

AXIAN TELECOM

# UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH AND NINE MONTH PERIODS  
ENDED SEPTEMBER 30, 2022

**AXIAN**

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AXIAN TELECOM  
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE  
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

**CORPORATE INFORMATION**

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

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**DISCLAIMER**

**Forward-looking statements**

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

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

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

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

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

**Non-IFRS financial measures**

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

These include EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin (each as defined on page 50). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

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

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**GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION**

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

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

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

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

**Basis of preparation**

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

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

The Group acquired several operations during the year ended December 31, 2021 (the “2021 acquisitions”) and one operation during the nine month period ended September 30, 2022. These acquisitions are described in more detail in note 18. The impacts of the 2021 acquisitions have not been included in these financial statements on a pro forma basis if the acquisitions are not deemed material by reference to the size of the acquired operations, or if this is not required under the indenture; this is the case for the acquisitions of Silver Links Ltd (formerly Telma International Carrier Services Ltd) and its subsidiaries, Axian Support Services Ltd and its subsidiaries, Ubuntu Towers Uganda Limited, and Axian Financial Services Ltd and its subsidiaries.

On April 16, 2021, the Group entered into a share purchase agreement to acquire 98.5% of the issued and outstanding shares of MIC Tanzania Public Limited Company (“MIC Tanzania”), a public limited company incorporated under the laws of Tanzania, registered under company number 24275 (the “Acquisition”). The Acquisition completed on April 5, 2022, and the impact thereof is described in more detail in note 18. These financial statements include the results of the operations of MIC Tanzania from the date of acquisition, and the statement of financial position of MIC Tanzania as at September 30, 2022; both incorporated into the consolidated numbers. These financial statements do not include the results of the operations of MIC Tanzania on a pro forma basis prior to the acquisition. 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. The pro forma adjustments made to the consolidated data and the resulting pro forma numbers are described in more detail and disclosed on pages 46 to 49 of these financial statements.

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**GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION (CONTINUED)**

**Restatement of previously reported subscriber and user numbers**

During the current quarter we carried out an exercise to review reported subscriber and user numbers, specifically to ensure that reported numbers align to our definitions per the Notes. As part of the exercise we have identified some differences in our previously reported numbers, resulting from the following material impacts:

- The definition of Active data users calculates active users based on subscribers which were active in the last 30 days (RGS 30). Some subsidiaries had calculated Active data users based on RGS 90 (which is what we use for our RGS definition), thus overstating the number of Active data users,
- The definition of Active data users requires that we assess active users who have used a minimum of 5MB of data during the measurement period (last 30 days). Some subsidiaries were applying lower data usage thresholds in this regard which resulted in the inclusion of users which did not meet the 5MB threshold and thus overstated the number of Active data users,
- The definition of Active MFS users calculates active users based on subscribers which were active in the last 30 days (RGS 30). Some subsidiaries had calculated Active MFS users based on the number of subscribers which were active in the last 60 days (RGS 60), thus overstating the number of Active MFS users.

The following aggregate impacts were noted in respect of previously reported user numbers. The numbers below are presents on a combined basis; including MIC Tanzania.

	As at September 30, 2021 Units'000	As at December 31, 2021 Units'000	As at March 31, 2022 Units'000	As at June 30, 2022 Units'000
<b>Revenue generating subscribers ("RGS")</b>				
As previously reported	26,576	27,059	27,813	28,268
Difference resulting from definitions	-	21	20	-
<b>As restated</b>	<b>26,576</b>	<b>27,080</b>	<b>27,833</b>	<b>28,268</b>
<b>Active data users</b>				
As previously reported	10,428	11,296	10,851	10,792
Difference resulting from definitions	(4,295)	(4,658)	(4,483)	(4,208)
<b>As restated</b>	<b>6,133</b>	<b>6,638</b>	<b>6,368</b>	<b>6,584</b>
<b>Active MFS users</b>				
As previously reported	9,781	10,575	10,821	11,209
Difference resulting from definitions	(1,438)	(1,748)	(1,865)	(1,742)
<b>As restated</b>	<b>8,343</b>	<b>8,827</b>	<b>8,956</b>	<b>9,467</b>

The above restatement does not impact previously reported financial numbers.

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**OPERATING AND FINANCIAL REVIEW**

**Highlights for the quarter and year to date**

	3 month period ended		9 month period ended	
	September 30, 2022 USD	September 30, 2021 USD	September 30, 2022 USD	September 30, 2021 USD
Revenue	<b>230,420,713</b>	126,122,071	<b>578,429,759</b>	356,456,227
Operating profit	<b>59,345,373</b>	44,989,559	<b>149,053,627</b>	111,597,838
Adjusted EBITDA*	<b>107,049,171</b>	69,715,551	<b>267,241,751</b>	190,337,884
Adjusted EBITDA Margin*	<b>46.5%</b>	55.3%	<b>46.2%</b>	53.4%

  

	As at	As at	As at
	September 30, 2022 Units'000	September 30, 2021 Units'000	December 31, 2021 Units'000
Revenue generating subscribers ("RGS") <sup>φ</sup>	<b>29,271</b>	12,055	12,603
Active data users	<b>6,592</b>	3,204	3,348
Active MFS users	<b>9,828</b>	2,805	3,042

\* 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.

<sup>φ</sup> 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 and other operational key performance indicators are discussed here on the basis of restated numbers.. Refer to page 5 for a description of the restatements and the combined values of restated numbers. The discussion below references the consolidated numbers in respect of these indicators.

Revenue generating subscribers increased by 16.7 million and 17.2 million during the nine month and twelve month periods ended September 30, 2022, respectively, resulting in 29.3 million RGS at September 30, 2022. Active data users increased by 3.2 million and 3.4 million in the nine month and twelve month periods ended September 30, 2022 respectively, to 6.6 million Active data users. Active MFS users increased by 6.8 million and 7.0 million during the nine month and twelve month periods ended September 30, 2022, respectively, to 9.8 million Active MFS users.

The Acquisition of MIC Tanzania resulted in the addition 14.9 million RGS, 3.1 million Active data users, and 5.9 million Active MFS users as at the date of acquisition.

The remaining increases for the nine month period ended September 30, 2022, excluding the impact of the MIC Tanzania acquisition, are 1.8 million RGS, 0.1 million Active data users, and 0.9 million Active MFS users. These increases are primarily driven by our operations in Madagascar which saw increases of 1.4 million RGS, 0.1 million Active data users, and 0.3 million Active MFS users in the nine month period ended September 30, 2022. The increase in the number of Active data users in Madagascar for the nine month period ended September 30, 2022, includes the unfavorable impact of pricing changes to our low value data offers in Q1 2022, which resulted in the loss of 0.6 million Active data users with low average data revenue per user.

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#### OPERATING AND FINANCIAL REVIEW (CONTINUED)

##### *Revenue generating subscribers and other operational key performance indicators (continued)*

The remaining increases for the twelve month period ended September 30, 2022, excluding the impact of the MIC Tanzania acquisition, are 2.3 million RGS, 0.3 million Active data users, and 1.1 million Active MFS users. These increases are primarily driven by our operations in Madagascar which saw increases of 1.8 million RGS, 0.2 million Active data users, and 0.4 million Active MFS users in the twelve month period ended September 30, 2022.

MIC Tanzania also saw increases in RGS and Active MFS users of 0.2 million and 0.4 million respectively between the date of acquisition and September 30, 2022.

The number of Active data users in Tanzania has remained flat since the acquisition due to pricing floors introduced by the regulator which has led to some users deactivating data. The introduction of the price floor has however resulted in an increase in our data revenues in Tanzania since the acquisition, despite the decrease in the number of users.

##### *Revenue*

Revenue for the three month period ended September 30, 2022 increased year-on-year by \$104.3 million or 82.7%, to \$230.4 million in Q3 2022 compared to \$126.1 million in Q3 2021. Included in this year-on-year increase is an amount of \$97.3 million from MIC Tanzania. The remaining year-on-year increase of \$7.0 million (or 5.6%) is primarily comprised of an increase in revenue related to our operations in Madagascar and Uganda which increased by \$19.0 million and \$2.0 million year-on-year respectively. Revenue in our Uganda operations for the three month period ended September 30, 2022, is all related to our infrastructure segment.

The year-on-year increase in revenue in Madagascar is primarily comprised of an increase in the Mobile and fixed-line communications segment of \$6.0 million, primarily driven by the increase in RGS and Active data users, and an increase in revenue from our mobile financial services of \$11.8 million, primarily driven by increased activity and the increase in Active MFS users. Revenue in our Infrastructure segment in Madagascar also increased by \$1.1 million year-on-year for the quarter ended September 30, 2022. The aggregate year-on-year revenue growth in our Madagascar operations for Q3 2022, includes negative translation impacts of \$7.2 million (or 13.1%), owing to the year-on-year strengthening of the US Dollar.

The aggregate year-on-year increases in Madagascar and Uganda for the three month period ended September 30, 2022 are partially offset by a year-on-year decrease in revenue in our Other segment of \$2.8 million, mainly related to management fees previously charged to companies which are now within the scope of the Group, thus resulting in the elimination and decrease of such revenue in the current year period. Revenue from our Togo operation, as expressed in US Dollars, has also decreased year-on-year by \$11.2 million for the same period. This is primarily driven by translation impacts which decreased revenue in USD terms by \$11.9 million (or 17.6%) year-on-year.

Revenue for the nine month period ended September 30, 2022 increased year-on-year by 222.0 million or 62.2%, to \$578.4 million in the nine month period ended September 30, 2022 compared to \$356.5 million in the nine month period ended September 30, 2021. Included in this year-on-year increase is an amount of \$187.0 million from MIC Tanzania. The remaining year-on-year increase of \$34.9 million represents a year-on-year increase of 9.8%, and is primarily comprised of an increase in revenue related to our operations in Madagascar and Uganda which increased by \$56.7 million and \$4.3 million year-on-year respectively.



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**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

*Revenue (continued)*

The year-on-year increase in revenue in Madagascar is comprised primarily of increases in our fixed line and telecommunications segment of \$17.1 million, primarily driven by the increase in RGS and Active data users, and an increase in revenue from our mobile financial services of \$37.9 million, primarily driven by the acquisition of Axian Financial Services Ltd, increased activity since the acquisition of Axian Financial Services Ltd, and the increase in Active MFS users during the same period. Revenue in our Infrastructure segment in Madagascar also increased by \$1.7 million year-on-year for the nine month period ended September 30, 2022. This aggregate year-on-year revenue growth for the nine month period ended September 30, 2022, includes negative translation impacts of \$14.1 million (or 9.6%), owing to the year-on-year strengthening of the US Dollar.

The net year-on-year increases in revenue for the nine month period ended September 30, 2022 are also partially offset year-on-year decrease in revenue in our Other segment of \$9.0 million, mainly related to management fees previously charged to companies which are now within the scope of the Group, thus resulting in the elimination and decrease of such revenue in the current year period. Revenue from our Togo operation, as expressed in USD, has also decreased year-on-year by \$17.1 million for the same period. This is primarily driven by translation impacts which decreased USD revenue by \$23.8 million (or 12.0%) year-on-year.

Revenue by segment is presented below:

For the three month period ended:

	<b>September 30, 2022 USD</b>	September 30, 2021 USD	Movement USD	Movement%
Mobile and fixed-line communications	<b>180,925,493</b>	115,289,737	65,635,756	56.9%
Infrastructure	<b>6,445,657</b>	2,908,512	3,537,145	121.6%
Digital and mobile financial services	<b>42,713,823</b>	4,415,862	38,297,961	n/a
Other	<b>335,740</b>	3,507,960	(3,172,220)	(90.4%)
	<b>230,420,713</b>	<b>126,122,071</b>	<b>104,298,642</b>	<b>82.7%</b>

For the nine month period ended:

	<b>September 30, 2022 USD</b>	September 30, 2021 USD	Movement USD	Movement%
Mobile and fixed-line communications	<b>467,358,210</b>	331,568,014	135,790,196	41.0%
Infrastructure	<b>15,952,106</b>	9,479,772	6,472,334	68.3%
Digital and mobile financial services	<b>94,438,002</b>	5,291,367	89,146,635	n/a
Other	<b>681,441</b>	10,117,074	(9,435,633)	(93.3%)
	<b>578,429,759</b>	<b>356,456,227</b>	<b>221,973,532</b>	<b>62.3%</b>

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**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

*Operating costs*

Operating costs for the three month period ended September 30, 2022 increased year-on-year by \$90.6 million, to \$175.0 million in Q3 2022 compared to \$84.4 million in Q3 2021, and include an amount of \$82.1 million in operating costs from MIC Tanzania. The year-on-year increase of \$8.5 million, excluding MIC Tanzania, is primarily comprised of increases in cost of devices and equipment of \$3.4 million, commission costs paid to sales agents of \$3.1 million, technology operation costs of \$2.5 million, depreciation and amortization of \$3.9 million, and impairment of financial and contract assets of \$5.9 million. This aggregate year-on-year increase in operating costs is partially offset by year-on-year decreases in costs of interconnection and roaming of \$2.8 million, government and regulatory costs of \$1.2 million, professional fees of \$4.1 million, impairment of non-financial assets of \$1.9 million, and a decrease in other operating expenses of \$0.9 million.

