

AXIAN TELECOM

**CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

AXIAN TELECOM**CONSOLIDATED AND SEPERATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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AXIAN TELECOM

COMPANY INFORMATION

		Date of appointment	Date of resignation
DIRECTOR	:		
	Mr Hassanein Shahreza Hiridjee	21 June 2003	-
	Mr Ahmud Ismael Parwiz Jugoo	30 April 2018	-
	Mr Keni Lufor	22 May 2020	01 December 2021
	Mrs Anja Blumert	15 August 2020	-
	Mr. Afsar Azize Abdulla Ebrahim	16 November 2020	-
	Mr. Michael Jimmy Wong Yuen Tien	01 December 2021	-
ADMINISTRATOR & SECRETARY (up to 30 November 2021)	:	Ocorian Corporate Services (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebène Republic of Mauritius	
ADMINISTRATOR & SECRETARY (as from 01 December 2021)	:	DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius	
REGISTERED OFFICE (up to 30 November 2021)	:	c/o Ocorian Corporate Services (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebène Republic of Mauritius	
REGISTERED OFFICE (as from 01 December 2021)	:	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	

COMMENTARY OF DIRECTORS

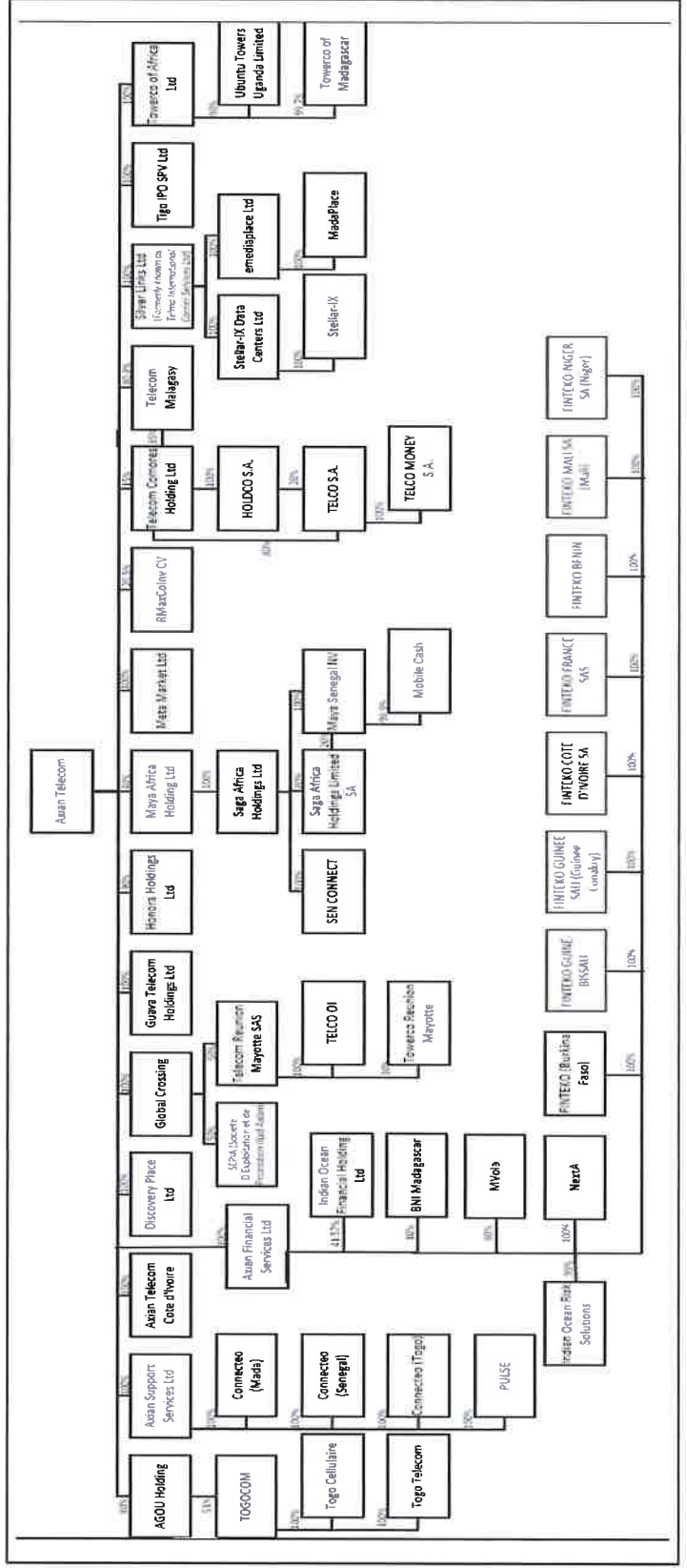
The directors are pleased to present their commentary and the audited consolidated and separate financial statements of Axian Telecom (the 'Company') and its subsidiaries (together referred to as the 'Group') for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the Company is to engage in investment holding activities primarily in the sectors of telecommunications. The Company also provides support services to its subsidiaries in Madagascar, Indian Ocean Islands and sub-Saharan African countries.

The principal activity of the Group is to engage in investment holding activities primarily in the sectors of telecommunications and financial sector, namely banking and mobile money. The Group also provides other services such as consultancy services and business support for their own benefit.

The Group structure as at 31 December 2021 is as follows:



AXIAN TELECOM

COMMENTARY OF DIRECTORS (CONTINUED)

On 20 January 2022, the Company has acquired 100% of STELLAR-IX DATA CENTERS LTD from Silver Links Ltd (formerly known as 'Telma International Carrier Services Ltd').

REVIEW OF THE BUSINESS

The results for the year under review are shown in the consolidated and separate statements of profit or loss and the consolidated and separate statements of other comprehensive income on pages 13 and 14.

AXIAN TELECOM

COMMENTARY OF DIRECTORS (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Company law requires the directors to prepare consolidated and separate financial statements for each financial year which present fairly the consolidated and separate financial position, consolidated and separate financial performance and consolidated and separate cash flows of the Group and the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the consolidated and separate financial statements; and
- prepare the consolidated and separate financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing these consolidated and separate financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the consolidated and separate financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditor, PricewaterhouseCoopers, has indicated its willingness to continue in office. It will be automatically re-appointed at the next Annual Meeting.

SECRETARY'S CERTIFICATE

TO THE MEMBER OF AXIAN TELECOM

UNDER SECTION 166 (d) OF THE MAURITIAN COMPANIES ACT 2001

We certify that, based on records and information made available to us by the directors and shareholders of the Company, the Company has filed with the Registrar of Companies, for the year ended 31 December 2021, all such returns as are required of the Company under the Mauritian Companies Act 2001.



Dated

30 MAY 2022

**DTOS LTD
SECRETARY**



Independent Auditor's Report

To the Shareholder of
Axian Telecom

Report on the Audit of the Consolidated and Separate Financial Statements

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Axian Telecom (the "Company") and its subsidiaries (together the "Group") and of the Company standing alone as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

Axian Telecom's consolidated and separate financial statements set out on pages 13 to 140 comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of profit or loss for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Business Registration Number: F07000530



Independent Auditor's Report

To the Shareholder of
Axian Telecom (Continued)

Report on the Audit of the Consolidated and Separate Financial
Statements (Continued)

Basis for Opinion (Continued)

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Information

The directors are responsible for the other information. The other information comprises the company information, the commentary of directors, and the secretary's certificate but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.



Independent Auditor's Report

To the Shareholder of
Axian Telecom (Continued)

Report on the Audit of the Consolidated and Separate Financial
Statements (Continued)

Responsibilities of the Directors for the Consolidated and Separate Financial Statements (Continued)

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



Independent Auditor's Report

To the Shareholder of
Axian Telecom (Continued)

Report on the Audit of the Consolidated and Separate Financial
Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

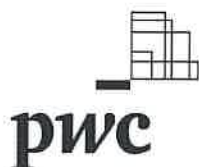
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (a) we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor of the Company and some of its subsidiaries;
- (b) we have obtained all the information and explanations we have required; and
- (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.



Independent Auditor's Report

To the Shareholder of
Axian Telecom (Continued)

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholder in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


PricewaterhouseCoopers


Robert Coutet, licensed by FRC

30 May 2022

AXIAN TELECOM

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 USD	Group Restated 2020 USD	2021 USD	Company Restated 2020 USD
Revenue (Note 29)	485,859,283	429,154,401	30,150,670	21,545,310
Other income (Note 30)	33,427,203	28,572,569	98,059,164	1,022,485
Cost of devices and equipments (Note 5)	(8,880,757)	(4,984,335)	-	-
Cost of interconnection and roaming (Note 5)	(18,325,205)	(19,158,333)	-	-
Government and regulatory costs (Note 5)	(22,584,594)	(20,187,288)	-	-
Advertising and distribution costs (Note 5)	(3,821,861)	(3,653,026)	-	-
Commissions to sales agents (Note 5)	(38,283,712)	(27,290,027)	-	-
Impairment losses on financial assets (Note 5)	(679,918)	(233,611)	-	-
Technology operation costs (Note 5)	(43,270,141)	(35,529,890)	-	-
Staff costs (Note 5)	(52,340,592)	(37,959,837)	(6,917,495)	(4,016,075)
Other operating expenses (Note 5)	(44,039,241)	(38,547,637)	(2,198,832)	(930,773)
Derecognition of financial assets (Note 5)	(17,961,095)	(177,625)	-	-
Professional fees (Note 5)	(20,629,007)	(40,659,215)	(9,344,823)	(4,219,505)
Depreciation and amortisation (Note 5)	(112,299,491)	(113,322,309)	-	-
Reversal of impairment/ (Impairment) of non-financial assets (Note 5)	4,100,480	(8,915,793)	-	-
(Loss)/gain on financial assets at fair value through profit or loss (Note 5)	(141,500)	32,576	(141,500)	-
OPERATING PROFIT	140,129,852	107,140,620	109,607,184	13,401,442
Finance income (Note 6)	24,907,305	20,139,234	9,066,945	6,282,940
Finance costs (Note 6)	(57,582,371)	(59,665,136)	(9,894,976)	(9,418,448)
Finance costs – Net (Note 6)	(32,675,066)	(39,525,902)	(828,031)	(3,135,508)
Non-operating expenses (Note 38)	(15,600,429)	(32,209,819)	-	-
Share of profit in associates and joint ventures (Note 11)	22,442,120	16,475,554	-	-
PROFIT BEFORE INCOME TAX	114,296,477	51,880,453	108,779,153	10,265,934
Income tax expense (Note 7 (a))	(26,880,856)	(258,996)	(4,085,706)	(1,232,254)
PROFIT FOR THE YEAR	87,415,621	51,621,457	104,693,447	9,033,680
Profit for the year attributable to:				
- Owners of the Company	56,643,615	31,388,322	104,693,447	9,033,680
- Non - controlling interest	30,772,006	20,233,135	-	-
	87,415,621	51,621,457	104,693,447	9,033,680

The notes on pages 21 to 140 are an integral part of these financial statements.

AXIAN TELECOM

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 USD	Group Restated 2020 USD	2021 USD	Company Restated 2020 USD
PROFIT FOR THE YEAR	87,415,621	51,621,457	104,693,447	9,033,680
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	(10,797,977)	33,358,145	-	-
Exchange differences on translation of foreign joint ventures (Note 11)	(1,908,364)	4,156,259	-	-
Share of other reserves of the joint venture (Note 11)	269,695	58,212	-	-
Other comprehensive income for the year	(12,436,646)	37,572,616	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	74,978,975	89,194,073	104,693,447	9,033,680
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
- Owners of the Company	45,821,496	63,384,247	104,693,447	9,033,680
- Non - controlling interest	29,157,479	25,809,826	-	-
	74,978,975	89,194,073	104,693,447	9,033,680

The notes on pages 21 to 140 are an integral part of these financial statements.

AXIAN TELECOM

**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	31 Dec 2021 USD	31 Dec 2020 USD	Group Restated 01 Jan 2020 USD	31 Dec 2021 USD	Company 31 Dec 2020 USD
ASSETS					
Non-current assets					
Property, plant and equipment (Note 8)	495,789,056	495,375,876	462,246,583	-	-
Intangible assets (Note 9)	86,968,628	84,083,564	64,765,623	-	-
Investments in subsidiaries (Note 10)	-	-	-	137,247,269	61,985,988
Interests in joint ventures and associates (Note 11)	68,846,258	72,717,052	65,095,144	7,118,741	29,506,686
Deferred tax assets (Note 7 (b))	36,514,957	31,913,442	904,177	-	-
Loans receivable (Note 14)	-	5,902,332	-	37,237,482	-
Trade and other receivables (Note 12)	30,582,014	64,521,084	39,527,787	-	-
Deposits receivable (Note 36)	2,628,252	2,637,664	2,386,815	-	-
Right-of-use assets (Note 25 (i))	44,007,136	36,632,210	15,511,890	-	-
Goodwill (Note 33)	49,759,990	53,585,192	47,973,248	-	-
Financial assets at fair value through profit or loss (Note 31)	5,867,383	1,155,561	1,024,674	4,858,500	-
Treasury bonds (Note 32)	2,392,521	2,938,256	3,605,843	-	-
	823,356,195	851,462,233	703,041,784	186,461,992	91,492,674
Current assets					
Inventories (Note 13)	17,044,520	11,553,411	13,079,475	-	-
Loans receivable (Note 14)	5,862,653	-	-	6,539,890	-
Deposits receivable	-	-	684,000	-	-
Trade and other receivables (Note 12)	141,013,207	275,317,814	190,501,996	24,524,234	66,937,521
Dividend receivable (Note 42)	-	-	-	53,418,814	-
Income tax receivable (Note 7(d))	445,763	-	-	-	-
Cash and cash equivalents (Note 15)	134,506,254	71,062,413	99,570,068	36,466,092	725,586
Restricted cash (Note 16)	82,199,911	23,540,884	61,464,011	-	-
	381,072,308	381,474,522	365,299,550	120,949,030	67,663,107
Total assets	1,204,428,503	1,232,936,755	1,068,341,334	307,411,022	159,155,781

Authorised for issue by the Board of Directors on **30 MAY 2022**

Signed on its behalf by:



1

1 DIRECTORS

The notes on pages 21 to 140 are an integral part of these financial statements.

AXIAN TELECOM

**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (CONTINUED)**

	31 Dec 2021	31 Dec 2020	Group Restated 01 Jan 2020	31 Dec 2021	Company 31 Dec 2020
	USD	USD	USD	USD	USD
EQUITY AND LIABILITIES					
Equity and reserves					
Share capital (Note 17)	1,372,564	117,389,774	9,350,734	1,372,564	117,389,774
Reorganisation reserves (Note 18)	76,511,569	23,981,559	906,076	-	-
Other reserves (Note 18)	6,059,348	5,789,653	5,731,441	-	-
Legal reserves (Note 18)	781,147	300,727	300,727	-	-
Translation reserves (Note 18)	(8,587,980)	2,503,834	(29,442,396)	-	-
Retained earnings/ (Accumulated losses)	83,706,080	23,525,675	(11,664,297)	52,693,446	(56,017,211)
Equity attributable to owners of the Company	159,842,728	173,491,222	(24,817,715)	54,066,010	61,372,563
Non-controlling interests (Note 19)	91,152,614	63,553,316	43,188,413	-	-
Total equity	250,995,342	237,044,538	18,370,698	54,066,010	61,372,563
LIABILITIES					
Non-current liabilities					
Borrowings (Note 20)	267,477,680	190,733,796	194,240,015	126,884,081	-
Trade and other payables (Note 21)	85,777,942	101,797,079	79,852,155	-	-
Government grants (Note 22)	26,397,175	33,242,190	45,840,426	-	-
Provisions (Note 23)	36,584,910	24,563,509	25,490,816	-	-
Lease liability (Note 25 (i))	45,310,470	33,692,552	14,878,128	-	-
Deposits payable (Note 34)	6,073,969	6,563,132	5,998,464	-	-
Deferred tax liability (Note 7(b))	27,942	30,221	-	-	-
Retirement benefit obligations (Note 35)	2,308,036	3,320,459	2,552,871	656	-
	469,958,124	393,942,938	368,852,875	126,884,737	-
Current liabilities					
Trade and other payables (Note 21)	342,125,698	479,676,138	472,709,957	16,418,475	37,033,230
Deposits from customers (Note 39)	695,993	-	-	-	-
Borrowings (Note 20)	79,000,856	100,525,381	193,873,310	84,673,409	60,284,919
Provisions (Note 23)	1,308,775	993,256	-	-	-
Lease liability (Note 25 (i))	5,943,398	4,307,066	1,458,545	-	-
Bank overdraft (Note 15)	22,554,266	9,054,645	8,251,699	82	6
Retirement benefit obligations (Note 35)	-	-	3,374,501	-	-
Income tax payable (Note 7(d))	10,155,353	7,392,793	1,449,749	3,682,036	465,063
Dividend payable (Note 37)	21,690,698	-	-	21,686,273	-
	483,475,037	601,949,279	681,117,761	126,460,275	97,783,218
Total liabilities	953,433,161	995,892,217	1,049,970,636	253,345,012	97,783,218
Total equity and liabilities	1,204,428,503	1,232,936,755	1,068,341,334	307,411,022	159,155,781

Authorised for issue by the Board of Directors on
Signed on its behalf by:



}

} DIRECTORS

The notes on pages 21 to 140 are an integral part of these financial statements.

AXIAN TELECOM

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Stated capital USD	Re- organisation reserves USD	Other reserves USD	Legal reserves USD	Translation reserves USD	Retained Earnings/ (Accumulated losses) USD	Total USD	Non- controlling interest USD	Total USD
At 01 January 2020	9,350,734	906,076	5,731,441	300,727	(29,442,396)	(11,664,297)	(24,817,715)	43,188,413	18,370,698
Comprehensive income:									
Profit for the year	-	-	-	-	-	31,388,322	31,388,322	20,233,135	51,621,457
Other comprehensive income for the year, net of tax	-	-	58,212	-	31,937,713	-	31,995,925	5,576,691	37,572,616
Total comprehensive income for the year	-	-	58,212	-	31,937,713	31,388,322	63,384,247	25,809,826	89,194,073
Transaction with owners in their capacity as owners:									
Issue of shares (Note 17)	108,039,040	-	-	-	-	-	108,039,040	-	108,039,040
Acquisition through business combination (Note 26)	-	23,075,483	-	-	-	-	23,075,483	-	23,075,483
Dividend declared and paid (Note 37)	-	-	-	-	-	(225,109)	(225,109)	-	(225,109)
Disposal of subsidiary	-	-	-	-	8,517	(1,376,948)	(1,368,431)	(41,216)	(1,409,647)
Change in non-controlling interest	-	-	-	-	-	5,403,707	5,403,707	(5,403,707)	-
At 31 December 2020	117,389,774	23,981,559	5,789,653	300,727	2,503,834	23,525,675	173,491,222	63,553,316	237,044,538

The notes on pages 21 to 140 are an integral part of these financial statements.

AXIAN TELECOM

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Group	Stated capital USD	Re- organisation reserves USD	Other reserves USD	Legal reserves USD	Translation reserves USD	Retained Earnings/ Accumulated losses) USD	Non-controlling interest		Total USD
							Total	USD	
At 01 January 2021	117,389,774	23,981,559	5,789,653	300,727	2,503,834	23,525,675	173,491,222	63,553,316	237,044,538
Comprehensive income:									
Profit for the year	-	-	-	-	-	56,643,615	56,643,615	30,772,006	87,415,621
Other comprehensive income for the year, net of tax	-	-	269,695	-	(11,091,814)	-	(10,822,119)	(1,614,527)	(12,436,646)
Total comprehensive income for the year	-	-	269,695	-	(11,091,814)	56,643,615	45,821,496	29,157,479	74,978,975
Transaction with owners in their capacity as owners:									
Disposal of shares (Note 17)	-	-	-	-	-	-	-	10	10
Acquisition through business combination (Note 26)	-	52,530,010	-	-	-	-	52,530,010	2,694,488	55,224,498
Capital reduction (Note 17)	(56,017,210)	-	-	-	-	56,017,210	-	-	-
Share buy-back (Note 17)	(60,000,000)	-	-	-	-	-	(60,000,000)	-	(60,000,000)
Dividend declared (Note 37)	-	-	-	-	-	(52,000,000)	(52,000,000)	(4,252,679)	(56,252,679)
Transfer to legal reserves	-	-	-	480,420	-	(480,420)	-	-	-
At 31 December 2021	1,372,564	76,511,569	6,059,348	781,147	(8,587,980)	83,706,080	159,842,728	91,152,614	250,995,342

The notes on pages 21 to 140 are an integral part of these financial statements.

AXIAN TELECOM

**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**
Company

	Stated capital USD	Retained earnings/ (Accumulated losses) USD	Total USD
At 01 January 2020	9,350,734	(65,050,891)	(55,700,157)
Comprehensive income:			
Profit and total comprehensive income for the year	-	9,033,680	9,033,680
Total comprehensive income for the year	-	9,033,680	9,033,680
Issue of shares (Note 17)	108,039,040	-	108,039,040
At 31 December 2020	117,389,774	(56,017,211)	61,372,563
Comprehensive income:			
Profit and total comprehensive income for the year	-	104,693,447	104,693,447
Total comprehensive income for the year	-	104,693,447	104,693,447
Capital reduction (Note 17)	(56,017,210)	56,017,210	-
Share buy-back (Note 17)	(60,000,000)	-	(60,000,000)
Dividend declared (Note 37)	-	(52,000,000)	(52,000,000)
At 31 December 2021	1,372,564	52,693,446	54,066,010

The notes on pages 21 to 140 are an integral part of these financial statements.

**CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 USD	Group 2020 USD	Company 2021 USD	2020 USD
Cash flows from operating activities				
Cash generated from/(absorbed in) operations (Note 28)	272,905,079	161,802,475	12,070,335	(2,383,956)
Interest paid	(22,525,313)	(24,009,477)	(628,920)	-
Interest received	2,530,432	3,234,754	-	-
Taxation paid (Note 7(d))	(30,403,947)	(22,798,176)	(465,063)	-
Deposits receivable	-	692,519	-	-
Additional deposits	-	(37,669)	-	-
Net cash generated from/(used in) operating activities	222,506,251	118,884,426	10,976,352	(2,383,956)
Cash flows from investing activities				
Proceeds from sale of property, plant & equipment	259,643	14,159,431	-	-
Proceeds from sale of intangible assets	210,717	-	-	-
Purchase of property, plant and equipment (Note 8)	(130,816,199)	(96,199,347)	-	-
Acquisition of subsidiaries net of cash (Note 26)	(19,983,006)	2,087,001	-	-
Disposal of subsidiary, net of cash disposed (Note 40)	-	(37,573,509)	-	-
Shares buy back (Note 10)	-	-	17,640,930	-
Purchase of intangible assets (Note 9)	(16,986,384)	(19,320,391)	-	-
Proceeds received for capital reduction of investments (Note 11)	-	3,595,464	-	-
Dividend received (Note 42)	337,397	21,315	44,640,350	862,061
Treasury bonds matured (Note 32)	337,406	935,111	-	-
Purchase of financial assets at fair value through profit or loss (Note 31)	(5,000,000)	-	(5,000,000)	-
Disposal of financial assets at fair value through profit or loss	61,975	-	-	-
Buy back of shares by joint ventures (Note 11)	22,387,945	-	22,387,945	-
Dividend received from joint ventures (Note 11)	17,853,053	11,642,453	-	-
Loan granted to related parties (Notes 24(a) and (b))	(1,388,713)	-	(6,371,662)	-
Repayment made by related parties (Note 24(a))	11,741,365	-	-	-
Additional deposits (Note 36)	(133,457)	-	-	-
Deposits received (Note 36)	52,674	-	-	-
Deposits payable (Note 34)	5,937	-	-	-
Grants received (Note 22)	7,180,215	-	-	-
Net cash (used in)/generated from investing activities	(113,879,432)	(120,652,472)	73,297,563	862,061
Cash flows from financing activities				
Proceeds from issue of shares (Note 17)	-	108,039,040	-	108,039,040
Proceeds from disposal of shares (Note 10)	10	-	10	-
Amount received from related parties	-	-	-	1,103,423
Proceeds from borrowings	48,571,494	20,964,546	-	1,126,811
Repayment of borrowings	(74,501,852)	(138,664,824)	(17,882,747)	(108,039,040)
Repayment of lease liability (Note 25 (i))	(3,480,062)	(3,320,052)	-	-
Dividend paid (Note 37)	(34,566,406)	(15,885,109)	(30,313,727)	-
Net cash flow (used in)/generated from financing activities	(63,976,816)	(28,866,399)	(48,196,464)	2,230,234
Net increase/(decrease) in cash and cash equivalents	44,650,003	(30,634,445)	36,077,451	708,339
Effect of exchange rate on cash and cash equivalents	5,294,217	1,323,844	(337,021)	-
Cash and cash equivalents at beginning of year	62,007,768	91,318,369	725,580	17,241
Cash and cash equivalents at end of year (Note 15)	111,951,988	62,007,768	36,466,010	725,580

The notes on pages 21 to 140 are an integral part of these financial statements.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

Axian Telecom (the "Company") was incorporated as a private limited company on 20 June 2003 and is domiciled in the Republic of Mauritius. The Company holds a Global Business Licence under the Financial Services Act 2007 and is regulated by the Financial Services Commission. The Company's registered office is 10th Floor, Standard Chartered Tower, 19 CyberCity, Ebène, Republic of Mauritius.

