

AXIAN TELECOM

Q3 2022 unaudited results

November 29th, 2022



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The forward-looking statements contained in this presentation 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 this presentation 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.

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Chairman and Founder



PHILIPPE PRODHOMME

Chief Financial Officer



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Head of Corporate Finance & IR

MACROECONOMIC ENVIRONMENT

Madagascar:

- 2022 projected real GDP of 4.2%⁽¹⁾
- 2022 projected inflation of 9.8%⁽¹⁾ (vs. 5.8% in Dec'21)
- \$/MGA at 4,197⁽²⁾ in Sep'22, -6.8% YoY

Tanzania:

- 2022 GDP growth expected is 4.5% ⁽¹⁾
- 2022 inflation expected is 4.0%⁽¹⁾ (vs. 3.7% 2021)
- \$/TZS at 2,330⁽²⁾ in Sep'22, -1.1% YoY

Togo:

- 2022 projected real GDP of 5.4%⁽¹⁾
- 2022 projected inflation of 5.6%⁽¹⁾ (vs. 4.3% in Dec'21)
- \$/XOF at 687⁽²⁾ in Sep'22, -18.8% YoY

TELECOM INDUSTRY

Madagascar⁽³⁾:

- Total subscribers as of Sep'22 were 15.7m which is +19.8% increase YoY
- Mobile and data penetration of 54.0% and 31.3% respectively as of Sep '22, which is +7.5pp and +2.9pp YoY

Tanzania⁽⁴⁾:

- Total subscribers as of Sep'22 were at 58.1m, which is +7.4% increase YoY
- Mobile and data penetration of 94.1% and 50.4% respectively as of Sep'22, which is +2.4pp and +0.7pp YoY

Togo⁽³⁾:

- Total subscribers as of Sep'22 were at 6.6m which is +8.0% increase YoY
- Mobile and data penetration of 75.9% and 72.4% respectively as of Sep'22, which is +3.9pp and +6.4pp YoY