Operating costs for the nine month period ended September 30, 2022 increased year-on-year by \$184.9 million or 72.8%, to \$438.8 million in nine month period ended September 30, 2022, (which includes an amount of \$159.0 million from MIC Tanzania) compared to \$253.9 million in the nine month period ended September 30, 2021. The year-on-year increase of \$25.9 million, excluding MIC Tanzania, is primarily comprised of increases in cost of devices and equipment of \$5.1 million, commission costs paid to sales agents of \$12.0 million, staff costs of \$4.6 million, depreciation and amortization of \$5.4 million, impairment of financial and contract assets of \$2.3 million, and an increase in other operating expenses of \$4.8 million. This aggregate year-on-year increase in costs of interconnection and roaming of \$2.7 million, government and regulatory costs of \$0.9 million, technology operation costs of \$2.1 million, professional fees of \$1.5 million, and impairment of non-financial assets of \$2.1 million.

Excluding MIC Tanzania, the year-on-year increases for the three month and nine month periods ended September 30, 2022 in respect of cost of devices and equipment, and commissions paid to sales agents are primarily related to increased sales of more expensive mobile devices, prepaid cards, and accessories (some which are part-subsidized by the Group), 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 Ltd, with mobile financial services revenue attracting a higher rate of commission and thus increasing the overall commission as a percentage of revenue.

Excluding MIC Tanzania, the year-on-year increase for the nine month period ended September 30, 2022 in respect of staff costs is primarily driven by the consolidation of companies acquired part-way through the prior year comparative period, and a general increase in staff numbers and welfare benefits, such as medical insurance. This year-on-year increase is less evident in the three month period ended September 30, 2022 as the acquired companies are largely included in the prior year comparative figures for Q3 2021.

Excluding MIC Tanzania, the year-on-year increase in the impairment of non-financial and contract assets for the three month period ended September 30, 2022, mainly result from the recognition of provisions for one specific receivable, where overdue amounts which were previously expected to be recovered as at June 30, 2022, are now no longer expected to be recoverable. Expected credit loss provisions in respect of microloan customers also increase year-on-year for the three month and nine month periods ended September 30, 2022, as the value of microloans granted has increased year-on-year.

Excluding MIC Tanzania, the year-on-year increases for the three month and nine month periods ended September 30, 2022 in respect of depreciation and amortization is primarily due to an increase in the cost base of property, plant, and equipment, following recent network improvements, and an increase in the value of right-of-use assets resulting from the deployment of more towers in our tower operations, which are located on leased land.

Excluding MIC Tanzania, the year-on-year decrease for the three month period ended September 30, 2022 in respect of other operating expenses of \$0.9 million is primarily related to decreases in provisions for litigations of \$0.7 million, and expenses in respect of short-term rentals of \$0.7 million; where such rentals have been cancelled or extended such that they are now accounted for under IFRS 16. This aggregate year-on-year decrease in Q3 2022 is partially offset by a year-on-year increase of \$0.5 million in costs related to penalties, primarily incurred by our operations in Togo.

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#### OPERATING AND FINANCIAL REVIEW (CONTINUED)

##### *Operating costs (continued)*

The year-on-year increase for the nine month period ended September 30, 2022 in respect of other operating expenses of \$4.8 million, primarily relates to penalties, which increased by \$3.2 million year-on-year for the period. These penalties have primarily been incurred by our operation in Togo for failure to comply with the obligation of permanent, continuous and regular availability in the supply of electronic communication services.

Other year-on-year movements for the three month and nine month periods ended September 30, 2022 in respect of other operating expenses relate to office supplies and other general costs (including security and utility costs) which have increased by an aggregate of \$0.4 million and \$1.8 million year-on-year for the three month and nine month periods, respectively.

Government regulatory costs, excluding MIC, decreased by \$1.2 million and \$0.9 million, for the three month and nine month periods ended September 30, 2022, respectively. This is primarily as a result of the revenue mix as year-on-year increases in revenue relate to operations which attract lower levies.

Technology operation costs, excluding MIC, increased by \$2.5 million for the three month period ended September 30, 2022, and decreased by \$2.1 million for the nine month period ended September 30, 2022. Site energy costs increased by \$1.7 million and \$2.8 million in the three month and nine month periods ended September 30, 2022, respectively, and these increases primarily contribute to the year-on-year increase in technology operation costs for Q3 2022. The year-on-year increase in site energy costs for the nine month period ended September 30, 2022 is more than offset by year-on-year decreases in aggregate costs related to repairs and maintenance of sites and the network, which decreased year-on-year by an aggregate of \$5.2 million.

The year-on-year decrease in respect of non-technical professional fees, excluding MIC, for the three month and nine month periods ended September 30, 2022 relate primarily to trademark and professional fees incurred in the prior period, from companies which are within the Group in the current period. Professional fees for the nine month period ended September 30, 2022 also include professional fees related to the MIC Acquisition.

Operating costs of MIC Tanzania which are included in the consolidated numbers of the Group amount to \$82.1 million and \$159.0 million for the three month and nine month periods ended September 30, 2022. Operating costs for MIC Tanzania for the three month period ended September 30, 2022 include costs of interconnection and roaming of \$4.4 million, government and regulatory costs of \$5.0 million, commissions to sales agents of \$24.5 million, technology operational costs of \$8.3 million, staff costs of \$6.7 million, depreciation and amortization of \$20.9 million, and other operating expenses of \$6.7 million.

Operating costs of MIC Tanzania for the nine month period ended September 30, 2022 include costs of interconnection and roaming of \$8.3 million, government and regulatory costs of \$10.6 million, commissions to sales agents of \$48.9 million, technology operational costs of \$16.1 million, staff costs of \$13.1 million, depreciation and amortization of \$40.9 million, and other operating expenses of \$11.6 million.

##### *Other operating income, and non-operating income and expenses*

Other operating income was \$3.9 million and \$9.5 million for the three month and nine month periods ended September 30, 2022 respectively, compared to \$3.3 million and \$9.1 million for the three month and nine month period ended September 30, 2021 respectively. Year-on-year, these amounts have remained stable, and primarily represent the release of government grants following the completion towers and site installations to achieve required coverage.

Non-operating income amounts to \$0.3 million and \$0.6 million year-on-year for the three month and nine month periods ended September 30, 2022, compared to nil in the prior year comparative periods. The year-on-year increases relate to the release of deferred profits on the sale of property, plant and equipment as a result of MIC Tanzania's sale and leaseback of their towers in 2010.

AXIAN TELECOM  
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE  
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

*Other operating income, and non-operating income and expenses (continued)*

Non-operating expenses increased by \$5.9 million year-on-year for the nine month period ended September 30, 2022, increasing to \$5.9 million in the current year period, from nil in the prior year comparative period. The year-on-year increases relate to write-off of a related party loan receivable during Q2 2022, following a net settlement clean-up exercise.

*Net finance costs*

Our net finance cost was \$33.0 million in the three month period ended September 30, 2022, compared to \$4.0 million in the three month period ended September 30, 2021; a year-on-year increase of \$29.0 million. This increase includes \$9.2 million in net finance costs for the period from MIC Tanzania, which, if excluded, results in a year-on-year increase in net finance costs of \$19.8 million.

This year-on-year increase in net finance costs for Q3 2022, excluding MIC, is primarily driven by net foreign exchange losses which were \$7.5 million in the current year compared to a net foreign exchange gain of \$0.4 million in the prior year comparative period; a year-on-year unfavorable impact \$7.9 million mainly as a result of US dollar denominated debt and creditors. The Group also had a year-on-year increase of \$1.5 million in respect of losses on the valuation of embedded derivatives in the Notes, a year-on-year increase of \$2.1 million in respect of interest on IFRS 16 liabilities, a year-on-year increase of \$1.2 million in net other finance costs, and an aggregate year-on-year increase in interest expense on bank loans, listed bonds and related party loans of \$8.5 million (primarily as a result of the issue of the Notes). The aggregate year-on-year increase in net finance costs for the three month period ended September 30, 2022 is partially offset by a year on year increases of \$0.9 million in respect of interest income on deposits, and a year-on-year decrease in interest on decommissioning provisions of \$0.7 million.

Our net finance cost was \$73.8 million in the nine month period ended September 30, 2022, compared to \$21.7 million in the nine month period ended September 30 2021; a year-on-year increase of \$52.1 million. This increase includes \$21.3 million in net finance costs for the period from MIC Tanzania, which, if excluded, results in a year-on-year increase in net finance costs of \$30.8 million.

The year-on-year increase in net finance costs, excluding MIC, is primarily driven by an aggregate year-on-year increase in interest expense on bank loans, listed bonds and related party loans of \$21.4 million (primarily as a result of the issue of the Notes), a year-on-year increase of \$6.0 million in net foreign exchange losses, a year-on-year increase of \$2.7 million in net other finance costs, a year-on-year increase of \$2.5 million in respect of interest on IFRS 16 liabilities, and a year-on-year increase of \$2.0 million in respect of losses on the valuation of embedded derivatives in the Notes. The aggregate year-on-year increase in net finance costs for the nine month period ended September 30, 2022 is partially offset by a year on year increase of \$3.6 million in respect of interest income on deposits, and a year-on-year decrease in interest on decommissioning provisions of \$0.9 million.

The net finance cost of MIC Tanzania of \$9.2 million for Q3 2022 is primarily comprised of interest of \$8.5 million in respect of lease liabilities and net foreign exchange losses of \$1.0 million, partially offset by interest income on deposits of \$0.4 million. The net finance cost of MIC Tanzania of \$21.3 million for the nine month period ended September 30, 2022 is primarily comprised of interest of \$17.1 million in respect of lease liabilities, net foreign exchange losses of \$1.7 million, and an aggregate of other finance expenses of \$2.5 million, partially offset by interest income on deposits of \$0.4 million.

*Share of profit in joint ventures and associates*

Our share of profit in joint ventures and associates decreased year-on-year by \$1.1 million for the three month period ended September 30, 2022 and by \$60.0 million for the nine month period ended September 30, 2022.

## AXIAN TELECOM

### UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

#### OPERATING AND FINANCIAL REVIEW (CONTINUED)

##### *Share of profit in joint ventures and associates (continued)*

The year-on-year decrease for the three month period ended September 30, 2022 mainly results from decreases in profits in Maya Africa Holding Ltd, as a result of decreased USD denominated profits on our Senegal operations, primarily as a result of foreign exchange impacts owing to the strengthening of the US dollar against the Euro in the current year quarter.

The year-on-year decrease for the nine month period ended September 30, 2022 mainly results from decreases in profits in Maya Africa Holding Ltd and Telecom Reunion Mayotte of \$37.7 million and \$24.3 million respectively as a result of profits on the sale of towers in both entities which occurred in the prior year and were not repeated in the current year. In respect of Maya Africa Holdings, the sale of the towers was in fact a sale and leaseback of towers which was initially recognised in the statement of profit or loss in May 2021 and reversed in order to be capitalised to the resulting right-of-use asset (in accordance with IFRS 16 – Leases) in Q4 2021, as was evidenced in our Q4 2021 reporting.

##### *Income tax*

Income tax expense decreased by \$8.4 million year-on-year for the three month period ended September 30, 2022, including the impact of a net tax expense of \$2.5 million in respect of MIC Tanzania. The year-on-year decrease of \$10.9 million, net of MIC Tanzania, is primarily due to year-on-year decreases in deferred tax expense and actual income tax expense, of \$11.8 million and \$0.6 million respectively, partially offset by a year-on-year increase of \$1.5 million in withholding taxes for the period. The increase in deferred tax expense is primarily due to the utilization of deferred tax assets in the prior period which resulted in a higher deferred tax expense in that period.

Income tax expense increased by \$7.2 million year-on-year for the nine month period ended September 30, 2022, which includes an amount of \$2.0 million in respect of MIC Tanzania. The increase of \$5.2 million, excluding MIC Tanzania, is primarily due to a year-on-year increase of \$3.6 million in actual income tax, as a result of higher profits and less assessed losses which are available to be utilized in the current period, and from a year-on-year increase of \$1.1 million in respect of withholding taxes.