The principal activity of the Company is to engage in investment holding activities primarily in the sectors of telecommunications. The Company also provide support services to its subsidiaries in Madagascar, Indian Ocean Islands and sub-Saharan African countries.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate financial statements (collectively referred to as the "financial statements") are set out below. These policies apply to the Group and the Company and have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements are prepared under the historical cost convention, except for financial instruments at fair value through profit or loss which are measured at fair value, are denominated in United States Dollars (USD) and in accordance with International Financial Reporting Standards (IFRS) and in compliance with the requirements of the Mauritian Companies Act 2001. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

In 2020, the Company sold MVOLA SA to a related company (Axian Financial Services Ltd). This removed their effect on the Group's performance from May onward in 2020. On 26 August 2021, Axian Telecom has acquired Axian Financial Services Ltd and its subsidiaries, which includes its subsidiary, MVOLA SA.

The principal accounting policies are set out below:

Going concern

In accordance with the requirements of IAS 1 Presentation of Financial Statements, the financial statements have been prepared on the going concern basis which assumes that the Group and the Company will continue in operational existence for the foreseeable future, unless the directors intend, or have no other realistic solution, than to liquidate the Group's entities or to cease their activities.

The Group and the Company has a net current liability of **USD 102,402,729** (2020: USD 220,474,757) and **USD 5,511,245** (2020: USD 30,120,111) respectively. The directors have made an assessment of the Group and the Company's ability to continue as a going concern based on the following factors:

At the date of signing the financial statements, management considers that there is sufficient liquidity to continue as a going concern for at least 12 months, taking into account the following:

- The Group's operations are cash generative and the nature of mobile services revenue (which makes up the majority of the Group's revenue) in the markets where the Group operates, is such that customers will generally prepay for their services through prepaid airtime and data bundles. The Group thus inherently has more favourable credit terms with its suppliers than it does with its customers and is able to manage cash resources effectively in order to ensure sufficient liquidity.
- The balance of deferred revenue of USD 26.9 million does not represent a cash liability in its entirety. The Group is obligated to deliver services in respect of billing made in advance but the cash cost of delivering those services is significantly lower than the balance of deferred revenue as at 31 December 2021.
- Included in current liabilities is a balance of USD 21.7 million related to dividends declared but not yet paid. While these are due to be paid in the short term, in the unlikely event that the group encounters liquidity issues, the sole shareholder will allow for the deferral of the dividend payment due.
- In February 2022, the Group issued \$420 million of 7.375% Senior Notes due 2027 (the "Notes"). It is expected that the group will have additional funds remaining from the issue of the Notes, to be used for general corporate purposes. Refer to subsequent events for more information.
- Subsequent to the year end, the Group also entered into a revolving credit facility which provides it with \$42.0 million of available credit, should the need arise. Refer to subsequent events for more information.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Going concern (continued)

- Based on the group cash flow forecast, EBITDA has been assumed to grow at 6.6%, excluding the impact of Tanzania acquisition. This is supported by revenue expansion arising from growth in demand for the product and services from the existing customer base, expansion of the customer base (underlined by strong market fundamentals with growing telecom penetration in all of the core markets) and expansion of highly synergetic business such as Mobile Financial Services ('MFS'). Strong operating cash flow generation is supported by efficient working capital with a majority of our revenues being prepaid and, a majority of our suppliers extending the Group favorable payment terms (30 to 90 days). Acquisition of subsidiaries has provided the Group with key services (bandwidth, data centers, management services, tower hosting) allowing the group to benefit from owner economics on these key telecommunication assets. To conclude the cash flow forecast remains conservative in nature and showcases ample room to address the short-term and long-term liabilities and capital expenditure needs.

Management has assessed current cash reserves and the availability of undrawn facilities and in the context of ongoing operational requirements and planned capital expenditure. In the context of current commitments and available liquidity, management believes that the going concern assumption remains appropriate.

Accordingly, the financial statements have been prepared on the going concern basis which assumes that the Group will continue in operational existence for the foreseeable future.

Basis of consolidation

The consolidated financial statements comprise the financial information of Axian Telecom (the "Company"). Refer to Note 10 for list of subsidiaries owned and controlled by Axian Telecom. The Company controls an entity when the latter is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. The total comprehensive income of subsidiaries is attributed to the owners of the Company and to non-controlling interests even if this results in a deficit balance for the latter.

Where necessary, adjustments are made to the financial information of the subsidiaries to bring its accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries is carried at cost less impairment. Any impairment in value is recognised by reducing the cost to the recognised value and charging the difference to profit and loss.

On disposal of an investment, the difference between the net disposal of proceeds and the carrying amount is charged or credited to profit or loss.

It is the policy of the Group to account for the disposal of subsidiaries within entities under common control in the same manner as disposal of subsidiaries with third parties. As such, the Group applies the guidance in IFRS 10 and recognise any gain or loss on disposal of subsidiaries within profit or loss.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under the equity method, the investment in a joint venture and associate is initially recognised at cost, which includes transaction costs. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The difference between the carrying amount and the recoverable amount is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

In the Company's separate financial statements, investment in joint ventures and associates is carried out at cost.

Business combination under common control

There is currently no guidance in IFRS on the accounting treatment for combinations among entities or businesses under common control.

Depending on the specific facts and circumstances surrounding a particular business combination under common control, management selects an appropriate accounting policy, and it applies that policy consistently from period to period to all business combinations under common control that are considered similar in nature. Management has a policy choice between acquisition accounting and predecessor accounting.

Based on the particular facts and circumstances, for similar transactions, management applies either acquisition accounting (similar to IFRS 3) or predecessor accounting. For business combination under common control that took place in the current and prior years, management has applied predecessor accounting to account for the business combination given that the transaction was not done at fair value and there were no non-controlling interests.

The principles of predecessor accounting are:

- Assets and liabilities of the acquired entity are stated at predecessor carrying values. Fair value measurement is not required.
- No new goodwill arises in predecessor accounting.
- Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is included in equity as part of reorganisation reserve.
- Any gains or losses arising upon disposal of subsidiaries are recognised in profit or loss.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and disclosures

(i) New and amended standards

While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements.

The new standards, amendments to existing standards and interpretations which are effective for the financial periods beginning on 01 January 2021 are not relevant to the Group and the Company and therefore have no effect on the Group and the Company.

	Effective Date
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021

(ii) New standards, amendments to existing standards and interpretations issued but not yet effective

Several new standards, amendments to existing standards and interpretations have been issued, but not yet effective, up to the date of issuance of the Group and the Company's financial statements. The Group and the Company have not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

None of the following new standards, amendments to existing standards and interpretations to standards are expected to have a significant impact on the Group's and the Company's financial statements.

- IFRS 17 - Insurance Contracts (*effective for accounting periods beginning on or after 01 January 2023*)
- Amendments to IAS 16 – Property, Plant & Equipment: Proceeds before intended use (*effective for accounting periods beginning on or after 01 January 2022*)
- Amendments to IFRS 3 – Reference to the Conceptual Framework – Amendments to IFRS 3 (*effective for accounting periods beginning on or after 01 January 2022*)
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract (*effective for accounting periods beginning on or after 01 January 2022*)
- Annual Improvements to IFRS Standards 2018-2020 (*effective for accounting periods beginning on or after 01 January 2022*)
- Amendments to IAS 8: Definition of Accounting Estimates (*effective for accounting periods beginning on or after 01 January 2023*)
- Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (*effective for accounting periods beginning on or after 01 January 2023*)
- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current (*effective for accounting periods beginning on or after 01 January 2023*)
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (*effective for accounting periods beginning on or after 01 January 2023*)

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Foreign currency translation**(a) Functional and presentation currency*

The individual financial information of the Group's entities is presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial information, the results and financial position of each entity are expressed in United State Dollars (USD) which is the functional currency of the Company and the presentation currency for the consolidated and separate financial statements.

(b) Transactions and balances

Transactions denominated in foreign currencies are translated into the measurement currency at the rates of exchange ruling at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Such balances are translated at year-end exchange rates.

- Group companies

The results and financial position of all the group entities that have a functional currency different from the functional and presentation currency of the Company, are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- (b) income and expenses for each statement of profit or loss and statement of other comprehensive income are translated at an average exchange rate (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- (c) share capital are stated at their historical value on the statement of financial position; and
- (d) all resulting exchange differences are recognised in other comprehensive income.

Revenue recognition

Revenue is within the scope of IFRS 15 "Revenue from Contracts with Customers".

The Group offers products and services on a standalone basis or as part of bundles. Revenue is recorded net of VAT and other taxes collected on behalf of the government.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those.

The Group carries out services for clients, with revenue recognised typically on an over time basis. This is because for such services rendered, the customer simultaneously receives and consumes the economic benefit provided by the Group's performance and the contracts would require payment to be received for the time and effort spent by the Group on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than the Group's failure to perform its obligations under the contract.

When revenue recognised in respect of a customer contract exceeds amounts received or receivable from a customer at that time, a contract asset is recognised. Contract assets will typically be recognised for handsets or other equipment provided to customers where payment is recovered by the Group via future service fees. If amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer, a deferred revenue (i.e) contract liability is recognised. For contracts containing significant financing components, the Group reduces revenue and recognises interest revenue over the period between satisfying the related performance obligation and payment.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

(i) Mobile services and fixed services

The Group offers fixed and mobile telephone services, fixed and mobile internet access services and content offers to its customers. Some contracts are for a fixed term (generally 12 or 24 months), while others may be terminated at short notice. Service revenue is recognised when the service is provided, based on usage (minutes of traffic, number of SMS or bytes of data processed) or the period (e.g monthly service costs). If the performance obligations of a contract are non-distinct, the revenue relating to the services offered is recognised on a linear basis over the term of the contract.

(ii) Revenue from interconnection, roaming and MVNO

Revenue comprise of operator billing on interconnections, call termination, international or national roaming and any other form of wholesale traffic resale (MVNO) to other telecommunications service providers. For contracts with operator customers, the price, volume and terms are defined in the contracts. The operator has a commitment to pay the amount as per the contract irrespective of actual traffic consumed over the contract period. Revenue is recognised over time as the services are provided over the term of contract.

(iii) Customer Equipment and Infrastructure

Revenue comprise of sale of equipment such as terminals, routers, solar kits, infrastructure and sale of other telecom & IT equipment to other telecommunications professionals. The Group offers equipment (primarily mobile phones) either separately or bundled with service offers. When sold separately, the amount invoiced is recognised in revenue once delivery of the products has occurred (at a point in time). When equipment is bundled with service offers, the Group recognises the equipment as revenue on delivery and service revenue is recognised over the contract period.

Revenue is allocated to each component in proportion to their individual selling prices. This is the case for bundled offers which includes a subsidised mobile phone, where the individual selling prices are calculated at the cost price plus a margin derived from market practices.

The revenue from sale of equipment is recognised at a point in time.

(iv) Equipment hosting, rental of sites and energy services

The Group also offers telecom equipment hosting and energy services. The Group buys and builds infrastructure that will then host telecom equipment and transmission equipment, all of which the Group designates under the umbrella term "telecom sites." The Group leases such telecom sites in strategic locations to telecom/audio-visual network operators with complementary energy supply, all while ensuring the proper management, maintenance and upkeep of the sites.

The revenue from equipment hosting and energy services is therefore recognised over time.

(v) Revenue from operator infrastructure services

Revenue from operator infrastructure services include income from backbone connectivity rental in any contractual form with Synchronous Transport Module (STM) or without (dark fiber) capacity offered. The services also comprise of rental of technical sites and accommodation of data processing equipment in technical rooms.

It also comprises of sales of bandwidth on certain telecommunications cable system.

The Group has contracts with customers and revenue is recognised in the accounting period in which the service is provided, which is overtime, hence over the duration of the contract with the customer.

(vi) Commission received on electronic money activities

Revenue for one of the subsidiaries, MVOLA SA comprise mainly of the commissions received on all of its cash transactions. They are calculated based on the official rates decided by management and displayed on the website of "MVola". The revenues are net of value added taxes.

Revenue is recognised as and when the service is provided, which is at a point in time.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

(vii) Revenue received from customers for use of trademark and licences

Trademark fees are derived from the use of the trademark and IP rights which are registered in Mauritius. A trademark fee is received based on the agreements between the parties. Revenue is recognised in the accounting period in which the service is rendered, which is over time.

Operating costs

Costs directly associated with generating revenues should be included under operating costs. Operating costs include direct material and labour costs but also indirect costs that can be directly attributed to generating revenue. The operating costs of the Group relates principally to costs of devices and equipments, cost of interconnection and roaming, telecom operator fees, satellite and optical fiber bandwidth charges, technical assistance fees, commission to sales agents, depreciation of property, plant and equipment, water and electricity charges and repairs and maintenance costs on technical sites. Operating costs are accrued in the period in which the services are provided, by reference to the stage of completion of the specific transaction as a proportion of the total services to be provided.

Segmental reporting

The Group presents segmental information using business segments as its primary reporting format and geographical segments as its secondary reporting format. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows;

Land is not depreciated. The annual rates are as follows.

Land and building	10 to 20 years
Technical equipment	3 to 20 years and 10% to 20%
Materials	5% to 10%
Others	2 to 10 years and 5% to 10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

(a) Licences

Licences acquired are recorded at cost, net of amortisation. Amortisation is calculated on a straight-line basis in order to spread the cost of licenses over their estimated useful life of 4 to 20 years. The amortisation period is reviewed annually and it can be modified if expectations differ from previous estimates.

(b) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

These costs are amortised over the estimated useful life of the software between 2 and 10 years.

(c) IRU

IRU acquired are recorded at cost, net of amortisation. Amortisation is calculated on a straight-line basis in order to spread the cost of licenses over their estimated useful life of 5 to 20 years. The amortisation period is reviewed annually and it can be modified if expectations differ from previous estimates.

Intangible assets of the Group include an advance payment for an IRU for a given bandwidth. It also consists of the Group's share of international bandwidth capacity on the METISS ("Melting pot indianoceanic submarine system") and EASSY ("Eastern African Submarine Cable System") submarine cable system following its participation in the consortium as from December 2020.

Impairment of property, plant and equipment and intangible assets

At the end of each reporting year, the Group reviews the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

An impairment loss is recognised in profit or loss, unless the relevant asset is carried at a revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised in profit or loss, unless the relevant asset is carried at a revalued amount, in which case, the reversal of the impairment loss is treated as a revaluation increase.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets

(i) Initial measurement of financial assets

Financial assets are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the financial instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets measured at fair value through profit or loss) are included in the fair value of the financial assets at initial recognition. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are immediately recognised in profit or loss.

(ii) Classification of financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Trade receivables, receivables from entities under common control, treasury bonds, cash and cash equivalents and restricted cash are held to collect contractual cash flows which consist of principal and, for some financial assets, interest. As such, the Group classifies these as financial assets at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). Investment in mutual funds and equity instruments are classified as financial assets at fair value through profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(iii) Impairment of financial assets

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. Under the expected credit loss model, the Group must recognise expected credit losses and changes in these losses at each balance sheet date in order to reflect changes in credit risk since the initial recognition of the financial assets. In other words, there is no longer a need for a credit-related event to occur before credit losses are recognised.

IFRS 9 requires that the Group measures a loss allowance for a financial instrument at an amount corresponding to the credit losses expected over the remaining life of the financial instrument if the credit risk associated with this financial instrument has increased significantly since its initial recognition, or if the financial instrument is an impaired financial asset upon its acquisition or creation (a lifetime ECL). For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). IFRS 9 also requires a simplified approach whereby the Group does not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. An entity is required to apply the simplified approach only for trade receivable, lease receivables and contract assets within the scope of IFRS 15 and that do not contain a significant financing component.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments more than a certain number of days (depending on the customer) past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

(iv) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group recognises its retained interests in the asset and an associated liability for amounts it may have to pay.

At the time of derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset and the sum of the consideration received or receivable as well as the cumulative profit or loss recognised in other comprehensive income and accumulated in equity is recognised in profit or loss. When derecognising only part of a financial asset (for example, if the Group retains an option authorising it to buy back part of a transferred asset), the Group breaks down the value previously accounted as financial asset between the part that it continues to recognise as part of its continuing involvement and the part that it no longer recognises, on the basis of the relative fair values of these parts at the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part derecognised and any cumulative profit or loss, which has been allocated to it and which has been recognised in other items of comprehensive income must be recognised in profit or loss.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group classifies its financial liabilities as financial liabilities subsequently measured at amortised cost. Financial liabilities that: i) do not constitute contingent consideration to be paid by an acquirer in a business combination, ii) are not held for trading, or (iii) are not designated as being at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial liabilities are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or equity. In this case, the tax is also recognised in other comprehensive income or equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred income tax assets are reassessed at the end of each reporting period and are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

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

Deferred income tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Long-term loan

Long-term loan is a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method (EIR), less any impairment losses. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in profit or loss.

Trade and other receivables

Trade and other receivables are initially recognised at original invoice amount and are subsequently carried at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised through profit or loss when the receivables are derecognised or impaired.

For trade receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of the reporting period. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are not met.

Cash and cash equivalents

For the purposes of presentation in the consolidated and separate statements of cash flows, cash and cash equivalents comprise cash-in-hand, cash at bank and bank overdrafts. Bank overdrafts are shown in current liabilities on the statement of financial position.

Restricted cash

Restricted cash represents funds for which the use is subject to restrictions.

Stated capital

Ordinary shares are classified as equity.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reorganisation reserves

For business combination involving entities under common control, the difference between the purchase consideration and fair value of assets acquired and liabilities assumed is taken to reorganisation reserve in equity. Common control occurs when a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Legal reserves

Under the " Code général des impôts ", the subsidiaries in Madagascar are required to transfer 5% of its profit/loss for the year to a legal reserve. This reserve should not exceed 10% of its stated capital, and is subject to approval in the annual meeting of shareholders.

Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when an entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provision for dismantling costs

The costs of dismantling and rehabilitating the sites, incurred as a result of the contractual obligation incumbent on the Group due to an immediate deterioration of the environment, are subject to a provision. This provision is evaluated on a statistical basis on the basis of the number of sites concerned, an average unit cost of rehabilitating sites, and assuming the average duration of the leases, a discount rate, and inflation. When a site is dismantled, the corresponding provision is resumed.

Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with the attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. More specifically, government grants, whose main condition is that the Group must purchase, construct or otherwise acquire non-current assets, are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of borrowings using the effective interest rate method.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

IFRS 16 requires that a liability related to the lease be recognised initially in relation to the present value of the outstanding lease payments, from the start to the end of the lease. The discount rate is the interest rate implicit in the lease contract. If this cannot readily be determined, the lessee's incremental borrowing rate is used instead, which in the case of the Group ranges between 3% and 9%. The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases are leases with a term of less than 12 months. Payments associated with all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise mainly small space and road stalls.

Dividend

The Group and the Company recognise a liability to pay dividend when the distribution is approved by the board of directors. A corresponding amount is recognised directly in equity.

Dividend income is recognised when the shareholder's right to receive payment is established.

Right-of-use of assets

The Group applies the model as per IFRS 16 in identifying whether a contract has a lease element. The Group considers whether it obtains control of an asset as part of the contract. Control exists if the customer has;

- The right to derive economic benefits from the use of the asset; and
- The right to direct the use of the asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are presented on the face of the consolidated statements of financial position and the lease obligations under lease liabilities in the consolidated statement of financial position. All lease payments that are outstanding within 12 months are classified as current liabilities and all lease payments exceeding 12 months are classified as non-current liabilities.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Goodwill

Goodwill is not subject to amortisation and is tested annually for impairment. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination. The cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if there is an indication that the unit may have suffered an impairment loss. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is first recorded as a reduction of the carrying amount of any goodwill allocated to the unit and is subsequently charged to other assets of the unit in proportion to the book value of each of the assets included in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefit obligations

The Group operates an unfunded defined benefit plan in Togo and in Mauritius.

In the Togocom Group, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of retirement benefit obligations is the present value of the defined benefit obligation at the end of the reporting period. As from 2021, the defined benefit obligation is calculated annually by an actuary based on the gross salary and according to the length of service of the employee in the company. Prior to 2021, the defined benefit obligation was being calculated by the Group Togocom. The calculation method is defined according to Article 114 of Togo Telecom's Staff Regulations dated December 30, 2009. There is no legal obligation in Togo to contribute in a pension plan.

In Mauritius, the employees were not initially covered by a pension plan. As such, as from 2021, the net present value of gratuity on retirement benefit payable under the Worker's Rights Act 2019 has been calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

Expense recognition

Expenses are accounted for on the accrual basis.

Fair values

IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. As a matter of principle, the Group does not enter into derivative contracts for speculative purposes. Risk management is carried out under policies approved by the Board of Directors of the Group and of relevant subsidiaries. The Board of Directors identifies, evaluates and manages financial risks in cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as for specific areas such as foreign exchange risk, interest rate risk and credit risk. The Group treasury is responsible for managing the Group's exposure to financial risk within the policies set by the Board of Directors.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Categories of financial instruments

	2021 Financial assets at amortised cost USD	Group 2020 Financial assets at amortised cost USD	2021 Financial assets at amortised cost USD	Company 2020 Financial assets at amortised cost USD
Deposits receivable	2,628,252	2,637,664	-	-
Treasury bonds	2,392,521	2,938,256	-	-
Loans receivable	5,862,653	5,902,332	-	-
Trade and other receivables	126,693,025	314,183,381	121,419,203	66,919,753
Cash and cash equivalents	134,506,254	71,062,413	36,466,092	725,586
Restricted cash	82,199,911	23,540,884	-	-
Total	354,282,616	420,264,930	157,885,295	67,645,339
	=====	=====	=====	=====
	2021 Financial asset at fair value through profit or loss USD	Group 2020 Financial assets at fair value through profit or loss USD	2021 Financial assets at fair value through profit or loss USD	Company 2020 Financial assets at fair value through profit or loss USD
Mutual funds and securities	1,008,883	1,155,561	-	-
Venture capital funds	4,858,500	-	-	-
Total	5,867,383	1,155,561	-	-
	=====	=====	=====	=====
	2021 Financial liabilities at amortised cost USD	Group 2020 Financial liabilities at amortised cost USD	2021 Financial liabilities at amortised cost USD	Company 2020 Financial liabilities at amortised cost USD
Borrowings	346,478,536	291,259,177	211,557,490	60,284,919
Lease liability	51,253,868	37,999,618	-	-
Trade and other payables	319,793,045	471,535,996	16,418,475	37,033,230
Bank overdraft	22,554,266	9,054,645	82	6
Deposits payable	6,073,969	6,563,132	-	-
Dividend payable	21,690,698	-	21,686,273	-
Deposits from customers	695,993	-	-	-
Total	768,540,375	816,412,568	249,662,320	97,318,155
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Categories of financial instruments (continued)

Group

Trade and other receivables exclude prepayments of **USD 15,296,217** (2020 – USD 10,825,922) and VAT receivable and amount receivable from authorities of **USD 29,605,979** (2019 – USD 14,829,595).

Trade and other payables exclude deferred revenue of **USD 43,440,625** (2020 – USD 45,649,031), VAT payable and amount payable to authorities of **USD 64,669,970** (2020 – USD 66,523,054)

Company

Trade and other receivables exclude prepayments of **USD 301,217** (2020 – USD 17,768).

(a) Market risk

(i) Foreign exchange risk

Company

	Financial assets USD	2021 Financial liabilities USD	Financial assets USD	2020 Financial liabilities USD
EUR	71,858,472	78,746,437	38,458,232	39,927,781
United States Dollar	86,026,823	170,915,883	29,187,107	57,390,374
Total	157,885,295	249,662,320	67,645,339	97,318,155

Group

The Group's activities expose them primarily to the financial risks of changes in foreign currency exchange rates.

The assets and liabilities denominated in foreign currency are tabled below.

	Financial assets USD	2021 Financial liabilities USD	Financial assets USD	2020 Financial liabilities USD
CFA Franc	134,899,619	313,910,814	142,398,198	364,248,612
United States Dollar	17,915,555	120,185,605	32,367,226	134,252,726
Malagasy Ariary	137,269,336	165,533,775	59,206,673	146,441,681
Euro	68,613,649	166,862,755	186,613,814	171,435,002
Others	1,451,840	2,047,426	834,580	34,547
Total	360,149,999	768,540,375	421,420,491	816,412,568

At 31 December 2021, if the United States Dollar ("USD") had strengthened by 5% against the Malagasy Ariary, with all other variables held constant, profit before income tax for the Group would have been higher by **USD 1,413,222** (2020 – USD 4,361,750).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Categories of financial instruments (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

At 31 December 2021, if the United States Dollar ("USD") had strengthened by 5% against the Euro, with all other variables held constant, profit before income tax for the Group would have been lower by **USD 4,912,455** (2020 – USD 758,941).

At 31 December 2021, if the United States Dollar ("USD") had strengthened by 5% against the CFA Franc, with all other variables held constant, profit before income tax for the Group would have been higher by **USD 8,950,560** (2020 – USD 11,092,521).

(ii) Interest rate risk

The Group and the Company do not have significant assets and liabilities that have a variable rate of interest. They are thus not subject to interest rate risk.

