

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE MONTH PERIOD
ENDED MARCH 31, 2022**



AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

CORPORATE INFORMATION

COMPANY REGISTRATION No.	C46569 C1/GBL		
		Date of appointment	Date of resignation
DIRECTORS	Mr. Hassanein Shahreza Hiridjee	June 21, 2003	-
	Mr. Ahmud Ismael Parwiz Jugoo	April 30, 2018	-
	Mr. Keni Lufor	May 22, 2020	December 1, 2021
	Mrs. Anja Blumert	August 15, 2020	-
	Mr. Afsar Azize Abdulla Ebrahim	November 16, 2020	-
	Mr. Michael Jimmy Wong Yuen Tien	December 1, 2021	-
ADMINISTRATOR & SECRETARY <i>(up to 01 December 2021)</i>	Ocorian Corporate Services (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebène Republic of Mauritius		
ADMINISTRATOR & SECRETARY <i>(as from 01 December 2021)</i>	DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
REGISTERED OFFICE <i>(up to 01 December 2021)</i>	c/o Ocorian Corporate Services (Mauritius) Limited 6 th Floor, Tower A 1 Cybercity Ebène Republic of Mauritius		
REGISTERED OFFICE <i>(as from 01 December 2021)</i>	c/o DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
AUDITOR	PricewaterhouseCoopers PwC Centre Avenue de Telfair Telfair 80829 Moka Republic of Mauritius		
INVESTOR RELATIONS CONTACT	investorrelations@axian-telecom.com		

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

CONTENTS

CORPORATE INFORMATION	1
DISCLAIMER	3
GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION	4
OPERATING AND FINANCIAL REVIEW	5
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS	9
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME	10
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	11
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	13
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW	15
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	16
1. GENERAL INFORMATION	16
2. BASIS OF PREPARATION AND ACCOUNTING POLICIES	16
3. REVENUE	17
4. OTHER INCOME AND EXPENSES	17
5. OPERATING COSTS	18
6. FINANCE INCOME AND EXPENSE	19
7. INCOME TAX	20
8. PROPERTY, PLANT AND EQUIPMENT	21
9. INTANGIBLE ASSETS	23
10. INTEREST IN JOINT VENTURES AND ASSOCIATES	25
11. RIGHT OF USE ASSETS AND LIABILITIES	26
12. CASH AND CASH EQUIVALENTS	26
13. TRADE AND OTHER PAYABLES	27
14. BORROWINGS	27
15. CASH FLOW FROM OPERATING ACTIVITIES	29
16. NON-IFRS MEASURES	30
17. SEGMENTAL REPORTING	30
18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS	32
19. SUBSEQUENT EVENTS	34
PRO FORMA AND COMBINED FINANCIAL INFORMATION	35
DEFINITIONS	41

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

DISCLAIMER

Forward-looking statements

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

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

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

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

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

Non-IFRS financial measures

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

These include EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin (each as defined on page 41). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION

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

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

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

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

Basis of preparation

These unaudited condensed consolidated financial statements do not constitute statutory accounts, and thus do not fully comply with International Financial Reporting Standards (“IFRS”), specifically, they do not comply with IFRS 34 “*Interim Financial Reporting*”. The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Group’s audited financial statements for the year ended December 31, 2021.

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

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

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

These financial statements do not include the results of the operations of MIC Tanzania on a pro forma basis. We separately present the statements of profit or loss and the statements of other comprehensive income on a combined basis, as if the Acquisition had occurred as at the beginning of the earliest comparative period; in this case January 1, 2021. We also present statement of financial position on a pro forma basis, as if the Acquisition, the release of the proceeds of the Notes from escrow, and related transactions had occurred as at the reporting date (March 31, 2022). The pro forma adjustments made to the consolidated data and the resulting pro forma numbers are described in more detail and disclosed on pages 35 to 40 of these financial statements.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

OPERATING AND FINANCIAL REVIEW

Highlights for the quarter

	3 month period ended	
	March 31, 2022 USD	March 31, 2021 USD
Revenue	127,609,934	112,167,559
<i>Of which: Mobile services revenue</i>	<i>81,707,875</i>	<i>75,922,699</i>
Operating profit	38,913,513	30,271,364
Adjusted EBITDA*	69,584,933	55,836,134
Adjusted EBITDA Margin*	54.5%	49.8%
	Units'000	Units'000
	As at March 31, 2022	As at March 31, 2021
Revenue generating subscribers ("RGS") ^φ	12,914	10,974
Active data users	6,855	6,310
Active MFS users	3,350	1,142
		Units'000 As at December 31, 2021
		12,582
		7,303
		3,264

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

^φ Represents Revenue generating subscribers monitored over a 90-day period at the Group level (a block of which we refer to as an "RGS90").

Operating results and market data

Revenue generating subscribers and other operational key performance indicators

Revenue generating subscribers increased by 0.3 million and 1.9 million during the three month and twelve month periods ended March 31, 2022, respectively, resulting in 12.9 million RGS at March 31, 2022. Active data users decreased by 0.5 million in the three month period ended March 31, 2022 and increased by 0.6 million in the twelve month period ended March 31, 2022. Active MFS users increased by 0.1 million and 2.2 million during the three month and twelve month periods ended March 31, 2022, respectively.

The increases in RGS, and Active MFS users, are primarily driven by our operations in Madagascar which saw increases of 0.2 million RGS and 0.1 million Active MFS users in the three month period ended March 31, 2022, and increases of 1.5 million RGS and 2.0 million Active MFS users in the twelve month period ended March 31, 2022.

The decrease in Active data users for the three month period ended March 31, 2022 mainly comes from our operations in Madagascar where pricing changes to our low value data offers, resulted in the loss of 0.6 million Active data users with low average data revenue per user.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue

Revenue for the three month period ended March 31, 2022 increased year-on-year by \$15.4 million or 13.8%, to \$127.6 million in Q1 2022 compared to \$112.2 million in Q1 2021. The year-on-year increase is primarily comprised of an increase in revenue related to our operations in Madagascar and Uganda which increased by \$18.6 million, \$0.9 million year-on-year respectively, partially offset by a year-on-year decreases in revenue in our Togo operations which decreased by \$1.3 million and by decreases in revenue in our Other segment of \$2.8 million for the period, mainly related to management fees previously charged to companies which are now within the scope of the Group, thus resulting in the elimination and decrease of such revenue in the current year period.

The year-on-year increase in revenue in the Madagascar market is mainly comprised of an increase in our mobile and fixed line and telecommunications services of \$5.3 million, primarily driven by the increase in RGS and Active data users over the twelve month period ended March 31, 2022, an increase in revenue from our infrastructure services in Madagascar of \$1.1 million, and an increase in revenue from our mobile financial services in Madagascar, of \$11.9 million, as a result of the acquisition of Axian Financial Services Ltd which occurred in August 2021 and thus has no impact on the results for the three month period ended March 31, 2021.