The withholding tax expense is related to infrastructure revenue contracts in Silver Links Limited which are subject to withholding taxes when customers pay. Such withholding taxes are not set off against future tax liabilities and are thus recognized as a tax expense in the period in which they are withheld.

##### *Profit for the period*

Our profit for the period decreased by \$6.9 million year-on-year in the three month period ended September 30, 2022, to a profit of \$13.8 million in the three month period ended September 30, 2022 (including a profit of \$9.4 million in respect of MIC Tanzania), compared to a profit of \$20.7 million in the three month period ended September 30, 2021. The year-on-year decrease, excluding MIC Tanzania, is \$16.3 million and is primarily driven by a year-on-year increase in net finance costs of \$19.8 million, as a result of interest on the Notes and foreign exchange impacts, a year-on-year increase in operating costs of \$8.5 million, and a year-on-year decrease of \$1.1 million in the share of profit in joint ventures and associates. This aggregate year-on-year decrease in profits is partially offset by a year-on-year increase in revenue of \$7.0 million, and by a year-on-year decrease in tax expense of \$6.0 million.

Our profit for the period decreased by \$87.2 million year-on-year in the nine month period ended September 30, 2022, to a profit of \$46.5 million in the nine month period ended September 30, 2022 (including a profit of \$10.0 million in respect of MIC Tanzania), compared to a profit of \$133.7 million in the nine month period ended September 30, 2021. The year-on-year decrease, excluding MIC Tanzania, is \$97.2 million and is primarily driven by a year-on-year decrease in share of profit in joint ventures and associates of \$60.0 million, a year-on-year increase in operating costs of \$25.9 million, a year-on-year increase in net finance costs of \$30.9 million, a year-on-year increase in tax expense of \$9.2 million, and a year-on-year increase in net other operating expenses of \$6.3 million. This aggregate year-on-year decrease in profits is partially offset by a year-on-year increases in revenue of \$34.9 million.

## AXIAN TELECOM

### UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

#### OPERATING AND FINANCIAL REVIEW (CONTINUED)

##### *Adjusted EBITDA*

Our Adjusted EBITDA for the three month period ended September 30, 2022 increased year-on-year by \$37.3 million, to \$107.0 million in the three month period ended September 30, 2022 (including an amount of \$36.9 million in respect of MIC Tanzania), compared to \$69.7 million in the prior year comparative period. Year-on-year, excluding MIC Tanzania, Adjusted EBITDA increased by \$0.4 million, primarily as a result of increased revenues, partially offset by an increase in operating costs, excluding non-cash operating costs such as depreciation and amortization.

Our Adjusted EBITDA for the nine month period ended September 30, 2022 increased year-on-year by \$76.9 million, to \$267.2 million in the nine month period ended September 30, 2022 (including an amount of \$70.1 million in respect of MIC Tanzania), compared to \$190.3 million in the prior year comparative period. Year-on-year, excluding MIC Tanzania, Adjusted EBITDA increased by \$6.8 million, primarily as a result of an increase in operating profits, excluding MIC Tanzania, of \$8.8 million which includes the impact of costs incurred in respect of the MIC acquisition, partially offset by an increase in net other non-operating expenses of \$5.9 million.

##### **Statements of Cash flow and liquidity**

The Group had cash and cash equivalents (net of bank overdrafts) of \$206.5 million as at September 30, 2022 (December 31, 2021: \$112.0 million), of which a total of \$131.3 million (December 31, 2021: \$52.9 million) was held in either USD or Euro.

##### *Net cash generated from operating activities*

Net cash generated from operating activities decreased by \$97.0 million year-on-year for the three month period ended September 30, 2022 (including MIC Tanzania). Increased operating profits, resulting in a year-on-year increase of \$33.2 million in cash generated from operations before working capital changes, are more than offset by a year-on-year net negative cash flow impact of \$112.4 million in respect of working capital which reflected a net cash inflow in the current year quarter of \$19.4 million compared to a net cash inflow of \$131.8 million in the prior year comparative period. Positive working capital movements in the prior year quarter are primarily related to the settlement of amounts receivable from related parties, following acquisition of the subsidiaries in 2021. We also had a year-on-year increase in interest paid of \$23.2 million, mainly related to the Notes and to leases. The aggregate year-on-year decrease in cash generated from operations is partially offset by a year-on-year increase in interest received of \$1.6 million, and by a year-on-year decrease in taxes paid of \$3.7 million, for the three month period ended September 30, 2022.

Net cash generated from operating activities decreased by \$65.2 million year-on-year for the nine month period ended September 30, 2022 (including MIC Tanzania). Increased operating profits, resulting in a year-on-year increase of \$74.7 million in cash generated from operations before working capital changes, are more than offset by a year-on-year net negative cash flow impact of \$107.0 million in respect of working capital which reflected a net cash outflow in the nine month period ended September 30, 2022 of \$1.5 million compared to a net cash inflow of \$105.5 million in the prior year comparative period; a year-on-year impact of \$107.0 million. We also had a year-on-year increase in interest paid of \$33.9 million, mainly related to the Notes and to leases, and a year-on-year increase in taxes paid of \$3.4 million, as a result of increased taxable profits. The aggregate year-on-year decrease in cash generated from operations is partially offset by a year-on-year increase in interest received of \$4.3 million.

##### *Net cash used in investing activities*

Net cash outflows used in investing activities increased by \$30.2 million year-on-year for the three month period ended September 30, 2022, primarily due to an increase in aggregate cash utilized in the purchase of property, plant and equipment and intangible assets of \$45.2 million, and from a year-on-year decrease in net cash inflows in respect of dividends received from joint ventures of \$17.9 million. Aggregate year-on-year increases in cash outflows are partially offset by a decrease in cash outflows from the purchase of subsidiaries, net of cash acquired, of \$29.4 million, and a decrease in cash outflows for the acquisition of investments at fair value through profit or loss of \$2.1 million.

AXIAN TELECOM  
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE  
 MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

**Statements of Cash flow and liquidity (continued)**

*Net cash used in investing activities (continued)*

Net cash outflows used in investing activities increased by \$192.0 million year-on-year for the nine month period ended September 30, 2022, primarily due to an increase in cash outflows from the purchase of subsidiaries, net of cash acquired, of \$57.8 million, mainly due to the acquisition of MIC Tanzania, a decrease in cash inflows from share buy-back transactions in our joint ventures of \$22.4 million, an increase in aggregate cash utilized in the purchase of property, plant and equipment and intangible assets of \$112.1 million, and from a year-on-year decrease in net cash inflows in respect of dividends received from joint ventures of \$5.3 million. The year-on-year cash outflow impacts are partially offset by a year-on-year decrease in cash outflows for the acquisition of investments at fair value through profit or loss of \$4.6 million, and an increase of \$2.1 million in respect of grants received.

Year-on-year increases cash outflows from the purchase of property, plant and equipment are mainly as a result of our network improvement plans in Togo, Madagascar and Tanzania, as well as reflecting increased tower construction activity in Uganda, when compared to the prior year comparative periods.

*Net cash used in or generated from financing activities*

We had net cash outflows from financing activities of \$10.2 million in the three month period ended September 30, 2022, compared with net cash outflows of \$7.6 million in the prior year comparative period; a year on year net cash outflow impact of \$2.6 million. We had net cash inflows from financing activities of \$185.4 million in the nine month period ended September 30, 2022, compared with net cash outflows of \$50.9 million in the prior year comparative period; a year on year net cash inflow impact of \$236.3 million.

The year-on-year increase in cash outflows for the three month period ended September 30, 2022 is primarily related to a decrease in cash inflows from additional borrowings of \$15.4 million, and a year-on-year increase in cash outflows from the payment of lease liabilities of \$2.7 million. This aggregate year-on-year increase in cash outflows is partially offset by year-on-year decrease in cash outflows for dividends paid and loan repayments of \$11.4 million and \$4.2 million respectively.

The year-on-year net increase in cash inflows for the nine month period ended September 30, 2022 is primarily driven by an aggregate increase in cash inflows from third party loans (net of repayments) of \$218.6 million, mainly representing cash received from the issue of the Notes, net of cash paid for the settlement of bank facilities in MIC Tanzania and Agou Holdings Limited. We also had a year-on-year decrease in dividends paid of \$27.9 million, and a year on-year increase of \$4.9 million in cash inflows from loans from our non-controlling interest which relates to the NCI share of the MIC Tanzania purchase consideration. This aggregate year-on-year net cash inflow for the nine month period ended September 30, 2022 is partially offset by the payment of costs related to the issue of the Notes, amounting to \$11.5 million, and by a year-on-year increase of \$3.6 million for the payment of leases.

AXIAN TELECOM  
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE  
MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

**For the three month and nine month periods ended September 30, 2022**

	3 month period ended		9 month period ended	
	September 30, 2022 USD	September 30, 2021 USD	September 30, 2022 USD	September 30, 2021 USD
Revenue (Note 3)	<b>230,420,713</b>	126,122,071	<b>578,429,759</b>	356,456,227
Cost of devices and equipment (Note 5)	<b>(4,069,945)</b>	561,884	<b>(10,636,529)</b>	(3,308,154)
Cost of interconnection and roaming (Note 5)	<b>(7,172,551)</b>	(5,609,008)	<b>(19,216,523)</b>	(13,609,743)
Government and regulatory costs (Note 5)	<b>(10,438,344)</b>	(6,733,289)	<b>(27,325,977)</b>	(17,710,862)
Advertising and distribution costs (Note 5)	<b>(3,420,448)</b>	(766,654)	<b>(7,850,606)</b>	(3,273,594)
Commission to sales agents (Note 5)	<b>(36,393,357)</b>	(8,708,063)	<b>(84,062,568)</b>	(23,197,673)
Net reversals of impairment/(impairment) on financial and contract assets (Note 5)	<b>(7,160,678)</b>	(468,470)	<b>(4,700,707)</b>	(2,257,460)
Technology operation costs (Note 5)	<b>(17,672,943)</b>	(6,876,220)	<b>(45,618,057)</b>	(31,546,593)
Staff costs (Note 5)	<b>(19,389,291)</b>	(12,972,048)	<b>(54,362,706)</b>	(36,627,851)
Other operating expenses (Note 5)	<b>(14,771,566)</b>	(9,070,237)	<b>(44,044,734)</b>	(27,647,276)
Reversal of write-off/(write-off) of financial assets (Note 5)	-	1,627	-	(1,717)
Professional fees, non-technical (Note 5)	<b>(6,989,955)</b>	(9,207,070)	<b>(18,321,627)</b>	(16,323,999)
Depreciation and amortization (Note 5)	<b>(48,509,552)</b>	(23,714,174)	<b>(124,820,717)</b>	(78,498,185)
Reversal of impairment/(impairment) of non-financial assets (Note 5)	<b>1,027,414</b>	(824,919)	<b>2,135,552</b>	77,226
Other income (Note 4)	<b>3,885,876</b>	3,254,129	<b>9,449,067</b>	9,067,492
<b>OPERATING PROFIT</b>	<b>59,345,373</b>	<b>44,989,559</b>	<b>149,053,627</b>	<b>111,597,838</b>
Finance income (Note 6)	<b>14,863,493</b>	5,197,357	<b>29,690,771</b>	13,294,533
Finance costs (Note 6)	<b>(47,870,879)</b>	(9,176,161)	<b>(103,483,657)</b>	(34,953,232)
Non-operating income (Note 4)	<b>260,499</b>	-	<b>519,001</b>	-
Non-operating expenses (Note 4)	<b>(28)</b>	-	<b>(5,874,857)</b>	-
Share of (loss)/profit in joint ventures and associates	<b>(504,608)</b>	624,774	<b>10,798,532</b>	70,789,162
<b>PROFIT BEFORE INCOME TAX</b>	<b>26,093,850</b>	<b>41,635,529</b>	<b>80,703,417</b>	<b>160,728,301</b>
Income tax expense (Note 7)	<b>(12,332,399)</b>	(20,758,264)	<b>(34,231,601)</b>	(27,040,392)
<b>PROFIT FOR THE PERIOD</b>	<b>13,761,451</b>	<b>20,877,265</b>	<b>46,471,816</b>	<b>133,687,909</b>
<b>Profit for the period attributable to:</b>				
- Owners of the Company	<b>7,107,394</b>	18,038,504	<b>27,240,261</b>	113,726,199
- Non-controlling interest	<b>6,654,057</b>	2,838,761	<b>19,231,555</b>	19,961,710
	<b>13,761,451</b>	<b>20,877,265</b>	<b>46,471,816</b>	<b>133,687,909</b>