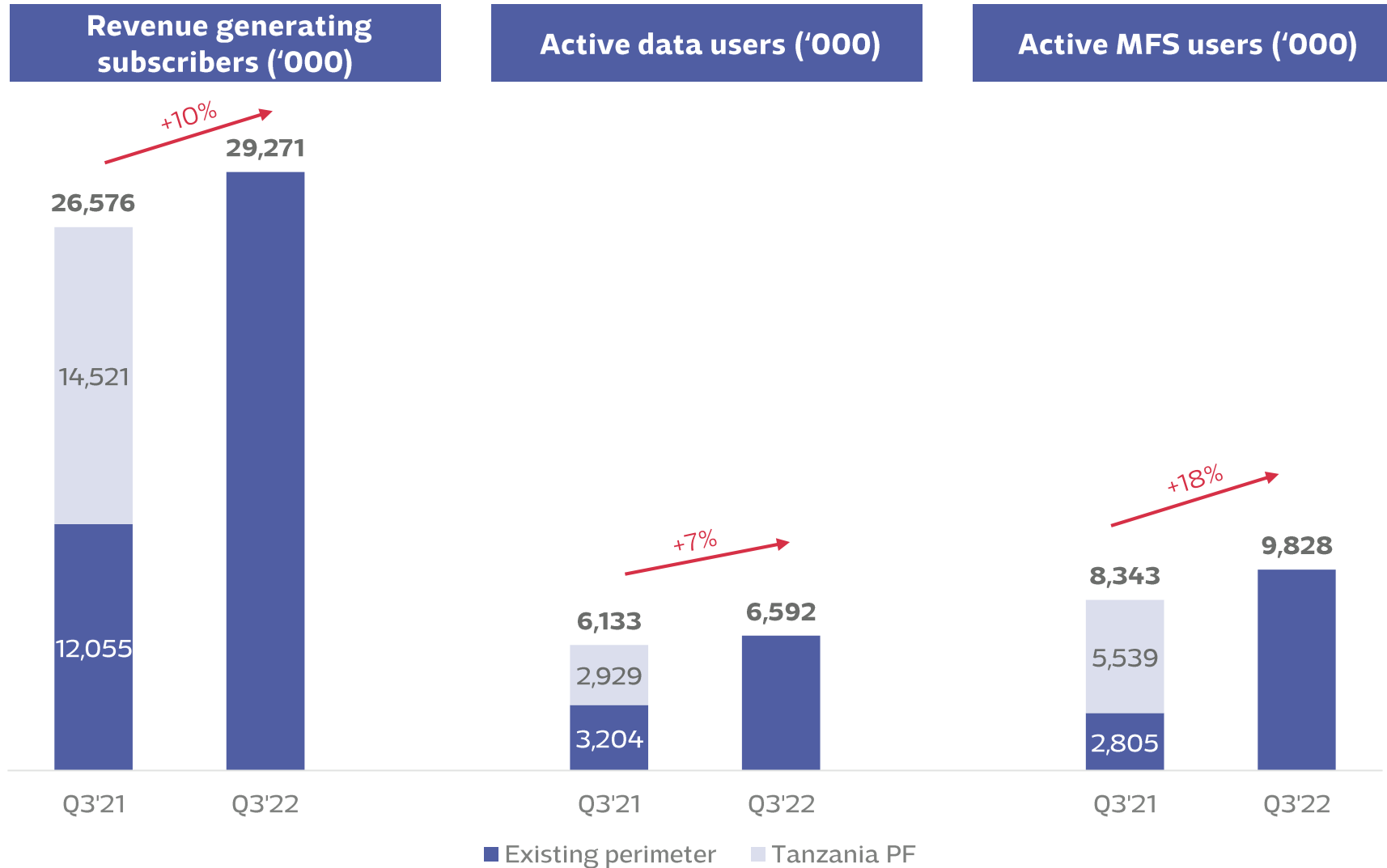
AXIAN TELECOM HIGHLIGHTS

- Despite FX pressure in majority of our markets, we delivered 10% revenue growth YoY in 9M'22 in our existing perimeter excluding Tanzania
- Our adjusted EBITDA for the existing perimeter excluding Tanzania grew by 3% YoY in 9M'22, in spite of increasing energy prices