Revenue by segment is presented below:

For the three month period ended:

	March 31, 2022 USD	March 31, 2021 USD	Movement USD	Movement%
Mobile and fixed-line communications	110,370,041	106,465,143	3,904,898	3.7%
Infrastructure	4,358,329	2,338,628	2,019,701	86.4%
Digital and mobile financial services	12,698,273	423,534	12,274,739	n.m
Other	183,291	2,940,254	(2,756,963)	(93.8%)
	127,609,934	112,167,559	15,442,375	13.8%

Operating costs

Operating costs for the three month period ended March 31, 2022 increased year-on-year by \$6.5 million or 7.6%, to \$91.6 million in Q1 2022 compared to \$85.1 million in Q1 2021. The year-on-year increase is primarily comprised of increases in cost of devices and equipment of \$0.5 million, commission costs paid to sales agents of \$5.7 million, staff costs of \$3.6 million, and an increase in aggregate depreciation and amortization of \$5.1 million. This aggregate year-on-year increase in operating costs is partially offset by year-on-year decreases in costs related to non-technical professional fees and technology operations costs of \$2.9 million and \$5.3 million respectively.

The year-on-year increases for the three month period and year ended March 31, 2022 in respect of cost of devices and equipment and commission paid to sales agents are primarily related to increased sales of prepaid cards and accessories, and increased revenue for the period which attracts higher commission. The increase in commission paid to sales agents is also partly driven by the mix of revenue following the acquisition of Axian Financial Services, with mobile financial services revenue attracting a higher rate of commission and thus increasing the overall commission as a percentage of revenue.

The year-on-year increase for the three month period ended March 31, 2022 in respect of staff costs is primarily driven by the consolidation of companies acquired during the period and a general increase in staff numbers and welfare benefits, such as medical insurance, while the year-on-year increase for the same period in respect of depreciation and amortization is primarily driven by the a higher asset base, following the acquisitions during the year ended December 2021 which are detailed in note 18, and from a significant increase in right of use assets related to leases, during the same period.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs(continued)

The year-on-year decrease for the three month period ended March 31, 2022 in respect on non-technical professional fees is primarily related to a decrease of \$2.1 million in technical assistance fees, the majority of which were previously charged by Axian Support Services Limited ("ASSL") and such charges are now eliminated on consolidation following the acquisition of ASSL in March 2021.

The year-on-year decrease for the three month period ended March 31, 2022 in respect of technology operation costs is primarily related to decreases of \$3.0 million and \$1.9 million in respect of site and network repairs and maintenance and rental expenses for short term leases, respectively.

Net finance costs

Our net finance cost was \$12.5 million in the three month period ended March 31, 2022, compared to \$4.7 million in the three month period ended March 31, 2021; a year-on-year increase of \$7.8 million. The year-on-year increase in net finance costs is primarily driven by a year-on-year increase in net foreign exchange losses of \$3.1 million, an increase of \$4.7 million in aggregate interest expense related to bank loans, related party loans, and the Notes, a year-on-year increase in finance costs on other borrowings of \$0.8 million, related to supplier financing, a year on year increase of \$1.7 million related to the interest on the provision for decommissioning resulting primarily from an increased tower count, and a year-on-year increase of \$0.4 million in net other finance income, to a net cost of \$0.6 million in the current year compared to a net cost of \$0.2 million in the prior year period

The year-on-year increases in net finance costs are partially offset by a year-on-year increase in interest income of \$1.2 million, and a gain of \$2.1 million related to the fair valuation of the embedded derivatives in the Notes which did not occur in the prior year comparative period.

Share of profit in joint ventures and associates

Our share of profit in joint ventures and associates increased year-on-year by \$3.3 million, from a profit of \$1.6 million in the three month period ended March 31, 2021, to a profit of \$4.9 million in the three month period ended March 31, 2022. The increase is mainly results from aggregate profits of \$1.2 million from BNI Madagascar and Indian Ocean Financial Holdings Limited which were acquired during the year ended December 31, 2021 (through the acquisition of Axian Financial Services Ltd) and did not contribute any profits in Q1 2021. Profits from our investment in Maya Africa Holding Ltd also increase year-on-year by \$2.0 million from a loss of \$0.3 million in Q1 2021 to a profit of \$1.7 million in Q1 2022; mainly as a result of revisions to tariffs in its Free Senegal operation which resulted in increased revenue and decreased interconnection charges.

Income tax

Income tax expense increased by \$8.9 million year-on-year for the three month period ended March 31, 2022, from a credit of \$0.1 million in Q1 2021 to an expense of \$8.8 million in Q1 2021. The increase is primarily due to a year-on-year decrease in deferred tax credits of \$8.2 million and a year-on-year increase in actual income tax of \$0.6 million. The increase in actual income tax is primarily related to higher year-on year taxable profits for the period, as reflected in the year-on-year increase in operating profit.

Profit for the period

Our profit for the period decreased by \$4.8 million year-on-year in the three month period ended March 31, 2022, to a profit of \$22.5 million in the current year, compared to a profit of \$27.3 million in the prior year. This year-on-year decrease is primarily driven by year-on-year increases in operating costs, net finance costs and income tax expense, as well as a year-on-year decrease in other income, partially offset by year-on year increases in revenue and share of profits in associates and joint ventures.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Adjusted EBITDA

Adjusted EBITDA for the three month period ended March 31, 2022 increased year-on-year by \$13.8 million, to \$69.6 million in the three month period ended March 31, 2022, compared to \$55.8 million in the prior year comparative period. The year-on-year increase is primarily driven by an increase in operating profits of \$8.6 million, as a result of an increase in revenue of \$15.5 million, partially offset by an increase in operating costs and a decrease in other income of \$6.5 million and \$0.3 million respectively; all as described in earlier sections of this operating and financial review. The year-on-year increase in operating costs also includes a year-on-year increase in depreciation and amortization of \$5.1 million which does not impact the value of Adjusted EBITDA as it is adjusted for in the calculation thereof.

Statements of Cash flow and liquidity

The Group had cash and cash equivalents (net of bank overdrafts) of 128.2 million as at March 31, 2022 (December 31, 2021: \$112.0 million), of which a total of \$53.0 million (December 31, 2021: \$52.9 million) was held in either USD or Euro. The value of cash and cash equivalents as at March 31, 2022 does not include the \$420.0 million in proceeds from the issue of the Notes which were held in escrow at March 31, 2022 and released on completion of the MIC Tanzania acquisition on April 5, 2022. These funds are reflected in restricted cash as at the reporting date.

Net cash generated from/(used in) operating activities

Net cash generated from operating activities decreased by \$17.4 million year-on-year for the three month period ended March 31, 2022, mainly as a result of a year-on-year net negative cash flow impact of \$28.5 million in respect of working capital which reflected a net cash outflow in Q1 2022 of \$19.5 million compared to a net cash inflow of \$9.0 million in Q1 2021. The negative year-on-year impact from working capital movements is partially offset by increased operating profits, resulting in a year-on-year increase of \$10.1 million in cash generated from operations before working capital changes, and by year on year decreases in cash outflows related to interest paid and tax paid of \$0.4 million and \$0.6 million respectively.