(iii) Price risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The Group is exposed to equity securities under mutual funds price risk because investments held by the Group have been classified at fair value through profit or loss, for which future fair values are dependent on a number of factors, including market volatility. The risk arising from changes in the value of equity securities is managed by regular monitoring of the performance of the investment through information available to management.

Sensitivity analysis

Pre-tax profit for the year, including the Group's equity, would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss.

The table below summarises the impact of increases/decreases of the share price on the Group's pre-tax profit for the year and its equity. The analysis is based on the assumption that the equity prices had increased/decreased by 1% with all other variables held constant:

	2021	Group	2021	Company
	Effect on pre-tax profit and equity	2020	Effect on pre-tax profit and equity	2020
	USD	Effect on pre-tax profit and equity	USD	Effect on pre-tax profit and equity
		USD		USD
Increase in share price	9,638	10,424	-	-
Decrease in share price	(9,638)	(10,424)	-	-

(b) Credit risk

The Group's credit risk is primarily attributable to its trade receivables, other receivables and receivables from entities under common control. The amounts presented in the statement of financial position are net of allowances for credit losses, estimated by the Group's management based on prior experience and the current economic environment.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

The Group's exposure and credit balances from counterparties are continuously monitored by the credit risk department. The credit risk for trade receivables is generally limited due to the customer base being large and unrelated in conjunction with stringent credit approval processes by the credit risk department. Credit risk for restricted cash and cash and cash equivalents is managed by placing these with high credit quality financial institutions. Credit risk relating to receivables from entities under common control is managed through regular monitoring and review of the related parties financial position and financial support available from the shareholders.

Amount receivables from entities under common control are carried at amortised cost and are also subject to the expected credit loss model. The Group applies the general approach for assessing impairments on amount receivables from entities under common control.

The general model requires recognising impairment losses in line with the stage of the financial asset and if there is no significant increase in credit risk (SICR), the loss allowance is based on 12-months ECL, alternatively the loss allowance is based on lifetime ECL. ECLs are probability weighted averages of credit losses with the respective defaults occurring as the weights.

Three elements are taken into account:

- Probability of default (PD) - is the percentage likelihood of that the borrower will not be able to repay its debt within some period.
- Loss given default (LGD) - is the percentage that could be lost in the event of a default by the borrower not paying its debt (principal and interest).
- Exposure at default (EAD) - is the outstanding balance of the loan - how much the Group is owed at statement of financial position date.

There is a rebuttable presumption that if a loan is more than 30 days past due, there has been a significant increase in credit risk. Most amount receivables from entities under common control have no fixed repayment terms. If the amount receivables from entities under common control is in stage 1-a fully performing, healthy asset, then the loss allowance can be calculated at 12-month ECL. We therefore applied a PD*LGD*EAD (probability weighted) methodology for calculating the expected credit loss under IFRS 9. A weighted average PD rate was computed based on a probability weighted outcomes approach. We considered the most likely scenario if the loan is not repaid.

The Group has considered qualitative factors when assessing whether or not there has been a SICR such as adverse forecasts on the counter-parties operating results and lack of financial support from the shareholder. On adopting a 'repay over time' strategy for the expected recovery in determining ECLs, loans or receivable amounts could be repaid over time in a number of ways, including, but not limited to:

- adjustment in dividends declared upstream;
- guaranteed financial support/support from the ultimate beneficial owner of the entities under common control

Under a 12-month ECL scenario, the impairment loss should be limited to the effect of discounting the amount due on the loan or receivable balance at the effective interest rate (present value). Since the effective interest rate is 0% (given that most receivable balances are repayable on demand), and all strategies indicate that the company would fully recover the outstanding receivable balances, discounting would have no impact on ECLs.

Therefore, ECL on amount receivables from entities under common control is not considered to be material.

ECL is considered to be minimal given the financial support that has been guaranteed by the ultimate beneficial owner of the relates entities under common control.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss. The provisions are based on days past due for the debtors. In determining the provision matrix, no segregation has been made among the debtors due to their homogeneity. The calculation reflects the probability-weighted outcome that is available at the reporting date about past events, current conditions and future economic conditions. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of the country in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Generally, trade receivables are written-off if past due for more than one year except for customers with special credit agreement.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

The information about the ECLs on the Group's trade and other receivables is disclosed in note 12.

The Group's trade and other receivables exposure to credit risk is set out below:

<u>31 December 2021</u>	Total	Current	>30 days	>90 days	> 180 days
	USD	USD	USD	USD	USD
<i>Expected credit loss rate</i>		0%	0%	10%	69%
Carrying amount					
Trade and other receivables	124,528,343	10,797,753	17,799,548	9,979,247	85,951,795
Expected credit loss	23,197,042	-	-	980,628	22,216,414
<u>31 December 2020</u>	Total	Current	>30 days	>90 days	> 180 days
	USD	USD	USD	USD	USD
<i>Expected credit loss rate</i>		0%	0%	5%	46%
Carrying amount					
Trade and other receivables	199,889,466	20,242,914	41,775,161	17,610,869	120,260,522
Expected credit loss	24,233,768	-	-	900,633	23,333,135

The Group is exposed to credit risk given that it sells on credit to various clients from various countries. Credit sale is made only after evaluation of the financial position of the respective clients. Details regarding such credit risk are given in note 12 of these financial statements.

The information about the ECLs on the Group's loans receivable is disclosed in note 14.

The Group's loans receivable exposure to credit risk is set out below:

<u>31 December 2021</u>	Total	Current	>30 days	>90 days	> 180 days
	USD	USD	USD	USD	USD
<i>Expected credit loss rate</i>		0%	0%	10%	69%
Carrying amount					
Trade receivables	5,586,469	5,465,118	121,351	-	-
Expected credit loss	348,842	341,318	7,524	-	-

The Group is further exposed to credit risk given that it provides loans on credit to various clients as from 16 October 2021. Loan is provided only after evaluation of the financial position of the respective clients. Details regarding such credit risk are provided under note 14 of these financial statements.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet their financial obligations as they fall due. The Group manages the liquidity risk or future cash flows on the basis of sales estimates. The Group may also draw funding from the shareholders and financial institutions if required.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group

	Less than 1 year USD	Between 1 and 2 years USD	Between 2 and 5 years USD	More than 5 years USD	On demand	Total USD
At 31 December 2021						
Trade and other payables	249,497,958	31,940,561	28,083,701	9,241,171	1,029,656	319,793,047
Borrowings	184,595,588	60,857,976	154,793,053	27,206,444	34,567	427,487,628
Lease liability	8,393,468	13,697,585	19,463,969	16,981,802	-	58,536,824
Bank overdraft	22,554,266	-	-	-	-	22,554,266
Deposits payable	-	-	-	6,073,969	-	6,073,969
Deposits from customers	695,993	-	-	-	-	695,993
Dividend payable	21,690,698	-	-	-	-	21,690,698
	<u>487,427,971</u>	<u>106,496,122</u>	<u>202,340,723</u>	<u>59,503,386</u>	<u>1,064,223</u>	<u>856,832,425</u>

	Less than 1 year USD	Between 1 and 2 years USD	Between 2 and 5 years USD	More than 5 years USD	Total USD
At 31 December 2020					
Trade and other payables	387,874,887	76,510,516	6,215,593	935,000	471,535,996
Borrowings	120,189,509	55,788,770	134,527,410	31,213,306	341,718,995
Lease liability	5,679,181	5,515,985	14,310,863	14,835,981	40,342,010
Bank overdraft	9,054,645	-	-	-	9,054,645
Deposits payable	6,563,132	-	-	-	6,563,132
	<u>529,361,354</u>	<u>137,815,271</u>	<u>155,053,866</u>	<u>46,984,287</u>	<u>869,214,778</u>

Company

	Less than 1 year USD	Between 1 and 2 years USD	Between 2 and 5 years USD	More than 5 years USD	Total USD
At 31 December 2021					
Trade and other payables	16,418,475	-	-	-	16,418,475
Borrowings	217,652,194	6,094,704	18,300,809	6,094,704	248,142,411
Bank overdraft	82	-	-	-	82
Dividend payable	21,686,273	-	-	-	21,686,273
	<u>255,757,024</u>	<u>6,094,704</u>	<u>18,300,809</u>	<u>6,094,704</u>	<u>286,247,241</u>
At 31 December 2020					
Trade and other payables	37,033,230	-	-	-	37,033,230
Borrowings	62,216,614	-	-	-	62,216,614
Bank overdraft	6	-	-	-	6
	<u>99,249,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,249,850</u>

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair values

Except where stated elsewhere, the carrying amounts of the Group's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved. The fair values of mutual funds, which are traded in active markets, have been arrived at using the quoted bid prices at the reporting date. The fair values of equity securities have been arrived using the net asset value of the investee companies at the reporting date. The following table presents the Group's assets as at 31 December 2021 and 31 December 2020:

Group	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
At 31 December 2021				
Financial assets at fair value through profit or loss:				
- Mutual funds	963,840	-	-	963,840
- Equity securities	-	-	45,043	45,043
- Venture capital funds	-	-	4,858,500	4,858,500
Total assets	963,840	-	4,903,543	5,867,383
At 31 December 2020				
Financial assets at fair value through profit or loss:				
- Mutual funds	1,042,441	-	-	1,042,441
- Equity securities	-	-	113,120	113,120
Total assets	1,042,441	-	113,120	1,155,561
Company				
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
At 31 December 2021				
Financial assets at fair value through profit or loss:				
- Venture capital funds	-	-	4,858,500	4,858,500
Total assets	-	-	4,858,500	4,858,500

The Company did not hold any financial assets at fair value through profit or loss at 31 December 2020.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust dividend payments to its shareholder, return capital to its shareholder or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities (including current and non-current borrowings and lease liabilities) as shown on the statement of financial position less cash and cash equivalents. Loans payable to shareholder of USD 126,742,085 (2020: USD 39,927,781) have been excluded from total borrowings given that the Group's and Company's obligations towards its shareholder have been subordinated to its obligations in respect of the notes and the Revolving Credit facility pursuant to the terms of subordination deeds entered into between, amongst others, the shareholder and the Company. Total capital is calculated as equity as shown on the statement of financial position, plus net debt.

As at 31 December 2021 and 2020 the gearing ratios were as follows:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
Total borrowings	270,990,319	289,331,014	84,815,405	20,357,138
Less: cash and cash equivalents (Note 15)	(111,951,988)	(62,007,768)	(36,466,010)	(725,580)
Net debt	159,038,331	227,323,246	48,349,395	19,631,558
Total equity	250,995,342	237,044,538	54,066,010	61,372,563
Total capital	410,033,673	464,367,784	102,415,405	81,004,121
Gearing ratio	39%	49%	47%	24%

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4 ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are set out below. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgement

The Group makes estimates and judgement concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Significant judgements

- Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Recoverability of deferred tax assets have been assessed for each subsidiary based on the forecasted taxable profit to be generated during the future financial periods.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. At 31 December 2021 and 2020, the status of unused tax losses of the Group was as follows:

	2021		
	Recognised USD	Unrecognised USD	Total USD
Tax losses	59,993,497	3,494,790	63,488,287
	2020		
	Recognised USD	Unrecognised USD	Total USD
Tax losses	66,909,050	2,879,078	69,788,128

Management has assessed the potential impact of an increase in future taxable profits and concluded that same would lead to an increase in the amount of deferred tax asset recognised for the Group.

Deferred tax assets of **USD 16,198,244** (2020: USD 18,065,444) has been recognised on the full tax losses carried forward of Togocom Group at 31 December 2021.

The assumption that is considered to be the main driver in the cash flow projection is mainly the gross profit margin.

The Directors and management have considered and assessed the impact of 10% change in gross profit margin and has concluded that even a decrease in 10% gross profit margin would not have an impact on the deferred tax assets recognised on the tax losses.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4 ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical accounting estimates

- Impairment of trade and other receivables

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors, other receivables and the economic environment.

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in note 3 (b).

The total amount of the provision for the Group is **USD 23,197,042** at 31 December 2021 (2020 – USD 24,233,768).

Management has assessed the impact of an increase of 0.5% in loss rate on the Group expected credit loss and concluded that this will not materially increase the expected credit loss as illustrated below:

	2021 USD	2020 USD
Increase in expected credit loss following an increase in loss rate of 0.5%	622,642	999,447

- Impairment of loans receivable

For loans receivables from clients, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's loans receivable is disclosed in note 3 (b).

The total amount of the provision for the Group is **USD 348,842** at 31 December 2021 (2020 – USD Nil).

Management has assessed the impact of an increase of 0.5% in loss rate on the Group's expected credit loss and concluded that this will not materially increase the expected credit loss as illustrated below:

	2021 USD	2020 USD
Increase in expected credit loss following an increase in loss rate of 0.5%	27,932	-

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4 ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical accounting estimates

- Impairment of goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2020 reporting period, the recoverable amounts of the cash-generating units (CGUs) were determined based on fair value less cost to sell models. The recoverable amounts of the CGUs as at 31 December 2021, were determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in the industry reports specific to the industry in which the CGU operates.

Such estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions to which the value-in-use calculations are most sensitive are:

- discount rates,
- gross margins, and
- terminal growth rates

Refer to note 33 for the key assumptions used in the value-in-use calculation for material goodwill balances and sensitivity analysis.

- Impairment of investments in subsidiaries and joint ventures

The Group performs an annual review of the value of its investments in subsidiaries and joint ventures for indicators of impairment. The review is performed by comparing the equity value of the Group's percentage holding in the subsidiaries and joint ventures to the carrying amount thereof at the end of the financial year. The equity value of the subsidiaries and joint ventures are calculated using discounted cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in the industry reports specific to the industry in which the joint venture or associate operates. The value of net debt is then deducted from the result of the discounted cash flow projections.

The key assumptions to which the value-in-use calculations are most sensitive are:

- discount rates,
- gross margins, and
- terminal growth rates

The below table reflects the key assumptions used in the calculations for material subsidiaries and joint ventures for the year ended 31 December 2021, for which an impairment indication has been noted:

	Axian Financial Services Ltd Group (Subsidiary)	Telecom Comores Holdings Ltd (Joint venture)	Maya Africa Holding Ltd (Joint venture)	Telecom Reunion Mayotte (Joint venture)
Discount rates	20.2%	10.8%	10.0%	9.0%
Gross margins	Between 44.9% and 48.8%	Between 63.5% and 71.9%	Between 52.4% and 63.8%	Between 61.5% and 66.5%
Terminal growth rates	3.2%	1.0%	1.0%	1.0%

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4 ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical accounting estimates (continued)

- Impairment of investments in subsidiaries and joint ventures (continued)

Management have considered and assessed reasonably possible changes for key assumptions and concluded that none would give rise to an indicator of impairment. The changes that would cause the carrying amount to exceed the equity value resulting in an indicator of impairment are set out below:

	Axian Financial Services Ltd Group (Subsidiary)	Telecom Comores Holdings Ltd (Joint Venture)	Maya Africa Holding Ltd (Joint venture)	Telecom Reunion Mayotte (Joint venture)
Percentage (%) rise in discount rate (pp)	1.7%	35.0%	5.6%	7.8%
	Decrease on average by	Decrease on average by	Decrease on average by	Decrease on average by
Gross margin (excluding depreciation and amortisation)	24.5% over 5 years	27.4% over 5 years	11.5% over 5 years	16.9% over 5 years
	Decrease to	Decrease to	Decrease to	Decrease to
Decrease in terminal growth rate	3.1%	less than 0%	less than 0%	less than 0%

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5 OPERATING COSTS

	2021 USD	Group Restated 2020 USD	2021 USD	Company Restated 2020 USD
Cost of equipment: Devices and other related costs	5,478,687	6,451,690	-	-
Provision for inventories of devices	(118,839)	(684,869)	-	-
Prepaid cards and accessories	3,520,909	(782,486)	-	-
Cost of devices and equipments	8,880,757	4,984,335	-	-
Interconnection fees	17,808,710	18,370,254	-	-
Roaming (paid to service providers or clearing houses)	516,495	788,079	-	-
Cost of interconnection and roaming	18,325,205	19,158,333	-	-
Telecom operator fee/Regulatory	14,666,826	12,103,292	-	-
Frequency fees	7,917,768	8,083,996	-	-
Government and regulatory costs	22,584,594	20,187,288	-	-
Advertising and distribution costs	3,821,861	3,653,026	-	-
Commissions to sales agents	38,283,712	27,290,027	-	-
Impairment of loans to clients (Note 14)	350,935	-	-	-
Loss allowance on trade receivables (Note 12)	260,436	103,308	-	-
Impairment of other financial assets (Note 12)	68,547	130,303	-	-
Net impairment losses on financial assets	679,918	233,611	-	-
Transmission fees	5,125,380	508,238	-	-
Satellite and optical fibre bandwidth charges	1,966,415	856,846	-	-
Site energy	13,273,627	13,522,262	-	-
Repairs and maintenance (Technical site)	12,842,903	7,828,114	-	-
Professional fees: Technical	687,962	1,770,747	-	-
Rental expenses for short term and low value leases - Technical sites	376,119	932,871	-	-
Maintenance of materials, software and network	8,997,735	10,110,812	-	-
Technology operation costs	43,270,141	35,529,890	-	-

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5 OPERATING COSTS (CONTINUED)

	2021 USD	Group Restated 2020 USD	2021 USD	Company Restated 2020 USD
Payroll and social charges	50,314,154	36,383,111	6,916,839	4,016,075
Travel Expenses	2,026,140	1,576,726	-	-
Training	298	-	-	-
Provision for retirement benefit obligations (Note 35)	-	-	656	-
Staff costs	52,340,592	37,959,837	6,917,495	4,016,075
Office supply	468,386	482,707	-	-
General IT expenses	4,021,456	4,196,212	20,454	136,289
Bank charges	3,741,919	2,821,085	13,750	5,549
Communication & postal charges	1,201,006	1,277,889	131	-
Vehicles costs	511,266	796,766	-	-
Rental charges (Non-technical)	2,313,900	1,912,330	210,010	30,494
Subcontracting charges	1,676,125	611,762	-	-
Water and electricity	1,431,342	580,560	-	-
Insurance charges	1,738,767	2,382,570	-	-
Repairs and maintenance: Non-technical	142,881	271,050	-	-
General costs: Security and cleaning	6,587,400	7,540,768	-	-
Taxes (other than income tax)	7,330,901	7,409,383	-	-
Loss on disposal of property, plant and equipment	20,728	105,164	-	-
Loss on disposal of intangibles	-	-	-	-
Provision for litigation (Note 23(ii))	4,468,149	1,893,564	-	-
Provision for short-term risks on operating activities	-	921,163	-	-
Licence fees	11,063	11,486	2,250	2,250
Penalties	2,626,486	8,993	-	-
Reversal of the debt waiver obtained	2,008,860	-	-	-
Rechargeable expenses	2,022,286	755,844	1,663,396	755,844
Other charges	1,716,320	4,568,341	288,841	347
Other operating expenses	44,039,241	38,547,637	2,198,832	930,773
Bad debts written off	516,607	177,625	-	-
Amount receivable written off	17,444,488	-	-	-
Derecognition of financial assets	17,961,095	177,625	-	-

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5 OPERATING COSTS (CONTINUED)

	2021 USD	Group Restated 2020 USD	2021 USD	Company Restated 2020 USD
Professional fees: Non-technical	14,604,819	15,848,976	7,285,165	1,177,134
Audit fees	2,918,054	1,813,089	9,430	43,225
Directors fees	224,751	7,304	45,250	3,825
Administrative charges	43,237	33,257	4,069	3,000
Technical assistance	540,700	14,330,702	320,909	1,312,321
Global treasury fees	1,683,268	1,344,409	840,000	840,000
General & management fees	614,178	7,281,478	840,000	840,000
Professional fees	20,629,007	40,659,215	9,344,823	4,219,505
Depreciation of property, plant & equipment (Note 8)	95,987,382	102,117,153	-	-
Amortisation of intangible assets (Note 9)	8,005,896	7,108,396	-	-
Depreciation of right-of-use assets (Note 25(ii))	8,306,213	4,096,760	-	-
Depreciation and amortisation	112,299,491	113,322,309	-	-
Impairment of property, plant and equipment (Note 8)	291,764	-	-	-
Impairment of intangible assets (Note 9)	121,055	-	-	-
Impairment of inventory	(4,513,299)	8,915,793	-	-
(Reversal of impairment)/ Impairment of non-financial assets	(4,100,480)	8,915,793	-	-
Loss/(gain) on financial assets at fair value through profit or loss (Note 31)	141,500	(32,576)	141,500	-
Total operating costs	379,156,634	350,586,350	18,602,650	9,166,353

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

6 FINANCE COSTS – NET

	2021 USD	Group Restated 2020 USD	2021 USD	Company Restated 2020 USD
Finance income				
Exchange gain	14,993,929	10,183,660	7,063,257	4,578,440
Interest income	2,707,474	3,234,754	2,003,688	1,704,500
Reversal of provision for short term risk on financing activities (Note 23 (iv))	3,148	-	-	-
Other finance income	7,202,754	6,720,820	-	-
	<u>24,907,305</u>	<u>20,139,234</u>	<u>9,066,945</u>	<u>6,282,940</u>
Finance costs				
Exchange loss	(24,689,286)	(21,012,603)	(6,981,506)	(4,770,351)
Interest expense on bank loan	(17,499,647)	(17,383,608)	-	-
Interest on loans payable to shareholders (Note 24(d))	(3,375,989)	(1,773,139)	(2,913,470)	(1,773,139)
Interest on amount payable to shareholders	-	(469,813)	-	-
Interest on loans payable to entities under common control (Note 24 (d))	(11,453)	(2,881,699)	-	(2,874,958)
Interest on amount payable on entities under common control	(52,264)	(306,720)	-	-
Interest on bank overdraft	(634,043)	(1,954,947)	-	-
Interest on other borrowings	(630,047)	(417,183)	-	-
Interest expense on provision for dismantling cost (Note 23(i))	(2,715,149)	(2,229,782)	-	-
Finance costs on IRU	-	(1,823,288)	-	-
Finance costs on lease liability (Note 25 (ii))	(3,526,646)	(3,084,208)	-	-
Interest expense on unwinding of discounted deferred revenue	(973,403)	(89,478)	-	-
Other finance costs	(3,474,444)	(6,238,668)	-	-
	<u>(57,582,371)</u>	<u>(59,665,136)</u>	<u>(9,894,976)</u>	<u>(9,418,448)</u>
Finance costs – Net	<u>(32,675,066)</u>	<u>(39,525,902)</u>	<u>(828,031)</u>	<u>(3,135,508)</u>

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

7 INCOME TAX

(a) Income tax expense

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.

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
Income tax expense				
Actual income tax (Note 7(d))	32,510,534	29,144,987	3,682,036	1,232,254
Withholding tax	1,593,335	-	403,670	-
Deferred tax charge (Note 7(b))	(7,223,013)	(28,885,991)	-	-
	<u>26,880,856</u>	<u>258,996</u>	<u>4,085,706</u>	<u>1,232,254</u>

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

7 INCOME TAX (CONTINUED)

(b) Deferred tax

The change in deferred tax is set out below:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	31,883,221	904,177	-	-
Credit to profit or loss (Charge)/credit to other comprehensive income	7,223,013 (2,619,219)	28,885,991 2,093,053	-	-
At 31 December	<u>36,487,015</u>	<u>31,883,221</u>	<u>-</u>	<u>-</u>

The movement in deferred tax is as follows:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
Deferred tax assets (i)	36,514,957	31,913,442	-	-
Deferred tax liability (ii)	(27,942)	(30,221)	-	-
	<u>36,487,015</u>	<u>31,883,221</u>	<u>-</u>	<u>-</u>

(i) Deferred tax assets

The movement in deferred tax assets is set out below:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	31,913,442	904,177	-	-
Credit to profit or loss (Charge)/credit to other comprehensive income	7,223,013 (2,621,498)	28,914,110 2,095,155	-	-
At 31 December	<u>36,514,957</u>	<u>31,913,442</u>	<u>-</u>	<u>-</u>

The deferred tax assets expected to be recovered within the next 12 months is USD 11,710,880 (2020: USD 8,305,053) and after 12 months is USD 24,804,077 (2020: USD 23,608,389).

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

7 INCOME TAX (CONTINUED)

(b) Deferred tax (continued)

(i) Deferred tax assets (continued)

The deferred tax assets for the Group are due to the following temporary differences:

	For the year ended		Movement for year 2021		Movement for year 2020	
	2021 USD	2020 USD	Credit to profit or loss USD	Charge to OCI USD	Credit to profit or loss USD	Credit to OCI USD
Provision for impairment	6,853,047	7,717,738	(295,877)	(568,814)	7,181,211	536,527
Provision for litigations	1,160,655	1,135,293	115,489	(90,127)	1,056,369	78,924
Provision for retirement benefit obligations	616,373	896,524	(221,551)	(58,600)	834,199	62,325
Provision for depreciation on property, plant and equipment and intangible assets	4,600,866	1,001,924	3,824,318	(225,376)	932,272	69,652
Other provisions	2,277,314	1,708,737	725,856	(157,279)	1,589,946	118,791
Tax losses carried forward	16,198,244	18,065,444	(525,639)	(1,341,561)	16,809,558	1,255,886
Provision for slow moving inventories	4,808,458	1,387,782	3,600,417	(179,741)	510,555	(26,950)
	36,514,957	31,913,442	7,223,013	(2,621,498)	28,914,110	2,095,155

At the end of the reporting period, the Group has unused tax losses of **USD 63,488,287** (2020: USD 69,788,128). As of 31 December 2021, a deferred tax asset has been recognised on the Group's tax losses carried forward of **USD 59,993,497** (2020: USD 66,909,050). The Group has concluded that the tax losses carried forward will be recoverable using the estimated future taxable profits based on the approved business plans and cash flow projections for Togocom and its subsidiaries. The subsidiaries are expected to generate taxable profits from 2022 onwards.

