costs incurred in respect of the MIC Tanzania acquisition
- Capital expenditure increase due to passive infrastructure rollout, network strengthening, and timing of supplier payments
- Adjusted Net Debt to Adjusted EBITDA ratio at 1.6x



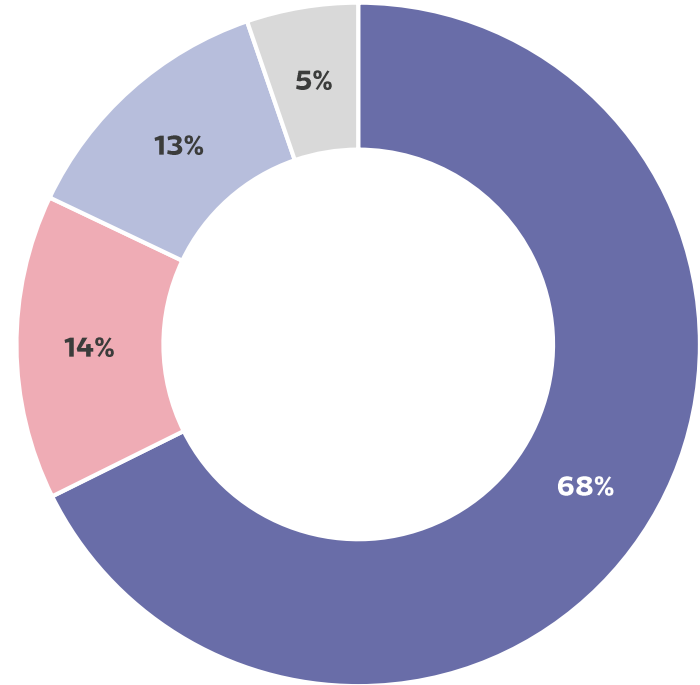
- Revenue generating subscribers +10% YoY, mainly driven by:
 - +1.5m subscribers in Madagascar, a 19% YoY increase
 - +0.3m subscribers in Togo, a 10% increase YoY
- Active data users +17% YoY, mainly driven by:
 - +0.7m users in Madagascar
 - +0.6m users in Tanzania
- Active MFS users +39% YoY
 - +2m users in Madagascar following acquisition of Axian Financial Services in Aug'21
 - organic growth of +1.2m users from Tanzania and Togo

QTD and YTD Revenues (\$m)



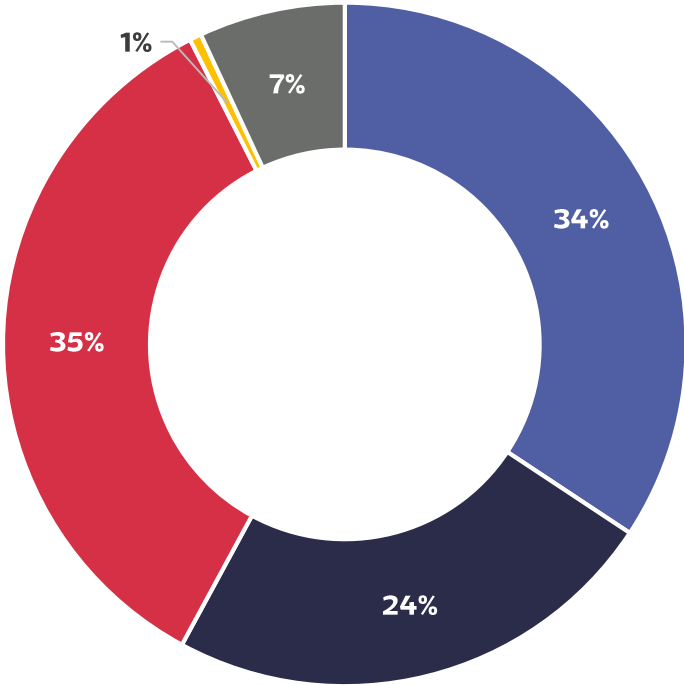
- +87% YoY revenue growth in H1'22 in our existing perimeter
 - H1'22 includes \$26m in revenue from Axian Financial Services which also drives increase in revenue from Digital and mobile financial services segment
 - H1'22 includes \$90m from Tanzania representing its Q2'22 revenue
 - Excluding Tanzania and AFS, our existing perimeter grew by +\$2m, offset by negative FX impact of -\$13m in Togo
- Tanzania revenue +0.5% YoY driven by organic growth, partially offset by the implementation of mobile money levy increasing MFS transaction costs for Active MFS users