Net cash used in investing activities

Net cash outflows used in investing activities increased by \$29.6 million year-on-year for the three month period ended March 31, 2022, primarily due to a year-on-year increase in aggregate cash utilized in the purchase of property, plant and equipment and intangible assets of \$15.9 million, and year-on-year decrease in net cash inflows from the acquisition of investments in subsidiaries, net of cash received of \$9.5 million which decreased from a cash inflow of \$9.5 million in Q1 2021, as a result of the acquisition of Axian Support Services Ltd and its subsidiaries, to nil in Q1 2022. We also have a, a year-on-year decrease in net cash inflows in respect of loans made to or repaid by to related parties of \$3.8 million, and a year-on-year decrease of \$0.4 million in respect of grants received.

Net cash used in or generated from financing activities

Net cash generated from financing activities increased by \$42.8 million year-on-year, for the three month period ended March 31, 2022, from a cash outflow of \$27.4 million in the three month period ended March 31, 2021 to a cash inflow of \$15.4 million in the current year period. This year-on-year increase in cash inflows is primarily related to a year-on-year decrease in cash outflows of \$38.5 million in respect of borrowings drawn down and repaid which reflected a net cash outflow \$17.4 million in Q1 2021, compared to a net cash inflow of \$21.1 million in Q1 2022. We also have a year-on-year decrease of \$8.7 million for the three month period ended March 31, 2022 in respect of dividends paid, with no dividends paid in Q1 2022. The positive year-on-year cash impacts related to borrowings and dividend payments are partially offset by a year-on-year increase in cash outflows of \$4.5 million related to the payment of costs for the issue of the Notes.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the three month period ended March 31, 2022

	3 month period ended	
	March 31, 2022 USD	March 31, 2021 USD
Revenue (Note 3)	127,609,934	112,167,559
Cost of devices and equipment (Note 5)	(2,042,085)	(1,565,427)
Cost of interconnection and roaming (Note 5)	(3,809,806)	(4,044,456)
Government and regulatory costs (Note 5)	(5,686,222)	(5,458,457)
Advertising and distribution costs (Note 5)	(1,229,949)	(1,112,207)
Commission to sales agents (Note 5)	(11,388,966)	(5,712,651)
Net impairment of financial and contract assets (Note 5)	(344,860)	(814,006)
Technology operation costs (Note 5)	(9,923,943)	(15,226,911)
Staff costs (Note 5)	(13,825,651)	(10,272,476)
Other operating expenses (Note 5)	(9,796,702)	(9,926,498)
Write-off of financial assets (Note 5)	(346,998)	(1,662)
Professional fees, non-technical (Note 5)	(2,528,125)	(5,409,968)
Depreciation and amortization (Note 5)	(30,671,420)	(25,563,796)
Other income (Note 4)	2,898,306	3,212,320
OPERATING PROFIT	38,913,513	30,271,364
Finance income (Note 6)	8,010,954	7,137,923
Finance costs (Note 6)	(20,560,675)	(11,784,784)
Share of profit in joint ventures and associates	4,920,007	1,572,461
PROFIT BEFORE INCOME TAX	31,283,799	27,196,964
Income tax (expense)/credit (Note 7)	(8,769,303)	60,837
PROFIT FOR THE PERIOD	22,514,496	27,257,801
Profit for the period attributable to:		
- Owners of the Company	14,118,339	16,871,119
- Non-controlling interest	8,396,157	10,386,682
	22,514,496	27,257,801

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the three month period and year ended March 31, 2022

	3 month period ended	
	March 31, 2022 USD	March 31, 2020 USD
PROFIT FOR THE PERIOD	22,514,496	27,257,801
OTHER COMPREHENSIVE INCOME		
<i>Items that may be re-classified to profit or loss</i>		
Exchange differences on translation of foreign subsidiaries	(4,915,948)	(5,331,133)
Exchange differences on translation of foreign joint ventures	729,359	(1,993,216)
Other comprehensive loss for the period, net of tax	(4,186,589)	(7,324,349)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	18,327,907	19,933,452
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
- Owners of the Company	10,477,793	9,892,202
- Non - controlling interest	7,850,114	10,041,250
	18,327,907	19,933,452

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2022

	March 31, 2022 USD	December 31, 2021 USD
ASSETS		
Non-current assets		
Property, plant and equipment (Note 8)	489,444,446	495,789,056
Intangible assets (Note 9)	85,218,813	86,968,628
Interests in joint ventures and associates (Note 10)	73,615,603	68,846,258
Deferred tax assets	36,434,645	36,514,957
Trade and other receivables	36,027,998	30,582,014
Deposits receivable	2,752,415	2,628,252
Right-of-use assets (Note 11)	39,746,375	44,007,136
Goodwill	48,782,235	49,759,990
Financial assets at fair value through profit or loss	5,847,297	5,867,383
Embedded derivative assets	5,400,000	-
Treasury bonds	2,034,762	2,392,521
	825,304,589	823,356,195
Current assets		
Inventories	20,302,010	17,044,520
Loan receivables	7,674,640	5,862,653
Trade and other receivables	156,729,448	141,013,207
Income tax receivable (Note 7)	500,621	445,763
Cash and cash equivalents (Note 12)	152,128,084	134,506,254
Restricted cash	506,321,690	82,199,911
	843,656,493	381,072,308
Total assets	1,668,961,082	1,204,428,503

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at March 31, 2022

	March 31, 2022 USD	December 31, 2021 USD
EQUITY AND LIABILITIES		
Equity and reserves		
Stated capital	1,372,564	1,372,564
Reorganization reserves	76,511,569	76,511,569
Other reserves	(39,344,652)	6,059,348
Legal reserves	781,146	781,147
Translation reserves	(12,228,525)	(8,587,980)
Retained earnings	97,824,419	83,706,080
Equity attributable to owners of the Company	124,916,521	159,842,728
Non-controlling interest	99,002,728	91,152,614
Total equity	223,919,249	250,995,342
LIABILITIES		
Non-current liabilities		
Borrowings (Note 14)	281,095,291	267,477,680
Bond borrowings (Note 14)	411,876,388	-
Trade and other payables (Note 13)	81,798,374	85,777,942
Government grants	23,585,293	26,397,175
Provisions	41,840,643	36,584,910
Lease liability (Note 11)	44,680,566	45,310,470
Put option liability	46,074,500	-
Deposits payable	5,958,741	6,073,969
Deferred tax liability	27,386	27,942
Retirement benefit obligations	2,289,264	2,308,036
	939,226,446	469,958,124
Current liabilities		
Trade and other payables (Note 13)	349,561,347	342,125,698
Client savings accounts	718,880	695,993
Borrowings (Note 14)	82,581,040	79,000,856
Bond borrowings (Note 14)	3,764,917	-
Provisions	1,626,942	1,308,775
Lease liability (Note 11)	6,849,829	5,943,398
Bank overdraft (Note 12)	23,901,582	22,554,266
Dividend payable	21,690,721	21,690,698
Income tax payable (Note 7)	15,120,129	10,155,353
	505,815,387	483,475,037
Total liabilities	1,445,041,833	953,433,161
Total equity and liabilities	1,668,961,082	1,204,428,503