The Company does not have any tax losses carried forward for the years ended 31 December 2021 and 31 December 2020.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

7 INCOME TAX (CONTINUED)

(b) Deferred tax (continued)

(ii) Deferred tax liability

The movement in deferred tax liability is set out below:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	30,221	-	-	-
Charge to profit or loss (Credit)/charge to other comprehensive income	-	28,119	-	-
	(2,279)	2,102	-	-
At 31 December	27,942	30,221	-	-

(c) Tax reconciliation

A reconciliation between the actual income tax and the applicable statutory tax is as follows:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
Profit before income tax	114,296,477	51,880,453	108,779,153	10,265,934
Tax calculated at domestic tax rates applicable to profits in the respective countries (2021: 15%, 2020: 15%)	17,144,472	7,782,068	16,316,873	1,539,890
Tax effects of:				
Non-allowable expenses*	9,425,021	13,649,727	1,956,611	706,783
Exempt income**	(10,615,079)	(14,313,466)	(15,921,033)	(1,014,419)
Expenses attributable to exempt income	3,742,336	-	1,733,255	-
Dividend of joint venture not recognised in the statement of profit or loss	2,656,774	-	-	-
Tax credit	(407,252)	(4,220,021)	(403,670)	(767,191)
Utilisation of previously unrecognised tax losses	(32,712)	-	-	-
Irrecoverable tax credit	-	2,838,361	-	-
Withholding tax	1,593,335	767,191	403,670	767,191
Share of profit of joint ventures	(3,366,318)	(1,558,698)	-	-
Effect of using different tax rate	6,431,740	1,512,769	-	-
Recognition of unrecognised deferred tax	-	(7,300,009)	-	-
Deferred income tax asset not recognised	838,221	1,101,922	-	-
Over-provision in previous year	(615,591)	(974)	-	-
Minimum tax	85,909	126	-	-
Income tax expense	26,880,856	258,996	4,085,706	1,232,254

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

7 INCOME TAX (CONTINUED)

(c) Tax reconciliation (continued)

*Non-allowable expenses include mainly depreciation of property, plant and equipment, amortisation of intangible assets and right-of-use assets, loss allowance on trade receivables, penalties, loan and interest receivable written off and other provisions made during the year.

**Exempt income includes mainly revenue from sale of bandwidth, general administration and management fees, dividend income and reversal of provisions.

(d) Tax payable

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	7,392,793	1,449,749	465,063	-
Acquisition through business combination (Note 26)	682,282	260,320	-	-
Disposal of subsidiary	-	(323,759)	-	-
Charge during the year	32,510,534	29,144,987	3,682,036	1,232,254
Tax paid	(30,403,947)	(22,798,176)	(465,063)	-
Withholding tax suffered	-	(767,191)	-	(767,191)
Translation difference	(472,072)	426,863	-	-
At 31 December	9,709,590	7,392,793	3,682,036	465,063
Analysed as follows :				
Income tax receivable	(445,763)	-	-	-
Income tax payable	10,155,353	7,392,793	3,682,036	465,063
	9,709,590	7,392,793	3,682,036	465,063

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

8 PROPERTY, PLANT AND EQUIPMENT

Group	Materials USD	Land and building USD	Technical equipment USD	Others USD	Assets in progress USD	Total USD
Cost :						
At 01 January 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 (Note 26)	-	-	-	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)	-
Disposal 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 cost	-	(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 31 December 2020	87,390,853	196,730,788	1,300,744,896	22,764,330	44,114,210	1,651,745,077
Acquisition through business combinations (Note 26)	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	(2,022,207)	(313,354)	(230,653)	(1,939,676)	-	(4,505,890)
Provision for dismantling cost	-	7,090,031	-	-	-	7,090,031
Reclassification adjustments*	(3,414,250)	7,758,737	(41,983,472)	-	37,638,985	-
Translation difference	(5,281,369)	(9,264,690)	(82,333,786)	(610,524)	(2,632,122)	(100,122,491)
At 31 December 2021	78,890,635	250,168,432	1,263,561,353	23,163,005	52,280,575	1,668,064,000

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Materials	Land and building	Technical equipment	Others	Assets in progress	Total
	USD	USD	USD	USD	USD	USD
Depreciation :						
At 01 January 2020	(63,288,269)	(57,590,214)	(867,789,180)	(17,055,702)	-	(1,005,723,365)
Acquisition through business combinations (Note 26)	-	-	-	(7,556)	-	(7,556)
Charge for the year (Note 5)	(5,215,797)	(12,808,546)	(81,399,665)	(2,693,145)	-	(102,117,153)
Disposals	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 31 December 2020	(70,885,451)	(71,416,970)	(996,473,295)	(17,593,485)	-	(1,156,369,201)
Acquisition through business combinations (Note 26)	(152,107)	(6,217)	(137,642)	-	-	(295,966)
Charge for the year (Note 5)	(6,431,677)	(20,509,536)	(66,210,912)	(2,835,257)	-	(95,987,382)
Disposals	1,917,502	272,328	176,095	1,859,594	-	4,225,519
Provision for impairment	237,285	(736,966)	207,917	-	-	(291,764)
Reclassification adjustment*	(1,116,398)	(4,869,026)	5,985,424	-	-	-
Translation difference	4,377,751	3,994,157	67,598,296	473,646	-	76,443,850
At 31 December 2021	(72,053,095)	(93,272,230)	(988,854,117)	(18,095,502)	-	(1,172,274,944)
Net book value:						
At 31 December 2021	6,837,540	156,896,202	274,707,236	5,067,503	52,280,575	495,789,056
At 31 December 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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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The cash flow on acquisitions of property, plant and equipment during the year is as follows:

	2021 USD	Group 2020 USD
Acquisitions during the year	112,746,672	148,690,123
Acquisitions under other borrowings	(1,785,656)	(1,554,174)
Advances to suppliers for purchase of property, plant and equipment	-	13,444,048
Movement in unpaid amount on acquisition of property, of property, plant and equipment	19,855,183	(64,380,650)
	<u>130,816,199</u>	<u>96,199,347</u>

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

9 INTANGIBLE ASSETS

Group	Software USD	Licence USD	Assets in progress USD	IRU USD	International Bandwidth Capacity USD	Networking USD	Others USD	Total USD
Cost :								
At 01 January 2020	164,612,556	31,538,383	738,816	895,998	-	-	6,443,870	204,229,623
Acquisition through business combinations (Note 26)	-	-	-	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 31 December 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 26)	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 31 December 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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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

9 INTANGIBLE ASSETS (CONTINUED)

	Software USD	Licence USD	Assets in progress USD	IRU USD	International Bandwidth capacity USD	Networking USD	Others USD	Total USD
Amortisation :								
At 01 January 2020	(108,617,472)	(25,255,524)	-	(410,211)	-	-	(5,180,793)	(139,464,000)
Acquisition through business combinations (Note 26)	-	-	-	(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 31 December 2020	(122,718,109)	(29,820,690)	-	(757,964)	(40,759)	-	(5,264,130)	(158,601,652)
Acquisition through business combinations (Note 26)	(234,109)	(31,496)	-	-	-	(249)	(548)	(266,402)
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)
Transfers*	94,112,327	(94,112,327)	-	-	-	-	-	-
Disposals and scrap	-	-	-	-	-	-	23,070	23,070
Translation difference	5,648,846	5,818,344	-	39,229	37,893	(161)	148,750	11,692,901
At 31 December 2021	(25,235,201)	(121,928,641)	-	(845,330)	(894,886)	(13,099)	(6,361,877)	(155,279,034)
Net book value :								
At 31 December 2021	3,904,737	53,955,285	13,128,923	1,133,274	13,344,867	502,701	998,841	86,968,628
At 31 December 2020	57,279,808	6,071,689	13,893,722	1,336,648	4,850,299	-	651,398	84,083,564

Others include other licences 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 licence were inter-changed as at 31 December 2020. Thus, a reclassification has been made.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021 (CONTINUED)

10 INVESTMENTS IN SUBSIDIARIES

Details pertaining to the investments in subsidiaries at 31 December 2021 and 31 December 2020 are as follows:

Name of subsidiary	Country of incorporation	Proportion of ordinary shares held directly by the parent		Proportion of ordinary shares held indirectly by the parent		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Telecom Malagasy SA	Madagascar	81	81	-	-	Telecommunications
Towerco of Africa Ltd	Republic of Mauritius	100	100	-	-	Holding company
Ubuntu Towers Uganda Limited	Ubuntu	-	-	90%	-	Construction of telecommunication infrastructures
Towerco of Madagascar SA	Madagascar	-	-	99.7	99.7	Telecommunications
Global Crossing	Republic of Mauritius	100	100	-	-	Holding company
Agou Holding	Togolese Republic	80	80	-	-	Holding company
Togocom	Togolese Republic	-	-	40.8	40.8	Telecommunications
Togo Telecom	Togolese Republic	-	-	40.8	40.8	Telecommunications
Togo Cellulaire	Togolese Republic	-	-	40.8	40.8	Telecommunications
Silver Links Ltd (formerly known as Telma International Carrier Services Ltd)	Republic of Mauritius	100	100	-	-	Telecommunications
Emediaplace Ltd	Republic of Mauritius	-	-	100	100	Telecommunications
Stellar-IX Data Centers Ltd	Republic of Mauritius	-	-	100	100	Telecommunications
MadaPlace	Madagascar	-	-	100	100	Telecommunications
Guava Telecom Holdings Ltd	Republic of Mauritius	100	100	-	-	Holding company
Honora Holdings Ltd	Republic of Mauritius	90	100	-	-	Holding company
Tigo IPO SPV Ltd	Republic of Mauritius	100	100	-	-	Holding company
Stellar IX	Madagascar	-	-	100	-	Operation of technological infrastructure
Axian Support Services Ltd	Republic of Mauritius	100	-	-	-	Holding company
Pulse	Madagascar	-	-	100	-	Provides information technology services and maintenance of IT equipment
Connecteo SARL	Madagascar	-	-	100	-	Provides back office, marketing and communication services to clients in Madagascar

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details pertaining to the investments in subsidiaries at 31 December 2021 and 31 December 2020 are as follows (continued):

Name of subsidiary	Country of incorporation	Proportion of ordinary shares held directly by the parent		Proportion of ordinary shares held indirectly by the parent		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Connecteo SUARL	Senegal	-	-	100	-	Business support Provides back office, marketing and communication services to clients in
Connecteo SARLU	Togo	-	-	100	-	Togo
Axian Financial Services Ltd	Republic of Mauritius	100	-	-	-	Holding company
NEXTA	Madagascar	-	-	100	-	Business support
MVOLA	Madagascar	-	-	80	-	Mobile banking services
Finteko Burkina Faso	Burkina Faso	-	-	100	-	Mobile banking services
Finteko Niger	Niger	-	-	100	-	Mobile banking services
Finteko Guinee SA	Guinea	-	-	100	-	Mobile banking services
Finteko Guine Bissau	Guine Bissau	-	-	100	-	Mobile banking services
Finteko Mali	Mali	-	-	100	-	Mobile banking services
Finteko Cote D'Ivoire SA	Cote D'Ivoire	-	-	100	-	Mobile banking services
Finteko France SAS	France	-	-	100	-	Business Support
Finteko Benin	Benin	-	-	100	-	Mobile banking services
Indian Ocean Risk Solutions	Madagascar	-	-	99	-	Insurance broker
Axian Telecom Côte D'Ivoire	Cote D'Ivoire	100	-	-	-	Telecommunications
Discovery Place Ltd	Republic of Mauritius	100	-	-	-	Holding company
Meta Market Ltd	Republic of Mauritius	100	-	-	-	Holding company

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the investments in subsidiaries are as follows:

	2021 USD	2020 USD
At 01 January	61,985,988	61,985,865
Acquisition during the year	92,902,221	123
Share buy back during the year	(17,640,930)	-
Disposal of shares	(10)	-
At 31 December	137,247,269	61,985,988

On 15 January 2020, the directors of the Company approved the acquisition of 100 % of the share capital of Silver Links Ltd (formerly known as Telma International Carrier Services Ltd). On 25 November 2020, the directors of the Company approved the incorporation of the 100% subsidiaries under the name of Guava Telecom Holdings Ltd (formerly known as Axian SPV1 Ltd), Honora Holdings Ltd and Tigo IPO SPV Ltd.

As per the directors' resolution dated 07 September 2021, the directors of the Company approved the acquisition of 99 additional ordinary shares in the capital of Honora Holdings Ltd for a consideration of USD 99 with effect from 09 June 2021. On 16 June 2021, the Company disposed 10 out of the 100 ordinary shares held in Honora Holdings Ltd for a total consideration of USD 10.

On 26 August 2021, it was resolved to acquire 100 % of the share capital of Axian Financial Services Ltd for a consideration of USD 92,900,000.

Further to the letter of offer dated 17 August 2021 received from Global Crossing, it was resolved by the directors on 21 September 2021 to approve the buy-back of 15,000,000 shares for a consideration of EUR 15,000,000.

Furthermore, the directors approved on 21 September 2021 the setting up of a the wholly-owned subsidiary, Axian Telecom Côte D'Ivoire.

As per the directors' resolution dated 04 November 2020, it was proposed for the Company to acquire the 100 ordinary shares of par value EUR 1 each in Axian Support Services Ltd. The acquisition of the shares was effective on 01 March 2021.

On incorporation of Discovery Place Ltd on 21 December 2021, the Company was allotted 100 ordinary shares representing 100% of the share capital of the subsidiary.

On incorporation of Meta Market Ltd on 21 December 2021, the Company was allotted 100 ordinary shares representing 100% of the share capital of the subsidiary.

Management has performed an assessment in relation to control in accordance with IFRS 10 'consolidated financial statements' prior to the consolidation of Togocom, Togo Telecom and Togo Cellulaire under Axian Telecom. Whilst ascertaining control of the Group over each of the companies named-above, the following elements have been identified as the determining factors:

- The Group is exposed and have rights, to variable returns from its involvement with the subsidiary in terms of dividend and strategic benefits from its involvements with the subsidiaries.
- The Group has the power to direct (and to prevent other to direct) the relevant activities of the investees, which include research and development, determining the funding structure, managing financial assets & investment decisions, decision on purchase and sales of goods, services and assets.
- In addition, the Group is responsible for appointment of key management personnel such as Managing director, Chief financial officer amongst others.

As a conclusion, the Group has control over its subsidiaries Togocom, Togo Telecom and Togo Cellulaire by way of power to govern the financial and operating policies of these entities so as to obtain benefits from its activities.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

As at 31 December 2021, the directors have assessed the recoverable amounts of the investments in subsidiaries. Based on the cash flow projections of the subsidiaries, the directors are of the opinion that the investments in subsidiaries have not suffered any impairment. Refer to note 4 for more details on impairment of investments in subsidiaries.

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES

The Group and the Company held shares in the following joint ventures and associates as at 31 December 2021 and 31 December 2020:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	72,717,052	65,095,144	29,506,686	29,506,686
Capital reduction	-	(3,595,464)	-	-
Buy back of shares by joint ventures	(22,387,945)	-	(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	-	-
Acquisition through business combinations (Note 26)	17,986,429	-	-	-
Dividend received	(17,853,053)	(11,642,453)	-	-
Translation difference	(2,419,676)	2,169,800	-	-
At 31 December	68,846,258	72,717,052	7,118,741	29,506,686

Based on the cash flow projections of the joint ventures, the directors are of the opinion that the investments in joint ventures have not suffered any impairment. Refer to note 4 for more details on impairment of investments in joint ventures.

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

Name of company	Country of Incorporation /place of activity	Class of shares held	31 Dec 2021	% holding 31 Dec 2020	Direct/ Indirect	Relationship	Activities
Telecom Comores Holding Ltd	Mauritius	Ordinary	15%	15%	Direct	Joint venture	Investment holding
Telecom Comores Holding Ltd	Mauritius	Ordinary	43.28%	43.28%	Direct & Indirect	Joint venture	Investment holding
Maya Africa Holding Ltd	Mauritius	Ordinary	40%	40%	Direct	Joint venture	Investment holding
Telecom Reunion Mayotte Societe D'Exploration et de Promotion Iliad Axian	France	Ordinary	50%	50%	Direct	Joint venture	Telecommunications
	Reunion	Ordinary	50%	50%	Direct & Indirect	Joint venture	Real estate
BNI Madagascar Indian Ocean Financial Holdings Limited	Madagascar	Ordinary	31.2%	-	Indirect	Associate	Banking
	Mauritius	Ordinary	41.57%	-	Direct	Associate	Investment holding

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)**

During the year ended 31 December 2021, following the directors' resolution dated 19 May 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 31 December 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 31 December 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%.

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.

Summarised statement of financial position of the joint ventures and associates

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

The financial statements of the joint ventures and associates are prepared under International Financial Reporting Standards (IFRS), except for Societe D'Exploration et de Promotion Iliad Axian which is prepared under French Gaap.

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Summarised statement of financial position of the joint ventures and associates (continued)

(a) Telecom Comores Holdings Ltd

Summarised statement of financial position

	2021 USD	2020 USD
Current assets	6,856,414	5,017,680
Current liabilities	(20,959,468)	(20,329,079)
Current liabilities – net	(14,103,054)	(15,311,399)
Non-current assets	42,440,959	46,258,069
Non-current liabilities	(8,097,319)	(10,616,735)
Non-current assets – net	34,343,640	35,641,334
Assets – net	20,240,586	20,329,935

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	3,855,824	2,040,379
Current financial liabilities excluding trade payables and provisions:		
Current	2,018,360	2,223,483
Non-current	6,891,028	8,798,908
Bank overdraft	170	902,865

Summarised statement of comprehensive income

Revenue	23,970,711	21,727,807
Profit/(loss) for the year	1,476,040	(1,041,734)
Other comprehensive income net of tax	(1,565,389)	1,757,157
Total comprehensive income for the year	1,497,102	(1,041,734)

The above profit for the year includes the following:

Depreciation and amortisation of non-current assets	6,031,160	5,652,266
Interest income	97,671	335,145
Interest expense	736,577	746,082
Income tax expense	161,557	(45,548)

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Summarised statement of financial position of the joint ventures and associates (continued)

(a) *Telecom Comores Holdings Ltd*

Reconciliation of the carrying amount of the investment in joint venture:

	2021 USD	2020 USD
At 01 January	20,329,935	19,614,512
Profit/(loss) for the year	1,476,040	(1,041,734)
Other comprehensive income	21,062	-
Translation difference	(1,586,451)	1,757,157
At 31 December	20,240,586	20,329,935
Direct and indirect percentage holding held by the Group in the joint venture	43.28%	43.28%
Carrying amount	8,760,126	8,667,371

(b) *Maya Africa Holding Ltd*

Summarised statement of financial position

	2021 USD	2020 USD
Current assets	80,828,265	113,553,748
Current liabilities	(131,652,261)	(150,641,480)
Current liabilities – net	(50,823,996)	(37,087,732)
Non-current assets	223,892,156	265,858,450
Non-current liabilities	(165,566,213)	(127,418,758)
Non-current assets – net	58,325,943	138,439,692
Assets - net	7,501,947	101,351,960

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	12,277,742	7,491,899
Current financial liabilities excluding trade payables and provisions:		
Current	28,818,391	16,622,620
Non-current	161,625,862	114,774,719
Bank overdraft	3,767,907	7,461,974

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Summarised statement of financial position of the joint ventures and associates (continued)

(b) *Maya Africa Holding Ltd*

Summarised statement of comprehensive income

	2021 USD	2020 USD
Revenue	179,952,362	146,647,127
(Loss)/profit for the year	(35,561,206)	27,280,470
Other comprehensive income net of tax	-	1,577
Total comprehensive income for the year	(35,561,206)	27,282,047

The above profit for the year includes the following:

Depreciation and amortisation of non-current assets	41,738,417	43,710,141
Interest income	260,299	85,020
Interest expense	22,031,149	9,831,379
Income tax expense	13,962,447	41,595,602

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture:

At 01 January	101,351,960	65,877,290
(Loss)/profit for the year	(35,561,206)	27,280,470
Effect of capital reduction	472,711	-
Buy-back of shares	(55,969,863)	-
Other comprehensive income	-	1,577
Translation difference	(2,791,653)	8,192,623
At 31 December	7,501,949	101,351,960
Direct percentage holding held by the Group in the joint venture	40%	40%
Carrying amount	3,000,780	40,540,784

(c) *Telecom Reunion Mayotte*

Summarised statement of financial position

	2021 USD	2020 USD
Current assets	68,318,477	65,642,841
Current liabilities	(57,269,110)	(54,681,519)
Current assets – net	11,049,367	10,961,322
Non-current assets	151,475,679	111,335,046
Non-current liabilities	(86,911,401)	(75,322,603)
Non-current assets – net	64,564,278	36,012,443
Assets – net	75,613,645	46,973,765

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Summarised statement of financial position of the joint ventures and associates (continued)

(c) *Telecom Reunion Mayotte*

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	41,644,385	21,941,029
Current financial liabilities (excluding trade payables and provisions)		
Current	26,991,668	10,639,977
Non-current	86,432,769	65,160,871

Summarised statement of comprehensive income

Revenue	90,242,192	83,011,834
Profit for the year	68,362,078	12,237,132
Other comprehensive income net of tax	539,390	117,564
Total comprehensive income for the year	68,901,468	12,354,696

The above profit for the year includes the following:

Depreciation and amortisation of non-current assets	6,922,369	11,706,372
Interest expense	3,250,504	3,686,776
Income tax expense	8,787,218	(4,658,122)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture:

At 01 January	46,973,765	60,761,407
Capital reduction	-	(7,190,927)
Dividend paid	(35,423,648)	(23,284,907)
Profit for the year	68,362,078	12,237,132
Other comprehensive income	539,390	117,564
Translation difference	(4,837,940)	4,333,496
	75,613,645	46,973,765
At 31 December	75,613,645	46,973,765
Direct percentage holding held by the Group in the joint venture	50.00%	50.00%
Carrying amount	37,806,822	23,486,883

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Summarised statement of financial position of the joint ventures and associates (continued)

(d) Société D'Exploration et de Promotion Iliad Axian

Summarised statement of financial position

	2021	2020
	USD	USD
Current assets	2,762,583	2,603,580
Current liabilities	(8,314,230)	(4,859,131)
Current liabilities – net	(5,551,647)	(2,255,551)
Non-current assets	5,548,055	2,299,579
Non-current liabilities	-	-
Non-current assets – net	5,548,055	2,299,579
Assets - net	(3,592)	44,028

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	246,481	66,246
Current financial liabilities excluding trade payables and provisions:		
Non-current	6,163,274	1,619,914

Summarised statement of comprehensive income

Revenue	-	350,377
Loss for the year	(46,111)	(68,666)
Total comprehensive income for the year	(46,111)	(68,666)

The above profit for the year includes the following:

Depreciation and amortisation of non-current assets	-	6,290
Interest expense	-	27,757
Income tax expense	520,436	-

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture:

At 01 January	44,028	107,728
Loss for the year	(46,111)	(68,666)
Translation difference	2,083	4,966
At 31 December	-	44,028
Direct percentage holding held by the Group in the joint venture	50.00%	50.00%
Carrying amount	-	22,014

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Summarised statement of financial position of the joint ventures and associates (continued)

(e) *BNI Madagascar*

Summarised statement of financial position

2021

USD

Current assets	943,694,828
Current liabilities	(784,208,672)
Current liabilities – net	159,486,156
Non-current assets	20,536,073
Non-current liabilities	(118,301,947)
Non-current assets – net	(97,765,874)
Assets - net	61,720,282

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	344,597,603
Current financial liabilities excluding trade payables and provisions:	
Current	721,481,089
Non-current	118,301,947
Bank overdraft	-

Summarised statement of comprehensive income

Revenue	15,151,974
Profit for the year	11,436,815
Other comprehensive income net of tax	-
Total comprehensive income for the year	11,436,815

The above profit for the year includes the following:

Depreciation and amortisation of non-current assets	4,321,725
Interest income	58,617,165
Interest expense	22,404,840
Income tax expense	4,077,544

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the associate:

On acquisition of BNI Madagascar by the Group during the year ended 31 December 2021, the profit and other comprehensive income net of tax was as follows:

Profit for the period	7,712,202
Other comprehensive income net of tax	-

At 01 January	-
Acquisition through business combination	58,009,123
Profit for the year	3,724,613
Translation difference	(13,454)

At 31 December	61,720,282
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Direct percentage holding held by the Group in the associate	31.20%
Carrying amount	19,256,728

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Summarised statement of financial position of the joint ventures and associates (continued)**(f) Indian Ocean Financial Holdings Limited****Summarised statement of financial position**

	2021 USD
Current assets	413,789
Current liabilities	(30,744)
Current liabilities – net	383,045
Non-current assets	21,521,434
Non-current liabilities	-
Non-current assets – net	21,521,434
Assets - net	21,904,479
Less: Investment in BNI Madagascar*	(21,521,434)
Adjusted net assets	383,045

*The investment in BNI Madagascar has been excluded as it has already been considered on equity accounting of BNI Madagascar by the Company, Axian Financial Services Ltd. The effective interest rate has been used on equity accounting of BNI Madagascar.