In \$m, unless otherwise stated

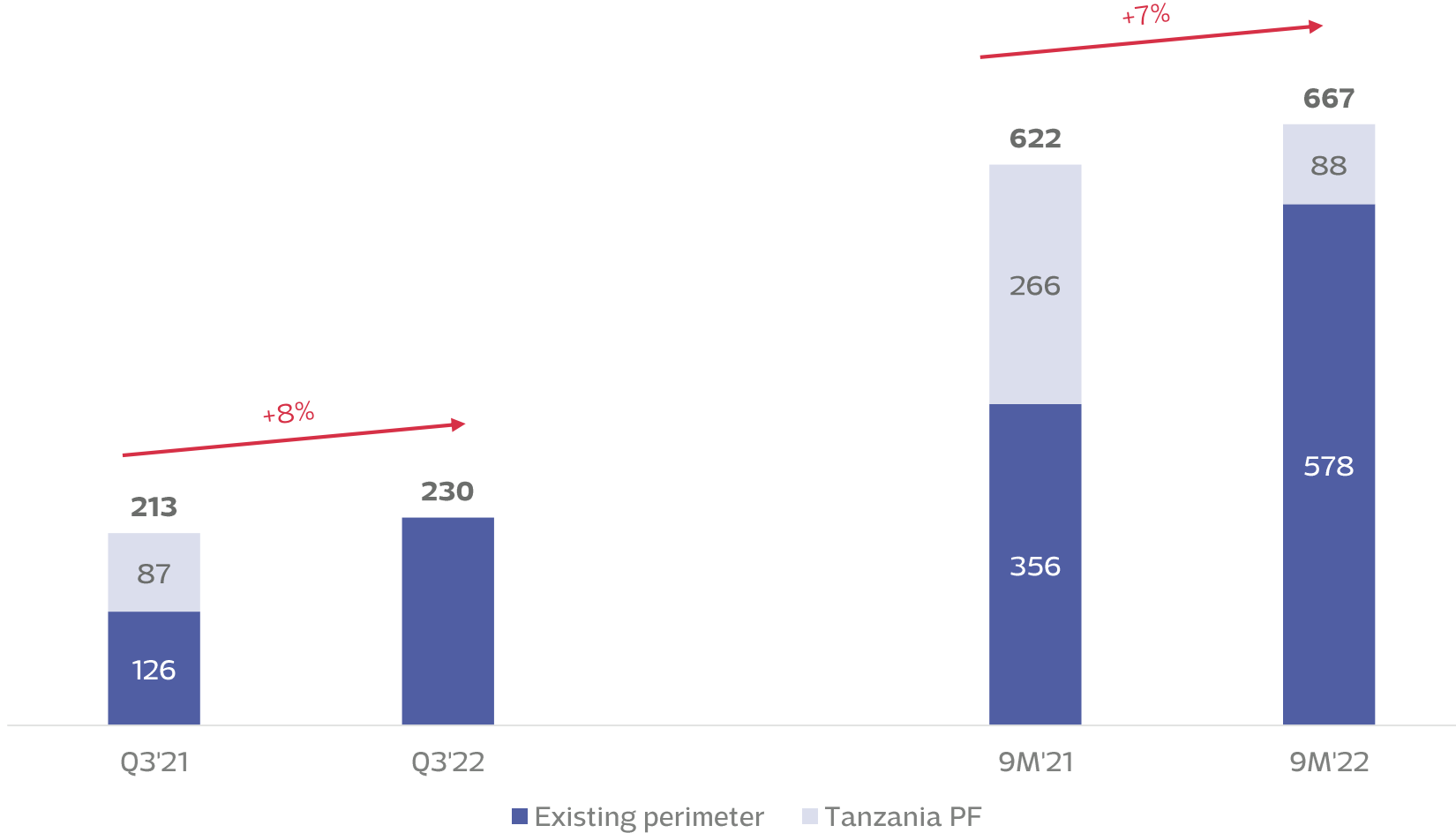
	Q3'22	Q3'21	Var.	9M'22	9M'21	Var.
Existing perimeter						
Revenue generating subscribers ('000)	29,271	12,055	143%	29,271	12,055	143%
Active data users ('000)	6,592	3,204	106%	6,592	3,204	106%
Active MFS users ('000)	9,828	2,805	250%	9,828	2,805	250%
Revenue	230	126	83%	578	356	62%
Adjusted EBITDA	107	70	54%	267	190	40%
Adjusted EBITDA Margin	46%	55%	(882) bps	46%	53%	(720) bps
Capital Expenditure	120	74	62%	223	110	102%
As a % of revenue	52%	59%	(681) bps	38%	31%	751 bps
Adjusted Net Debt	623			623		
Adjusted Net Debt to Adjusted EBITDA ratio (x)	1.6x			1.6x		
Pro Forma⁽¹⁾						
Revenue generating subscribers ('000)	29,271	26,576	10%	29,271	26,576	10%
Active data users ('000)	6,592	6,133	7%	6,592	6,133	7%
Active MFS users ('000)	9,828	8,343	18%	9,828	8,343	18%
Revenue	230	213	8%	667	622	7%
Adjusted EBITDA	107	101	6%	303	286	6%
Adjusted EBITDA Margin	46%	47%	(89) bps	45%	46%	(57) bps
Capital Expenditure	120	85	40%	231	136	70%
As a % of revenue	52%	40%	1,203 bps	35%	22%	1,280 bps
Existing Perimeter Excluding Tanzania						
Revenue generating subscribers ('000)	14,126	12,055	17%	14,126	12,055	17%
Active data users ('000)	3,475	3,204	8%	3,475	3,204	8%
Active MFS users ('000)	3,528	2,805	26%	3,528	2,805	26%
Revenue	133	126	6%	391	356	10%
Adjusted EBITDA	70	70	1%	197	190	3%
Adjusted EBITDA Margin	53%	55%	(257) bps	50%	53%	(310) bps
Capital Expenditure	102	74	37%	195	110	76%
As a % of revenue	77%	59%	1,777 bps	50%	31%	1,877 bps