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Stated Capital USD	Retained Earnings USD	Other reserves* USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2022	1,372,564	83,706,080	74,764,084	159,842,728	91,152,614	250,995,342
Comprehensive income/(loss):						
Profit for the period	-	14,118,339	-	14,118,339	8,396,157	22,514,496
Other comprehensive loss for the period, net of tax	-	-	(3,640,546)	(3,640,546)	(546,043)	(4,186,589)
Total comprehensive income/(loss) for the period	-	14,118,339	(3,640,546)	10,477,793	7,850,114	18,327,907
Transactions with owners in their capacity as owners:						
Recognition of NCI put option	-	-	(45,404,000)	(45,404,000)	-	(45,404,000)
Total transactions with owners	-	-	(45,404,000)	(45,404,000)	-	(45,404,000)
At March 31, 2022	1,372,564	97,824,419	25,719,538	124,916,521	99,002,728	223,919,249

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the three month period ended March 31, 2022

	3 month period ended	
	March 31, 2022 USD	March 31, 2021 USD
Cash flows from operating activities (Note 15)		
Cash flows from operations	47,462,557	65,861,935
Interest paid	(3,972,395)	(4,374,362)
Interest received	386,578	273,477
Tax paid	(4,334,905)	(4,869,302)
Net cash generated from operating activities	39,541,835	56,891,748
Purchase of property, plant and equipment	(34,723,161)	(19,279,826)
Acquisition of investment in subsidiaries (net of cash acquired) (Note 18)	-	9,484,571
Purchase of intangible assets	(1,911,672)	(1,379,019)
Loan granted to related parties	-	(749,063)
Repayment made by related parties	228,142	4,697,560
Net deposits paid	(196,566)	(77,787)
Treasury and corporate bonds matured	313,005	172,264
Grants received	-	449,228
Net cash used in investing activities	(36,290,252)	(6,682,072)
Cash flows from financing activities		
Additional borrowings	28,214,841	29,854,335
Repayment of borrowings	(7,122,233)	(47,233,299)
Repayment of lease liability	(1,143,649)	(1,288,160)
Dividend paid	-	(8,700,000)
Payment of bond transaction costs	(4,527,477)	-
Net cash flow generated from/(used in) financing activities	15,421,482	(27,367,124)
Net increase in cash and cash equivalents	18,673,065	22,842,552
Effect of exchange rate on cash and cash equivalents	(2,398,551)	(1,618,492)
Cash and cash equivalents at beginning of the period	111,951,988	62,007,768
Cash and cash equivalents at end of the period (Note 12)	128,226,502	83,231,828

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements do not constitute statutory accounts, and thus do not fully comply with International Financial Reporting Standards (“IFRS”), specifically, they do not comply with IFRS 34 “*Interim Financial Reporting*”. The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Group’s audited financial statements for the year ended December 31, 2021.

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

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

The financial statements were approved by the board of directors on June 13, 2022.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE

	3 month period ended	
	March 31,	March 31,
	2022	2021
	USD	USD
Mobile services	81,707,875	75,922,699
Fixed services	14,616,091	13,984,510
Interconnection/Roaming/MVNO	5,756,534	6,545,026
Customer Equipment and Infrastructure	1,274,584	1,545,435
Operator Infrastructure services	5,783,594	6,552,402
Commissions received on electronic money activities	13,292,446	1,713,730
Other revenue	834,234	475,924
Hosting and rental of sites	3,513,407	1,625,588
Trademark and license fees	64,346	389,111
Administration and general management fees	128,473	259,716
Digital solutions and other support services	638,350	3,153,418
	127,609,934	112,167,559

4. OTHER INCOME AND EXPENSES

	3 month period ended	
	March 31,	March 31,
	2022	2021
	USD	USD
Other income		
Reversal of provision for risks and charges	8,885	45,029
Release of government grant	2,485,684	2,157,153
Other income	403,737	1,010,138
	2,898,306	3,212,320

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. OPERATING COSTS

	3 month period ended	
	March 31,	March 31,
	2022	2021
	USD	USD
Cost of equipment, devices	1,693,964	853,459
Provision/(reversal of provision) for device inventories	71,665	(686)
Prepaid cards and accessories	276,456	712,654
Cost of devices and equipment	2,042,085	1,565,427
Interconnection fees	3,712,122	3,885,685
Roaming fees	97,684	158,771
Cost of interconnection and roaming	3,809,806	4,044,456
Telecom operator and regulatory fees	3,802,451	3,547,222
Frequency fees	1,883,771	1,911,235
Government and regulatory costs	5,686,222	5,458,457
Advertising and distribution costs	1,229,949	1,112,207
Commission to sales agents	11,388,966	5,712,651
Loss allowance on trade receivables	344,860	814,006
Net impairment losses on financial and contract assets	344,860	814,006
Transmission fees	529,538	1,107,057
Satellite and bandwidth charges	797,195	576,846
Site energy	3,984,853	3,651,609
Site and network repairs and maintenance	1,578,630	4,548,601
Professional fees, technical	57,497	430,453
Rental expenses for short term and low value leases, technical sites	475,310	2,377,902
Maintenance of materials, software and network	2,500,920	2,534,443
Technology operation costs	9,923,943	15,226,911
Payroll and social charges	13,067,686	9,814,476
Travel expenses	731,693	90,884
Training	-	266,372
Provision for retirement benefit obligations	26,272	100,744
Staff costs	13,825,651	10,272,476
Write-off of financial assets	346,998	1,662
Professional fees, non-technical	2,528,125	5,409,968
Depreciation of property, plant & equipment	22,967,156	21,717,205
Amortization of intangible assets	1,988,598	1,735,092
Depreciation of rights of use assets	5,715,666	2,111,499
Depreciation and amortization	30,671,420	25,563,796

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. OPERATING COSTS (CONTINUED)

	3 month period ended	
	March 31, 2022 USD	March 31, 2021 USD
Other operating expenses*	9,796,702	9,926,498
Total operating costs	91,594,727	85,108,515

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

6. FINANCE INCOME AND EXPENSE

	3 month period ended	
	March 31, 2022 USD	March 31, 2021 USD
Finance income		
Foreign exchange gain	3,208,271	5,221,855
Interest income	1,561,365	317,253
Gain on fair valuation of embedded derivatives	2,100,000	-
Other finance income	1,141,318	1,598,815
	8,010,954	7,137,923
Finance costs		
Foreign exchange loss	(4,364,031)	(3,256,708)
Interest on bank loans	(4,214,271)	(4,557,423)
Interest on listed bonds	(3,839,283)	-
Interest on loans and amounts payable to related parties	(1,696,276)	(466,551)
Bank overdraft	(276,464)	(41,852)
Lease liability	(1,425,251)	(1,131,207)
Interest expense on provision for dismantling costs	(2,017,117)	(359,920)
Finance costs on other borrowings	(944,608)	(146,091)
Other interest charges	(1,783,374)	(1,825,032)
	(20,560,675)	(11,784,784)
Net finance costs	(12,549,721)	(4,646,861)

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX

a) Income tax expense/(credit)