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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE  
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**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME**

For the three month and nine month periods ended September 30, 2022

	3 month period ended		9 month period ended	
	September 30, 2022 USD	September 30, 2021 USD	September 30, 2022 USD	September 30, 2021 USD
<b>PROFIT FOR THE PERIOD</b>	<b>13,761,451</b>	20,877,265	<b>46,471,816</b>	133,687,909
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	(16,753,207)	(6,660,800)	(31,905,928)	(13,209,404)
Exchange differences on translation of foreign joint ventures	(660,250)	(1,603,741)	(2,620,244)	(3,153,599)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(17,413,457)</b>	<b>(8,264,541)</b>	<b>(34,526,172)</b>	<b>(16,363,003)</b>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(3,652,006)</b>	<b>12,612,724</b>	<b>11,945,644</b>	<b>117,324,906</b>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>				
- Owners of the Company	(8,354,718)	10,561,273	(3,576,401)	98,610,812
- Non - controlling interest	4,702,712	2,051,451	15,522,045	18,714,094
	<b>(3,652,006)</b>	<b>12,612,724</b>	<b>11,945,644</b>	<b>117,324,906</b>

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 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at September 30, 2022**

	<b>September 30, 2022 USD</b>	December 31, 2021 USD
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment (Note 8)	<b>673,743,174</b>	495,789,056
Intangible assets (Note 9)	<b>112,356,576</b>	86,968,628
Interests in joint ventures and associates (Note 10)	<b>56,241,773</b>	68,846,258
Deferred tax assets	<b>41,234,384</b>	36,514,957
Trade and other receivables	<b>34,949,824</b>	30,582,014
Deposits receivable	<b>2,059,592</b>	2,628,252
Loans receivable	<b>5,085,000</b>	-
Right-of-use assets (Note 11)	<b>195,096,647</b>	44,007,136
Goodwill	<b>264,223,730</b>	49,759,990
Financial assets at fair value through profit or loss	<b>6,130,258</b>	5,867,383
Financial assets at fair value through OCI	<b>15,665,997</b>	-
Embedded derivative assets	<b>1,300,000</b>	-
Treasury bonds	<b>1,653,858</b>	2,392,521
	<b>1,409,740,813</b>	<b>823,356,195</b>
<b>Current assets</b>		
Inventories	<b>22,470,394</b>	17,044,520
Loan receivables	<b>12,050,070</b>	5,862,653
Trade and other receivables	<b>214,334,306</b>	141,013,207
Income tax receivable (Note 7)	<b>4,416,012</b>	445,763
Cash and cash equivalents (Note 12)	<b>227,651,975</b>	134,506,254
Restricted cash	<b>249,766,837</b>	82,199,911
	<b>730,689,594</b>	<b>381,072,308</b>
<b>Total assets</b>	<b>2,140,430,407</b>	<b>1,204,428,503</b>

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 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**As at September 30, 2022**

	September 30, 2022 USD	December 31, 2021 USD
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Stated capital	1,372,564	1,372,564
Reorganization reserves	76,511,569	76,511,569
Other reserves	(39,344,620)	6,059,348
Legal reserves	2,103,484	781,147
Translation reserves	(39,404,646)	(8,587,980)
Retained earnings	109,624,003	83,706,080
<b>Equity attributable to owners of the Company</b>	<b>110,862,354</b>	<b>159,842,728</b>
Non-controlling interest	90,508,152	91,152,614
<b>Total equity</b>	<b>201,370,506</b>	<b>250,995,342</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings (Note 14)	284,195,899	267,477,680
Bond borrowings (Note 14)	411,774,204	-
Trade and other payables (Note 13)	67,913,004	85,777,942
Government grants	20,878,888	26,397,175
Provisions	39,931,907	36,584,910
Lease liability (Note 11)	193,120,809	45,310,470
NCI put option liability	46,968,500	-
Deposits payable	5,247,746	6,073,969
Deferred tax liability	57,413,905	27,942
Retirement benefit obligations	2,070,050	2,308,036
	<b>1,129,514,912</b>	<b>469,958,124</b>
<b>Current liabilities</b>		
Trade and other payables (Note 13)	647,171,480	342,125,698
Client savings accounts	1,144,336	695,993
Borrowings (Note 14)	22,927,221	79,000,856
Bond borrowings (Note 14)	4,558,806	-
Provisions	5,205,030	1,308,775
Lease liability (Note 11)	50,348,585	5,943,398
Bank overdraft (Note 12)	21,172,700	22,554,266
Dividend payable	32,287,858	21,690,698
Income tax payable (Note 7)	24,728,973	10,155,353
	<b>809,544,989</b>	<b>483,475,037</b>
<b>Total liabilities</b>	<b>1,939,059,901</b>	<b>953,433,161</b>
<b>Total equity and liabilities</b>	<b>2,140,430,407</b>	<b>1,204,428,503</b>

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

\*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  
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**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
<b>At January 1, 2022</b>	<b>1,372,564</b>	<b>83,706,080</b>	<b>74,764,084</b>	<b>159,842,728</b>	<b>91,152,614</b>	<b>250,995,342</b>
<b>Comprehensive income/(loss):</b>						
Profit for the period	-	27,240,261	-	27,240,261	19,231,555	46,471,816
Other comprehensive loss for the period, net of tax	-	-	(30,816,662)	(30,816,662)	(3,709,510)	(34,526,172)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>27,240,261</b>	<b>(30,816,662)</b>	<b>(3,576,401)</b>	<b>15,522,045</b>	<b>11,945,644</b>
<b>Transactions with owners in their capacity as owners:</b>						
Recognition of NCI put option	-	-	(45,404,000)	(45,404,000)	-	(45,404,000)
Acquisition through business combination (Note 18)	-	-	27	27	(4,527,517)	(4,527,490)
Dividend declared	-	-	-	-	(11,638,990)	(11,638,990)
Transfer to legal reserve	-	(1,322,338)	1,322,338	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>(1,322,338)</b>	<b>(44,081,635)</b>	<b>(45,403,973)</b>	<b>(16,166,507)</b>	<b>(61,570,480)</b>
<b>At September 30, 2022</b>	<b>1,372,564</b>	<b>109,624,003</b>	<b>(134,213)</b>	<b>110,862,354</b>	<b>90,508,152</b>	<b>201,370,506</b>

\* 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.

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE  
MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

**For the three month and nine month periods ended September 30, 2022**

	3 month period ended		9 month period ended	
	September 30, 2022 USD	September 30, 2021 USD	September 30, 2022 USD	September 30, 2021 USD
<b>Cash flows from operating activities</b>				
Cash flows from operations (Note 15)	121,314,011	200,484,967	254,180,228	286,521,769
Interest paid	(35,387,762)	(12,226,683)	(54,283,440)	(20,410,541)
Interest received	2,521,760	949,162	5,793,736	1,466,070
Tax paid	(5,194,321)	(8,949,022)	(27,065,786)	(23,748,419)
<b>Net cash generated from operating activities</b>	<b>83,253,688</b>	<b>180,258,424</b>	<b>178,624,738</b>	<b>243,828,879</b>
<b>Cash flows from investing activities</b>				
Acquisition of financial assets at fair value through profit or loss	(400,000)	(2,500,000)	(400,000)	(5,000,000)
Proceeds from disposal of property, plant and equipment	83,883	259,643	108,717	259,643
Proceeds from disposal of intangible assets	-	131,208	-	131,210
Purchase of property, plant and equipment	(108,985,513)	(72,045,218)	(205,797,155)	(106,657,130)
Buy-back of shares by joint ventures	-	-	-	22,387,945
Acquisition of investment in subsidiaries (net of cash acquired) (Note 18)	-	(29,437,091)	(77,793,423)	(19,983,006)
Disposal of subsidiary, net of cash disposed	-	-	-	-
Purchase of intangible assets	(10,287,836)	(2,125,872)	(16,729,173)	(3,711,334)
Dividend received from investment in joint ventures	-	17,853,053	12,555,028	17,853,053
Loan granted to related parties	-	-	-	(1,388,713)
Repayment made by related parties	190,591	-	5,503,112	8,224,267
Net deposits refunded/(paid)	991,645	48,617	427,133	(30,680)
Treasury bonds deposited	-	337,406	-	337,406
Corporate bonds matured/(deposited)	141,425	(172,219)	446,137	-
Grants (adjusted)/received	-	(445,315)	2,086,665	-
Dividend received	-	-	23,856	22,344
<b>Net cash used in investing activities</b>	<b>(118,265,805)</b>	<b>(88,095,788)</b>	<b>(279,569,103)</b>	<b>(87,554,995)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue or disposal of own shares	-	-	-	10
Additional borrowings	-	15,448,547	457,783,297	45,912,718
Repayment of borrowings	(6,430,553)	(10,572,623)	(258,662,269)	(65,448,067)
Repayment of lease liability	(3,730,860)	(1,004,380)	(6,903,799)	(3,273,637)
Dividend paid	-	(11,424,378)	(204,658)	(28,124,378)
Payment of bond transaction costs	-	-	(11,525,796)	-
Loan from non-controlling interest	-	-	4,915,000	-
<b>Net cash flow (used in)/generated from financing activities</b>	<b>(10,161,413)</b>	<b>(7,552,834)</b>	<b>185,401,775</b>	<b>(50,933,354)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(45,173,530)</b>	<b>84,609,802</b>	<b>84,457,410</b>	<b>105,340,530</b>
Effect of exchange rate on cash and cash equivalents	8,669,504	(2,666,956)	10,069,877	(1,362,674)
Cash and cash equivalents at beginning of the period	242,983,301	84,042,778	111,951,988	62,007,768
<b>Cash and cash equivalents at end of the period (Note 12)</b>	<b>206,479,275</b>	<b>165,985,624</b>	<b>206,479,275</b>	<b>165,985,624</b>

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**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, 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 November 28, 2022.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**3. REVENUE**

	<b>3 month period ended</b>		<b>9 month period ended</b>	
	<b>September 30,</b> <b>2022</b> <b>USD</b>	<b>September 30,</b> <b>2021</b> <b>USD</b>	<b>September 30,</b> <b>2022</b> <b>USD</b>	<b>September 30,</b> <b>2021</b> <b>USD</b>
Mobile services	<b>141,139,851</b>	86,245,656	355,921,914	241,868,813
Fixed services	<b>16,131,287</b>	13,834,487	46,876,321	41,631,812
Interconnection/Roaming/MVNO	<b>9,700,966</b>	7,032,737	26,120,591	19,525,513
Customer Equipment and Infrastructure	<b>2,766,804</b>	1,415,731	5,778,801	4,528,749
Operator Infrastructure services	<b>7,345,199</b>	5,588,209	19,533,252	18,634,233
Commissions received on electronic money activities	<b>44,181,742</b>	5,967,606	98,599,395	9,806,024
Content and value added services	<b>3,666,885</b>	-	6,751,088	-
Other revenue	<b>1,163,697</b>	1,058,989	3,125,012	1,942,843
Hosting and rental of sites	<b>5,116,623</b>	2,145,703	12,904,038	7,274,407
Trademark and license fees	<b>103,000</b>	(575,631)	206,081	199,290
Administration and general management fees	<b>277,715</b>	464,460	520,335	1,260,316
Digital solutions and other support services	<b>(1,173,056)</b>	2,944,124	2,092,931	9,784,227
	<b>230,420,713</b>	<b>126,122,071</b>	<b>578,429,759</b>	<b>356,456,227</b>

**4. OTHER INCOME AND EXPENSES**

	<b>3 month period ended</b>		<b>9 month period ended</b>	
	<b>September 30,</b> <b>2022</b> <b>USD</b>	<b>September 30,</b> <b>2021</b> <b>USD</b>	<b>September 30,</b> <b>2022</b> <b>USD</b>	<b>September 30,</b> <b>2021</b> <b>USD</b>
<b>Other income</b>				
Gain on disposal of property, plant, and equipment	<b>10,254</b>	-	<b>10,254</b>	-
Dividend income	-	(159)	<b>23,856</b>	22,344
Reversal of provision for risks and charges	<b>116,953</b>	-	<b>116,953</b>	-
Release of government grant	<b>2,438,241</b>	2,295,441	<b>7,454,483</b>	6,759,428
Waiver of claims obtained	-	(98)	-	13,680
Other income	<b>1,320,428</b>	958,945	<b>1,843,521</b>	2,272,040
	<b>3,885,876</b>	<b>3,254,129</b>	<b>9,449,067</b>	<b>9,067,492</b>
<b>Non-operating income</b>				
Amortization of deferred gain on sale of PPE	<b>260,499</b>	-	<b>519,001</b>	-
	<b>260,499</b>	-	<b>519,001</b>	-
<b>Non-operating expenses</b>				
Loan receivable written off	-	-	<b>(5,867,712)</b>	-
Loss on lease modification	<b>(28)</b>	-	<b>(7,145)</b>	-
	<b>(28)</b>	-	<b>(5,874,857)</b>	-