- Double-digit growth in customer base with strong growth in Madagascar
- +7% YoY growth in Pro Forma combined Revenue for 9M'22
 - +10% growth in our existing perimeter excluding Tanzania
 - +4% growth in Tanzania, driven by Mobile services revenue partly offset by impact of MFS levy
- +6% YoY growth in Pro Forma combined Adjusted EBITDA for 9M'22
- Pro forma combined Revenue and Adjusted EBITDA growth impacted by YTD negative FX impacts of \$38m and \$25m respectively.
 - Without FX impact, YoY growth is 13% and 15% respectively
- Capital Expenditure increase due to passive infrastructure rollout, network strengthening, 2Africa investment, and timing of supplier payments
- Adjusted Net Debt to Adjusted PF LTM EBITDA Ratio at 1.6x



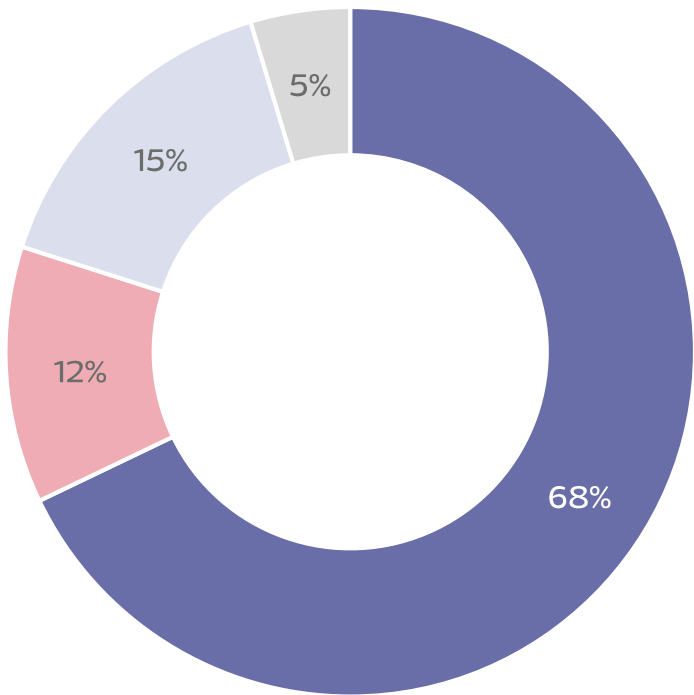
- Revenue generating subscribers +10% YoY
 - Mainly driven by +1.8m subscribers in Madagascar, a 21% YoY increase
 - +0.6m in Tanzania, a 4% increase YoY
- Active data users +7% YoY,
 - Aggregate growth in Madagascar and Togo of +0.3m
 - +0.2m in Tanzania
- Active MFS users +18% YoY with strong growth across all operations
 - +23% and +32% YoY for Madagascar and Togo respectively
 - +14% YoY growth in Tanzania

QTD and YTD Revenues (\$m)



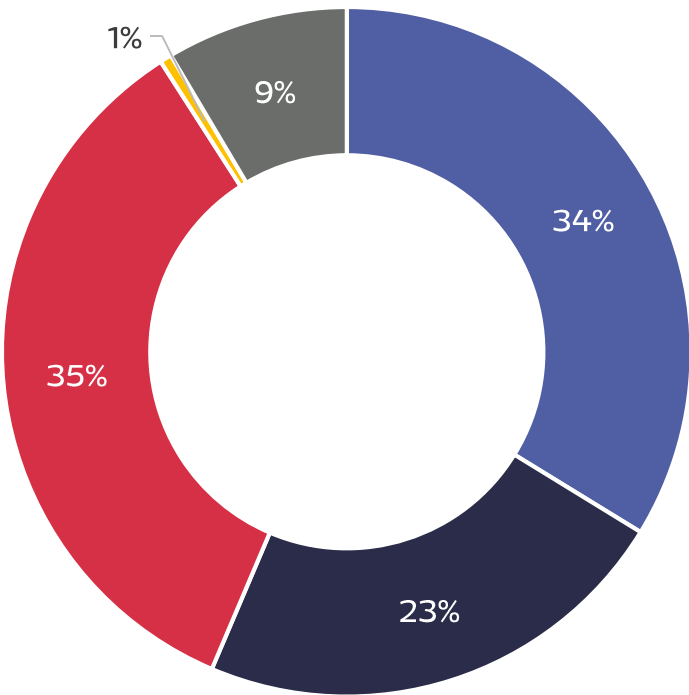
- +62% YoY revenue growth in 9M'22 in our existing perimeter
 - 9M'22 includes \$43m in revenue from Axian Financial Services (AFS) which also drives increase in revenue from Digital and mobile financial services segment (9M'21: \$5m)
 - 9M'22 includes \$187m from MIC Tanzania revenue post acquisition
- PF Tanzania revenue +4% YoY driven by growth in mobile segment, partly offset by impact of the implementation of mobile money levy increasing MFS transaction costs for Active MFS users