H1'22 Revenue⁽¹⁾ by segment (%)



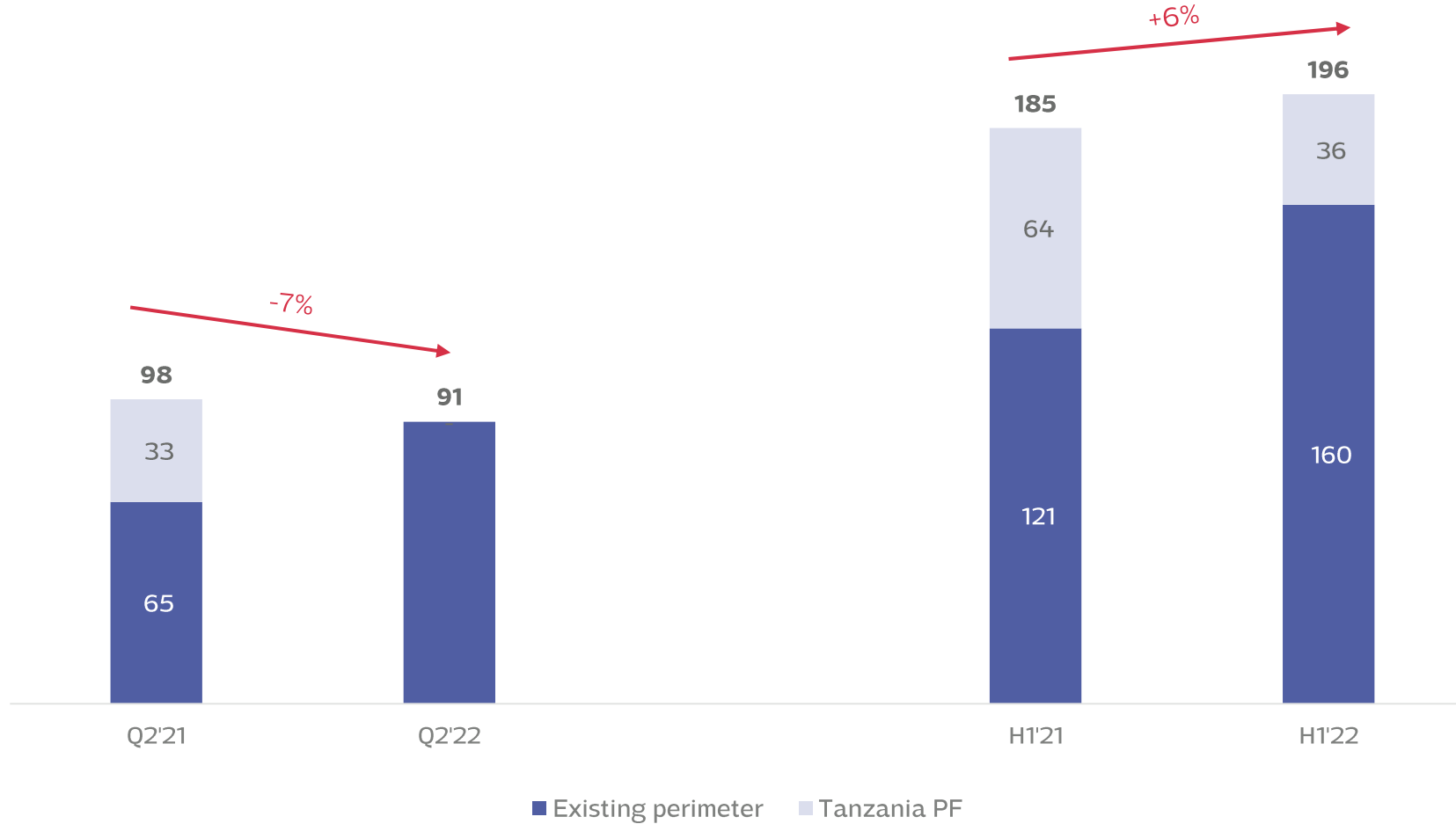
■ Mobile/Fixed ■ Infrastructure ■ Digital ■ Others