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	199,284
Current financial liabilities excluding trade payables and provisions	-

Summarised statement of comprehensive income

Revenue	929,474
Profit for the year	2,009,411
Total comprehensive income for the year	2,009,411

The above profit for the year includes the following:

Interest income	1,699
Income tax expense	730,355

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Summarised statement of financial position of the joint ventures and associates (continued)

(f) Indian Ocean Financial Holdings Limited (continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the associate:

On acquisition of Indian Ocean Financial Holdings Limited by the Group during the year ended 31 December 2021, the profit was as follows:

Profit for the year	1,004,706
At 01 January	-
Acquisition through business combination	(271,406)
Share of profit for the year	1,004,706
Dividend paid	(347,489)
Translation difference	(2,766)
At 31 December	383,045
Direct percentage holding held by the Group in the associate	41.57%
Carrying amount	159,232

12 TRADE AND OTHER RECEIVABLES

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
Non-current				
Long term loan receivable	248,146	310,275	-	-
Amount receivable from entities under common control (Note 24 (c))	-	20,585,465	-	-
Trade receivables	554,374	15,111,770	-	-
Other receivables	23,417,297	25,868,763	-	-
Prepayments and advances	6,362,197	2,644,811	-	-
	30,582,014	64,521,084	-	-
Current				
Trade receivables - Gross	68,428,826	112,253,508	-	-
Expected credit losses - Trade receivables	(21,883,454)	(23,046,514)	-	-
Trade receivables - Net	46,545,372	89,206,994	-	-
Other receivables	32,127,846	46,655,425	156,298	405,987
Amount receivable from subsidiaries (Note 24 (d))	-	-	23,385,848	49,145,092
Amount receivable from entities under common control (Note 24 (c))	25,113,578	118,815,021	680,871	17,368,674
Receivable from authorities	29,605,979	14,829,595	-	-
Prepayments and advances	8,934,020	6,998,033	301,217	17,768
Expected credit losses - Other receivables	(1,313,588)	(1,187,254)	-	-
	141,013,207	275,317,814	24,524,234	66,937,521
Total trade and other receivables	171,595,221	339,838,898	24,524,234	66,937,521

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

12 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables are not secured and interest-bearing. Impairment of trade and other receivables have been assessed on an individual basis and also on a collective basis under the 'Expected Credit loss' model.

Movements on the Group's expected credit losses of trade and other receivables are as follows:

	2021	Group	2021	Company
	USD	2020	USD	2020
		USD		USD
At 01 January	24,233,768	23,060,036	-	-
Acquisition through business combination	140,669	-	-	-
Charge for the year	3,665,460	3,987,042	-	-
Amount recovered	(3,336,477)	(3,753,431)	-	-
Translation difference	(1,506,378)	940,121	-	-
	-----	-----	-----	-----
At 31 December	23,197,042	24,233,768	-	-
	=====	=====	=====	=====

Expected credit losses on trade and other receivables are based on Lifetime ECL.

The Group and the Company have performed an impairment assessment for amount receivables from entities under common control and long-term loan receivable and the expected credit loss is immaterial.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

	2021	Group
	USD	2020
		USD
Derecognition of financial assets (Note 5)	17,961,095	177,625
	=====	=====

The above amounts written off are subject to enforcement activities.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

13 INVENTORIES

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
Raw materials	2,906,243	1,460,788	-	-
Trading inventories	7,019,701	8,204,295	-	-
Spare parts	26,362,036	27,059,110	-	-
Value of inventories at initial cost	36,287,980	36,724,193	-	-
Less: provision for slow moving inventories	(19,243,460)	(25,170,782)	-	-
	17,044,520	11,553,411	-	-

Translation difference is included in the provision for slow moving inventories recognised in the balance sheet. The impairment of inventory of USD 4,275,619 has been credited in statement of profit or loss (2020: Charge of USD 8,915,793).

14 LOANS RECEIVABLE

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<u>Loans to clients</u>				
Gross balance	5,586,469	-	-	-
Expected credit losses (Note 5)	(348,842)	-	-	-
Net balance	5,237,627	-	-	-
Loans receivable from entities under common control (Note 24(a))	625,026	5,902,332	-	-
Loans receivable from subsidiaries (Note 24(b))	-	-	43,777,372	-
TOTAL	5,862,653	5,902,332	43,777,372	-
Non-current	-	5,902,332	37,237,482	-
Current	5,862,653	-	6,539,890	-
	5,862,653	5,902,332	43,777,372	-

The opening balance of the Group's loans receivable of USD 4,335,817 and USD 1,566,515 were written off and netted off against payables respectively during the year ended 31 December 2021.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

14 LOANS RECEIVABLE (CONTINUED)

Movement on the Group's expected credit losses of loans receivable is as follows:

	2021 USD	Group 2020 USD
At 01 January	-	-
Charge for the year	350,935	-
Translation difference	(2,093)	-
At 31 December	348,842	-

15 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	2021 USD	2020 USD	Group Restated 01 Jan 2020 USD	2021 USD	Company 2020 USD
Cash at bank	134,506,254	71,062,413	99,570,068	36,466,092	725,586
Bank overdraft	(22,554,266)	(9,054,645)	(8,251,699)	(82)	(6)
	111,951,988	62,007,768	91,318,369	36,466,010	725,580

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.

16 RESTRICTED CASH

Restricted cash comprises mainly cash in certain bank accounts which can only be used for payments to a specific supplier.

	2021 USD	2020 USD
Debt service reserve account	1,748,952	2,094,267
Deposits for E-money activities	75,859,416	21,222,970
Deposits in respect of litigations	269,043	223,647
Fixed deposit	4,322,500	-
	82,199,911	23,540,884

The restricted cash comprise of the following:

- Deposits mainly in "Banques Societe generale Madagasikara, BNI Madagascar, MCB Madagascar and Orabank corresponding to the total electronic monies "UME" allowed for circulation in respect of the activities of MVOLA and Group Togocom respectively.
- Debt reserve accounts transferred to lender as collateral for loans taken by Togocom.
- Bank accounts that have been restricted following on-going litigations in Telecom Malagasy.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021(CONTINUED)

17 SHARE CAPITAL

	Group and Company	
	2021	2020
	USD	USD
At 01 January	117,389,774	9,350,734
Issue of shares	-	108,039,040
Capital reduction	(56,017,210)	-
Share buy-back	(60,000,000)	-
	<u>1,372,564</u>	<u>117,389,774</u>
At 31 December	1,372,564	117,389,774
	<u>=====</u>	<u>=====</u>
Authorised, issued and paid :		
1,372,564/117,389,774 ordinary shares of USD 1 (Par value) each	1,372,564	117,389,774
	<u>=====</u>	<u>=====</u>

Shares buy-back:

Further to the written resolution of Directors dated and approved on 15 March 2021, it was resolved that in accordance with Section 69 and 70 of the Companies Act 2001, the Company agrees to purchase 60,000,000 of its own shares of par value of USD 1 each from its sole shareholder (Mr. Hassanein Shahreza Hiridjee) for an aggregate consideration of USD 60,000,000.

Capital reduction:

Further to the written resolution of Directors dated and approved on 15 March 2021, it was resolved that in accordance with section 62 (6)(b)(i), the share capital of the Company be reduced by USD 56,017,210.

*Rights and restrictions attached to ordinary shares:**Voting rights*

Each ordinary share shall entitle its holder to receive notice of, to attend and vote at any meeting of the Company.

Rights relating to dividends

Each ordinary share shall entitle its holder the right of an equal share in dividends as authorised by the board.

Rights relating to repayment of capital

Upon winding-up, each ordinary share shall entitle its holder the right to an equal share in the distribution of the surplus assets of the Company.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

18 RESERVES

(a) Legal reserves

Under the " Code général des impôts " in Madagascar, the subsidiaries are required to transfer 5% of their profit for the year to a legal reserve. This reserve should not exceed 10% of their stated capital, and is subject to approval in the annual meeting of shareholders.

(b) Translation reserves

The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign operations stated in a currency different from the Group's presentation currency.

The Group's and the Company's presentation currency is United States Dollar (US\$).

(c) Other reserves

Other reserves relate to a reserve set aside to acquire property, plant and equipment, in line with the "Code général des impôts" in Madagascar. This reserve is subject to approval at the annual meeting of shareholders.

(d) Reorganisation reserves

The Company acquired Silver Links Ltd (formerly known as Telma International Carrier Services Ltd) and Towerco of Africa Ltd on 15 January 2020 and 01 October 2018 respectively. Any difference between the purchase price of the investments and the net assets acquired has been recognised within the reorganisation reserves, all entities being owned by the same ultimate shareholder, whether before or after the acquisition.

The Company acquired Axian Financial Services Ltd and its subsidiaries and Axian Support Services Ltd and its subsidiaries on 26 August 2021 and 01 March 2021 respectively. Any difference between the purchase price of the investments and the net assets acquired has been recognised within the reorganisation reserves, all entities being owned by the same ultimate shareholder, whether before or after the acquisition.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

19 NON-CONTROLLING INTERESTS

The Group recognises non-controlling interests in an acquired entity at its proportionate share of the acquired net identifiable assets.

Set out below is the summarised statement of financial position, statement of profit or loss and other comprehensive income and cash flows of the subsidiaries that have non-controlling interests. The amounts disclosed are before inter-company eliminations.

(a) Telecom Malagasy SA

Summarised statement of financial position	2021	Group
	USD	USD
Current assets	164,275,524	156,317,221
Current liabilities	(258,826,491)	(243,055,082)
Current liabilities – net	(94,550,967)	(86,737,861)
Non-current assets	358,323,708	337,339,405
Non-current liabilities	(202,511,348)	(188,737,672)
Non-current assets – net	155,812,360	148,601,733
Assets – net	61,261,393	61,863,872
Non-controlling interests	11,762,187	11,877,863
Summarised statement of profit or loss and other comprehensive income		
Revenue	197,437,269	159,838,715
Total comprehensive income for the year	(89,652)	21,616,177
Total comprehensive income for the year attributable to non-controlling interests	(17,213)	(1,079,965)
Profit/(loss) to non-controlling interest	298,337	(135,440)
Dividends paid to non-controlling interest	98,463	225,109
Summarised cash flows		
Cash flows generated from operating activities	88,653,304	65,241,186
Cash flows used in investing activities	(52,475,018)	(29,283,421)
Cash flows generated from/(used in) financing activities	(54,329,356)	(43,246,614)
Net (decrease)/increase in cash and cash equivalents	(18,151,070)	(7,288,849)

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021(CONTINUED)

19 NON-CONTROLLING INTERESTS

(b) Agou Holding SAS

Summarised statement of financial position	2021 USD	Group 2020
		USD
Current assets	137,287,876	133,737,891
Current liabilities	(263,625,335)	(288,884,568)
Current assets – net	(126,337,459)	(155,146,677)
Non-current assets	375,741,267	390,634,734
Non-current liabilities	(151,751,589)	(173,598,605)
Non-current assets – net	223,989,678	217,036,129
Assets – net	97,652,219	61,889,452
Non-controlling interest	76,564,726	51,675,453
Summarised statement of profit or loss and other comprehensive income		
Revenue	261,314,813	224,792,226
Total comprehensive income for the year	39,916,983	34,982,137
Total comprehensive income for the year attributable to non-controlling interests	25,949,118	21,444,868
Profit to non-controlling interest	30,306,493	20,368,575
Dividends paid to non-controlling interest	4,154,216	-
Summarised cash flows		
Net cash from operating activities	105,497,567	73,507,088
Net cash used in investing activities	(43,385,489)	(40,816,556)
Net cash used in financing activities	(45,292,538)	(46,340,806)
	16,819,540	(13,650,274)

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021(CONTINUED)

19 NON-CONTROLLING INTERESTS (CONTINUED)

(c) *Honora Holdings Ltd*

Summarised statement of financial position	Group 2021 USD
Current assets	39,023
Current liabilities	(341,629)

Current assets – net	(302,606)

Non-current assets	-
Non-current liabilities	-

Non-current assets – net	-

Assets – net	(302,606)
	=====
Non-controlling interest	(29,986)
	=====
Summarised statement of profit or loss and other comprehensive income	
Revenue	-
Total comprehensive income for the year	(299,957)

Total comprehensive income for the year attributable to non-controlling interests	(29,996)

Loss to non-controlling interest	(29,996)

Dividends paid to non-controlling interest	-

Summarised cash flows	
Net cash from operating activities	37,560
Net cash used in investing activities	-
Net cash used in financing activities	-

Net increase in cash and cash equivalents	37,560
	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021 (CONTINUED)

19 NON-CONTROLLING INTERESTS (CONTINUED)

(d) *Axian Financial Services Ltd and its subsidiaries*

Summarised statement of financial position	Group 2021 USD
Current assets	85,365,344
Current liabilities	(78,741,536)
Current assets – net	6,623,808
Non-current assets	19,912,576
Non-current liabilities	(109,326)
Non-current assets – net	19,803,250
Assets – net	26,427,058
Non-controlling interest	3,002,443
Summarised statement of profit or loss and other comprehensive income	
Revenue	16,828,285
Total comprehensive income for the year	3,127,662
Total comprehensive income for the year attributable to non-controlling interests	294,979
Profit to non-controlling interest	329,046
Dividends paid to non-controlling interest	-
Summarised cash flows	
Net cash from operating activities	20,394,868
Net cash used in investing activities	(7,814)
Net cash used in financing activities	(2,462)
Net increase in cash and cash equivalents	20,384,592

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

19 NON-CONTROLLING INTERESTS (CONTINUED)

(e) *Towerco of Africa Ltd and its subsidiaries*

Summarised statement of financial position	Group 2021 USD
Current assets	62,323,290
Current liabilities	(106,975,649)
Current assets – net	(44,652,359)
Non-current assets	174,623,261
Non-current liabilities	(104,420,662)
Non-current assets – net	70,202,599
Assets – net	25,550,240
Non-controlling interest	(146,756)
Summarised statement of profit or loss and other comprehensive income	
Revenue	73,675,637
Total comprehensive income for the year	7,543,820
Total comprehensive income for the year attributable to non-controlling interests	(133,776)
Loss to non-controlling interest	(131,874)
Dividends paid to non-controlling interest	-
Summarised cash flows	
Net cash from operating activities	39,321,626
Net cash used in investing activities	(50,439,969)
Net cash used in financing activities	12,189,140
Net increase in cash and cash equivalents	1,070,797

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

20 BORROWINGS

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
Non-current:				
Bank loans (a)	129,140,310	189,272,578	-	-
Other borrowings	2,148,056	1,461,218	-	-
Loans payable to related parties (Note 24(e))	136,189,314	-	126,884,081	-
	<u>267,477,680</u>	<u>190,733,796</u>	<u>126,884,081</u>	<u>-</u>
Current :				
Bank loans (a)	77,531,041	38,938,941	-	-
Other borrowings	1,087,552	876,132	-	-
Loans payable to related parties (Note 24(e))	382,263	60,710,308	84,673,409	60,284,919
	<u>79,000,856</u>	<u>100,525,381</u>	<u>84,673,409</u>	<u>60,284,919</u>
Total borrowings	<u>346,478,536</u>	<u>291,259,177</u>	<u>211,557,490</u>	<u>60,284,919</u>

(a) Bank loans

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
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 Madagascar ('BNI')	19,442,941	14,701,269	-	-
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	-	-
Uganda Development Bank Limited	2,962,741	-	-	-
Accrued interest	1,498,201	2,369,207	-	-
	<u>206,671,351</u>	<u>228,211,519</u>	<u>-</u>	<u>-</u>
Loans payable within one year	<u>(77,531,041)</u>	<u>(38,938,941)</u>	<u>-</u>	<u>-</u>
Loans payable after one year	<u>129,140,310</u>	<u>189,272,578</u>	<u>-</u>	<u>-</u>

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

20 BORROWINGS (CONTINUED)

(a) Bank loans (continued)

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%.

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

Bank of Africa – Madagascar ("BOA")

1st loan: The Bank of Africa - Madagascar has granted the Group a loan of MGA 25,000,000,000 during the year 2013. The loan has the following characteristics:

- Purpose: Financing CAPEX
- Reference and date of contract: 18 November 2013
- Initial amount: MGA 25 000 000 000
- Duration: 7 years with a capital repayment moratorium in the 1 year
- Interest: 9% per year
- Repayment: Monthly
- Guarantee: Company's equipment

2nd loan: The Bank of Africa - Madagascar has granted the Group a loan of MGA 25,000,000,000 during the year 2020. The loan has the following characteristics:

- Purpose: Financing CAPEX
- Reference and date of contract: 23 September 2020
- Initial amount: MGA 25 000 000 000
- Duration: 7 years with a capital repayment moratorium in the 1 year
- Interest: 7% per year
- Repayment: Monthly
- Guarantee: Company's equipment

3rd loan :

- Purpose: Financing of the acquisition of IRU or Irrevocable Right of Use
- Reference and date of contract: 28 February 2017
- Initial amount: MGA 7,000,000,000
- Duration: 72 months
- Interest: Fixed rate of 9% payable monthly with a capital repayment moratorium in the first year
- Repayment: 72 instalments of MGA 126,178,760
- Guarantee: Guarantee of Telecom Malagasy SA up to 100% of the loan

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

20 BORROWINGS (CONTINUED)

(a) Bank loans (continued)

Bank of Africa – Madagascar (“BOA”)

4th loan :

- Purpose: Financing of the acquisition of IRU or Irrevocable Right of Use
- Reference and date of contract: 25 June 2019
- Initial amount: MGA 25,000,000,000
- Duration: 96 months
- Interest: Fixed rate of 7% payable monthly with a capital repayment moratorium in the second year
- Repayment: 72 instalments of MGA 426,225,161
- Guarantee: Guarantee of Telecom Malagasy SA up to 120% of the loan

5th loan:

- Purpose: Financing of the 4G licence and its extension
- Initial amount: FCFA 16,150,000,000
- Interest rate: 7.15% per year
- Repayment: Quarterly
- Duration: 5 years
- Guarantee: Letter of guarantee from the State and signature of the promissory note

BFV Société Générale (‘BFV’)

The loan of the group contracted with BFV- Société Générale relates to financing of the following investments.

1st loan:

- Purpose: Financing the acquisition of various network equipment as part of strengthening the existing network and extending coverage
- Initial amount: MGA 30,000,000,000
- Duration: 96 months with a capital repayment moratorium in the second year
- Interest rate: Fixed rate of 8% payable monthly
- Repayment term: 96 equal and consecutive monthly instalments of MGA 525,997,218.36, with a capital repayment moratorium in the second year
- Guarantee: Pledge of technical supplies and equipment up to an amount of MGA 30,000,000,000 with a delegation of comprehensive insurance on pledged equipment

2nd loan:

- Purpose: Financing the acquisition of various network equipment as part of strengthening the existing network and extending coverage
- Initial amount: MGA 25,000,000,000
- Duration: 72 months with a capital repayment moratorium in the first year
- Interest rate: Variable rate (bank base rate – 7.9%) of 7% payable monthly
- Repayment term: 60 equal and consecutive monthly instalments of MGA 495,029,963.51 with a capital repayment moratorium in the first year
- Guarantee: Pledge of technical supplies and equipment up to an amount of MGA 25,000,000,000 with a delegation of comprehensive insurance on pledged equipment

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021(CONTINUED)

20 BORROWINGS (CONTINUED)

(a) Bank loans (continued)

BFV Société Générale ('BFV')

3rd loan: The BFV Société Générale has granted the Group a loan of MGA 3,540,070,000 during the year 2015. The loan has the following characteristics:

- Purpose: Financing CAPEX
- Reference and date of contract: 01 September 2015
- Initial amount: MGA 3,540,070,000
- Duration: 7 years with a capital repayment moratorium in the first year
- Interest rate: 9% per year
- Repayment term: Monthly
- Guarantee: Company's equipment

4th loan: The BFV Société Générale has granted the Group a loan of MGA 8,000,000,000 during the year 2019. The loan has the following characteristics:

- Purpose: Financing CAPEX
- Reference and date of contract: 26 May 2019
- Initial amount: MGA 8,000,000,000
- Duration: 7 years with a capital repayment moratorium in the first year
- Interest rate: 7% per year
- Repayment term: Monthly
- Guarantee: Company's equipment

5th loan: The BFV Société Générale has granted the Group a loan of MGA 25,000,000,000 during the year 2021. The loan has the following characteristics:

- Purpose: Financing CAPEX
- Reference and date of contract: 01 September 2021
- Initial amount: MGA 25,000,000,000
- Duration: 5 years with a capital repayment moratorium in the first year
- Interest rate: 7% per year
- Repayment term: Monthly
- Guarantee: Company's equipment

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

20 BORROWINGS (CONTINUED)

(a) Bank loans (continued)

Banque Malgache de L'Océan Indien ('BMOI')

1st loan : The loan contracted by the group with Banque Malgache de L'Océan Indien relates to the financing of the extension of Telma coverage with 100 additional sites through the acquisition of radio and teletransmission equipment.

The loan has the following characteristics:

- Initial amount: MGA 11,800,000,000
- Interest rate: 8.50% per year
- Repayment term: 60 instalments with a capital repayment moratorium in the first year, after a period of use of 12 months maximum
- Date of establishment: 01 April 2014
- Date of first instalment: 01 May 2015
- Date of last instalment: 01 April 2019
- Repayment amount: 48 equal and consecutive monthly payments of MGA
- Guarantee: 290,849,980
Pledge of technical supplies and equipment up to an amount of MGA 11,800,000,000 with a delegation of comprehensive insurance

2nd loan:

- Initial amount: MGA 20,000,000,000
- Interest rate: 7% per year
- Repayment term: 96 instalments with a capital repayment moratorium in the first year, after a period of use of 12 months maximum
- Date of establishment: 12 September 2020
- Date of first instalment: 12 October 2021
- Date of last instalment: 12 September 2027
- Repayment amount: 72 equal monthly and consecutive instalments of MGA
- Guarantee: 340,980,129
Pledge of technical supplies and equipment up to an amount of MGA 20,000,000,000 with a delegation of comprehensive insurance

3rd loan: The Banque Malgache de L'Océan Indien has granted the Group a loan of MGA 15,925,000,000 during the year 2015. The loan has the following characteristics:

- Purpose: Financing CAPEX
- Reference and date of contract: 12 June 2015
- Initial amount: MGA 15,925,000,000
- Duration: 7 years with a capital repayment moratorium in the first year
- Interest rate: 9% per year
- Repayment term: Monthly
- Guarantee: Company's equipment

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

20 BORROWINGS (CONTINUED)

(a) Bank loans (continued)

BNI Madagascar ('BNI')

1st loan: The first loan of the group with BNI Madagascar relates to the partial financing of its project to deploy the LTE network in Madagascar.

- Initial amount: MGA 19,700,000,000
- Interest rate: 9% per year
- Repayment term: 24 monthly instalments in interests as from 30 June 2015 to 31 May 2018 and 72 equal and consecutive monthly instalments in capital and interests.
- Repayment term: 72 monthly and consecutive monthly instalments of MGA 355,103,096
- Guarantee: Loan is guaranteed by a pledge on the Company's equipment up to MGA 19,700,000,000.