9M'22 Revenue⁽¹⁾ by segment (%)

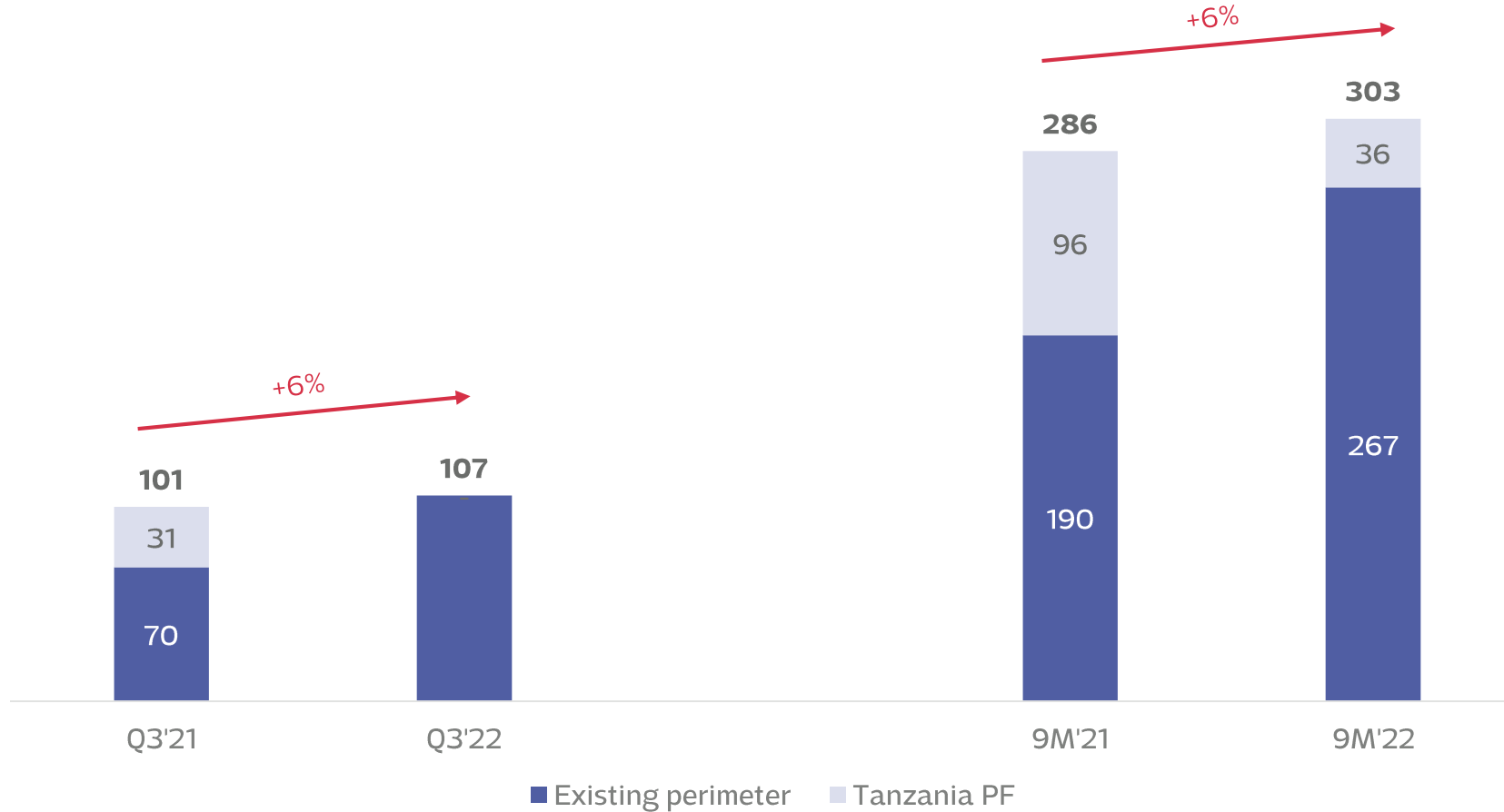


■ Mobile/Fixed ■ Infrastructure ■ Digital ■ Others

9M'22 Revenue⁽¹⁾ by country (%)