H1'22 Revenue⁽¹⁾ by country (%)



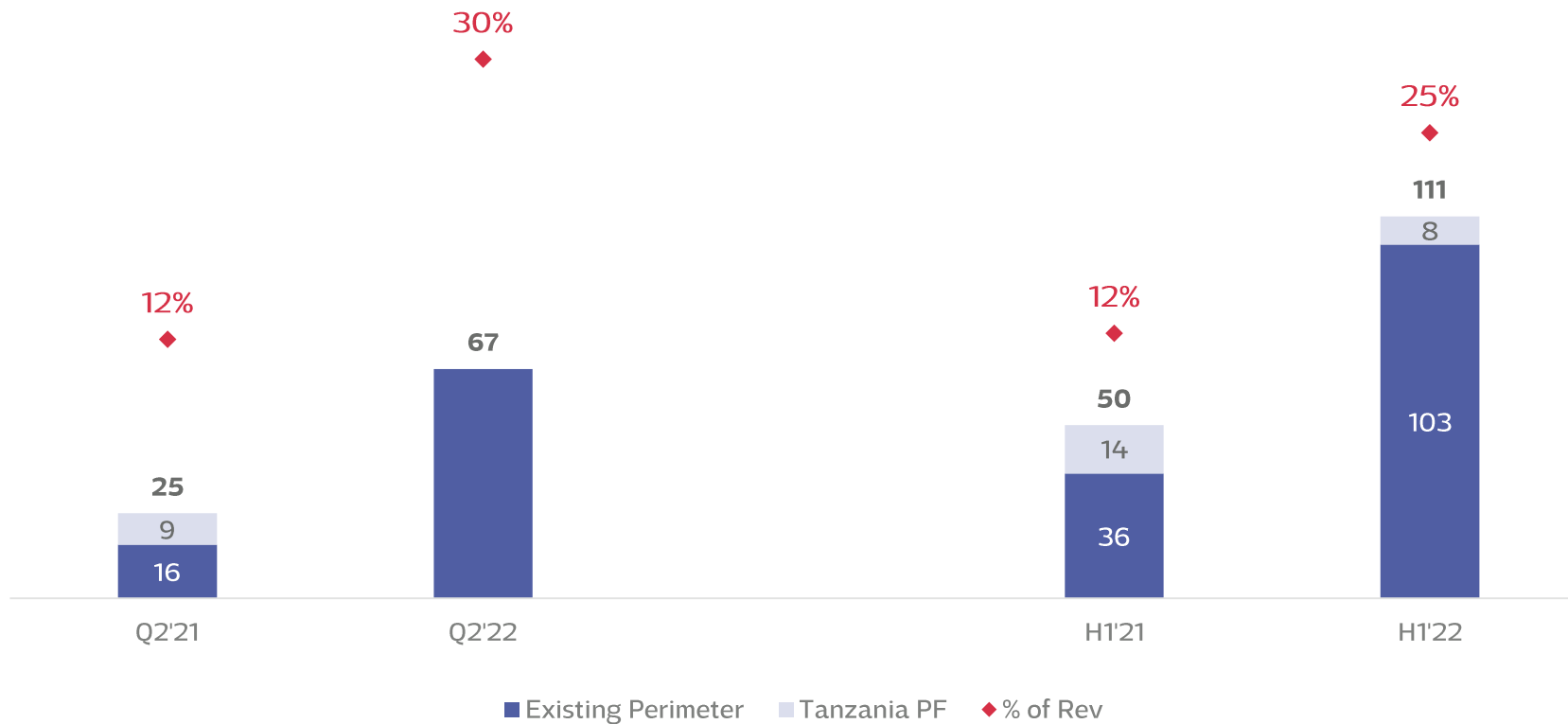
■ Madagascar ■ Togo ■ Tanzania ■ Uganda ■ Mauritius

QTD and YTD Adjusted EBITDA (\$m)