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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**5. OPERATING COSTS**

	3 month period ended		9 month period ended	
	September 30, 2022 USD	September 30, 2021 USD	September 30, 2022 USD	September 30, 2021 USD
Cost of equipment, devices (Reversal of provision)/provision for device inventories	2,789,312 (98,369)	503,239 205,681	7,378,384 492,070	2,949,426 245,442
Prepaid cards and accessories	1,379,002	(1,270,804)	2,766,075	113,286
<b>Cost of devices and equipment</b>	<b>4,069,945</b>	<b>(561,884)</b>	<b>10,636,529</b>	<b>3,308,154</b>
Interconnection fees	6,878,277	5,451,840	18,372,355	13,148,746
Roaming fees	294,274	157,168	844,168	460,997
<b>Cost of interconnection and roaming</b>	<b>7,172,551</b>	<b>5,609,008</b>	<b>19,216,523</b>	<b>13,609,743</b>
Telecom operator and regulatory fees	7,505,570	4,855,600	19,544,532	12,014,215
Frequency fees	2,932,774	1,877,689	7,781,445	5,696,647
<b>Government and regulatory costs</b>	<b>10,438,344</b>	<b>6,733,289</b>	<b>27,325,977</b>	<b>17,710,862</b>
<b>Advertising and distribution costs</b>	<b>3,420,448</b>	<b>766,654</b>	<b>7,850,606</b>	<b>3,273,594</b>
<b>Commission to sales agents</b>	<b>36,393,357</b>	<b>8,708,063</b>	<b>84,062,568</b>	<b>23,197,673</b>
Impairment of financial assets	5,121,592	-	197,415	-
Loss allowance on trade receivables	2,039,086	468,470	4,503,292	2,257,460
<b>Net impairment losses on financial and contract assets</b>	<b>7,160,678</b>	<b>468,470</b>	<b>4,700,707</b>	<b>2,257,460</b>
Transmission fees	3,669,287	319,887	7,288,607	1,583,810
Content and value added service (VAS) charges	559,751	(277,319)	1,563,521	-
Satellite and bandwidth charges	659,894	561,698	2,251,039	1,866,627
Site energy	5,311,934	3,016,826	14,417,882	10,435,345
Site and network repairs and maintenance	1,575,258	1,665,995	6,343,460	8,656,074
Professional fees, technical	2,019,077	(707,009)	3,654,391	533,974
Rental expenses for short term and low value leases, technical sites	65,710	309,911	286,156	1,031,304
Maintenance of Materials, software and Network	3,812,032	1,986,231	9,813,001	7,439,459
<b>Technology operation costs</b>	<b>17,672,943</b>	<b>6,876,220</b>	<b>45,618,057</b>	<b>31,546,593</b>
Payroll and social charges	18,277,389	12,400,668	51,449,105	35,030,468
Travel expenses	1,010,549	569,528	2,767,368	1,392,751
Training	73,822	(22,165)	73,875	866
Provision for retirement benefit obligations	27,531	24,017	72,358	203,766
<b>Staff costs</b>	<b>19,389,291</b>	<b>12,972,048</b>	<b>54,362,706</b>	<b>36,627,851</b>
<b>(Recovery)/write-off of financial assets</b>	<b>-</b>	<b>(1,627)</b>	<b>-</b>	<b>1,717</b>
<b>Professional fees, non-technical</b>	<b>6,989,955</b>	<b>9,207,070</b>	<b>18,321,627</b>	<b>16,323,999</b>
Depreciation of property, plant & equipment	34,332,847	21,653,456	93,134,083	68,240,353
Amortization of intangible assets	4,265,009	2,015,241	9,464,824	5,808,424
Depreciation of rights of use assets	9,911,696	45,477	22,221,810	4,449,408
<b>Depreciation and amortization</b>	<b>48,509,552</b>	<b>23,714,174</b>	<b>124,820,717</b>	<b>78,498,185</b>

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**5. OPERATING COSTS (CONTINUED)**

	3 month period ended		9 month period ended	
	September 30, 2022 USD	September 30, 2021 USD	September 30, 2022 USD	September 30, 2021 USD
(Reversal of impairment)/impairment of property, plant and equipment, and intangible assets	(1,055,971)	769,957	(1,266,483)	-
(Reversal of provision)/provision of depreciation on advances to suppliers	(1,939)	-	58,976	-
Impairment/(reversal of impairment) on inventory	30,496	54,962	(928,045)	(77,226)
<b>(Reversal of impairment)/impairment of non-financial assets</b>	<b>(1,027,414)</b>	<b>824,919</b>	<b>(2,135,552)</b>	<b>(77,226)</b>
<b>Other operating expenses*</b>	<b>14,771,566</b>	<b>9,070,237</b>	<b>44,044,734</b>	<b>27,647,276</b>
<b>Total operating costs</b>	<b>174,961,216</b>	<b>84,386,641</b>	<b>438,825,199</b>	<b>253,925,881</b>

\*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		9 month period ended	
	September 30, 2022 USD	September 30, 2021 USD	September 30, 2022 USD	September 30, 2021 USD
<b>Finance income</b>				
Foreign exchange gain	12,498,509	4,102,776	22,720,313	10,495,277
Interest income	2,415,432	1,078,061	5,691,233	1,684,600
Other finance (income reversal)/income	(50,448)	16,520	1,279,225	1,114,656
	<b>14,863,493</b>	<b>5,197,357</b>	<b>29,690,771</b>	<b>13,294,533</b>
<b>Finance costs</b>				
Foreign exchange loss	(21,021,391)	(3,667,537)	(35,902,106)	(15,991,466)
Interest on bank loans	(2,923,868)	(4,189,034)	(10,658,331)	(12,801,830)
Interest on listed bonds	(8,155,059)	-	(20,046,306)	-
Interest on loan and amount payable to related parties	(2,158,689)	(557,036)	(5,571,886)	(1,742,961)
Interest on bank overdraft	(297,486)	(181,094)	(898,057)	(272,621)
Interest on lease liabilities	(10,910,200)	(265,307)	(21,697,141)	(2,153,981)
Reversal of Interest expense/(interest expense) on provision for dismantling costs	376,925	(209,579)	(394,279)	(1,075,188)
Finance costs on other borrowings	(130,842)	(94,579)	(458,000)	(450,818)
Loss on fair valuation of embedded derivatives	(1,500,000)	-	(2,000,000)	-
Other interest charges	(1,150,269)	(11,995)	(5,857,551)	(464,367)
	<b>(47,870,879)</b>	<b>(9,176,161)</b>	<b>(103,483,657)</b>	<b>(34,953,232)</b>
<b>Net finance costs</b>	<b>(33,007,386)</b>	<b>(3,978,804)</b>	<b>(73,792,886)</b>	<b>(21,658,699)</b>

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**7. INCOME TAX**

**a) Income tax expense**

	<b>3 month period ended</b>		<b>9 month period ended</b>	
	<b>September 30,</b>	September 30,	<b>September 30,</b>	September 30,
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>USD</b>	USD	<b>USD</b>	USD
Actual income tax	<b>12,421,191</b>	9,272,730	<b>33,708,254</b>	27,566,652
Withholding tax	<b>674,104</b>	(179,734)	<b>1,818,371</b>	720,595
Deferred tax (credit)/charge	<b>(762,896)</b>	11,665,268	<b>(1,295,024)</b>	(1,246,855)
	<b>12,332,399</b>	<b>20,758,264</b>	<b>34,231,601</b>	<b>27,040,392</b>

As at September 30, 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 licence has been converted to a GBC licence 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, Ugandan and Tanzanian subsidiaries are subject to income tax on their income at 20%, 27%, 30%, and 30% respectively (2021 – Malagasy 20%, Togo 27%, Ugandan 30%). The subsidiary in Uganda has been acquired in 2021. 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**

	<b>September 30,</b>	December 31,
	<b>2022</b>	2021
	<b>USD</b>	USD
At January, 1	<b>9,709,590</b>	7,392,793
Acquisition through business combination (Note 18)	<b>5,775,754</b>	682,282
Charge during the period/year	<b>33,708,254</b>	32,510,534
Tax paid	<b>(27,065,786)</b>	(30,403,947)
Translation difference	<b>(1,814,851)</b>	(472,072)
<b>At September 30/December 31</b>	<b>20,312,961</b>	<b>9,709,590</b>

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**8. PROPERTY, PLANT AND EQUIPMENT**

	Materials USD	Land and Building USD	Technical Equipment USD	Others USD	Assets in Progress USD	Total USD
<b>Cost</b>						
At January 1, 2021	<b>87,390,853</b>	<b>196,730,788</b>	<b>1,300,744,896</b>	<b>22,764,330</b>	<b>44,114,210</b>	<b>1,651,745,077</b>
Reclassification adjustments*	(3,414,250)	7,758,737	(41,983,472)	-	37,638,985	-
Acquisition through business combinations (Note 18)	471,213	212,302	343,968	-	83,118	<b>1,110,601</b>
Additions	1,746,395	7,783,813	34,517,523	2,256,673	66,442,268	<b>112,746,672</b>
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)	-	<b>(4,505,890)</b>
Provision for dismantling	-	7,090,031	-	-	-	<b>7,090,031</b>
Translation difference	(5,281,369)	(9,264,690)	(82,333,786)	(610,524)	(2,632,122)	<b>(100,122,491)</b>
<b>At December 31, 2021</b>	<b>78,890,635</b>	<b>250,168,432</b>	<b>1,263,561,353</b>	<b>23,163,005</b>	<b>52,280,575</b>	<b>1,668,064,000</b>
Acquisition through business combinations (Note 18)	-	<b>143,452,893</b>	<b>4,545,848</b>	<b>416,382</b>	<b>15,514,797</b>	<b>163,929,920</b>
Additions	<b>593,603</b>	<b>9,500,652</b>	<b>27,122,826</b>	<b>981,852</b>	<b>116,029,012</b>	<b>154,227,945</b>
Transfers	<b>143,103</b>	<b>43,109,316</b>	<b>21,946,907</b>	<b>230,354</b>	<b>(65,429,680)</b>	-
Disposals and scrap	<b>(1,016,780)</b>	<b>(7,965,860)</b>	<b>(1,381,999)</b>	<b>(4,478,261)</b>	-	<b>(14,842,900)</b>
Transfer to right of use asset	<b>(221,879)</b>	-	-	-	-	<b>(221,879)</b>
Provision for dismantling	-	<b>(1,059,820)</b>	-	-	<b>930,029</b>	<b>(129,791)</b>
Translation difference	<b>(8,782,388)</b>	<b>(23,841,311)</b>	<b>(145,435,422)</b>	<b>(1,194,125)</b>	<b>(8,817,475)</b>	<b>(188,070,721)</b>
<b>At September 30, 2022</b>	<b>69,606,294</b>	<b>413,364,302</b>	<b>1,170,359,513</b>	<b>19,119,207</b>	<b>110,507,258</b>	<b>1,782,956,574</b>

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

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**8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Materials USD	Land and Building USD	Technical Equipment USD	Others USD	Assets in Progress USD	Total USD
<b>Accumulated depreciation</b>						
At January 1, 2021	(70,885,451)	(71,416,970)	(996,473,295)	(17,593,485)	-	<b>(1,156,369,201)</b>
Reclassification adjustments*	(1,116,398)	(4,869,026)	5,985,424	-	-	-
Acquisition through business combinations (Note 18)	(152,107)	(6,217)	(137,642)	-	-	<b>(295,966)</b>
Charge for the year	(6,431,677)	(20,509,536)	(66,210,912)	(2,835,257)	-	<b>(95,987,382)</b>
Impairment/(reversal of impairment)	237,285	(736,966)	207,917	-	-	<b>(291,764)</b>
Disposals and scrap	1,917,502	272,328	176,095	1,859,594	-	<b>4,225,519</b>
Translation difference	4,377,751	3,994,157	67,598,296	473,646	-	<b>76,443,850</b>
<b>At December 31, 2021</b>	<b>(72,053,095)</b>	<b>(93,272,230)</b>	<b>(988,854,117)</b>	<b>(18,095,502)</b>	-	<b>(1,172,274,944)</b>
Charge for the year	(2,406,832)	(35,114,818)	(53,760,172)	(1,852,261)	-	<b>(93,134,083)</b>
Reversal of impairment	170,059	68,452	964,553	-	-	<b>1,203,064</b>
Disposals and scrap	1,007,858	7,883,513	1,378,525	4,474,542	-	<b>14,744,438</b>
Transfer to right of use asset	138,828	-	-	-	-	<b>138,828</b>
Translation difference	7,811,365	10,823,831	120,543,309	930,162	630	<b>140,109,297</b>
<b>At September 30, 2022</b>	<b>(65,331,817)</b>	<b>(109,611,252)</b>	<b>(919,727,902)</b>	<b>(14,543,059)</b>	<b>630</b>	<b>(1,109,213,400)</b>
<b>Net book value</b>						
<b>At September 30, 2022</b>	<b>4,274,477</b>	<b>303,753,050</b>	<b>250,631,611</b>	<b>4,576,148</b>	<b>110,507,888</b>	<b>673,743,174</b>
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.