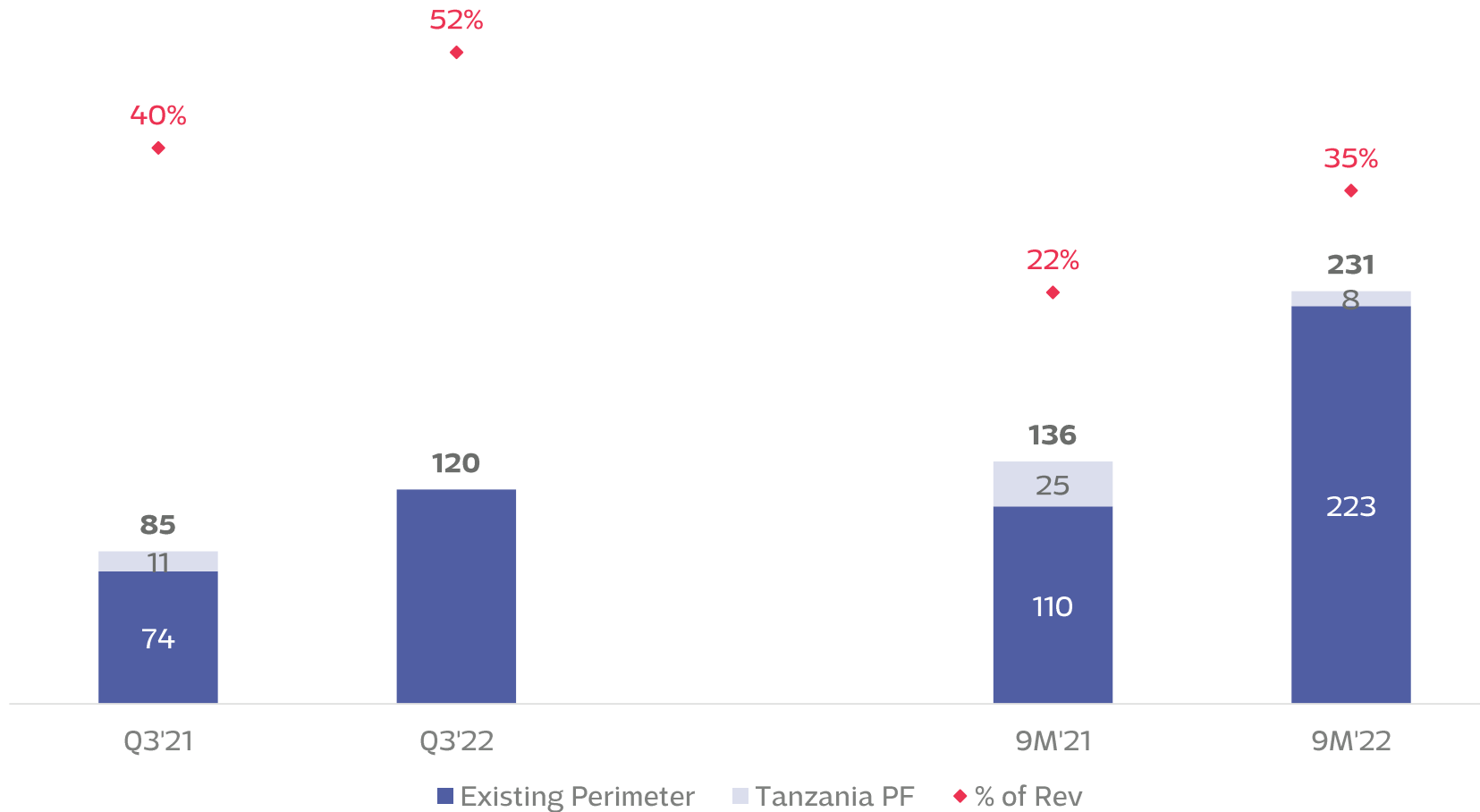


■ Madagascar ■ Togo ■ Tanzania ■ Uganda ■ Mauritius