	3 month period ended	
	March 31,	March 31,
	2022	2021
	USD	USD
Actual income tax	9,382,090	8,789,779
Withholding tax charge/(credit)	27,836	(26,346)
Deferred tax credit	(640,623)	(8,824,270)
	8,769,303	(60,837)

As at March 31, 2022, 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 license has been converted to a GBC license on July 1, 2021 and the Company now operates under the new tax regime. Under the new regime, the Company is able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption are taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

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

b) Tax liability

	March 31,	December 31,
	2022	2021
	USD	USD
At January, 1	9,709,590	7,392,793
Acquisition through business combination (Note 18)	-	682,282
Charge during the period/year	9,409,926	32,510,534
Tax paid	(4,334,905)	(30,403,947)
Withholding tax suffered	(23,266)	-
Translation difference	(141,837)	(472,072)
At March 31/December 31	14,619,508	9,709,590

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT

	Materials USD	Land and Building USD	Technical Equipment USD	Others USD	Assets in Progress USD	Total USD
Cost						
At January 1, 2021	87,390,853	196,730,788	1,300,744,896	22,764,330	44,114,210	1,651,745,077
Reclassification adjustments*	(3,414,250)	7,758,737	(41,983,472)	-	37,638,985	-
Acquisition through business combinations	471,213	212,302	343,968	-	83,118	1,110,601
Additions	1,746,395	7,783,813	34,517,523	2,256,673	66,442,268	112,746,672
Transfers	-	40,170,805	52,502,877	692,202	(93,365,884)	-
Disposals and scrap	(2,022,207)	(313,354)	(230,653)	(1,939,676)	-	(4,505,890)
Provision for dismantling	-	7,090,031	-	-	-	7,090,031
Translation difference	(5,281,369)	(9,264,690)	(82,333,786)	(610,524)	(2,632,122)	(100,122,491)
At December 31, 2021	78,890,635	250,168,432	1,263,561,353	23,163,005	52,280,575	1,668,064,000
Additions	1,162,435	33,373	10,842,146	223,567	8,815,923	21,077,444
Transfers	(1,194,681)	7,879,022	49,555,049	724,595	(56,963,985)	-
Provision for dismantling	-	3,809,285	-	-	-	3,809,285
Translation difference	(1,419,109)	(4,061,653)	(23,011,178)	(186,108)	(986,621)	(29,664,669)
At March 31, 2022	77,439,280	257,828,459	1,300,947,370	23,925,059	3,145,892	1,663,286,060

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Materials USD	Land and Building USD	Technical Equipment USD	Others USD	Assets in Progress USD	Total USD
Accumulated depreciation						
At January 1, 2021	(70,885,451)	(71,416,970)	(996,473,295)	(17,593,485)	-	(1,156,369,201)
Reclassification adjustments*	(1,116,398)	(4,869,026)	5,985,424	-	-	-
Acquisition through business combinations	(152,107)	(6,217)	(137,642)	-	-	(295,966)
Depreciation charge for the year	(6,431,677)	(20,509,536)	(66,210,912)	(2,835,257)	-	(95,987,382)
Disposals and scrap	237,285	(736,966)	207,917	-	-	(291,764)
Disposal and scrap	1,917,502	272,328	176,095	1,859,594	-	4,225,519
Translation difference	4,377,751	3,994,157	67,598,296	473,646	-	76,443,850
At December 31, 2021	(72,053,095)	(93,272,230)	(988,854,117)	(18,095,502)	-	(1,172,274,944)
Depreciation charge for the period	(434,898)	(5,721,337)	(16,211,128)	(599,793)	-	(22,967,156)
Translation difference	1,258,326	1,535,458	18,369,635	237,067	-	21,400,486
At March 31, 2022	(71,229,667)	(97,458,109)	(986,695,610)	(18,458,228)	-	(1,173,841,614)
Net book value						
At March 31, 2022	6,209,613	160,370,350	314,251,760	5,466,831	3,145,892	489,444,446
At December 31, 2021	6,837,540	156,896,202	274,707,236	5,067,503	52,280,575	495,789,056

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. INTANGIBLE ASSETS

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Total USD
Cost								
At January 1, 2021	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	327,262	318,440	82,952	-	-	18,605	1,466	748,725
Additions	1,706,854	36,703	14,729,972	-	-	490,766	22,091	16,986,386
Transfers	(144,930,430)	147,660,004	(14,560,634)	-	10,111,105	-	1,719,955	-
Disposals and scrap	-	-	-	-	-	-	(128,917)	(128,917)
Translation difference	(7,961,665)	(8,023,600)	(1,017,089)	(116,008)	(762,410)	6,429	(169,405)	(18,043,748)
At December 31, 2021	29,139,938	175,883,926	13,128,923	1,978,604	14,239,753	515,800	7,360,718	242,247,662
Additions	29,797	-	216,874	-	1,327,668	92,454	8,738	1,675,531
Transfers	152,283	-	83,857	-	-	-	-	236,140
Translation difference	(570,972)	(3,429,927)	(250,808)	(33,649)	(296,331)	(7,296)	(95,059)	(4,684,042)
At March 31, 2022	28,751,046	172,453,999	13,178,846	1,944,955	15,271,090	600,958	7,274,397	239,475,291

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. INTANGIBLE ASSETS (CONTINUED)

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Total USD
Accumulated amortization								
At January 1, 2021	(122,718,109)	(29,820,690)	-	(757,964)	(40,759)	-	(5,264,130)	(158,601,652)
Acquisition through business combinations	(234,109)	(31,496)	-	-	-	(249)	(548)	(266,402)
Amortization charge for the year	(1,923,101)	(3,782,472)	-	(126,595)	(892,020)	(12,689)	(1,269,019)	(8,005,896)
Impairment	(121,055)	-	-	-	-	-	-	(121,055)
Disposals and scrap	-	-	-	-	-	-	23,070	23,070
Transfers*	94,112,327	(94,112,327)	-	-	-	-	-	-
Translation difference	5,648,846	5,818,344	-	39,229	37,893	(161)	148,750	11,692,901
At December 31, 2021	(25,235,201)	(121,928,641)	-	(845,330)	(894,886)	(13,099)	(6,361,877)	(155,279,034)
Amortization charge for the period	(293,720)	(1,090,618)	-	(30,313)	(231,995)	(12,188)	(329,764)	(1,988,598)
Translation difference	496,164	2,396,897	-	13,786	19,989	283	84,035	3,011,154
At March 31, 2022	(25,032,757)	(120,622,362)	-	(861,857)	(1,106,892)	(25,004)	(6,607,606)	(154,256,478)
Net book value								
At March 31, 2022	3,718,289	51,831,637	13,178,846	1,083,098	14,164,198	575,954	666,791	85,218,813
At December 31, 2021	3,904,737	53,955,285	13,128,923	1,133,274	13,344,867	502,701	998,841	86,968,628