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**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
<b>Cost</b>								
At January 1, 2021	179,997,917	35,892,379	13,893,722	2,094,612	4,891,058	-	5,915,528	<b>242,685,216</b>
Acquisition through business combinations	327,262	318,440	82,952	-	-	18,605	1,466	<b>748,725</b>
Additions	1,706,854	36,703	14,729,972	-	-	490,766	22,091	<b>16,986,386</b>
Transfers	(144,930,430)	147,660,004	(14,560,634)	-	10,111,105	-	1,719,955	-
Disposals and scrap	-	-	-	-	-	-	(128,917)	<b>(128,917)</b>
Translation difference	(7,961,665)	(8,023,600)	(1,017,089)	(116,008)	(762,410)	6,429	(169,405)	<b>(18,043,748)</b>
<b>At December 31, 2021</b>	<b>29,139,938</b>	<b>175,883,926</b>	<b>13,128,923</b>	<b>1,978,604</b>	<b>14,239,753</b>	<b>515,800</b>	<b>7,360,718</b>	<b>242,247,662</b>
Acquisition through business combinations (Note 18)	-	<b>12,327,551</b>	-	<b>16,892,072</b>	-	-	-	<b>29,219,623</b>
Additions	<b>317,018</b>	<b>8,297,874</b>	<b>6,272,501</b>	<b>109,829</b>	-	<b>683,923</b>	<b>1,048,029</b>	<b>16,729,174</b>
Disposals and scrap	-	<b>(7,361)</b>	-	-	-	-	<b>(110,336)</b>	<b>(117,697)</b>
Translation difference	<b>(3,913,110)</b>	<b>(23,178,256)</b>	<b>(3,232,513)</b>	<b>(32,429)</b>	<b>(1,939,167)</b>	<b>(91,925)</b>	<b>714,345</b>	<b>(31,673,055)</b>
<b>At September 30, 2022</b>	<b>25,543,846</b>	<b>173,323,734</b>	<b>16,168,911</b>	<b>18,948,076</b>	<b>12,300,586</b>	<b>1,107,798</b>	<b>9,012,756</b>	<b>256,405,707</b>

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**9. INTANGIBLE ASSETS (CONTINUED)**

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Total USD
<b>Accumulated amortization</b>								
At January 1, 2021	(122,718,109)	(29,820,690)	-	(757,964)	(40,759)	-	(5,264,130)	<b>(158,601,652)</b>
Acquisition through business combinations (Note 18)	(234,109)	(31,496)	-	-	-	(249)	(548)	<b>(266,402)</b>
Amortization charge for the year	(1,923,101)	(3,782,472)	-	(126,595)	(892,020)	(12,689)	(1,269,019)	<b>(8,005,896)</b>
Impairment	(121,055)	-	-	-	-	-	-	<b>(121,055)</b>
Disposals and scrap	-	-	-	-	-	-	23,070	<b>23,070</b>
Transfers*	94,112,327	(94,112,327)	-	-	-	-	-	-
Translation difference	5,648,846	5,818,344	-	39,229	37,893	(161)	148,750	<b>11,692,901</b>
<b>At December 31, 2021</b>	<b>(25,235,201)</b>	<b>(121,928,641)</b>	-	<b>(845,330)</b>	<b>(894,886)</b>	<b>(13,099)</b>	<b>(6,361,877)</b>	<b>(155,279,034)</b>
Amortization charge for the year	(964,589)	(4,283,979)	-	(1,906,153)	(655,711)	(51,182)	(1,603,210)	<b>(9,464,824)</b>
Impairment	63,419	-	-	-	-	-	-	<b>63,419</b>
Disposals and scrap	-	7,361	-	-	-	-	110,336	<b>117,697</b>
Translation difference	3,446,268	16,329,571	-	149,212	169,774	26,300	392,486	<b>20,513,611</b>
<b>At September 30, 2022</b>	<b>(22,690,103)</b>	<b>(109,875,688)</b>	-	<b>(2,602,271)</b>	<b>(1,380,823)</b>	<b>(37,981)</b>	<b>(7,462,265)</b>	<b>(144,049,131)</b>
<b>Net book value</b>								
<b>At September 30, 2022</b>	<b>2,853,743</b>	<b>63,448,046</b>	<b>16,168,911</b>	<b>16,345,805</b>	<b>10,919,763</b>	<b>1,069,817</b>	<b>1,550,491</b>	<b>112,356,576</b>
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 in 2021.

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**10. INTEREST IN JOINT VENTURES AND ASSOCIATES**

	September 30, 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	10,798,532	22,442,120
Share of translation reserves	(2,620,246)	(1,908,364)
Share of other reserves	-	269,695
Dividend received	(12,555,028)	(17,853,053)
Dividends declared and not yet received	(2,896,126)	-
Reversal of impairment loss	15	-
Translation difference	(5,331,632)	(2,419,676)
<b>At September 30/December 31</b>	<b>56,241,773</b>	<b>68,846,258</b>

Details pertaining to the investment in joint ventures and associates at September 30, 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
			Sep 30, 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%	-	Direct & Indirect	Associate	Banking
Indian Ocean Financial Holdings Limited	Mauritius	Ordinary	41.57%	-	Direct	Associate	Investment holding

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

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

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



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**10. INTEREST IN JOINT VENTURES AND ASSOCIATES (CONTINUED)**

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

Telecom Reunion Mayotte is a telecommunication operator and service provider. It is a strategic investment for the Group which complements the telecommunication services being provided by the Group.

Societe D'Exploration et de Promotion Iliad Axian operates in the real estate development and is not significant to the Group.

BNI Madagascar operates in the banking sector and Indian Ocean Financial Holdings Limited is an investment holding company, which in turn holds BNI Madagascar. Both are strategic investments for the Group.

**11. RIGHT OF USE ASSETS AND LIABILITIES**

	September 30, 2022 USD	December 31, 2021 USD
<b>Right of use assets</b>		
At January, 1	44,007,136	36,632,210
Additions during the year	14,846,183	16,992,062
Acquisition through business combination (Note 18)	163,350,416	680,458
Transfer from PPE	83,051	-
Disposals during the year	(7,145)	-
Remeasurements	413,213	-
Amortization charge during the period/year	(22,221,810)	(8,306,213)
Translation difference	(5,374,397)	(1,991,381)
<b>At September 30/December 31</b>	<b>195,096,647</b>	<b>44,007,136</b>
<b>Lease liabilities</b>		
At January, 1	51,253,868	37,999,618
Additions during the year	14,846,184	16,992,062
Acquisition through business combination (Note 18)	191,828,092	760,564
Impact of adoption of IFRS 16	104,358	-
Remeasurements	413,213	-
Interest expense for the period/year	21,697,141	3,526,646
Principal paid on lease liabilities	(6,903,799)	(3,480,062)
Interest paid on lease liabilities	(25,250,823)	(3,526,646)
Translation difference	(4,518,840)	(1,018,314)
<b>At September 30/December 31</b>	<b>243,469,394</b>	<b>51,253,868</b>
<i>Of which non-current</i>	<b>193,120,809</b>	45,310,470
<i>Of which current</i>	<b>50,348,585</b>	5,943,398

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**12. CASH AND CASH EQUIVALENTS**

	<b>September 30, 2022 USD</b>	December 31, 2021 USD
Cash at bank	<b>227,651,975</b>	134,506,254
Bank overdraft	<b>(21,172,700)</b>	(22,554,266)
	<b><u>206,479,275</u></b>	<b><u>111,951,988</u></b>

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 places its cash at banks with highly reputable financial institutions.

**13. TRADE AND OTHER PAYABLES**

	<b>September 30, 2022 USD</b>	December 31, 2021 USD
<b><i>Non-current</i></b>		
Trade payables	<b>2,510,327</b>	5,810,594
Deferred revenue	<b>22,873,754</b>	16,512,511
Amounts payable to entities under common control*	<b>1,192</b>	-
Advance received	<b>3,110,328</b>	-
Other payables	<b>39,417,403</b>	63,454,837
	<b><u>67,913,004</u></b>	<b><u>85,777,942</u></b>
<b><i>Current</i></b>		
Trade payables	<b>207,328,535</b>	133,640,880
Other payables	<b>86,236,383</b>	12,772,777
Deferred revenue	<b>40,155,870</b>	26,928,114
VAT payable	<b>68,222,671</b>	64,669,970
Mobile financial services creditors	<b>241,543,974</b>	83,961,325
Amounts payable to shareholder**	<b>-</b>	92,778
Amounts payable to entities under common control*	<b>3,684,047</b>	20,059,854
	<b><u>647,171,480</u></b>	<b><u>342,125,698</u></b>
<b>Total trade and other payables</b>	<b><u>715,084,484</u></b>	<b><u>427,903,640</u></b>

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

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

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**14. BORROWINGS**

	September 30, 2022 USD	December 31, 2021 USD
<b>Non-current</b>		
Bank loans (a)	137,648,061	129,140,310
Listed bonds	411,774,204	-
Loans payable to related parties	144,915,075	136,189,314
Other borrowings	1,632,763	2,148,056
	<b>695,970,103</b>	<b>267,477,680</b>
<b>Current</b>		
Bank loans	16,963,588	77,531,041
Listed bonds	4,558,806	-
Loans payable to related parties	4,915,000	382,263
Other borrowings	1,048,633	1,087,552
	<b>27,486,027</b>	<b>79,000,856</b>
<b>Total borrowings</b>	<b>723,456,130</b>	<b>346,478,536</b>
<b>(a) Bank loans</b>		
Bank of Africa	20,033,080	26,615,981
Banque Malgache de L'Ocean Indien	10,153,670	20,167,593
BFV Société Générale	27,987,987	5,365,929
BNI Banque de l'Industrie	16,185,567	19,442,941
Uganda Development Bank	-	2,962,741
Société de Gestion et d'Intermédiation	19,608,750	26,475,313
Société Générale Togo	-	49,276,500
Banque Togolaise pour le Commerce et l'Industrie	8,862,775	13,623,100
Union Togolaise de Banque	13,291,794	16,710,433
Orabank	18,791,085	24,532,619
Stanbic Bank Uganda	19,395,413	-
Accrued interest	301,528	1,498,201
<b>Total bank loans</b>	<b>154,611,649</b>	<b>206,671,351</b>
<b>Loans payable within one year</b>	<b>16,963,588</b>	<b>77,531,041</b>
<b>Loans payable after one year</b>	<b>137,648,061</b>	<b>129,140,310</b>

**Axian Telecom Notes**

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

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**14. BORROWINGS (CONTINUED)**

The bank loans of the Group and the Company are refundable monthly, quarterly or semi-annually at interest rates varying between 6.6% and 14.0%.

Some 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

**Accordion Facility (Ubuntu Towers Uganda Ltd)**

On February 16, 2022, Ubuntu Towers Uganda Ltd entered into a facility agreement with Stanbic Bank Limited for a total facility value of US\$35,000,0000 (The "Accordion Facility"). The purpose was to fund the capital expenditure associated with the procurement, engineering, supply, construction, development, installation, and upgrade of the tower sites in Uganda. The Accordion Facility, can be drawn down in both USD and UGX, with the proportion of each currency being at the discretion of Ubuntu Towers Uganda Ltd.

The Accordion Facility has a moratorium of 2 years with principle repayable quarterly thereafter, until maturity on February 16, 2029.

The UGX portion of the facility accrues interest at a rate of the 3-month average of the Government of Uganda 182-day Treasury Bill Rate plus a margin of 4.25%, while the USD portion of the facility accrues interest at a rate the SOFR plus a margin of 5%. Interest is payable quarterly in arrear.