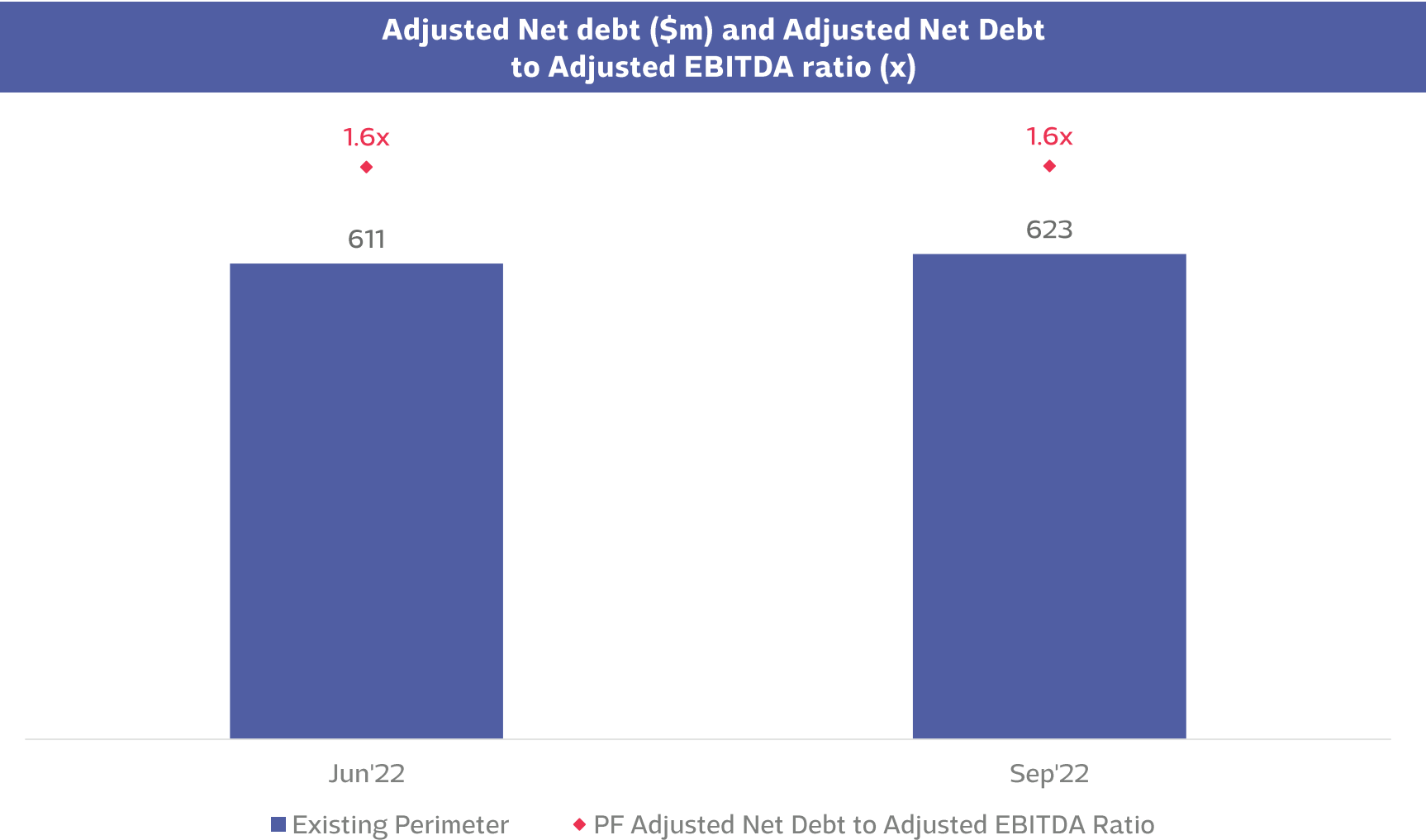
QTD and YTD Adjusted EBITDA (\$m)