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

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. INTEREST IN JOINT VENTURES AND ASSOCIATES

	March 31, 2022 USD	December 31, 2021 USD
At January, 1	68,846,258	72,717,052
Acquisition through business combination (Note 18)	-	17,986,429
Buy-back of shares by joint ventures	-	(22,387,945)
Share of profit in joint ventures and associates	4,920,007	22,442,120
Share of translation reserves	729,359	(1,908,364)
Share of other reserves	-	269,695
Dividend received	-	(17,853,053)
Translation difference	(880,021)	(2,419,676)
At March 31/December 31	73,615,603	68,846,258

Details pertaining to the investment in joint ventures and associates at March 31, 2022 and December 31, 2021 are as follows:

Name of Company	Country of Incorporation /place of activity	Class of shares held	% Holding		Direct/ Indirect	Relationship	Activities
			Mar 31, 2022	Dec 31, 2021			
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	France	Ordinary	50%	50%	Direct	Joint venture	Telecommunications
Societe D'Exploration et de Promotion Iliad Axian	Reunion	Ordinary	50%	50%	Direct	Joint venture	Real estate
BNI Madagascar	Madagascar	Ordinary	31.2%	31.2%	Direct & Indirect	Associate	Banking
Indian Ocean Financial Holdings Limited	Mauritius	Ordinary	41.57%	41.57%	Direct	Associate	Investment holding

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.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. RIGHT OF USE ASSETS AND LIABILITIES

	March 31, 2022 USD	December 31, 2021 USD
<i>Right of use assets</i>		
At January, 1	44,007,136	36,632,210
Additions during the period/year	2,162,263	16,992,062
Acquisition through business combination (Note 18)	-	680,458
Amortization charge during the year	(5,715,666)	(8,306,213)
Translation difference	(707,358)	(1,991,381)
At March 31/December 31	39,746,375	44,007,136
<i>Lease liabilities</i>		
At January, 1	51,253,868	37,999,618
Additions during the year	2,162,262	16,992,062
Acquisition through business combination (Note 18)	-	760,564
Interest expense for the period/year	1,425,251	3,526,646
Principal paid on lease liabilities	(1,143,649)	(3,480,062)
Interest paid on lease liabilities	(1,425,251)	(3,526,646)
Translation difference	(742,086)	(1,018,314)
At March 31/December 31	51,530,395	51,253,868
<i>Of which non-current</i>	44,680,566	45,310,470
<i>Of which current</i>	6,849,829	5,943,398

12. CASH AND CASH EQUIVALENTS

	March 31, 2022 USD	December 31, 2021 USD
Cash at bank	152,128,084	134,506,254
Bank overdraft	(23,901,582)	(22,554,266)
	128,226,502	111,951,988

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.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. TRADE AND OTHER PAYABLES

	March 31, 2022 USD	December 31, 2021 USD
Non-current		
Trade payables	5,083,549	5,810,594
Deferred revenue	18,633,906	16,512,511
Other payables	58,080,919	63,454,837
	81,798,374	85,777,942
Current		
Trade payables	150,624,979	133,640,880
Other payables	18,791,880	12,772,777
Deferred revenue	22,332,310	26,928,114
Sundry creditors	234,682	-
VAT payable	61,981,262	64,669,970
Mobile financial services creditors	85,292,239	83,961,325
Amounts payable to shareholder**	91,665	92,778
Amounts payable to entities under common control*	10,212,330	20,059,854
	349,561,347	342,125,698
Total trade and other payables	431,359,721	427,903,640

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

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

14. BORROWINGS

	March 31, 2022 USD	December 31, 2021 USD
Non-current		
Bank loans (a)	141,977,846	129,140,310
Listed bonds	411,876,388	-
Loans payable to related parties	136,831,149	136,189,314
Other borrowings	2,286,296	2,148,056
	692,971,679	267,477,680
Current		
Bank loans	82,176,659	77,531,041
Listed bonds	3,764,917	-
Loans payable to related parties	378,389	382,263
Other borrowings	25,992	1,087,552
	86,345,957	79,000,856
Total borrowings	779,317,636	346,478,536

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS (CONTINUED)

(a) Bank loans

	March 31, 2022 USD	December 31, 2021 USD
Bank of Africa-Madagascar ('BOA')	25,636,887	26,615,981
Banque Malgache de L'Océan Indien ('BMOI')	29,287,164	20,167,593
BFV Société Générale ('BFV')	12,539,705	5,365,929
BNi Banque de l'Industrie ('BNi')	18,670,682	19,442,941
Uganda Development Bank ("UDB")	-	2,962,741
Stanbic Bank Uganda Ltd ("SBU")	9,963,129	-
Société de Gestion et d'Intermédiation ('SGI')	25,948,196	26,475,313
Société Générale Togo ('SGT')	50,511,172	49,276,500
Banque Togolaise pour le Commerce et l'Industrie ('BTCI')	12,269,899	13,623,100
Union Togolaise de Banque ('UTB')	15,574,363	16,710,433
Orabank ('ORB')	23,238,274	24,532,619
Accrued interest	515,034	1,498,201
Total bank loans	224,154,505	206,671,351
Loans payable within one year	82,176,659	77,531,041
Loans payable after one year	141,977,846	129,140,310

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

The bank loans are secured as follows:

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

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

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

	Carrying value USD	Total cash flows USD	Cash flows within 1 year USD	Cash flows between 1 and 2 years USD	Cash flows between 3 and 4 years USD	Cash flows after 5 years USD
Borrowings	363,676,331	430,619,112	85,111,221	55,313,651	103,304,542	186,889,698
Listed bonds	415,641,305	574,875,000	30,975,000	30,975,000	512,925,000	-

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. CASH FLOW FROM OPERATING ACTIVITIES

	3 month period ended	
	March 31, 2022 USD	March 31, 2021 USD
Cash flows from operating activities:		
Profit before income tax	31,283,799	27,196,964
<i>Adjustments:</i>		
Amortization of right-of-use assets	5,715,666	2,111,499
Depreciation of property, plant and equipment	22,967,156	21,717,205
Amortization of intangible assets	1,988,598	1,735,092
Scrapping of property, plant and equipment and intangible assets	-	974
Gain on disposal of intangible assets		
(Reversal of provision)/provision on litigations	(8,885)	366,378
Provision/(reversal of provision) for short term risks on operating activities	347,421	(45,029)
Write-back of government grants	(2,485,684)	(2,157,153)
Share of profit in associates and joint ventures	(4,920,007)	(1,572,461)
Interest expense on lease liability	1,425,251	1,131,207
Interest expense on provision for dismantling costs	2,017,117	359,920
Other interest expense	12,754,276	7,036,949
Finance income	(2,702,683)	(1,916,068)
Gain on fair valuation of derivatives	(2,100,000)	-
Write-off of financial assets	346,998	1,662
Impairment of loans receivable and other financial assets	344,860	814,006
Provision for retirement benefits obligation	26,272	100,744
Cash generated from operating activities before working capital changes	67,000,155	56,881,889
Changes in working capital:		
(Increase)/decrease in inventories	(3,257,490)	385,142
(Increase)/decrease in trade and other receivables	(21,533,004)	121,469,244
Increase/(decrease) in trade and other payables	7,568,760	(112,874,340)
Increase in loan to clients	(2,338,751)	-
Increase in deposits from customers	22,887	-
Net cash generated from operating activities	47,462,557	65,861,935