On February 16, 2022, Ubuntu Towers Uganda Ltd drew down UGX 34,950,000,000 (equivalent to US\$10.0 million) and on May 20, 2022, drew down an additional US\$10.0 million, comprised of US\$9.0 million, and UGX 3,638,250,000 (equivalent to US\$1.0 million).

The facility is secured by all company assets including, all receivables from the customer agreements of Ubuntu Towers Uganda Ltd.

**Telecom Malagasy S.A (Telma)**

In December 23, 2021, Telma entered into a facility agreement with BFV-Société Générale for a total facility value of US\$12,000,0000. Principal on the facility is repayable in equal quarterly installments, beginning March 2022, until maturity on December 23, 2026. On January 5, 2022, Telma drew down US\$12 million against this facility.

This facility accrues interest at a rate of SOFR plus a margin of 3.75%. Interest is payable quarterly in arrear. The facility is subject to customary covenants and is unsecured.

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
<b>Borrowings</b>	<b>307,123,120</b>	<b>370,308,938</b>	27,973,498	49,966,414	271,019,401	21,349,625
<b>Listed bonds</b>	<b>416,333,010</b>	<b>574,875,000</b>	30,975,000	30,975,000	512,925,000	-

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**15. CASH FLOW FROM OPERATING ACTIVITIES**

	3 month period ended		9 month period ended	
	September 30, 2022 USD	September 30, 2021 USD	September 30, 2022 USD	September 30, 2021 USD
<b>Cash flows from operating activities:</b>				
Profit before income tax	26,093,850	41,635,529	80,703,417	160,728,301
<i>Adjustments:</i>				
Amortization of right-of-use assets	9,911,696	45,477	22,221,810	4,449,408
Depreciation of property, plant and equipment	34,332,847	21,653,456	93,134,083	68,240,353
Amortization of intangible assets	4,265,009	2,015,241	9,464,824	5,808,424
(Gain)/loss on disposal of property, plant and equipment	(42,222)	241,861	(10,254)	241,861
Gain on disposal of intangible assets	-	(974)	-	-
Release of deferred profits on sale of property, plant and equipment	(260,499)	-	(519,001)	-
Provision on litigations	(187,412)	135,132	(116,953)	133,492
Provision for short term risks on operating activities	(914,254)	133,765	-	466,342
Write-back of government grants	(2,438,241)	(2,295,441)	(7,454,483)	(6,759,428)
Share of loss/(profit) in associates and joint ventures	504,608	(624,774)	(10,798,532)	(70,789,162)
Interest expense on lease liability	10,910,200	265,307	21,697,141	2,153,981
(Reversal of interest expense)/interest expense on provision for dismantling costs	(376,925)	209,579	394,279	1,075,188
Other interest expense	14,816,213	5,033,738	43,490,131	15,732,597
Finance income	(2,364,984)	(1,094,581)	(6,970,458)	(2,799,256)
Dividend reversal /(income)	-	159	(23,856)	(22,344)
Loss on fair valuation of derivatives	1,500,000	-	2,000,000	-
(Reversal of write-off)/write-off of financial assets	-	(3,344)	5,867,712	-
Waiver of financial liabilities	-	98	-	(13,680)
Provision for impairment of receivables	1,166,883	468,470	838,735	2,257,460
Impairment of loans receivable and other financial assets	5,993,794	-	3,861,971	-
(Reversal of provision)/provision on provision for slow moving inventories	30,496	54,962	(928,045)	(77,226)
Reversal of provision for retirement benefits obligation	27,530	24,017	72,357	203,766
Loss on lease modification	28	-	7,145	-
(Reversal of impairment)/provision for impairment of property, plant and equipment and intangible assets	(1,055,971)	769,957	(1,266,483)	-
<b>Cash generated from operating activities before working capital changes</b>	<b>101,912,646</b>	<b>68,667,634</b>	<b>255,665,540</b>	<b>181,030,077</b>
<b>Changes in working capital:</b>				
Decrease/(increase) in inventories	2,598,706	(4,898,723)	(2,775,889)	(3,115,154)
Decrease/(increase) in trade and other receivables	6,524,940	(73,195,081)	(42,431,028)	94,617,828
Increase in trade and other payables	15,203,000	209,911,137	55,534,229	13,989,018
Increase in loan to clients	(3,599,485)	-	(10,686,825)	-
Increase in deposits from customers	288,289	-	488,286	-
Settlement of litigations	(1,614,085)	-	(1,614,085)	-
<b>Net cash generated from operating activities</b>	<b>121,314,011</b>	<b>200,484,967</b>	<b>254,180,228</b>	<b>286,521,769</b>

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**16. NON-IFRS MEASURES**

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

	3 month period ended		9 month period ended	
	September 30, 2022 USD	September 30, 2021 USD	September 30, 2022 USD	September 30, 2021 USD
<b>(Loss)/profit for the period</b>	<b>13,761,451</b>	<b>20,877,265</b>	<b>46,471,816</b>	<b>133,687,909</b>
<i>Adjustments:</i>				
Income tax expense	12,332,399	20,758,264	34,231,601	27,040,392
Finance income	(14,863,493)	(5,197,357)	(29,690,771)	(13,294,533)
Finance costs	47,870,879	9,176,161	103,483,657	34,953,232
Depreciation of property, plant and equipment	34,332,847	21,653,456	93,134,083	68,240,353
Amortization of right of use assets	9,911,696	45,477	22,221,810	4,449,408
Amortization of intangible assets	4,265,009	2,015,241	9,464,824	5,808,424
<b>EBITDA</b>	<b>107,610,788</b>	<b>69,328,507</b>	<b>279,317,020</b>	<b>260,885,185</b>
Share of net loss/(profit) in joint ventures and associates	504,608	(624,774)	(10,798,532)	(70,789,162)
(Reversal of impairment)/impairment of property, plant and equipment and intangible assets	(1,055,971)	769,957	(1,266,483)	-
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(10,254)	241,861	(10,254)	241,861
<b>Adjusted EBITDA</b>	<b>107,049,171</b>	<b>69,715,551</b>	<b>267,241,751</b>	<b>190,337,884</b>

**17. SEGMENTAL REPORTING**

**Business Segments**

For the nine month period ended September 30, 2022, and for the year ended December 31, 2021, internal reports reviewed by the Chief Operating Decision Makers (i.e the Directors) in order to allocate resources to the segments and to assess their performance, are comprised of the following segments: mobile and fixed line communications, infrastructure, digital and mobile financial services, and other (which includes holding companies and their associated income and costs). The following disclosures are made with respect to segmental reporting, including a reconciliation of profit before tax for the period to Adjusted EBITDA for each segment.

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**17. SEGMENTAL REPORTING (CONTINUED)**

Summarized financial information for the three month period ended September 30, 2022:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
<b>Revenue</b>	<b>180,925,493</b>	<b>6,445,657</b>	<b>42,713,823</b>	<b>335,740</b>	<b>230,420,713</b>
<b>Profit/(loss) for the period before tax</b>	<b>50,917,600</b>	<b>(10,982,909)</b>	<b>13,500,638</b>	<b>(27,341,479)</b>	<b>26,093,850</b>
<i>Adjustments:</i>					
Finance income	(7,526,335)	(1,229,275)	(1,808,823)	(4,299,060)	<b>(14,863,493)</b>
Finance costs	20,853,998	3,060,475	518,373	23,438,033	<b>47,870,879</b>
Depreciation of property, plant and equipment	28,387,841	5,886,016	57,559	1,431	<b>34,332,847</b>
Amortization of right of use assets	9,137,130	286,507	488,059	-	<b>9,911,696</b>
Amortization of intangible assets	3,949,310	297,493	18,206	-	<b>4,265,009</b>
<b>EBITDA</b>	<b>105,719,544</b>	<b>(2,681,693)</b>	<b>12,774,012</b>	<b>(8,201,075)</b>	<b>107,610,788</b>
Share of net loss in joint ventures and associates	-	-	-	504,608	<b>504,608</b>
Reversal of impairment of property, plant and equipment and intangible assets	(1,055,971)	-	-	-	<b>(1,055,971)</b>
Gain on disposal of property, plant and equipment	(10,254)	-	-	-	<b>(10,254)</b>
<b>Adjusted EBITDA</b>	<b>104,653,319</b>	<b>(2,681,693)</b>	<b>12,774,012</b>	<b>(7,696,467)</b>	<b>107,049,171</b>

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**17. SEGMENTAL REPORTING (CONTINUED)**

Summarized financial information for the three month period ended September 30, 2021:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
<b>Revenue</b>	<b>115,289,737</b>	<b>2,908,512</b>	<b>4,415,862</b>	<b>3,507,960</b>	<b>126,122,071</b>
<b>Profit/(loss) for the period before tax</b>	<b>51,436,890</b>	<b>(9,993,992)</b>	<b>2,302,316</b>	<b>(2,109,685)</b>	<b>41,635,529</b>
<i>Adjustments:</i>					
Finance income	(726,256)	(1,417,198)	(519,661)	(2,534,242)	<b>(5,197,357)</b>
Finance costs	2,579,197	3,083,346	54,352	3,459,266	<b>9,176,161</b>
Depreciation of property, plant and equipment	16,444,692	5,176,684	30,647	1,433	<b>21,653,456</b>
Amortization of right of use assets	6,779	38,698	-	-	<b>45,477</b>
Amortization/(reversal of amortization) of intangible assets	1,712,392	278,399	24,509	(59)	<b>2,015,241</b>
<b>EBITDA</b>	<b>71,453,694</b>	<b>(2,834,063)</b>	<b>1,892,163</b>	<b>(1,183,287)</b>	<b>69,328,507</b>
Share of net profit in joint ventures	(216,262)	-	-	(408,512)	<b>(624,774)</b>
Impairment of property, plant and equipment and intangible assets	769,957	-	-	-	<b>769,957</b>
Loss on disposal of property, plant and equipment and intangible assets	241,861	-	-	-	<b>241,861</b>
<b>Adjusted EBITDA</b>	<b>72,249,250</b>	<b>(2,834,063)</b>	<b>1,892,163</b>	<b>(1,591,799)</b>	<b>69,715,551</b>



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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**17. SEGMENTAL REPORTING (CONTINUED)**

Summarized financial information for the nine month period ended September 30, 2022:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
<b>Revenue</b>	<b>467,358,210</b>	<b>15,952,106</b>	<b>94,438,002</b>	<b>681,441</b>	<b>578,429,759</b>
<b>Profit/(loss) for the period before tax</b>	<b>141,780,473</b>	<b>(25,761,910)</b>	<b>25,985,708</b>	<b>(61,300,854)</b>	<b>80,703,417</b>
<i>Adjustments:</i>					
Finance income	(12,367,223)	(4,134,436)	(4,366,639)	(8,822,473)	<b>(29,690,771)</b>
Finance costs	42,445,486	8,714,930	733,429	51,589,812	<b>103,483,657</b>
Depreciation of property, plant and equipment	73,351,494	19,595,358	182,934	4,297	<b>93,134,083</b>
Amortization of right of use assets	20,558,136	1,175,615	488,059	-	<b>22,221,810</b>
Amortization of intangible assets	8,536,285	849,781	78,758	-	<b>9,464,824</b>
<b>EBITDA</b>	<b>274,304,651</b>	<b>439,338</b>	<b>23,102,249</b>	<b>(18,529,218)</b>	<b>279,317,020</b>
Share of net profit in joint ventures and associates	-	-	-	(10,798,532)	<b>(10,798,532)</b>
Reversal of impairment of property, plant and equipment and intangible assets	(1,266,483)	-	-	-	<b>(1,266,483)</b>
Gain on disposal of property, plant and equipment	(10,254)	-	-	-	<b>(10,254)</b>
<b>Adjusted EBITDA</b>	<b>273,027,914</b>	<b>439,338</b>	<b>23,102,249</b>	<b>(29,327,750)</b>	<b>267,241,751</b>
Segment assets	1,427,264,671	226,997,171	291,264,557	194,904,008	<b>2,140,430,407</b>
Segment liabilities	(931,600,904)	(123,268,992)	(247,418,543)	(636,771,462)	<b>(1,939,059,901)</b>

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**17. SEGMENTAL REPORTING (CONTINUED)**

Summarized financial information for the nine month period ended September 30, 2021:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
<b>Revenue</b>	<b>331,568,014</b>	<b>9,479,772</b>	<b>5,291,367</b>	<b>10,117,074</b>	<b>356,456,227</b>
<b>Profit/(loss) for the period before tax</b>	<b>127,507,929</b>	<b>(28,522,555)</b>	<b>1,165,892</b>	<b>60,577,035</b>	<b>160,728,301</b>
<i>Adjustments:</i>					
Finance income	(2,110,092)	(3,244,290)	(539,498)	(7,400,653)	<b>(13,294,533)</b>
Finance costs	11,963,438	8,653,303	94,481	14,242,010	<b>34,953,232</b>
Depreciation of property, plant and equipment	51,799,596	16,361,034	76,381	3,342	<b>68,240,353</b>
Amortization of right of use assets	3,335,043	1,114,365	-	-	<b>4,449,408</b>
Amortization/(reversal of amortization) of intangible assets	4,999,729	746,058	62,696	(59)	<b>5,808,424</b>
<b>EBITDA</b>	<b>197,495,643</b>	<b>(4,892,085)</b>	<b>859,952</b>	<b>67,421,675</b>	<b>260,885,185</b>
Share of net profit in joint ventures	(216,262)	-	-	(70,572,900)	<b>(70,789,162)</b>
Loss on disposal of property, plant and equipment	241,861	-	-	-	<b>241,861</b>
<b>Adjusted EBITDA</b>	<b>197,521,242</b>	<b>(4,892,085)</b>	<b>859,952</b>	<b>(3,151,225)</b>	<b>190,337,884</b>

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**18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS**

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

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

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

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

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

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

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

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**18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)**

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

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

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

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

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)**

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.