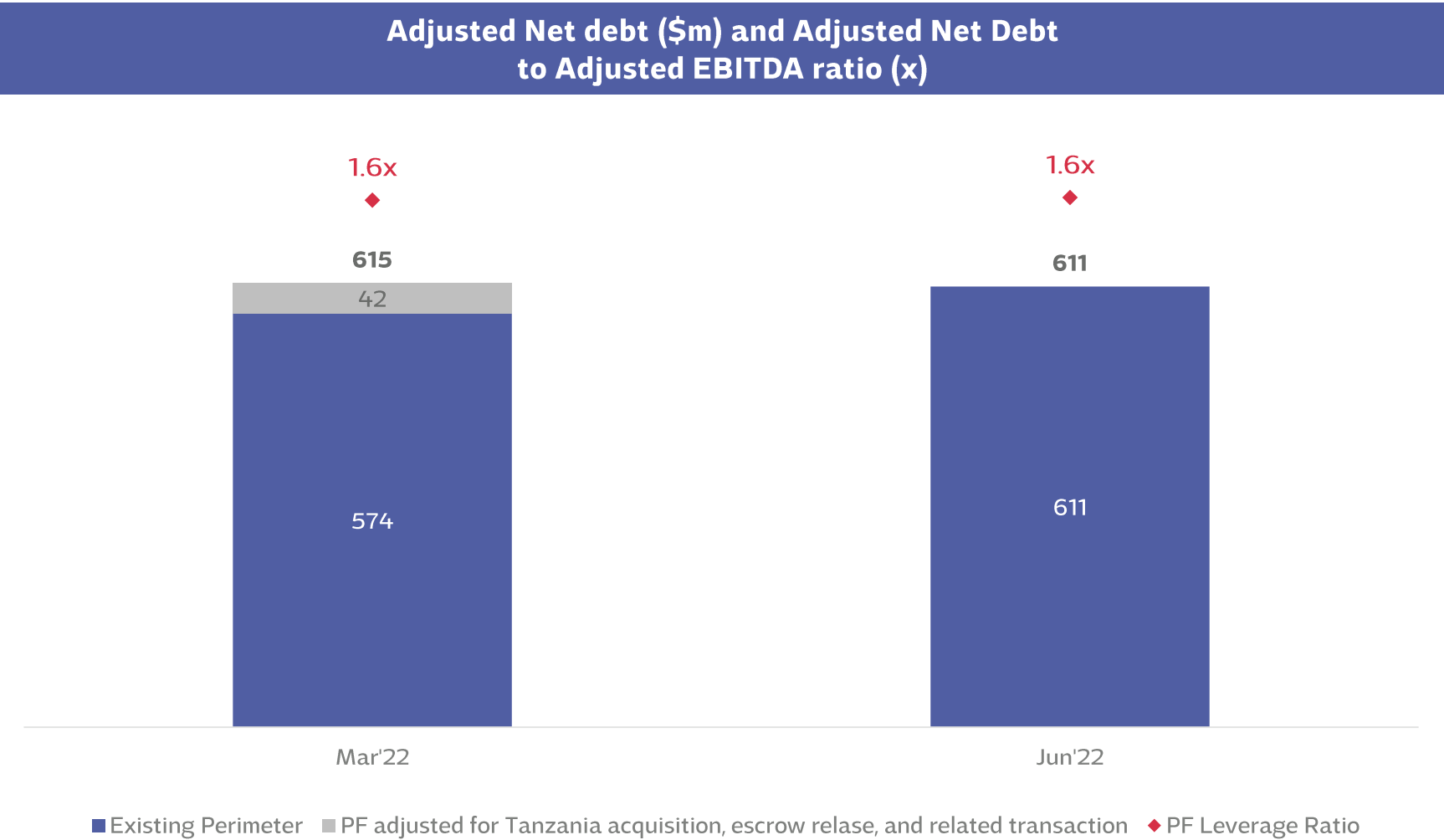


- +40% YoY Adjusted EBITDA growth in H1'22 in our existing perimeter
 - H1'22 includes +\$5m in Adjusted EBITDA from Axian Financial Services
 - H1'22 includes +\$33m in Adjusted EBITDA from MIC Tanzania reflecting Q2'22 acquisition
 - Excluding MIC Tanzania and AFS, our existing perimeter's adjusted EBITDA grew by +\$1m YoY during H1'22; includes a non-recurring increase in net other non-operating expenses of \$6m and costs related to MIC Tanzania acquisition
- Tanzania Adjusted EBITDA +7% YoY during H1'22