2nd loan:

The loan has the following characteristics:

- Initial amount: MGA 15,000,000,000
- Interest rate: 8.50% per year
- Repayment term: 18 monthly instalments in interest as from 30 June 2016 to 30 November 2018 and 72 equal and consecutive monthly instalments in capital and interests
- Repayment amount: 72 equal and consecutive monthly instalments of MGA 266,675,776
- Guarantee: Pledge of technical supplies and equipment (Suborder 2 Ericsson Project) up to an amount of MGA 15,000,000,000 with a delegation of comprehensive insurance

3rd loan:

- Initial amount: MGA 50,000,000,000
- Interest rate: 8% over 36 first months then 6.6%
- Repayment term: 90 months including 24 months deferred (i.e. 7.5 years)
- Repayment amount: 72 equal and consecutive monthly instalments of MGA 938,907,674
- Guarantee: Extension of "multi-risk" branch insurance delegation up to MGA 50,000,000,000

4th loan: BNI Madagascar has granted the Group a loan of MGA 6,000,000,000 during the year 2016. The loan has the following characteristics:

- Purpose: Financing CAPEX
- Reference and date of contract: 31 March 2016
- Initial amount: MGA 6,000,000,000
- Duration: 7 years with a capital repayment moratorium in the first year
- Interest rate: 9% per year
- Repayment term: Monthly
- Guarantee: Company's equipment

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)****20 BORROWINGS (CONTINUED)****(a) Bank loans (continued)****BNI Madagascar ('BNI')**

5th loan: BNI Madagascar has granted the Group a loan of MGA 12,500,000,000 during the year 2021. The loan has the following characteristics:

Purpose:	Financing CAPEX
Reference and date of contract:	15 December 2021
Initial amount:	MGA 12,500,000,000
Duration:	4 years with a capital repayment moratorium in the first year
Interest rate:	7% per year
Repayment term:	Monthly
Guarantee:	Company's equipment

Société de Gestion et d'Intermédiation ('SGI')**1st loan:**

Purpose:	Repurchase of various loans and overdrafts with various banks
Initial amount:	FCFA 35,000,000,000
Duration:	10 years
Interest rate:	6.75% per year
Repayment term:	Semi annually
Guarantee:	Guarantee of the Togolese State and opening of pledge accounts

Banque Togolaise pour le Commerce et l'Industrie ('BTCL')

Purpose:	Settlement of an operating debt and a debt of TOGO TELECOM to CEET (Compagnie Energie Electrique du Togo).
Initial amount:	FCFA 13,000,000,000
Duration:	5 years
Interest rate:	7.15% per year
Repayment term:	Monthly
Guarantee:	No guarantee on this loan as at the time of setting up the two entities were state-owned

Union Togolaise de Banque ('UTB')

Purpose:	Repayment of the SGI bond loan following the financial difficulties of TOGO TELECOM.
Initial amount:	FCFA 9,887,500,000
Additional amount:	FCFA 156,449,471
Duration:	8 years
Interest rate:	8.50% per year
Repayment term:	Semi annually
Guarantee:	Raising of the level of the 1st rank mortgage from FCFA 3,000,000,000 to FCFA 9,000,000,000 taken on buildings subject to land titles N ° 260 CL, N ° 10730 RT, N ° 11 CA and N ° 21 CS

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)****20 BORROWINGS (CONTINUED)****(a) Bank loans (continued)****Orabank ('ORB')****1st loan:**

Purpose:	Financing of the fiber optic project and early repayment of debts
Initial amount:	FCFA 20,000,000,000
Duration:	5 years
Interest rate:	8.25% per year
Repayment term:	Quarterly
Guarantee:	Opening of an escrow account (1/3 quarterly maturity-FCFA 210,000,000), signature of the promissory note and DAT pledge for FCFA 2,000,000,000

2nd loan:

Purpose:	Financing and deployment of FTTH (Fiber To The Home) and the migration of the Multiservices Access Node
Initial amount:	FCFA 5,000,000,000
Duration:	5 years
Interest rate:	7.98% per year
Repayment term:	Quarterly
Guarantee:	Opening of an escrow account (1/3 quarterly due – FCFA 205,000,000), domiciliation of 60% of revenue, resolution of the Board of Directors authorising a loan of FCFA 10,000,000,000 and signing of promissory notes

3rd loan:

Purpose:	Refinancing of the existing loan
Initial amount:	FCFA 14,188,906,413
Duration:	6 years (72 months including 9 months of partial delay)
Interest rate:	7.15% per year
Repayment term:	Quarterly with 9 month deferral
Guarantee:	"- pledge of DAT 2 billion; - escrow account 1.6 billion; - Promissory note with progressive constitution of monthly provision by the bank; - pledge of the current account

SOCIETE GENERALE TOGO

Purpose:	Acquisition financing, payment of sums due under the IRU contract and the renewal of the TGT License and the costs relating to the transaction.
Initial amount:	FCFA 30,000,000,000
Duration:	7 years
Interest rate:	8.25% per year
Repayment term:	Annually over a period of 7 years
Guarantee:	"(i) first ranking pledge of the balance of the Borrower Domiciliation Account and the Debt Service Reserve Account; (ii) first ranking pledge of all shares held; (i) Delegation or deed of first pledge of claims (ii) Letter of Guarantee

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

20 BORROWINGS (CONTINUED)

(a) Bank loans (continued)

Uganda Development Bank (« UDB »)

Uganda Development Bank has granted Ubuntu Towers Limited a loan during the year. The loan has the following characteristics:

Purpose:	Construction of 122 cell towers
Reference and date of contract:	Term Sheet dated 4th November 2020
Start date	22 June 2021
Initial amount:	USD 2,810,000
Duration:	7 years with a capital repayment moratorium in the first year
Interest rate:	7% per year
Repayment term:	Loan principal and interest will be repaid on a quarterly basis.
Guarantee:	Company's assets and personal guarantees of the key directors

21 TRADE AND OTHER PAYABLES

Non-current:

	2021	Group	2021	Company
	USD	2020	USD	2020
	USD	USD	USD	USD
Deferred revenue*	16,512,511	19,886,418	-	-
Other payables	63,454,837	42,664,772	-	-
Amount payable to entities under common control (Note 24 (h))	-	36,877,892	-	-
Trade payables	5,810,594	2,367,997	-	-
	85,777,942	101,797,079	-	-

Current:

	2021	Group	2021	Company
	USD	2020	USD	2020
	USD	USD	USD	USD
Deferred revenue*	26,928,114	25,762,613	-	-
Trade payables	133,640,880	200,639,327	-	-
Other payables	12,772,777	19,597,657	18,778	1,313,126
Sundry creditors	-	927,897	-	-
VAT payable	64,669,970	66,523,054	-	-
Amount payable to shareholder (Note 24 (g))	92,778	26,963,294	-	26,963,294
Amount payable to entities under common control (Note 24 (h))	20,059,854	112,137,783	7,277,800	5,580,062
Amount payable to subsidiaries (Note 24 (i))	-	-	9,121,897	3,176,748
MFS deposit	83,961,325	27,124,513	-	-
	342,125,698	479,676,138	16,418,475	37,033,230
Total trade and other payables	427,903,640	581,473,217	16,418,475	37,033,230

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

21 TRADE AND OTHER PAYABLES (CONTINUED)

The terms and conditions of the non-current trade and other payables are as follows:

- Other payables include mainly contracts with Sagemcom and Ericsson. The amount due bears interest between 11% and 16% per annum and the payment term is 3 years.
- For terms and conditions in respect of amount payable to entities under common control, refer to Note 24(h).
- Trade payables include the following:
 - (a) Nokia Shanghai Bell: The Group purchases equipment with the supplier. The purchase is financed via a letter of credit. The interest rate applicable is 5.50% per annum and the payment term is 2 years.
 - (b) Société De Telecommunications Africaine: The Group purchases mainly pylon with the supplier. It is non-interest-bearing and the payment term is 2 years.

Deferred revenue*	2021	Group 2020
	USD	USD
Non-current		
Deferred revenue relating to sale of bandwidth and capacity	16,512,511	19,886,418
	=====	=====
Current		
Deferred revenue relating to sale of bandwidth and capacity	26,928,114	25,762,613
	=====	=====
Total	43,440,625	45,649,031
	=====	=====

The deferred revenue relates to advanced payments received on the sale of bandwidth and capacity to local operators. It is non-interest bearing and the payment terms and contract duration vary from contract to contract. The deferred revenue is split between current and non-current.

(i) Revenue recognised in relation to deferred revenue

The following table shows how much of the revenue recognised in the current reporting year relates to carried forward deferred revenue:

	2021	2020
	USD	USD
<i>Revenue recognised in relation to deferred revenue during the year:</i>		
Sale of bandwidth and capacity	136,716,119	116,978,860
	=====	=====

(ii) Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from sale of bandwidth and capacity:

	2021	2020
	USD	USD
Aggregate amount of the transaction price allocated to sale of bandwidth and capacity that are partially unsatisfied as at 31 December	43,440,625	45,649,031
	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021(CONTINUED)

21 TRADE AND OTHER PAYABLES (CONTINUED)

(ii) Unsatisfied long-term contracts (continued)

Management expects that 61.99% of the transaction price allocated to unsatisfied performance obligations as of 31 December 2021 amounting to USD 26,928,114 (2020: 56.44% amounting to USD 25,762,613) will be recognised as revenue during the next reporting period. The remaining amount will be recognised as follows:

	2021 USD	2020 USD
2022	-	4,511,025
2023	4,331,598	4,294,994
2024	3,832,234	4,334,196
2025	3,867,341	4,502,775
2026	3,392,443	1,943,781
2027	380,492	269,989
2028	298,294	29,658
2029	298,294	-
2030	111,815	-
	16,512,511	19,886,418

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

(iii) Reconciliation of opening balance to closing balance

	2021 USD	2020 USD
At 01 January	45,649,031	42,558,306
Acquisition through business combination (Note 25)	-	708,465
Amount included in deferred revenue that was recognised as revenue during the year	(136,716,119)	(116,978,860)
Cash received in advance of performance and not recognised as revenue during the year	135,663,168	119,943,378
Interest expense on unwinding of discounted deferred revenue	973,403	89,478
Discounting adjustment to reflect present value	-	(789,455)
Translation difference	(2,128,858)	117,719
At 31 December	43,440,625	45,649,031

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021(CONTINUED)

22 GOVERNMENT GRANTS

This item is analysed as follows:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	33,242,190	45,840,426	-	-
Grants received	7,180,215	-	-	-
Recycled to profit or loss (Note 30)	(13,269,340)	(10,313,764)	-	-
Translation difference	(755,890)	(2,284,472)	-	-
At 31 December	26,397,175	33,242,190	-	-

The grants received as at 31 December 2021 relate to:

- A grant of MGA 792,406,539 for the installation and implementation of a digital telecommunication system in Tsarakofafa jointly financed by the Malagasy State and the World Bank in accordance with contract No. AGEX B 3/016 -04 PDSP II dated 24 March 2004;
- Grants on equipment in line with the agreements for the privatisation of Telecom Malagasy SA for MGA 25,925,333,000. The Government of Madagascar undertook to provide the company, prior to June 2007, with grants for equipment for an amount of USD 15 million, to support the company in the realisation of its business plan. Accordingly, an amount equivalent to USD 7 million was approved in the 2008 budget to distribute the aforementioned grants;
- Grants for equipment received under the Partnership Agreement entered into the Ministry of Communications and New Technologies with Telecom Malagasy SA for the "Projet de developpement des Regions, Districts et Communes" for MGA 18,481,061,370.
- A grant of MGA 60,525,870,828 was received from the "Ministere des Postes, des Telecommunications et des Nouvelles Technologies" for the development of telecommunications services in rural areas.
- A grant for equipment received following the amendment to the partnership agreement with the "Ministère chargé des Télécommunications et des Nouvelles Technologies" for the development of the telecommunications sector in the regions for a total amount of MGA 142,308,009,638.
- The World Bank has awarded grants to Towerco of Madagascar SA for the development of telecommunication in rural areas under PICOM Zone 1A and PICOM 3 in Madagascar. These grants have been amortised over the useful life of the assets acquired by these grants, which vary between 10 and 20 years.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021(CONTINUED)

23 PROVISIONS

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
Provision for dismantling costs (i)	23,710,204	14,388,425	-	-
Provision for litigations (ii)	10,292,942	6,260,777	-	-
Provision for short term risks on operating activities (iii)	3,890,539	4,904,292	-	-
Provision for short term risks on financing activities (iv)	-	3,271	-	-
	<u>37,893,685</u>	<u>25,556,765</u>	<u>-</u>	<u>-</u>
Non-current	36,584,910	24,563,509	-	-
Current	1,308,775	993,256	-	-
	<u>37,893,685</u>	<u>25,556,765</u>	<u>-</u>	<u>-</u>

(i) Provision for dismantling costs

The provision for dismantling costs relates to the cost of dismantling technical equipment and the cost of restoration of the sites on which these equipments are located.

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	14,388,425	17,658,061	-	-
Additional/(reversal) provision	7,090,031	(4,892,077)	-	-
Interest expense (Note 6)	2,715,149	2,229,782	-	-
Translation difference	(483,401)	(607,341)	-	-
At 31 December	<u>23,710,204</u>	<u>14,388,425</u>	<u>-</u>	<u>-</u>

(ii) Provision for litigations

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	6,260,777	4,253,362	-	-
Additional provision	4,518,735	3,470,280	-	-
Reversal of provision	(50,586)	(1,576,716)	-	-
Translation difference	(435,984)	113,851	-	-
At 31 December	<u>10,292,942</u>	<u>6,260,777</u>	<u>-</u>	<u>-</u>

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021 (CONTINUED)

23 PROVISIONS (CONTINUED)

(iii) Provision for short term risks on operating activities

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	4,904,292	3,579,393	-	-
Additional provision	654,761	921,163	-	-
Reversal of provision	(1,324,983)	-	-	-
Translation difference	(343,531)	403,736	-	-
	<u>3,890,539</u>	<u>4,904,292</u>	<u>-</u>	<u>-</u>
At 31 December	3,890,539	4,904,292	-	-

(iv) Provision for short term risks on financing activities

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	3,271	-	-	-
Additional provision	-	3,044	-	-
Reversal of provision	(3,148)	-	-	-
Translation difference	(123)	227	-	-
	<u>-</u>	<u>3,271</u>	<u>-</u>	<u>-</u>
At 31 December	-	3,271	-	-

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

24 RELATED PARTY TRANSACTIONS

During the year under review, the following transactions were carried out with related parties. The nature, volume of transaction and the balances were as follows:

(a) Loans receivable from entities under common control

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<i>1. H Properties – entity under common control</i>				
At 01 January	4,335,817	-	-	-
Acquisition through business combinations	-	4,335,817	-	-
Interest income	177,043	-	-	-
Principal amount impaired	(3,540,854)	-	-	-
Interest amount impaired	(809,061)	-	-	-
Translation difference	(162,945)	-	-	-
	=====	=====	=====	=====
At 31 December	-	4,335,817	-	-
	=====	=====	=====	=====

The loan receivable from entity under common control is unsecured, bears interest at a rate of 5% per annum and is repayable within 5 years.

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<i>2. Juniper Properties – entity under common control</i>				
At 01 January	1,566,515	-	-	-
Acquisition through business combinations	-	1,566,515	-	-
Amount set off with payables	(1,566,515)	-	-	-
	=====	=====	=====	=====
At 31 December	-	1,566,515	-	-
	=====	=====	=====	=====

The loan receivable from entity under common control is unsecured, bears interest at a rate of 5% per annum and is repayable within 5 years.

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<i>3. Axian Support Services Madagascar – entity under common control</i>				
At 01 January	-	-	-	-
Acquisition through business combinations	170,000	-	-	-
	=====	=====	=====	=====
At 31 December	170,000	-	-	-
	=====	=====	=====	=====

The loan receivable from entity under common control is unsecured, interest-free and repayable on demand.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Loans receivable from entities under common control (continued)

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<i>4. Axian Group Ltd – entity under common control</i>				
At 01 January	-	-	-	-
Acquisition through business combinations	52,158,341	-	-	-
Advance during the year	55,000	-	-	-
Repayment during the year	(7,626,707)	-	-	-
Balance netted off	(44,586,634)	-	-	-
	=====	=====	=====	=====
At 31 December	-	-	-	-
	=====	=====	=====	=====

The loan receivable from entity under common control is unsecured, interest-free and repayable on demand. During the year ended 31 December 2021, the debt owed by Axian Group Ltd to AXIAN SUPPORT SERVICES LTD was re-assigned to Axian Telecom, such that Axian Group Ltd no longer owed AXIAN SUPPORT SERVICES LTD but rather owed Axian Telecom. The debt was netted off against the consideration amount payable by Axian Telecom on acquisition of shares in Axian Financial Services Ltd from Axian Group Ltd.

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<i>5. Edmonton International Ltd – entity under common control</i>				
At 01 January	-	-	-	-
Acquisition through business combinations	13,320,642	-	-	-
Advance during the year	1,333,713	-	-	-
Repayment during the year	(3,403,841)	-	-	-
Principal amount impaired	(11,250,514)	-	-	-
	=====	=====	=====	=====
At 31 December	-	-	-	-
	=====	=====	=====	=====

The loan receivable from entity under common control is unsecured, interest-free and repayable on demand.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Loans receivable from entities under common control (continued)

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<i>6. Protouch Technology Ltd – entity under common control</i>				
At 01 January	-	-	-	-
Acquisition through business combinations	906,182	-	-	-
Repayment during the year	(597,560)	-	-	-
Amount set off with payables	(308,622)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	-	-	-	-

The loan receivable from entity under common control is unsecured, interest-free and repayable on demand.

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<i>7. Electricité de Madagascar – entity under common control</i>				
At 01 January	-	-	-	-
Acquisition through business combinations	404,140	-	-	-
Repayment during the year	(113,257)	-	-	-
Translation difference	49,443	-	-	-
	<u>340,326</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	340,326	-	-	-

The loan receivable from entity under common control is unsecured, interest-free and repayable on demand.

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<i>8. First Immo – entity under common control</i>				
At 01 January	-	-	-	-
Acquisition through business combinations	114,700	-	-	-
	<u>114,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	114,700	-	-	-

The loan receivable from entity under common control is unsecured, interest-free and repayable on demand.

Total (Note 14)	625,026	5,902,332	-	-
	<u>625,026</u>	<u>5,902,332</u>	<u>-</u>	<u>-</u>
Non-current	-	5,902,332	-	-
Current	625,026	-	-	-
	<u>625,026</u>	<u>5,902,332</u>	<u>-</u>	<u>-</u>

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
(b) Loans receivable from subsidiaries (Note 14)				
<i>1. Agou Holding</i>				
At 01 January	-	-	-	-
Transfer from amount receivable from subsidiaries (Note 24(d))	-	-	38,340,334	-
Interest income	-	-	1,835,460	-
Unrealised exchange loss	-	-	(2,938,312)	-
	-----	-----	-----	-----
At 31 December	-	-	37,237,482	-
	=====	=====	=====	=====
The loan is unsecured, bears interest at a rate of 5% per annum and is repayable not before November 2024.				
<i>2. Towerco of Africa</i>				
At 01 January	-	-	-	-
Advance during the year	-	-	6,371,662	-
Interest income	-	-	168,228	-
	-----	-----	-----	-----
At 31 December	-	-	6,539,890	-
	-----	-----	=====	=====
The loan is unsecured, bears interest at a rate of 5% - 7% per annum and repayable on demand.				
Total (Note 14)	-	-	43,777,372	-
	=====	=====	=====	=====
Non-current	-	-	37,237,482	-
Current	-	-	6,539,890	-
	-----	-----	-----	-----
	-	-	43,777,372	-
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
(c) Amount receivable from entities under common control (Note 12)				
At 01 January	139,400,486	56,545,341	17,368,674	7,801,404
Acquisition through business combination	4,040,389	-	-	-
Expenses paid on behalf of entities	(118,327,297)	82,855,145	(16,687,803)	9,567,270
At 31 December	25,113,578	139,400,486	680,871	17,368,674
Receivable within one year	(25,113,578)	(118,815,021)	(680,871)	(17,368,674)
Receivable later than one year	-	20,585,465	-	-

The amount receivable relates to purchases of equipments on behalf of the entities under common control. The amount is repayable in monthly instalments until 2022 and has been recognised at fair value upon initial recognition, using the market interest rate prevailing at that date. The amount has subsequently been measured at amortised cost using the effective interest rate method, at a rate of 8.5% per annum.

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
(d) Amount receivable from subsidiaries (Note 12)				
At 01 January	-	-	49,145,092	34,266,405
Transfer to loans receivable from subsidiaries (Note 24(b))	-	-	(38,340,334)	-
Interest income	-	-	-	1,704,500
Amount advanced during the year	-	-	12,581,090	13,174,187
At 31 December	-	-	23,385,848	49,145,092

The amount receivable from subsidiaries is unsecured, interest free and repayable on demand. The amount receivable from Agou Holding, bearing the interest of 5%, has been reclassified to loans receivable during the year ended 31 December 2021.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Loans payable to related parties		Group		Company
	2021	2020	2021	2020
	USD	USD	USD	USD
<i>1. Hassanein Hiridjee - shareholder</i>				
At 01 January	39,927,781	34,780,688	39,927,781	34,780,688
Loan assigned from entity under common control	-	108,039,040	-	108,039,040
Conversion of loan into equity	-	(108,039,040)	-	(108,039,040)
Amount due to shareholder transferred to loan (Note 24(g))	86,960,745	-	86,960,745	-
Interest expense	2,913,470	1,773,139	2,913,470	1,773,139
Translation difference	(3,059,911)	3,373,954	(3,059,911)	3,373,954
At 31 December	126,742,085	39,927,781	126,742,085	39,927,781

The loan from the entity under common control was unsecured, bore interest at the rate of 5% per annum and was repayable on demand. The Group's and the Company's obligations towards its shareholder have been subordinated to its obligations in respect of the notes and the Revolving Credit facility pursuant to the terms of subordination deeds entered into between, amongst others, the Shareholder and the Company. The loan shall be repayable immediately following demand by the Shareholder, provided that no such demand shall be made until on or after the date falling 6 months after the Senior Discharge date, the date on which the Company has discharged all present and future obligations and liabilities at any time due, owing or incurred by the Company under (i) the indenture dated 16 February 2022 pursuant to which the Company issued USD 420,000,000 7.375% Senior Notes due 2027 and (ii) the USD 42,000,000 revolving credit facility agreement dated 16 February 2022. Given that the senior notes would be repaid by 2027, the loan from shareholder would be settled after 2027.

2. Edmonton International Ltd - entity under common control

At 01 January	1,326,425	1,283,106	1,326,425	1,283,106
Repayment during the year	(1,326,425)	-	(1,326,425)	-
Interest expense	-	43,319	-	43,319
At 31 December	-	1,326,425	-	1,326,425

The loan from the entity under common control was unsecured, borne interest at the rate of 5% per annum and was repayable on demand.

3. Axian Support Services Ltd - subsidiary

At 01 January	1,924,473	562,373	1,697,594	562,373
Addition during the year	-	1,321,119	-	1,109,957
Repayment during the year	(226,879)	-	-	-
Net off with loan receivable	(1,697,594)	-	(1,697,594)	-
Debt assignment	-	-	44,600,455	-
Translation difference	-	40,981	-	25,264
At 31 December	-	1,924,473	44,600,455	1,697,594

The loan payable to entity under common control is unsecured, interest-free and repayable on demand. On 01 March 2021, Axian Support Services Ltd has become a subsidiary of Axian Telecom.

As per the directors' resolution dated 26 August 2021, the debt amount of USD 44,600,455 due by Axian Group Ltd to Axian Support Services Ltd was reassigned to the Company.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Loans payable to related parties
(continued)

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<i>4. Axian Group Ltd - entity under common control</i>				
At 01 January	17,389,633	17,278,406	17,191,123	17,145,976
Acquisition through business combination	59,077	-	-	-
Addition during the period	135,779	62,031	-	16,853
Repayment during the period	(17,185,242)	-	(17,185,242)	-
Interest expense	11,453	6,743	-	-
Expenses paid on behalf	-	23	-	-
Translation difference	(28,437)	42,430	(5,881)	28,294
At 31 December	382,263	17,389,633	-	17,191,123

The loan from entity under common control is unsecured and is repayable on demand. The interest rate varies between 0% to 5% per annum.

5. Protouch Technology Ltd - entity under common control

At 01 January	-	105,207,403	-	105,207,403
Loan assigned to shareholder	-	(108,039,040)	-	(108,039,040)
Interest expense	-	2,831,638	-	2,831,638
At 31 December	-	-	-	-

The loan from entity under common control was unsecured, borne interest at the rate of 15% per annum and was repayable on demand

6. Illiad - Entity with joint control

At 01 January/31 December	141,996	141,996	141,996	141,996
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Relate to interest payable on loan. The amount is unsecured, interest-free and repayable on demand.

7. Silver Links Ltd (formerly Telma International Carrier Services Ltd) - subsidiary

At 01 January	-	-	-	-
Debt assignment	-	-	41,745,755	-
Translation difference	-	-	(1,672,801)	-
	-	-	40,072,954	-

The loan from the subsidiary is unsecured, interest-free and repayable on demand. As per the directors' resolution dated 26 August 2021, the debt of EUR 35,331,502 (equivalent to USD 41,745,755) due by Axian Group Ltd to Silver Links Ltd (formerly known as Telma International Carrier Services Ltd) was reassigned to the Company.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021(CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Loans payable to related parties
(continued)

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
<i>8. ECP Africa Fund IV LLC – Minority shareholder</i>				
At 01 January	-	-	-	-
Transfer from amount payable to entities under common control (Note 24(h))	1,685,352	-	-	-
Interest expense	87,416	-	-	-
Translation difference	(14,079)	-	-	-
	<u>1,758,689</u>	<u>-</u>	<u>-</u>	<u>-</u>

The loan is unsecured, bears interest at a rate of 5% per annum and is repayable not before November 2024.

9. ECP Africa Fund IV A LLC – Minority shareholder

At 01 January	-	-	-	-
Transfer from amount payable to entities under common control (Note 24(h))	7,231,856	-	-	-
Interest expense	375,103	-	-	-
Translation difference	(60,415)	-	-	-
	<u>7,546,544</u>	<u>-</u>	<u>-</u>	<u>-</u>

The loan is unsecured, bears interest at a rate of 5% per annum and is repayable not before November 2024.

Total	136,571,577	60,710,308	211,557,490	60,284,919
Current	382,263	60,710,308	84,673,409	60,284,919
Non-current	136,189,314	-	126,884,081	-
	<u>136,571,577</u>	<u>60,710,308</u>	<u>211,557,490</u>	<u>60,284,919</u>

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Bank loan – BNI Madagascar	Group		Company	
	2021 USD	2020 USD	2021 USD	2020 USD
Bank loan	19,442,941	-	-	-
	<u>19,442,941</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 26 August 2021, the Group has acquired Axian Financial Services Ltd and its subsidiaries. The Group has thus a direct interest of 10% and an indirect interest of 21.2% in BNI Madagascar.