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. NON-IFRS MEASURES

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

	3 month period ended	
	March 31, 2022 USD	March 31, 2021 USD
Profit for the period	22,514,496	27,257,801
<i>Adjustments:</i>		
Income tax expense/(credit)	8,769,303	(60,837)
Finance income	(8,010,954)	(7,137,923)
Finance costs	20,560,675	11,784,784
Depreciation of property, plant and equipment	22,967,156	21,717,205
Amortization of right of use assets	5,715,666	2,111,499
Amortization of intangible assets	1,988,598	1,735,092
EBITDA	74,504,940	57,407,621
Share of net profit in joint ventures and associates	(4,920,007)	(1,572,461)
Loss on disposal of property, plant and equipment	-	974
Adjusted EBITDA	69,584,933	55,836,134

17. SEGMENTAL REPORTING

Business Segments

For the three month period ended March 31, 2022 and for the ended December 31, 2021, internal reports reviewed by the Chief Operating Decision Makers (i.e the Directors) in order to allocate resources to the segments and to assess their performance, are comprised of the following segments: mobile and fixed line communications, infrastructure, digital and mobile financial services, and other (which includes holding companies and their associated income and costs). The following disclosures are made with respect to segmental reporting, including a reconciliation of profit before tax for the period to Adjusted EBITDA for each segment.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the three month period ended March 31, 2022:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	110,370,041	4,358,329	12,698,273	183,291	127,609,934
Profit/(loss) for the period before tax	44,515,172	(13,304,008)	6,968,206	(6,895,571)	31,283,799
<i>Adjustments:</i>					
Finance income	(2,485,330)	(217,644)	(1,258,009)	(4,049,971)	(8,010,954)
Finance costs	6,642,081	3,788,225	40,739	10,089,630	20,560,675
Depreciation of property, plant and equipment	15,942,377	6,967,955	55,391	1,433	22,967,156
Amortization of right of use assets	5,126,114	589,552	-	-	5,715,666
Amortization of intangible assets	1,579,103	294,707	114,788	-	1,988,598
EBITDA	71,319,517	(1,881,213)	5,921,115	(854,479)	74,504,940
Share of net profit in joint ventures and associates	(93,239)	-	-	(4,826,768)	(4,920,007)
Adjusted EBITDA	71,226,278	(1,881,213)	5,921,115	(5,681,247)	69,584,933
Segment assets	815,607,798	195,776,799	92,672,340	564,904,145	1,668,961,082
Segment liabilities	(569,598,233)	(114,365,261)	(67,682,881)	(693,395,458)	(1,445,041,833)

Summarized financial information for the three month period ended March 31, 2021:

Revenue	106,465,143	2,338,628	423,534	2,940,254	112,167,559
Profit/(loss) for the period before tax	37,134,803	(9,825,810)	102,319	(214,348)	27,196,964
<i>Adjustments:</i>					
Finance income	(3,404,643)	(1,585,334)	(763)	(2,147,183)	(7,137,923)
Finance costs	6,024,494	1,127,353	12,308	4,620,629	11,784,784
Depreciation of property, plant and equipment	16,002,203	5,711,434	3,090	478	21,717,205
Amortization of right of use assets	1,813,345	298,154	-	-	2,111,499
Amortization of intangible assets	1,539,555	193,719	1,818	-	1,735,092
EBITDA	59,109,757	(4,080,484)	118,772	2,259,576	57,407,621
Share of net profit in joint ventures and associates	(79,578)	-	-	(1,492,883)	(1,572,461)
Loss on disposal of property, plant and equipment	-	-	-	974	974
Adjusted EBITDA	59,030,179	(4,080,484)	118,772	767,667	55,836,134

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS

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

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

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

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

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

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

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

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

*Revenue and net profits or losses post acquisition reflect numbers from the date of acquisition until the year ended December 31, 2021.

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. SUBSEQUENT EVENTS

Completion of MIC Tanzania acquisition

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

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

PRO FORMA AND COMBINED FINANCIAL INFORMATION

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

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

- The combined statements of profit or loss and the statements of comprehensive income beginning from the earliest comparative period, in this case January 1, 2021. We present the combined results by incorporating the financial performance of MIC Tanzania into the numbers presented in the statements of profit or loss and statements of other comprehensive income, from January 1, 2021.
- The statement of financial position on a pro forma basis as if the Acquisition and the issue of the Notes and related transactions, had occurred as at the reporting date. In order to reflect this pro forma impact of the acquisition in the statement of financial position, the pro forma adjustments affected to the consolidated data, and the resulting pro forma numbers, are described in more detail below.

Pro forma adjustments

The following pro forma adjustments have been made to the statement of financial position information presented in these financial statements in order to reflect the Acquisition and the issue of the Notes and related transactions, as if it had occurred on March 31, 2022. All purchase price adjustments below, including goodwill, are based on initial estimates of the purchase price adjustments related to the Acquisition and are subject to change following the completion of the valuation of the acquired business as required under IFRS 3 – Business Combinations.

- Accounting for the issue of the Notes, the settlement of the MIC Tanzania Facility and the settlement of the Agou Holding Facility as if these had taken place on March 31, 2022. This resulted in the following financial impacts:
 - A decrease in non-current borrowings and a decrease in current borrowings of \$222.1 million and \$18.2 million respectively as at March 31, 2022, and
 - A net increase in cash and cash equivalents of \$179.7 million as at March 31, 2022, representing the issue of the Notes, settlement of the MIC Tanzania Facility, and the settlement of the Agou Holding Facility. The issue of the Notes accounted for an increase of \$420.0 million in cash and cash equivalents and a decrease in restricted cash of \$420.0 million, reflecting the release of funds in escrow as at March 31, 2022.
- Incorporating the financial position of MIC Tanzania as at March 31, 2022 and accounting for the Acquisition related adjustments as follows:
 - An increase in Goodwill of \$262.1 million,
 - A decrease in cash and cash equivalents of \$105.0 million,
 - A decrease in non-current borrowings \$145.4 million, related to a loan owing by MIC Tanzania to its related party and which is transferred to Honora Holding Ltd and this eliminated, and
 - An increase of \$302.5 million in equity, representing the removal of \$304.9 million in negative equity related to MIC Tanzania, partially offset by the recognition of \$2.4 million of non-controlling interest.