The accounting for the business combination is incomplete for valuation of all assets and liabilities. The amounts recognized in the financial statements for the business combination thus have been determined provisionally on the basis of the carrying values of the MIC Tanzania group.

The assets and liabilities of MIC Tanzania and its subsidiaries at the date of acquisition are reflected in the table below at their IFRS carrying values at the date of acquisition. The provisional goodwill reflected below has also been determined on this basis.

	<b>Book values MIC Tanzania Public Limited Company and its subsidiaries USD</b>
<b>ASSETS</b>	
Property, plant and equipment	163,929,920
Intangible assets	29,219,623
Right of use assets	163,350,416
Financial assets at fair value through OCI	15,689,508
Deposits receivable	850,114
Inventories	1,721,940
Trade and other receivables	48,551,052
Income tax receivable	648,320
Restricted cash	137,486,426
Cash and cash equivalents	23,604,840
<b>Total assets</b>	<b>855,052,159</b>
<b>LIABILITIES</b>	
Borrowings	335,149,412
Provisions	9,721,183
Lease liability	191,828,092
Deferred tax liability	49,279,564
Trade and other payables	294,484,279
Income tax liability	6,424,074
<b>Total liabilities</b>	<b>886,886,604</b>
Cost of investment	101,398,263
Add: Non-controlling interest share of net liabilities at date of acquisition	(4,527,517)
Less: Net (assets)/liabilities at date of acquisition	301,834,445
Less: Net loans payable to sellers transferred to purchasers*	(145,357,664)
Less: Net trade payable to sellers transferred to purchasers*	(32,209,000)
<b>Provisional goodwill</b>	<b>221,138,527</b>

\*Related party loans and trade payable accounts owed by the acquiree group to the sellers were transferred to Honora Holdings as part of the acquisition, this decreasing the net liability value acquired.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)**

**MIC Tanzania Continued:**

	<b>MIC Tanzania Public Limited Company and its subsidiaries USD</b>
Revenue - post acquisition	187,043,258
Net profit – post acquisition	7,841,401
The cash flows associated with the business acquisitions are as follows:	
<i>Cash outflow/(inflow) from acquisition of subsidiaries</i>	
Purchase consideration	101,398,263
Cash and cash equivalents acquired	(23,604,840)
<b>Cash outflow from acquisition, net of cash acquired</b>	<b>77,793,423</b>

**19. SUBSEQUENT EVENTS**

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

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**PRO FORMA AND COMBINED FINANCIAL INFORMATION**

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

These financial statements include the results of the operations of MIC Tanzania from the date of acquisition, and the statement of financial position of MIC Tanzania as at September 30, 2022; both incorporated into the consolidated numbers. These financial statements do not include the results of the operations of MIC Tanzania on a pro forma basis prior to the acquisition. 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.

**Pro forma adjustments**

The pro forma combined statements of profit or loss do not include any pro forma adjustments. The results for the respective periods are combined with no further adjustment. Note that that consolidated results for the three month period ended September 30, 2022 as presented in these financial statements are equal to the combined pro forma position; this period is still shown for the purposes of comparability.

The financial information of MIC Tanzania is translated to USD using an average exchange rate of TZS2,309.48/USD1 for the three month and nine month periods ended September 30, 2022. The average exchange rate used for the three month and nine month periods ended September 30, 2021 is TZS2,305.93/USD1.

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**PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)**

**Combined financial results**

**Condensed combined statements of profit or loss for the three month and nine month periods ended September 30, 2022**

	3 month period ended September 30,		9 month period ended September 30,	
	2022	2021	2022	2021
	USD	USD	USD	USD
Revenue	<b>230,420,713</b>	213,399,886	<b>666,916,924</b>	622,102,294
Cost of devices and equipment	<b>(4,069,945)</b>	(269,018)	<b>(11,631,487)</b>	(5,464,523)
Cost of interconnection and roaming	<b>(7,172,551)</b>	(10,198,442)	<b>(23,119,921)</b>	(24,230,368)
Government and regulatory costs	<b>(10,438,344)</b>	(11,845,840)	<b>(32,913,247)</b>	(33,114,650)
Advertising and distribution costs	<b>(3,420,448)</b>	(2,898,183)	<b>(8,665,707)</b>	(10,498,412)
Commission to sales agents	<b>(36,393,357)</b>	(31,443,418)	<b>(105,766,504)</b>	(93,762,347)
Net (reversal of impairment)/impairment losses on financial and contract assets	<b>(7,160,678)</b>	(30,776)	<b>(5,078,755)</b>	(2,878,662)
Technology operation costs	<b>(17,672,943)</b>	(13,926,784)	<b>(50,972,827)</b>	(52,152,643)
Staff costs	<b>(19,389,291)</b>	(20,220,461)	<b>(60,447,047)</b>	(57,395,641)
Reversal or write-off/(write-off) of financial assets	-	1,627	-	(1,717)
Professional fees	<b>(6,989,955)</b>	(11,171,334)	<b>(22,180,606)</b>	(23,801,591)
Depreciation and amortization	<b>(48,509,552)</b>	(43,982,431)	<b>(145,034,447)</b>	(139,922,985)
Reversal of impairment/(impairment) of non-financial assets	<b>1,027,414</b>	(819,014)	<b>2,135,552</b>	106,080
Other operating expenses	<b>(14,771,566)</b>	(15,048,414)	<b>(48,879,815)</b>	(44,090,866)
Other income, general	<b>3,885,876</b>	3,397,146	<b>9,453,264</b>	9,242,658
<b>OPERATING PROFIT</b>	<b>59,345,373</b>	<b>54,944,544</b>	<b>163,815,377</b>	<b>144,136,627</b>
Finance income	<b>14,863,493</b>	5,209,215	<b>29,702,472</b>	13,358,305
Finance costs	<b>(47,870,879)</b>	(22,929,313)	<b>(116,834,235)</b>	(78,225,891)
Non-operating income	<b>260,499</b>	406,808	<b>1,202,870</b>	1,510,153
Non-operating expenses	<b>(28)</b>	17,032,082	<b>(5,859,993)</b>	14,859,589
Share of (loss)/profit in joint ventures and associates	<b>(504,608)</b>	624,774	<b>10,798,532</b>	70,789,162
<b>PROFIT BEFORE INCOME TAX</b>	<b>26,093,850</b>	<b>55,288,110</b>	<b>82,825,023</b>	<b>166,427,945</b>
Income tax expense	<b>(12,332,399)</b>	(1,958,828)	<b>(38,871,968)</b>	3,736,380
<b>PROFIT FOR THE PERIOD</b>	<b>13,761,451</b>	<b>53,329,282</b>	<b>43,953,055</b>	<b>170,164,325</b>
<b>Profit for the period attributable to:</b>				
- Owners of the Company	<b>7,107,394</b>	46,807,216	<b>25,007,379</b>	146,062,541
- Non-controlling interest	<b>6,654,057</b>	6,522,066	<b>18,945,676</b>	24,101,784
	<b>13,761,451</b>	<b>53,329,282</b>	<b>43,953,055</b>	<b>170,164,325</b>

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,309.48/USD1 for the three month and nine month periods ended September 30, 2022 (for the three month and nine month periods ended September 30, 2021: TZS2,305.93/USD1).



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**PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)**

**Combined financial results (continued)**

**Condensed combined statements of other comprehensive income for the three month and nine month periods ended September 30, 2022**

	<b>3 month period ended</b>		<b>9 month period ended</b>	
	<b>September 30,</b>	September 30,	<b>September 30,</b>	September 30,
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>USD</b>	USD	<b>USD</b>	USD
<b>PROFIT FOR THE PERIOD</b>	<b>13,761,451</b>	53,329,282	<b>43,953,055</b>	170,164,325
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	<b>(16,753,207)</b>	(3,967,259)	<b>(34,641,118)</b>	(10,027,752)
Exchange differences on translation of foreign joint ventures	<b>(660,250)</b>	(1,603,741)	<b>(2,620,244)</b>	(3,153,599)
Other reserves of joint ventures	-	-	-	-
<b>Other comprehensive (loss)/ income for the period, net of tax</b>	<b>(17,413,457)</b>	<b>(5,571,000)</b>	<b>(37,261,362)</b>	<b>(13,181,351)</b>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(3,652,006)</b>	<b>47,758,282</b>	<b>6,691,693</b>	<b>156,982,974</b>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>				
- Owners of the Company	<b>(8,354,718)</b>	41,717,810	<b>(8,217,671)</b>	133,767,689
- Non - controlling interest	<b>4,702,712</b>	6,040,472	<b>14,909,364</b>	23,215,285
	<b>(3,652,006)</b>	<b>47,758,282</b>	<b>6,691,693</b>	<b>156,982,974</b>

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,309.48/USD1 for the three month and nine month periods ended September 30, 2022 (for the three month and nine month periods ended September 30, 2021: TZS2,305.93/USD1).

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**PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)**

**Combined financial results (continued)**

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

	3 month period ended		9 month period ended	
	September 30, 2022 USD	September 30, 2021 USD	September 30, 2022 USD	September 30, 2021 USD
<b>Profit for the period</b>	<b>13,761,451</b>	53,329,282	<b>43,953,055</b>	170,164,325
<i>Adjustments:</i>				
Income tax expense/(credit)	<b>12,332,399</b>	1,958,828	<b>38,871,968</b>	(3,736,380)
Finance income	<b>(14,863,493)</b>	(5,209,215)	<b>(29,702,472)</b>	(13,358,305)
Finance costs	<b>47,870,879</b>	22,929,313	<b>116,834,235</b>	78,225,891
Depreciation of property, plant and equipment	<b>34,332,847</b>	32,052,353	<b>103,575,502</b>	101,451,331
Amortization of right of use assets	<b>9,911,696</b>	7,538,222	<b>30,104,560</b>	27,139,105
Amortization of intangible assets	<b>4,265,009</b>	4,391,856	<b>11,354,385</b>	11,332,549
<b>EBITDA</b>	<b>107,610,788</b>	<b>116,990,639</b>	<b>314,991,233</b>	<b>371,218,516</b>
Share of net (loss)/profit in joint ventures and associates	<b>504,608</b>	(624,774)	<b>(10,798,532)</b>	(70,789,162)
(Reversal of impairment)/impairment of property, plant and equipment and intangible assets	<b>(1,055,971)</b>	741,103	<b>(1,266,483)</b>	(28,854)
(Gain)/loss on disposal of property, plant and equipment and intangible assets	<b>(10,254)</b>	241,861	<b>(44,615)</b>	241,861
Other non-operating expense <sup>(1)</sup>	-	(16,313,155)	<b>(14,864)</b>	(14,595,910)
<b>Adjusted EBITDA</b>	<b>107,049,171</b>	<b>101,035,674</b>	<b>302,866,739</b>	<b>286,046,451</b>

<sup>(1)</sup> Other non-operating expenses for the three and nine month periods ended September 30, 2021 are mainly comprised of provisions for withholding taxes in MIC Tanzania. This provision was subsequently reversed in Q4 2021 as reflected in that reporting.

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,309.48/USD1 for the three month and nine month periods ended September 30, 2022 (for the three month and nine month periods ended September 30, 2021: TZS2,305.93/USD1).

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**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.