(g) Amount payable to shareholder (Note 21)	Group		Company	
	2021 USD	2020 USD	2021 USD	2020 USD
At 01 January	26,963,294	26,963,294	26,963,294	26,963,294
Additions	92,778	-	-	-
Shares buy back (Note 17)	60,000,000	-	60,000,000	-
Expenses paid on behalf	(2,549)	-	(2,549)	-
Transfer to loan payable to related parties (Note 24(e))	(86,960,745)	-	(86,960,745)	-
	<u>92,778</u>	<u>26,963,294</u>	<u>-</u>	<u>26,963,294</u>

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

(h) Amount payable to entities under common control (Note 21)	Group		Company	
	2021 USD	2020 USD	2021 USD	2020 USD
At 01 January	149,015,675	70,948,561	5,580,062	-
Acquisition through business acquisition	44,945,727	-	-	-
Transfer to loan payable to related parties (Note (e))	(8,917,208)	-	-	-
Advances received	(164,984,340)	78,067,114	1,697,738	5,580,062
	<u>20,059,854</u>	<u>149,015,675</u>	<u>7,277,800</u>	<u>5,580,062</u>
At 31 December	(20,059,852)	(112,137,783)	(7,277,800)	(5,580,062)
Payable within one year	-	-	-	-
Payable later than one year	-	36,877,892	-	-

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

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021(CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
(i) Amount payable to subsidiaries (Note 21)				
At 01 January	-	-	3,176,748	2,738,833
Advances received	-	-	5,945,149	437,915
	-----	-----	-----	-----
At 31 December	-	-	9,121,897	3,176,748
	=====	=====	=====	=====

The amount payable to subsidiaries is unsecured, interest free and repayable on demand.

(j) Dividends payable to shareholder and receivable from related parties are set out in notes 37 and 42 respectively.

Key management compensation

The remuneration and other advantages for key management personnel is shown below:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
Short term benefits	4,955,071	2,896,138	1,699,367	330,060
	-----	-----	-----	-----
	4,955,071	2,896,138	1,699,367	330,060
	=====	=====	=====	=====

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

25 LEASE LIABILITY

(i) Amounts recognised in the statement of financial position

	Group		Company	
	2021 USD	2020 USD	2021 USD	2020 USD
<i>Right-of-use assets</i>				
At 01 January	36,632,210	15,511,890	-	-
Acquisition through business combinations (Note 26)	680,458	-	-	-
Additions during the year	16,992,062	25,728,901	-	-
Disposal during the year	-	(159,768)	-	-
Depreciation charge for the year (Note 5)	(8,306,213)	(4,096,760)	-	-
Translation difference	(1,991,381)	(352,053)	-	-
At 31 December	44,007,136	36,632,210	-	-

Right-of-use assets are made up of the following:

	Group		Company	
	2021 USD	2020 USD	2021 USD	2020 USD
Fixtures and fittings	6,362,303	4,644,421	-	-
Land and buildings	5,646,613	7,963,877	-	-
Technical equipment	18,584,675	17,038,302	-	-
Site leases	6,917,075	6,783,445	-	-
Network sites	1,649,858	-	-	-
Offices and services centres	95,711	-	-	-
Motor vehicles	4,750,901	202,165	-	-
At 31 December	44,007,136	36,632,210	-	-
<i>Lease liability</i>				
At 01 January	37,999,618	16,336,673	-	-
Acquisition through business combinations (Note 26)	760,564	-	-	-
Additions during the year	16,992,062	25,815,883	-	-
Interest expense (Note 6)	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 31 December	51,253,868	37,999,618	-	-
Current	5,943,398	4,307,066	-	-
Non current	45,310,470	33,692,552	-	-
	51,253,868	37,999,618	-	-

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

25 LEASE LIABILITY (CONTINUED)

(ii) Amounts recognised in the statement of profit or loss and other comprehensive income

	Group		Company	
	2021 USD	2020 USD	2021 USD	2020 USD
Depreciation of right-of-use assets	8,306,213	4,096,760	-	-
Interest expense	3,526,646	3,084,208	-	-
Total rental charges	11,832,859	7,180,968	-	-

26 ACQUISITION THROUGH BUSINESS COMBINATIONS

2021

(i) The Group and the Company acquired the following entities during the years ended 31 December 2021;

- On 26 August 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 04 November 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 01 March 2021. This is a business combination under common control.
- Following the directors' resolution of Towerco of Africa Ltd dated 06 May 2021, it was resolved to approve the investment agreement dated 06 May 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.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

26 ACQUISITION THROUGH BUSINESS COMBINATIONS (CONTINUED)

2021 (continued)

The assets and liabilities of Axian Financial Services Ltd and its subsidiaries, Axian Support Services Ltd and its subsidiaries and Ubuntu Towers Uganda Ltd at the date of acquisition are as follows:

	2021 Book values USD Axian Financial Services Ltd and its subsidiaries	2021 Book values USD Axian Support Services Ltd and its subsidiaries	2021 Fair values USD Ubuntu Towers Uganda Ltd	2021 USD Total
ASSETS				
Property, plant and equipment (Note 8)	248,475	354,472	211,688	814,635
Intangible assets (Note 9)	205,237	94,071	183,015	482,323
Investment in associate (Note 11)	17,986,429	-	-	17,986,429
Right of use assets (Note 25)	-	-	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 (Note 28)	63,462,909	9,484,699	32,364	72,979,972
Income tax receivable (Note 7(d))	118	48,128	-	48,246
Total assets	96,551,201	166,928,959	1,269,209	264,749,369
LIABILITIES				
Other borrowings	125,580	157,876	-	283,456
Lease liability (Note 25)	-	-	760,564	760,564
Trade and other payables	72,552,556	41,712,458	638,444	114,903,458
Loan payable to shareholder (Note 24(e))	59,077	-	-	59,077
Bank overdraft (Note 28)	-	9	-	9
Income tax liability (Note 7(d))	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 at date of acquisition	(23,299,402)	(124,838,196)	129,799	(148,007,799)
Goodwill/(Gain on Bargain purchase)	72,308,066	(124,838,076)	179,668	(52,350,342)
Allocated to:				
Goodwill	-	-	179,668	179,668
Reorganisation reserve	72,308,066	(124,838,076)	-	(52,530,010)
	72,308,066	(124,838,076)	179,668	(52,350,342)

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

26 ACQUISITION THROUGH BUSINESS COMBINATIONS (CONTINUED)

2021 (continued)

	2021 Book values USD Axian Financial Services Ltd and its subsidiaries	2021 Book values USD Axian Support Services Ltd and its subsidiaries	2021 Fair values USD Ubuntu Towers Uganda Ltd	2021 Total USD
<i>Cash outflow 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
	=====	=====	=====	=====

Axian Financial Services Ltd and its subsidiaries

The acquired business contributed revenues of USD 16,317,323 and net profit of USD 3,319,669 to the group for the period from 26 August 2021 to 31 December 2021. If the acquisition had occurred on 01 January 2021, consolidated revenue and profit for the year ended 31 December 2021 would have been USD 525,908,951 and USD 108,387,338 respectively.

Axian Support Services Ltd and its subsidiaries

The acquired business contributed revenues of USD 3,776,232 and net profit of USD 23,494,562 to the group for the period from 01 March 2021 to 31 December 2021. If the acquisition had occurred on 01 January 2021, consolidated revenue and profit for the year ended 31 December 2021 would have been USD 488,729,223 and USD 111,320,437 respectively.

Ubuntu Towers Uganda Ltd

The acquired business contributed revenues of USD 941,201 and net loss of USD 1,318,737 to the group for the period from 06 May 2021 to 31 December 2021. If the acquisition had occurred on 01 January 2021, consolidated revenue and loss for the year ended 31 December 2021 would have been USD 488,816,805 and USD 85,979,695 respectively.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

26 ACQUISITION THROUGH BUSINESS COMBINATIONS (CONTINUED)

2020

The Group and the Company acquired the following entities during the year ended 31 December 2020;

- Following the directors' resolution dated 15 January 2020, it was resolved to proceed with the acquisition of the shares held by Axian Group Ltd in Telma International Carrier Services Ltd. This is a business combination under common control.
- Following the directors' resolution dated 30 September 2020, it was resolved to proceed with the acquisition of the shares of Emediaplace Ltd and Madaplace Ltd.

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 Telma International Carrier Services Ltd, Emediaplace Ltd and Madaplace Ltd at the date of acquisition are as follows

	2020 Book values USD Telma International Carrier Services Ltd	2020 Fair values USD Emediaplace Ltd	2020 Fair values USD Madaplace Ltd
ASSETS			
Property, plant and equipment (Note 8)	-	-	2,637
Intangible assets (Note 9)	933,717	-	-
Loans receivable (Note 24)	5,902,332	-	-
Trade and other receivables	57,479,259	13,916	942
Cash and cash equivalents	2,142,643	71,497	2,990
Total assets	66,457,951	85,413	6,569

The fair value of acquired trade and other receivables is USD 13,916 and USD 942 for Emediaplace Ltd and Madaplace Ltd respectively. The gross contractual amount for trade and other receivables due is USD 13,916 for Emediaplace Ltd and USD 942 for Madaplace Ltd, with no loss allowance recognised on acquisition respectively.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

26 ACQUISITION THROUGH BUSINESS COMBINATIONS (CONTINUED)

2020 (continued)

	2020	2020	2020
	Book values	Fair values	Fair values
	USD	USD	USD
	Telma International Carrier Services Ltd	Emediaplace Ltd	Madaplace Ltd
LIABILITIES			
Borrowings	-	-	9,949
Trade and other payables	43,131,095	140,237	273,659
Bank overdraft	108	-	5,130
Tax payable	251,145	-	9,175
Total liabilities	43,382,348	140,237	297,913
Book value/Fair value of net assets	23,075,603	(54,824)	(291,344)
Cost of investment	(120)	(122,637)	(2,134)
Reorganisation surplus/(Goodwil)	23,075,483	(177,461)	(293,478)

The goodwill 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.

	2020	2020	2020
	Book values	Fair values	Fair values
	USD	USD	USD
	Telma International Carrier Services Ltd	Emediaplace Ltd	Madaplace Ltd
Cash outflow from acquisition of subsidiaries			
Purchase consideration	120	122,637	2,134
Cash and cash equivalents	(2,142,643)	(71,497)	(2,990)
Bank overdraft	108	-	5,130
Acquisition of subsidiaries, net of cash	(2,142,415)	51,140	4,274

Emediaplace Ltd

The acquired business contributed revenues of USD 11,015 and net loss of USD 1,280 to the group for the period from 30 September 2020 to 31 December 2020. If the acquisition had occurred on 01 January 2020, consolidated pro-forma revenue and profit for the year ended 31 December 2020 would have been USD 414,442,028 and USD 51,628,066 respectively.

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)****26 ACQUISITION THROUGH BUSINESS COMBINATIONS (CONTINUED)****2020 (continued)****Madaplace Ltd**

The acquired business contributed revenues of USD 2,535 and net loss of USD 21,915 to the group for the period from 30 September 2020 to 31 December 2020. If the acquisition had occurred on 01 January 2020, consolidated pro-forma revenue and profit for the year ended 31 December 2020 would have been USD 414,402,085 and USD 51,558,545 respectively.

These amounts have been calculated using the subsidiaries' results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment had applied from 1 January 2020, together with the consequential tax effects.

27 PARENT AND ULTIMATE PARENT

The directors consider Mr Hassanein Shahreza Hiridjee as the ultimate controlling party.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

28 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Company	
	Restated		Restated	
	2021	2020	2021	2020
	USD	USD	USD	USD
Cash flows from operating activities:				
Profit before income tax	114,296,477	51,880,453	108,779,153	10,265,934
Adjustments :				
Depreciation of right-of-use assets (Note 5)	8,306,213	4,096,760	-	-
Depreciation of property, plant and equipment (Note 5)	95,987,382	102,117,153	-	-
Amortisation of intangible assets (Note 5)	8,005,896	7,108,396	-	-
Loss on disposal of property, plant and equipment (Note 5)	20,728	105,164	-	-
Scrap of property, plant and equipment	-	2,281,774	-	-
Scrap of intangible assets	-	31,958	-	-
Gain on disposal of intangible assets (Note 30)	(104,871)	-	-	-
Share of profit in associates and joint ventures (Note 11)	(22,442,120)	(16,475,554)	-	-
Provision on litigations (Note 23 (ii)) (Reversal)/addition of provision for short term risks on operating activities (Note 30)	4,468,149	1,893,564	-	-
(Reversal)/addition of provision for short term risks on financing activities (Note 30)	(670,222)	921,163	-	-
Finance cost on lease liability (Note 6)	3,526,646	3,084,208	-	-
Interest expense on provision for dismantling costs (Note 6)	2,715,149	2,229,782	-	-
Interest on loans payable to shareholders (Note 6)	3,375,989	1,773,139	2,913,470	1,773,139
Interest on amount payable to shareholders (Note 6)	-	469,813	-	-
Interest expense on bank loan (Note 6)	17,499,647	17,383,608	-	-
Interest on bank overdraft (Note 6)	634,043	1,954,947	-	-
Interest on other borrowings (Note 6)	630,047	417,183	-	-
Interest on loans payable to entities under common control (Note 6)	11,453	2,881,699	-	2,874,958
Interest on amount payable to entities under common control (Note 6)	52,264	306,720	-	-
Finance costs on IRU	-	1,823,288	-	-
Interest expense on unwinding of discounted deferred revenue (Note 6)	973,403	89,478	-	-
Other finance costs (Note 6)	3,474,444	6,235,624	-	-
Interest income (Note 6)	(2,707,474)	(3,234,754)	(2,003,688)	(1,704,500)
Other finance income (Note 6)	(7,202,754)	(6,720,820)	-	-
Dividend income (Notes 30 & 42)	(337,397)	(21,315)	(98,059,164)	(862,061)
Loan receivable written off (Note 38)	14,791,368	-	-	-
Interest receivable written off (Note 38)	809,061	-	-	-
Bad debts written off (Note 5)	-	177,625	-	-

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2021 (CONTINUED)

28 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	2021 USD	Group Restated 2020 USD	2021 USD	Company Restated 2020 USD
Cash flows from operating activities: (continued)				
Loss on disposal of subsidiary (Note 38)	-	32,209,819	-	-
Waiver of claims obtained (Note 30)	(13,496)	(4,982,113)	-	-
Reversal of provision for risks and charges (Note 30)	-	(1,740,000)	-	-
Write off of emphyteutic lease (Note 30)	-	(2,481,109)	-	-
Amount receivable written off (Note 5)	17,444,488	-	-	-
Trade payables waived (Note 30)	(573,506)	-	-	-
Amount payable waived (Note 38)	(15,330,652)	-	-	-
Impairment of property, plant and equipment (Note 5)	291,764	-	-	-
Impairment of intangible assets (Note 5)	121,055	-	-	-
Impairment of loans receivable (Note 5)	350,935	-	-	-
Loss allowance on trade receivables (Note 5)	260,436	103,308	-	-
Impairment of inventory (Note 5)	(4,513,299)	8,915,793	-	-
Net loss/(gain) on financial assets at fair value through profit or loss (Note 5)	141,500	(32,576)	141,500	-
Release of government grants (Note 30)	(13,269,340)	(10,313,764)	-	-
Reversal of provision for retirement benefit obligation (Note 30)	(795,384)	(2,941,736)	-	-
Provision for retirement benefit obligation (Note 5)	-	-	656	-
	230,224,874	201,551,722	11,771,927	12,347,470
Changes in working capital :				
Decrease/(increase) in inventories	491,281	(7,389,729)	-	-
Decrease/(Increase) in trade and other receivables	249,019,747	(45,624,631)	2,181,229	(24,610,646)
(Decrease)/Increase in trade and other payables	(201,940,349)	13,265,113	(1,882,821)	9,879,220
Increase in loan to clients	(5,586,467)	-	-	-
Increase in deposits from customers	695,993	-	-	-
	272,905,079	161,802,475	12,070,335	(2,383,956)
Cash generated from/(absorbed in) operations				

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

28 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(i) Net debt reconciliation

Group

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2021 USD	Restated 2020 USD
Net debt		
Cash and cash equivalents	111,951,988	62,007,768
Borrowings	(346,478,536)	(291,259,177)
Lease liability	(51,253,868)	(37,999,618)
Net debt	(285,780,416)	(267,251,027)

	Liabilities from financing activities			Other assets Cash/bank overdraft	Total
	Borrowings USD	Leases USD	Sub total USD	USD	USD
Net debt as at 01 January 2020 (Restated)	(388,113,325)	(16,336,673)	(404,449,998)	91,318,369	(313,131,629)
Net cash flows:					
Principal received	(20,964,546)	-	(20,964,546)	-	(20,964,546)
Principal paid	138,664,824	3,320,052	141,984,876	-	141,984,876
Interest paid on borrowings and lease liability	16,656,767	3,084,208	19,740,975	-	19,740,975
Interest paid on bank overdraft	-	-	-	(1,954,947)	(1,954,947)
Other financing cash flows	-	-	-	6,807,010	6,807,010
Acquisition through business combination (Note 26)	(9,949)	-	(9,949)	2,087,001	2,077,052
Disposal of subsidiary (Note 40)	8,115	-	8,115	(37,573,509)	(37,565,394)
New leases (Note 25)	-	(25,815,883)	(25,815,883)	-	(25,815,883)
Other changes (i)	(23,592,623)	(3,084,208)	(26,676,831)	-	(26,676,831)
Foreign exchange adjustments	(13,908,440)	832,886	(13,075,554)	1,323,844	(11,751,710)
Net debt as at 31 December 2020 (Restated)	(291,259,177)	(37,999,618)	(329,258,795)	62,007,768	(267,251,027)
Net cash flows:					
Principal received	(48,571,494)	-	(48,571,494)	-	(48,571,494)
Principal paid	74,501,852	3,480,062	77,981,914	-	77,981,914
Interest paid on borrowings and lease liability	18,998,667	3,526,646	22,525,313	-	22,525,313
Other financing cash flows	-	-	-	64,633,007	64,633,007
Acquisition through business combination (Note 26)	(342,533)	(760,564)	(1,103,097)	(19,983,006)	(21,086,103)
New leases	-	(16,992,062)	(16,992,062)	-	(16,992,062)
Other changes (i)	(117,123,960)	(3,526,646)	(120,650,606)	-	(120,650,606)
Foreign exchange adjustments	17,318,109	1,018,314	18,336,423	5,294,219	23,630,642
Net debt as at 31 December 2021	(346,478,536)	(51,253,868)	(397,732,404)	111,951,988	(285,780,416)

(i) Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid, acquisition of property, plant and equipment, loans receivable of USD 1,697,596 netted off against borrowings and amount payable to shareholders of USD 95,877,954 which has been transferred from 'trade and other payables' to 'borrowings' during the year ended 31 December 2021.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

28 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(ii) Non-cash transactions:

The principal non-cash transactions during the year ended 31 December 2021 are as follows:

Group

1. Acquisition of right-of-use assets amounting to USD 16,992,062 (Note 25);

Group and Company

2. Capital reduction of USD 56,017,210 (Note 17);
3. Shares buy-back of USD 60,000,000 from its sole shareholder (Mr. Hassanein Hirdjee) which is still payable as at 31 December 2021 and recognized as borrowings (Note 17 and 24 (d)).

Company

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

	2021 USD	2020 USD
Net debt		
Cash and cash equivalents	36,466,010	725,580
Borrowings	(211,557,490)	(60,284,919)
Net debt	(175,091,480)	(59,559,339)

	Borrowings USD	Other assets Cash/bank overdraft USD	Total USD
Net debt as at 31 December 2019	(159,121,541)	17,241	(159,104,300)
Cash flows	106,912,229	708,339	107,620,568
Other changes (i)	(4,648,097)	-	(4,648,097)
Foreign exchange adjustments	(3,427,510)	-	(3,427,510)
Net debt as at 31 December 2020	(60,284,919)	725,580	(59,559,339)
Cash flows	19,580,341	36,077,450	55,657,791
Other changes (i)	(175,591,505)	-	(175,591,505)
Foreign exchange adjustments	4,738,593	(337,020)	4,401,573
Net debt as at 31 December 2021	(211,557,490)	36,466,010	(175,091,480)

(i) Other charges include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid, transfer from amount payable to shareholder and reassignment of debt.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2021 (CONTINUED)

29 REVENUE

	2021 USD	Group Restated 2020 USD	2021 USD	Company 2020 USD
Mobile services only	323,610,698	276,027,146	-	-
Fixed services (Residential and business)	55,376,041	48,586,153	-	-
Interconnection/Roaming/MVNO	24,604,082	25,594,383	-	-
Sale of customer equipment and infrastructure	5,867,401	5,022,506	-	-
Operator infrastructure services	25,091,877	27,648,234	-	-
Commissions received on electronic money activities	24,301,573	12,465,690	-	-
Hosting and rental sites	10,491,454	10,313,683	-	-
Other services	2,985,128	13,549	-	-
Trademark and licence fees	1,564,713	1,509,490	8,401,148	7,231,981
Management fees	1,696,482	1,405,811	472,384	467,180
Other revenue	10,269,834	20,567,756	21,277,138	13,846,149
	<u>485,859,283</u>	<u>429,154,401</u>	<u>30,150,670</u>	<u>21,545,310</u>
Revenue recognised at a point in time	30,202,961	19,566,660	-	-
Revenue recognised over time	455,656,322	409,587,741	30,150,670	21,545,310
	<u>485,859,283</u>	<u>429,154,401</u>	<u>30,150,670</u>	<u>21,545,310</u>

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

29 REVENUE (CONTINUED)

The revenue is presented by categories. The breakdown of revenue by product line is as follows:

- Mobile services: revenue from mobile services include revenues from incoming and outgoing calls (voice, mobile internet, mixed plans, prepaid and postpaid);
- Fixed services: fixed services aggregate the income from fixed network solution services to businesses and individuals;
- Revenue from interconnection, roaming and MVNO: revenue comprise of operator billing on interconnections, call termination, international or national roaming and any other form of wholesale traffic resale (MVNO) to other telecommunications service providers;
- Customer Equipment and Infrastructure: revenue comprise of sale of equipment such as terminals, routers, solar kits, infrastructure and sale of other telecom & IT equipment to other telecommunications professionals;
- Operator Infrastructure services: Revenue from operator infrastructure services include income from backbone connectivity rental in any contractual form with Synchronous Transport Module ("STM") or without (dark fiber) capacity offered. The services also comprise of rental of technical sites and accommodation of data processing equipment in technical rooms.
- Commissions received on electronic money activities: revenue comprise of commissions received in particular on mobile banking activities whereby the entities receive commissions on transaction as an agent (and not a reseller). The commissions are received on all of its cash transactions. They are calculated based on the official rates decided by management and displayed on the website of these entities. The revenues are net of value added taxes;
- Other revenue: It includes revenue from feasibility studies and work plan done for clients and sales of sundry items.;
- Hosting and rental of sites: Revenue from hosting and rental sites relates to operator hosting services on the Radio Access Network ("RAN") access site, including both rental and any other ancillary services;
- Trademark and licences: Trademark fees are derived from the use of the trademark and IP rights which are registered in Mauritius. A trademark fee is received based on the agreements between the parties.
- Management fees: The Group provides assistance to customers in the management of their business and their corporate strategy. The Group is actively involved in the operational management of those companies where it provides training and administrative assistance to its personnel.
- The Group also provides digital solutions services, including IT services, and other assistance and support services to companies

30 OTHER INCOME

Other income - General	Group		Company	
	2021	Restated	2021	Restated
	USD	2020	USD	2020
		USD		USD
Gain on disposal of intangible assets	104,871	-	-	-
Dividend income (Note 42)	337,397	21,315	98,059,164	862,061
Reversal of provision for retirement of benefit obligation	795,384	2,941,736	-	-
Reversal of provision for risks and charges	670,222	1,740,000	-	-
Release of government grant	13,269,340	10,313,764	-	-
Waiver of claims obtained	13,496	4,982,113	-	-
Reversal of other taxes and duties	-	4,646,083	-	-
Write off of emphyteutic lease	-	2,481,109	-	-
Other income	2,332,335	1,446,449	-	160,424
	17,523,045	28,572,569	98,059,164	1,022,485

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

30 OTHER INCOME (CONTINUED)

Other income - Financial	2021 USD	Group Restated 2020 USD	2021 USD	Company Restated 2020 USD
Trade payables waived	573,506	-	-	-
Amount payable waived	15,330,652	-	-	-
	<u>15,904,158</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>33,427,203</u>	<u>28,572,569</u>	<u>98,059,164</u>	<u>1,022,485</u>

31 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 USD	Group 2020 USD	2020 USD	Company 2020 USD
Funds	6,153,243	1,247,290	5,000,000	-
Equity securities	45,043	113,120	-	-
	<u>6,198,286</u>	<u>1,360,410</u>	<u>5,000,000</u>	<u>-</u>
Fair value loss	(330,903)	(204,849)	(141,500)	-
	<u>5,867,383</u>	<u>1,155,561</u>	<u>4,858,500</u>	<u>-</u>

(i) Funds

The Group holds investments in mutual funds. The fair value of the investment in mutual funds is determined by reference to the quoted price on active markets as at 31 December 2021 and 2020.

During the year ended 31 December 2021, the Group and the Company has acquired investment in RMAXCOINV C.V., a limited partnership incorporated under the laws of the Netherlands. The fair value of the financial assets at fair value through profit or loss has been determined based on the net asset value of the investee company as per the management accounts as at 31 December 2021.