The financial information of MIC Tanzania is translated to USD using an exchange rate of TZS2,313.56/USD1 as at March 31, 2022 and an average exchange rate of TZS2,306.01/USD1 for the three month period ended March 31, 2022. The average exchange rate used for the three month period ended March 31, 2021 is TZS2,305.93/USD1.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results

Condensed combined statements of profit or loss for the three month period ended March 31, 2022

	3 month period ended	
	March 31, 2022 USD	March 31, 2021 USD
Revenue	216,097,099	201,237,515
Cost of devices and equipment	(3,037,043)	(2,206,969)
Cost of interconnection and roaming	(7,713,204)	(7,065,233)
Government and regulatory costs	(11,273,492)	(10,587,198)
Advertising and distribution costs	(2,045,050)	(3,706,148)
Commission to sales agents	(33,092,902)	(29,754,682)
Net impairment losses on financial and contract assets	(722,908)	(951,148)
Technology operation costs	(15,278,713)	(22,381,161)
Staff costs	(19,909,992)	(16,846,931)
Other operating expenses	(14,631,783)	(14,831,714)
Write-off of financial assets	(346,998)	(1,662)
Professional fees	(6,387,104)	(9,228,717)
Depreciation and amortization	(50,885,150)	(46,296,187)
Reversal of impairment of non-financial assets	-	13,953
Other income, general	2,902,503	3,239,051
OPERATING PROFIT	53,675,263	40,632,769
Finance income	8,022,655	7,171,747
Finance costs	(33,911,253)	(27,368,702)
Non-operating income	698,733	565,300
Non-operating expenses	-	(1,225,639)
Share of profit in joint ventures and associates	4,920,007	1,572,461
PROFIT BEFORE INCOME TAX	33,405,405	21,347,936
Income tax (expense)/credit	(13,409,670)	17,573,026
PROFIT FOR THE PERIOD	19,995,735	38,920,962
Profit for the period attributable to:		
- Owners of the Company	11,885,457	27,210,511
- Non-controlling interest	8,110,278	11,710,451
	19,995,735	38,920,962

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,306.01/USD1 for the three month period ended March 31, 2022 (3 month period ended 31 March 2021: TZS2,305.93/USD1).

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results (continued)

Condensed combined statements of other comprehensive income for the three month period ended March 31, 2022

	3 month period ended	
	March 31, 2022 USD	March 31, 2021 USD
PROFIT FOR THE PERIOD	19,995,735	38,920,962
OTHER COMPREHENSIVE INCOME		
<i>Items that may be re-classified to profit or loss</i>		
Exchange differences on translation of foreign subsidiaries	(7,795,261)	(4,611,174)
Exchange differences on translation of foreign joint ventures	729,359	(1,993,216)
Other comprehensive loss for the period, net of tax	(7,065,902)	(6,604,390)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	12,929,833	32,316,572
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
- Owners of the Company	5,692,400	20,869,838
- Non - controlling interest	7,237,433	11,446,734
	12,929,833	32,316,572

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,306.01/USD1 for the three month period ended March 31, 2022 (3 month period ended 31 March 2021: TZS2,305.93/USD1).

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results (continued)

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

	3 month period ended	
	March 31, 2022 USD	March 31, 2021 USD
Profit for the period	19,995,735	38,920,962
<i>Adjustments:</i>		
Income tax expense/(credit)	13,409,670	(17,573,026)
Finance income	(8,022,655)	(7,171,747)
Finance costs	33,911,253	27,368,702
Depreciation of property, plant and equipment	33,408,575	33,249,132
Amortization of right of use assets	13,598,416	9,752,486
Amortization of intangible assets	3,878,159	3,294,569
EBITDA	110,179,153	87,841,078
Share of net profit in joint ventures and associates	(4,920,007)	(1,572,461)
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(34,361)	974
Other non-operating (income)/expense*	(14,864)	929,566
Adjusted EBITDA	105,209,921	87,199,157

*Other non-operating expense for the three month period ended March 31, 2021 is mainly comprised of losses in the accounts of MIC Tanzania of \$0.9 million relating to accruals in respect of withholding tax on interest on leases which was expected to be due.

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,306.01/USD1 for the three month period ended March 31, 2022 (3 month period ended 31 March 2021: TZS2,305.93/USD1).

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Pro forma financial position

Pro forma condensed combined statement of financial position as at March 31, 2022

	Axian Telecom USD	MIC Tanzania USD	Adjustments USD	Total USD
ASSETS				
Non-current assets				
Property, plant and equipment	489,444,446	163,921,295	-	653,365,741
Intangible assets	85,218,813	35,094,874	-	120,313,687
Interests in joint ventures and associates	73,615,603	15,676,805	-	89,292,408
Deferred tax assets	36,434,645	-	-	36,434,645
Trade and other receivables	36,027,998	-	-	36,027,998
Deposits receivable	2,752,415	158,994	-	2,911,409
Right-of-use assets	39,746,375	163,350,416	-	203,096,791
Goodwill	48,782,235	-	262,113,818	310,896,053
Financial assets at fair value through profit or loss	5,847,297	-	-	5,847,297
Embedded derivative assets	5,400,000	-	-	5,400,000
Treasury bonds	2,034,762	-	-	2,034,762
	825,304,589	378,202,384	262,113,818	1,465,620,791
Current assets				
Inventories	20,302,010	1,744,919	-	22,046,929
Loan receivables	7,674,640	691,120	-	8,365,760
Trade and other receivables	156,729,448	51,393,767	-	208,123,215
Income tax receivable	500,621	648,320	-	1,148,941
Cash and cash equivalents	152,128,084	23,875,274	74,697,078	250,700,436
Restricted cash	506,321,690	137,215,992	(420,000,000)	223,537,682
	843,656,493	215,569,392	(345,302,922)	713,922,963
Total assets	1,668,961,082	593,771,776	(83,189,104)	2,179,543,754

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Pro forma financial position (continued)

**Pro forma condensed combined statement of financial position as at March 31, 2022
(continued)**

	Axian Telecom USD	MIC Tanzania USD	Adjustments USD	Total USD
LIABILITIES AND EQUITY				
Non-current liabilities				
Borrowings	281,095,291	171,635,201	(163,514,212)	289,216,280
Bond borrowings	411,876,388	-	-	411,876,388
Trade and other payables	81,798,374	7,673,699	-	89,472,073
Government grants	23,585,293	-	-	23,585,293
Provisions	41,840,643	7,436,897	-	49,277,540
Lease liability	44,680,566	154,661,221	-	199,341,787
Contract liabilities	46,074,500	9,117,491	-	55,191,991
Deposits payable	5,958,741	-	-	5,958,741
Deferred tax liability	27,386	49,279,564	-	49,306,950
Retirement benefit obligations	2,289,264	-	-	2,289,264
	939,226,446	399,804,073	(163,514,212)	1,175,516,307
Current liabilities				
Trade and other payables	349,561,347	279,090,923	-	628,652,270
Client savings accounts	718,880	-	-	718,880
Borrowings	82,581,040	163,514,212	(222,146,373)	23,948,879
Bond borrowings	3,764,917	-	-	3,764,917
Provisions	1,626,942	2,284,286	-	3,911,228
Lease liability	6,849,829	36,311,136	-	43,160,965
Bank overdraft	23,901,582	-	-	23,901,582
Contract liabilities	-	11,207,149	-	11,207,149
Dividend payable	21,690,721	-	-	21,690,721
Income tax payable	15,120,129	6,424,074	-	21,544,203
	505,815,387	498,831,780	(222,146,373)	782,500,794
Total liabilities	1,445,041,833	898,635,853	(385,660,585)	1,958,017,101
Total equity	223,919,249	(304,864,077)	302,471,481	221,526,653

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

DEFINITIONS

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

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

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

Adjusted EBITDA: We define "Adjusted EBITDA":

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

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

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

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

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

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

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

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