QTD and YTD Capital Expenditure (\$m)



- H1'22 Capital Expenditure for the exiting perimeter at \$103m, representing 25% of revenue
 - Our Infrastructure segment contributed 51% to the period's Capital Expenditure driven by tower deployments in Madagascar and Togo and investments in the 2Africa cable
 - Our M&F segment contributed 48% to the period's capex driven by network development in Madagascar & Togo; Tanzania contributed +\$10m to the M&F perimeter capex
- Capital Expenditure in Tanzania grew from 10% of revenue in Q1'22 to 12% in Q2'22 but remains on the low compared to our existing perimeter



- Adjusted Net Debt to Pro-forma last twelve month Adjusted EBITDA ratio of 1.6x as of Jun'22
 - Proceeds of the Notes where released from escrow following the acquisition of MIC Tanzania

Appendix

ADJUSTED EBITDA RECONCILIATION

In \$m, unless otherwise stated

	Q2'22	Q2'21	H1'22	H1'21	Q2'22	Q2'21	H1'22	H1'21
	Existing perimeter				Proforma⁽¹⁾			
(Loss)/profit for the period	10	86	33	113	10	78	30	117
Income tax (credit)/expense	13	6	22	6	13	12	27	(6)
Finance income	(7)	(1)	(15)	(8)	(7)	(1)	(15)	(8)
Finance costs	35	14	56	26	35	28	69	55
Depreciation of property, plant and equipment	36	25	59	47	36	36	69	69
Amortization of right of use assets	7	2	12	4	7	10	20	20
Amortization of intangible assets	3	2	5	4	3	4	7	7
EBITDA	97	134	172	192	97	166	207	254
Share of net loss/(profit) in joint ventures	(6)	(69)	(11)	(70)	(6)	(69)	(11)	(70)
Loss on disposal of subsidiary	-	-	-	-	-	-	-	-
Impairment of property, plant and equipment and intangible assets	(0)	(1)	(0)	(1)	(0)	(1)	(0)	(1)
(Gain)/loss on disposal of property, plant and equipment	-	(0)	-	-	-	(0)	(0)	-
Other non-operating expense	-	-	-	-	-	1	(0)	2
Adjusted EBITDA	91	65	160	121	91	98	196	185

CALCULATION OF PRO FORMA ADJUSTED NET DEBT TO ADJUSTED EBITDA RATIO

In \$m, unless otherwise stated

	Q2'22	Q1'22 PF ⁽¹⁾
Borrowings (non-current)	287	289
Borrowings Bonds (non-current)	412	412
Borrowings (current)	34	24
Borrowings Bonds (current)	12	4
Total Borrowings	745	729
Loans payable to related parties (non-current)	146	137
Loans payable to related parties (current)	-	0
IFRS adjustment to the Issuance canceled	(8)	(8)
Adjusted Debt Amount	138	129
Adjusted Borrowings	607	600
S16 non-current	198	199
S16 current	49	43
Lease Liability	247	243
Total Adjusted Debt	854	842
Cash and cash equivalents	268	251
Bank overdraft	(25)	(24)
Net Cash	243	227
Adjusted Net Debt	611	615
Proforma Last Twelve Month EBITDA ⁽²⁾	386	394
Leverage Ratio	1.6x	1.6x

In this presentation, we present certain financial measures of the Group that are not defined in, and thus, not calculated in accordance with International Financial Reporting Standard (“IFRS”), United States Generally Accepted Accounting Practice (“U.S. GAAP”) or generally accepted accounting principles in any other relevant jurisdiction. These include EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin (each as defined below). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

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

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

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

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

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

Adjusted EBITDA: EBITDA adjusted for: (i) share of net profit of joint ventures; (ii) loss on disposal of subsidiary; and (iii) gain on disposal of property, plant and equipment;

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

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

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

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

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

VPY: versus prior year.

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