Since the investment in RMAXCOINV C.V. was acquired close to the year ended 31 December 2021, the directors believe that the cost approximate the fair value at the end of the reporting date.

The movement in the fair value is as follows:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	204,849	219,336	-	-
Charge/(Credit) to profit or loss (Note 5)	141,500	(32,576)	141,500	-
Translation difference	(15,446)	18,089	-	-
	<u>330,903</u>	<u>204,849</u>	<u>141,500</u>	<u>-</u>

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

31 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

ii) Equity securities

Equity securities include the following:

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
Sonatel Group	33,716	36,465	-	-
Ecobank Transnational Inc.	11,327	12,252	-	-
Société De La Zone Franche Togolaise	-	64,403	-	-
	<u>45,043</u>	<u>113,120</u>	<u>-</u>	<u>-</u>

32 TREASURY BONDS

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	2,938,256	3,605,843	-	-
Matured	(337,406)	(935,111)	-	-
Translation difference	(208,329)	267,524	-	-
	<u>2,392,521</u>	<u>2,938,256</u>	<u>-</u>	<u>-</u>
At 31 December	2,392,521	2,938,256	-	-
	<u>2,392,521</u>	<u>2,938,256</u>	<u>-</u>	<u>-</u>
Current	-	-	-	-
Non-current	2,392,521	2,938,256	-	-
	<u>2,392,521</u>	<u>2,938,256</u>	<u>-</u>	<u>-</u>

Treasury bonds represent government bonds that bear interest rate of 6.5% (2020: 6.5%) per annum and the treasury bonds will mature from July to August 2026 (2020: July to August 2026).

33 GOODWILL

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	53,585,192	47,973,248	-	-
Acquisition through business combinations (Note 26)	179,668	470,939	-	-
Translation difference	(4,004,870)	5,141,005	-	-
	<u>49,759,990</u>	<u>53,585,192</u>	<u>-</u>	<u>-</u>

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

33 GOODWILL (CONTINUED)

The goodwill was created as part of the acquisition through business combinations during the year 2019 to 2021. The goodwill has been generated on acquisition of the following companies:

	2021 USD	2020 USD
Togocom Group	49,109,383	53,114,253
Emediaplace Ltd	177,461	177,461
Madaplace Ltd	293,478	293,478
Ubuntu Towers Uganda Limited	179,668	-
	<u>49,759,990</u>	<u>53,585,192</u>

The goodwill of Togocom, being material to the Group, has been tested for impairment at 31 December 2021.

Key assumptions used in the impairment tests for goodwill are: gross margin, terminal growth rate and discount rate. The assumptions used for 2021 are as follows:

2021	Gross margin 69.7%-70.6%	Terminal growth rate 0.25%	Discount rate 11.3%
2020	Revenue growth rate 1%-4%	Terminal growth rate 4%	Discount rate 9.68%

The Directors and management have performed a sensitivity analysis in order to consider and assess the impact of possible changes in key assumptions on the carrying value of goodwill.

The assumptions that are considered to be the main drivers in the calculation of the recoverable amount of goodwill and where changes are reasonably possible are: gross margin rate, terminal growth rate and discount rate.

The recoverable amount of the goodwill is not sensitive to changes in any other of the key inputs.

Management have considered and assessed reasonably possible changes for key assumptions and concluded that none would give rise to an impairment. The changes that would cause the carrying amount to exceed the recoverable amount resulting in an impairment are set out below:

Percentage (%) rise in discount rate (pp)	17.22pp
Gross margin (excluding depreciation and amortisation)	Decrease on average by 19.1pp over 5 years
Decrease in terminal growth rate	Decrease to less than 0%

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

34 DEPOSITS PAYABLE

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 31 December	6,563,132	5,998,464	-	-
Movement	5,937	3,171	-	-
Translation difference	(495,100)	561,497	-	-
At 31 December	6,073,969	6,563,132	-	-
Non current	6,073,969	6,563,132	-	-
Current	-	-	-	-
	6,073,969	6,563,132	-	-

Deposits payable include mainly security deposits for post-paid services and surety bonds for roaming services. Deposits payable have been classified as non-current since they are not expected to be refunded within the next 12 months.

35 RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded defined benefit pension in Togo and in Mauritius. Hence, only the Group Togocom and the Companies incorporated in Mauritius contributes in an unfunded pension plan. The other subsidiaries which have employees, are incorporated in Madagascar. There is no legal obligation in Madagascar and in Uganda to contribute in a pension plan and hence, the subsidiaries have not recognised a provision for retirement benefit. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The most recent actuarial valuation of the present value of the retirement benefit were carried out at 31 December 2021 by Aon Solutions Ltd for Companies incorporated in Mauritius and Bocke Arnould F.V.M for subsidiaries incorporated in Togo. No actuarial valuation was made as at 31 December 2020. The present value of the retirement benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
(i) The amount recognised in the statement of financial position is as follows:				
Present value of unfunded obligations	2,308,036	3,320,459	656	-

The retirement benefit obligations have been fully recognised under non-current liability as no payment is expected to be made to the employees within the next 12 months.

(ii) The present value of unfunded obligations is arrived at as follows:

At 01 January	3,320,459	5,927,372	-	-
(Credit)/Charge to profit or loss	(795,384)	(2,941,736)	656	-
Translation difference	(217,039)	334,823	-	-
At 31 December	2,308,036	3,320,459	656	-

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

35 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
(iii) The movement in the defined benefit obligation is as follows:				
At 01 January	3,320,459	5,927,372	-	-
Curent service cost	322,630	491,967	656	-
Past service costs	32,005	-	-	-
Interest expense	1,499	-	-	-
Over-provision in previous year	(1,151,518)	(3,433,703)	-	-
Translation difference	(217,039)	334,823	-	-
At 31 December	2,308,036	3,320,459	656	-

(iv) The amounts recognised in profit or loss are as follows:

Curent service cost	322,630	491,967	656	-
Past service costs	32,005	-	-	-
Interest expense	1,499	-	-	-
Over-provision in previous year	(1,151,518)	(3,433,703)	-	-

(v) Principal actuarial assumptions at end of period:

Group

	Togolese Republic		Republic of Mauritius	
	2021	2020	2021	2020
Discount rate	6.0%	N/A	4.7%	N/A
Future salary increases	N/A	N/A	5.6%	N/A
Labour turnover	0%	N/A	0%	N/A
Average retirement age	60 years	N/A	65 years	N/A

Company

	Republic of Mauritius	
	2021	2020
Discount rate	4.7%	N/A
Future salary increases	5.6%	N/A
Labour turnover	0%	N/A
Average retirement age	65 years	N/A

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

35 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(vi) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	Togolese Republic 2021		Republic of Mauritius 2021	
	Increase	Decrease	Increase	Decrease
<u>Group</u>				
Discount rate (1% movement)	491,015	571,718	16,694	12,574
<u>Company</u>				
Discount rate (1% movement)	N/A	N/A	223	156

(vii) The sensitivity above has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the pension obligation.

(viii) The unfunded pension plan exposes the Group and the Company to normal risks namely salary risk and interest risk.

Salary risk

The present value of the obligation is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

Interest rate risk

The present value of the obligation is calculated using a discount rate based on the yields of long-term government bonds. An increase or decrease in the discount rate will have an impact on the plan liability. However, this may be partially offset by a decrease in inflationary pressures on salary increase.

(ix) The funding policy is to pay benefits out of the reporting entity's cash flow as and when due.

(x) The Group and the Company is not expected to contribute in its retirement benefits plan for the year ending 31 December 2022.

(xi) The weighted average duration of the retirement benefit obligation for the Group and the Company is 25 years and 32 years respectively at the reporting date.

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

38 NON-OPERATING EXPENSES

	2021 USD	Group Restated 2020 USD	2021 USD	Company Restated 2020 USD
Loan receivable written off (Note 24(a))	(14,791,368)	-	-	-
Interest receivable written off (Note 24(a))	(809,061)	-	-	-
Loss on disposal of subsidiary (Note 40)	-	(32,209,819)	-	-
	<u>(15,600,429)</u>	<u>(32,209,819)</u>	<u>-</u>	<u>-</u>

39 DEPOSITS FROM CUSTOMERS

	USD
Savings deposits	<u>695,993</u>

The deposits on savings relates to electronic money collected by the subsidiary Mvola from members of the public as from 16 December 2021 in exchange of interest income (Interest rate 2% per annum).

Following the change of legislation, with regard to "Etablissements de Monnaie Electronique en 2018", and following the decision of the Commission de Supervision Bancaire et Financière (CSBF) (referenced 004/2018-CSBF of 12 April 2018 and 22/18-CSBF/P of 08 May 2018), Mvola S.A has been granted the licence of Electronic Money Establishment (EME) on 12 December 2018.

In 2021, following the decision of the Commission de Supervision Bancaire et Financière (CSBF) referenced 005/2021-CSBF of 11 March 2021 the company obtained the licence of Credit Institution authorising it to carry out transactions in electronic money.

As at 31 December 2021, the bank has collected an amount of USD 695,993. As the savings collected is governed by the Banking Act, these savings were integrated into the mandatory reserves during the related incorporation cycle, that is, during the period from 02 February to 01 March 2022.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

40 DISPOSAL OF SUBSIDIARY

On 28 April 2020, the Group has disposed its 99.8% stake in MVola (formerly known as Telma Money) to Axian Financial Services for a consideration of MGA 497,000,000 (USD 130,724).

(ii) The carrying amount of the assets and liabilities derecognized are as follows:

	USD
Property, plant and equipment	15,237
Trade and other receivables	5,705,557
Cash and cash equivalents	37,704,233
	<u>-----</u>
Total assets	43,425,027
	<u>-----</u>
Borrowings	(8,115)
Trade and other payables	(33,435,963)
Tax payable	(323,759)
	<u>-----</u>
Total liabilities	(33,767,837)
	<u>-----</u>
Retained earnings and other reserves	22,683,353
	<u>-----</u>
Total identifiable net assets disposed of	32,340,543
	<u>=====</u>
Proceeds	130,724
Total identifiable net assets disposed of	(32,340,543)
	<u>-----</u>
Loss on disposal of subsidiary (Note 5)	(32,209,819)
	<u>=====</u>

(ii) Net cash outflow on disposal of subsidiary:

	USD
Cash consideration received	130,724
Cash and bank balances dispose of	(37,704,233)
	<u>-----</u>
Net cash outflow on disposal of subsidiary	(37,573,509)
	<u>=====</u>

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

41 PRIOR YEARS RESTATEMENTS

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

During the year, the Group and the Company 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.

The reconciliation of income and expenses as restated with those as previously reported is as follows:

Statement of profit or loss	Group 31 December 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 equipments	-	(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)

Statement of profit or loss	Company 31 December 2020		
	As previously reported	Reclassification adjustment	As restated
	USD	USD	USD
Other operating income	1,022,485	(1,022,485)	-
Other income	-	1,022,485	1,022,485
Administrative and marketing charges	(9,166,353)	9,166,353	-
Staff costs	-	(4,016,075)	(4,016,075)
Other operating expenses	-	(930,773)	(930,773)
Professional fees	-	(4,219,505)	(4,219,505)

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

41 PRIOR YEARS RESTATEMENTS (CONTINUED)

(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 01 January 2020. No impact on 31 December 2020 as the subsidiary was no longer part of the group since the group sold its interest in the subsidiary during the financial year 2020.

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

<u>Statement of financial position</u>	Group 01 January 2020		As restated
	As previously reported	Reclassification adjustment	
	USD	USD	USD
Cash and cash equivalents (Net of bank overdraft)	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>	Group 31 December 2020		As restated
	As previously reported	Reclassification adjustment	
	USD	USD	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 (Net of bank overdraft)	126,330,927	(35,012,558)	91,318,369

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

42 DIVIDEND RECEIVABLE

	2021 USD	Group 2020 USD	2021 USD	Company 2020 USD
At 01 January	-	-	-	-
Dividend income (Note 30)	337,397	21,315	98,059,164	862,061
Dividend received	(337,397)	(21,315)	(44,640,350)	(862,061)
At 31 December	-	-	53,418,814	-

43 EVENTS AFTER THE REPORTING DATE

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.

Issue of the Notes

On 16 February 2022, the Company issued USD 420,000,000 7.375% Senior Notes due 2027 on the International Stock Exchange (TISE) for which the following subsidiaries of Axian Telecom has stood as guarantor on a joint and several basis:

1. Telecom Malagasy S.A.
2. Towerco of Africa Ltd
3. Towerco of Madagascar S.A.
4. Axian Financial Services Ltd
5. AXIAN SUPPORT SERVICES LTD
6. Silver Links Ltd (Formerly known as 'Telma International Carrier Services Ltd')
7. Discovery Place Ltd
8. STELLAR-IX DATA CENTERS LTD
9. Meta Market Ltd
10. Honora Holdings Ltd

Interest on the Notes will be paid semi-annually in arrears on 16 February and 16 August of each year, commencing on 16 August, 2022. Interest on the Notes will accrue at a rate of 7.375% per annum. The Notes will mature on 16 February, 2027.

Completion of MIC Tanzania acquisition

On 16 April 2021, Axian Telecom has signed a letter of intent for the acquisition of shares in Millicom International Cellular S.A. The transaction was concluded on 05 April 2022 and Axian Telecom, through its subsidiary Honora Holding Ltd, acquired 98.5% of the shares in Millicom International Cellular S.A. and its entire operations in Tanzania for a purchase consideration of USD 101,398,262.74.

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

On 04 March 2022, the Company has 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.

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)****43 EVENTS AFTER THE REPORTING DATE (CONTINUED)****Revolving credit facility (RCF) agreement**

On 16 February 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.

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

On 02 February 2022, Ubuntu Towers Uganda Limited ("borrower"), a subsidiary of the Company, entered into a loan facility agreement of UGX equivalent of USD 35,000,000 with Stanbic Bank Uganda Limited ("lender").

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 Limited had drawn down a total amount equivalent to USD 20,000,000.

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 USD 12,000,000 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 USD 12,000,000.

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

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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021(CONTINUED)

44 SEGMENTAL REPORTING

Primary segment – Business

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, comprise of mobile and fixed line communications, infrastructure and digital and mobile financial services, amongst other for the year ended 31 December 2021. The following disclosures are made with respect to segmental reporting:

	Mobile and fixed line communications	Infrastructure	Digital and mobile financial services	Other	Total
For the year ended 31 December 2021	USD	USD	USD	USD	USD
Segment revenue	443,029,445	13,649,222	19,390,794	9,789,822	485,859,283
Segment other income	16,720,497	1,349,265	1,307	15,356,134	33,427,203
Segment operating expenses	(276,763,843)	(63,176,507)	(14,991,616)	(24,224,668)	(379,156,634)
Segment result before finance charges	182,986,099	(48,178,020)	4,400,485	921,288	140,129,852
Segment finance income	9,063,573	3,502,365	1,768,769	10,572,598	24,907,305
Segment finance cost	(24,632,856)	(12,601,307)	(166,035)	(20,182,173)	(57,582,371)
Non-operating expense	-	(4,349,915)	-	(11,250,514)	(15,600,429)
Non-operating income	-	-	-	-	-
Segment share of profit in associates and joint ventures	516,614	-	-	21,925,506	22,442,120
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)

	Mobile and fixed line communications	Infrastructure	Digital and mobile financial services	Other	Total
For the year ended 31 December 2020	USD	USD	USD	USD	USD
Segment revenue	388,426,356	22,765,362	7,439,863	10,522,820	429,154,401
Segment other operating income	26,908,870	1,826,326	255	(162,882)	28,572,569
Segment operating expenses	(289,050,495)	(45,549,137)	(6,408,939)	(9,577,779)	(350,586,350)
Segment result before finance charges	126,284,731	(20,957,449)	1,031,179	782,159	107,140,620
Segment finance income	11,065,525	3,072,516	844,983	5,156,210	20,139,234
Segment finance cost	(33,301,943)	(10,510,202)	(157,221)	(15,695,770)	(59,665,136)
Non operating expense	(32,209,819)	-	-	-	(32,209,819)
Segment share of profit in associates and joint ventures	(364,607)	-	-	16,840,161	16,475,554
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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

44 SEGMENTAL REPORTING (CONTINUED)

Secondary segment – Geographical

The contribution of the business units in Republic of Mauritius, Madagascar, Togolese Republic and Uganda for the years ended are more than 10% in terms of revenue and the following disclosures are made with respect to segmental reporting.

For the year ended 31 December 2021

	Republic of Mauritius	Madagascar	Togolese Republic	Uganda	Other	Total
	USD	USD	USD	USD	USD	USD
Segment revenue	13,307,760	210,295,509	261,314,813	941,201	-	485,859,283
Segment other income	15,406,395	15,822,524	2,198,284	-	-	33,427,203
Segment operating expenses	(45,258,445)	(150,311,490)	(181,841,825)	(1,743,984)	(890)	(379,156,634)
Segment result before finance charges	(16,544,290)	75,806,543	81,671,272	(802,783)	(890)	140,129,852
Segment finance income	11,102,963	12,644,280	1,151,687	8,375	-	24,907,305
Segment finance cost	(16,354,569)	(26,410,217)	(14,444,413)	(372,712)	(460)	(57,582,371)
Non-operating expense	(15,600,429)	-	-	-	-	(15,600,429)
Non-operating income	-	-	-	-	-	-
Segment share of profit in associates and joint ventures	21,925,506	516,614	-	-	-	22,442,120
Segment assets	159,427,930	526,767,246	503,802,547	14,311,368	119,412	1,204,428,503
Segment liabilities	(177,198,647)	(398,529,453)	(368,467,360)	(9,237,701)	-	(953,433,161)

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

44 SEGMENTAL REPORTING (CONTINUED)

Secondary segment – Geographical (continued)

	Republic of Mauritius	Madagascar	Togolese Republic	Total
<u>For the year ended 31 December 2020</u>	USD	USD	USD	USD
Segment revenue	13,326,770	187,658,502	228,169,129	429,154,401
Segment other income	(162,882)	19,024,682	9,710,769	28,572,569
Segment operating expenses	(13,474,759)	(143,219,857)	(193,891,734)	(350,586,350)
Segment result before finance charges	(310,871)	63,463,327	43,988,164	107,140,620
Segment finance income	6,106,029	11,908,899	2,124,306	20,139,234
Segment finance cost	(11,319,709)	(30,747,401)	(17,598,026)	(59,665,136)
Non-operating expense	-	(32,209,819)	-	(32,209,819)
Segment share of profit in associates and joint ventures	16,840,161	(364,607)	-	16,475,554
Segment assets	202,595,011	506,161,752	524,179,992	1,232,936,755
Segment liabilities	(129,236,748)	(442,095,816)	(424,559,653)	(995,892,217)

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

44 SEGMENTAL REPORTING (CONTINUED)

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product lines and geographical regions:

	Segment revenue	Inter-segment revenue	Revenue from contracts with external customers	Timing of revenue recognition		
	USD	USD	USD	At a point in time	Over time	Total
				USD	USD	USD
For the year ended 31 December 2021						
Mobile services and fixed services only:						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	119,868,278	(654,647)	119,213,631	-	119,213,631	119,213,631
- Togolese Republic	204,397,067	-	204,397,067	-	204,397,067	204,397,067
Fixed services (Residential and Business)						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	39,094,870	-	39,094,870	-	39,094,870	39,094,870
- Togolese Republic	16,281,171	-	16,281,171	-	16,281,171	16,281,171
Interconnection, roaming and MVNO:						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	11,067,786	-	11,067,786	-	11,067,786	11,067,786
- Togolese Republic	13,536,296	-	13,536,296	-	13,536,296	13,536,296
Customer Equipment and Infrastructure:						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	3,351,713	-	3,351,713	3,351,713	-	3,351,713
- Togolese Republic	2,515,689	-	2,515,689	2,515,689	-	2,515,689
Operator Infrastructure Services:						
- Republic of Mauritius	43,157,068	(39,698,677)	3,458,391	-	3,458,391	3,458,391
- Madagascar	20,215,257	(14,254,457)	5,960,800	-	5,960,800	5,960,800
- Togolese Republic	15,672,685	-	15,672,685	-	15,672,685	15,672,685
Commissions received on electronic money activities:						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	16,459,174	(488,309)	15,970,865	15,970,865	-	15,970,865
- Togolese Republic	8,330,708	-	8,330,708	8,330,708	-	8,330,708
Hosting and Rental sites:						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	66,548,663	(57,573,003)	8,975,660	-	8,975,660	8,975,660
- Togolese Republic	574,593	-	574,593	-	574,593	574,593
- Uganda	941,201	-	941,201	-	941,201	941,201

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

44 SEGMENTAL REPORTING (CONTINUED)

	Segment revenue USD	Inter-segment revenue USD	Revenue from contracts with external customers USD	At a point in time USD	Over time USD	Total USD
For the year ended 31 December 2021 (continued)						
Other Services:						
- Republic of Mauritius	59,547	-	59,547	-	59,547	59,547
- Madagascar	5,435,300	(2,509,719)	2,925,581	-	2,925,581	2,925,581
- Togolese Republic	-	-	-	-	-	-
Trademark and licence fees:						
- Republic of Mauritius	8,484,482	(7,214,918)	1,269,564	-	1,269,564	1,269,564
- Madagascar	295,150	-	295,150	33,986	261,164	295,150
- Togolese Republic	-	-	-	-	-	-
Management fees-Subsidiaries:						
- Republic of Mauritius	13,596,550	(12,112,379)	1,484,171	-	1,484,171	1,484,171
- Madagascar	212,311	-	212,311	-	212,311	212,311
- Togolese Republic	-	-	-	-	-	-
Other revenue:						
- Republic of Mauritius	45,533,518	(38,497,431)	7,036,087	-	7,036,087	7,036,087
- Madagascar	13,536,605	(10,309,463)	3,227,142	-	3,227,142	3,227,142
- Togolese Republic	6,604	-	6,604	-	6,604	6,604
	669,172,286	(183,313,003)	485,859,283	30,202,961	455,656,322	485,859,283

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

44 SEGMENTAL REPORTING (CONTINUED)

	Timing of revenue recognition					
	Segment revenue USD	Inter-segment revenue USD	Revenue from contracts with external customers USD	At a point in time USD	Over time USD	Total USD
<u>For the year ended 31 December 2020</u>						
Mobile services and fixed services only:						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	97,801,845	-	97,801,845	-	97,801,845	97,801,845
- Togolese Republic	178,225,301	-	178,225,301	-	178,225,301	178,225,301
Fixed services (Residential and Business)						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	36,345,960	-	36,345,960	-	36,345,960	36,345,960
- Togolese Republic	12,240,193	-	12,240,193	-	12,240,193	12,240,193
Interconnection, roaming and MVNO:						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	12,566,911	-	12,566,911	-	12,566,911	12,566,911
- Togolese Republic	13,027,472	-	13,027,472	-	13,027,472	13,027,472
Customer Equipment and Infrastructure:						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	3,021,669	-	3,021,669	3,021,669	-	3,021,669
- Togolese Republic	2,000,837	-	2,000,837	2,000,837	-	2,000,837
Operator infrastructure Services:						
- Republic of Mauritius	38,381,686	(35,588,750)	2,792,936	-	2,792,936	2,792,936
- Madagascar	23,594,051	(15,948,641)	7,645,410	-	7,645,410	7,645,410
- Togolese Republic	17,209,888	-	17,209,888	-	17,209,888	17,209,888
Commissions received on electronic money activities:						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	7,426,313	-	7,426,313	7,426,313	-	7,426,313
- Togolese Republic	5,039,376	-	5,039,376	5,039,376	-	5,039,376
Hosting and Rental sites:						
- Republic of Mauritius	-	-	-	-	-	-
- Madagascar	54,063,129	(44,165,088)	9,898,041	-	9,898,041	9,898,041
- Togolese Republic	415,642	-	415,642	-	415,642	415,642
- Uganda	-	-	-	-	-	-

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

44 SEGMENTAL REPORTING (CONTINUED)

	Segment revenue USD	Inter-segment revenue USD	Revenue from contracts with external customers USD	Timing of revenue recognition		
				At a point in time USD	Over time USD	Total USD
For the year ended 31 December 2020 (continued)						
Other Services:						
- Republic of Mauritius	11,015	-	11,015	-	11,015	11,015
- Madagascar	2,535	-	2,535	-	2,535	2,535
- Togolese Republic	-	-	-	-	-	-
Trademark and licence fees:						
- Republic of Mauritius	7,231,981	(5,722,491)	1,509,490	-	1,509,490	1,509,490
- Madagascar	-	-	-	-	-	-
- Togolese Republic	-	-	-	-	-	-
Management fees-Subsidiaries:						
- Republic of Mauritius	467,180	-	467,180	-	467,180	467,180
- Madagascar	938,631	-	938,631	-	938,631	938,631
- Togolese Republic	-	-	-	-	-	-
Other revenue:						
- Republic of Mauritius	13,846,149	(5,300,000)	8,546,149	-	8,546,149	8,546,149
- Madagascar	12,460,626	(449,439)	12,011,187	2,078,465	9,932,722	12,011,187
- Togolese Republic	10,420	-	10,420	-	10,420	10,420
	536,328,810	(107,174,409)	429,154,401	19,566,660	409,587,741	429,154,401