- +40% YoY Adjusted EBITDA growth in 9M'22 in our existing perimeter
 - 9M'22 includes +\$18m in Adjusted EBITDA from Axian Financial Services (9M'21: \$1m)
 - 9M'22 includes +\$70m in Adjusted EBITDA from MIC Tanzania reflecting Q2'22 and Q3'22 performance
- PF Tanzania Adjusted EBITDA +6% YoY in 9M'22

QTD and YTD Capital Expenditure (\$m)



- 9M'22 Capital Expenditure for the existing perimeter at \$223m, increased to 35% of revenue from 22% in 9M'21
 - Our Infrastructure segment contributed 48% to the period's Capital Expenditure mainly driven by tower deployments in Madagascar and investments in the 2Africa cable
 - Our Mobile/Fixed segment contributed 51% to the period's capex driven by network development in Madagascar & Togo. MIC Tanzania contributed +\$28m to the Mobile/Fixed perimeter capex
- Capital Expenditure in Tanzania grew from 12% of revenue in Q2'22 to 15% in Q3'22 but remains low compared to our existing perimeter



- Pro Forma Adjusted Net Debt to Adjusted EBITDA ratio of 1.6x as of Sep'22

Appendix

ADJUSTED EBITDA RECONCILIATION

In \$m, unless otherwise stated

	Q3'22	Q3'21	9M'22	9M'21		Q3'22	Q3'21	9M'22	9M'21
Existing perimeter					Proforma ⁽¹⁾				
Profit for the period	14	21	46	134		14	53	44	170
Income tax expense/(credit)	12	21	34	27		12	2	39	(4)
Finance income	(15)	(5)	(30)	(13)		(15)	(5)	(30)	(13)
Finance costs	48	9	103	35		48	23	117	78
Depreciation of property, plant and equipment	34	22	93	68		34	32	104	101
Amortization of right of use assets	10	0	22	4		10	8	30	27
Amortization of intangible assets	4	2	9	6		4	4	11	11
EBITDA	108	69	279	261		108	117	315	371
Share of net loss/(profit) in joint ventures	1	(1)	(11)	(71)		1	(1)	(11)	(71)
(Reversal of impairment)/impairment of property, plant and equipment and intangible assets	(1)	1	(1)	-		(1)	1	(1)	(0)
(Gain)/loss on disposal of property, plant and equipment	(0)	0	(0)	0		(0)	0	(0)	0
Other non-operating income	-	-	-	-		-	(16)	(0)	(15)
Adjusted EBITDA	107	70	267	190		107	101	303	286

CALCULATION OF PRO FORMA ADJUSTED NET DEBT TO ADJUSTED EBITDA RATIO

In \$m, unless otherwise stated

	Q3'22	Q2'22
Borrow ings (non-current)	284	287
Borrow ings Bonds (non-current)	412	412
Borrow ings (current)	23	34
Borrow ings Bonds (current)	5	12
Total Borrowings	723	745
Loans payable to related parties (non-current)	145	146
Loans payable to related parties (current)	-	-
IFRS adjustemnt to the Issuance canceled	(7)	(8)
Less: Adjusted Debt Amount	137	138
Adjusted Borrowings	586	607
IFRS 16 non-current	193	198
IFRS 16 current	50	49
Lease Liability	243	247
Total Adjusted Debt	829	854
Cash and cash equivalents	228	268
Bank overdraft	(21)	(25)
Excluding: Net Cash	206	243
Adjusted Net Debt	623	611
Proforma Last Tw elve Month Adjusted EBITDA ⁽¹⁾⁽²⁾	392	386
Adjusted Net Debt to Adjusted EBITDA ratio	1.6x	1.6x

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

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

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

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

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

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

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

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

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

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

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

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

VPY: versus prior year.

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