

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE MONTH AND SIX MONTH PERIODS
ENDED JUNE 30, 2023**



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AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

CORPORATE INFORMATION

COMPANY REGISTRATION No.	C46569 C1/GBL		
		Date of appointment	Date of resignation
DIRECTORS	Mr. Hassanein Shahreza Hiridjee	June 21, 2003	-
	Mr. Ahmud Ismael Parwiz Jugoo	April 30, 2018	-
	Mrs. Anja Blumert	August 15, 2020	-
	Mr. Afsar Azize Abdulla Ebrahim	November 16, 2020	-
	Mr. Michael Jimmy Wong Yuen Tien	December 1, 2021	-
	Mrs. Badiene Seynabou Ba	November 28, 2022	-
ADMINISTRATOR & SECRETARY <i>(as from December 1, 2021)</i>	DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
REGISTERED OFFICE <i>(as from December 1, 2021)</i>	c/o DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
AUDITOR	PricewaterhouseCoopers PwC Centre Avenue de Telfair Telfair 80829 Moka Republic of Mauritius		
INVESTOR RELATIONS CONTACT	investorrelations@axian-telecom.com		

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

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AXIAN TELECOM**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023****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 42). 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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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

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 nine markets through subsidiaries and nonconsolidated joint ventures in Tanzania (including the completion of the Acquisition as defined below), Madagascar, Togo, Uganda, Democratic Republic of the Congo, Mauritius, Senegal, Réunion/Mayotte, and the 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, 2022.

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.

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 June 30, 2023; 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, 2022. The pro forma adjustments made to the consolidated data and the resulting pro forma numbers are described in more detail and disclosed on pages 47 to 50 of these financial statements.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
OPERATING AND FINANCIAL REVIEW
Highlights for the quarter and year to date

	3 month period ended		6 month period ended	
	June 30, 2023 USD	June 30, 2022 USD	June 30, 2023 USD	June 30, 2022 USD
Revenue	253,186,689	223,208,581	493,802,508	353,406,847
Operating profit	54,207,157	50,794,741	110,723,743	89,708,254
Adjusted EBITDA*	114,209,953	90,607,647	222,400,124	160,192,580
Adjusted EBITDA Margin*	45.1%	40.6%	45.0%	45.3%
	As at June 30, 2023	As at June 30, 2022	As at June 30, 2022	As at December 31, 2022
	Units'000	Units'000	Units'000	Units'000
Revenue generating subscribers ("RGS") ^φ	31,675	28,267	31,675	30,334
Active data users	7,588	6,584	7,588	6,826
Active MFS users	10,884	9,467	10,884	10,287
	Units	Units	Units	Units
Owned Towers	3,430	3,047	3,430	3,289
Shared Towers	2,063	1,770	2,063	1,969
Tenants on Shared Towers	2,718	2,092	2,718	2,470
Tenancy Ratio	1.32x	1.18x	1.32x	1.25x

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

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

Operating results and market data
Revenue generating subscribers and other operational key performance indicators

Revenue generating subscribers increased by 1.3 million and 3.4 million during the six month and twelve month periods ended June 30, 2023, respectively, resulting in 31.7 million RGS as at June 30, 2023. Active data users increased by 0.8 million and 1.0 million in the six month and twelve month periods ended June 30, 2023 respectively, to 7.6 million Active data users. Active MFS users increased by 0.6 million and 1.4 million during the six month and twelve month periods ended June 30, 2023, respectively, to 10.9 million Active MFS users.

The movements for the twelve month period ended June 30, 2023 are not impacted by the acquisition of MIC Tanzania as the subscriber and user numbers of MIC Tanzania were included within our consolidated numbers as at June 30, 2022.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)

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

The increase in RGS for the six month period ended June 30, 2023, of 1.3 million, is primarily driven by our Madagascar operation which saw an increases of 0.9 million RGS in the period. Our operations in Tanzania and Togo also saw increases in RGS of 0.3 million and 0.1 million respectively, in the same period. The increase in RGS for the twelve month period ended June 30, 2023, of 3.4 million, is primarily driven by our Madagascar and Tanzania operations which saw a increases of 2.2 million and 1.0 million RGS respectively, in the period.

The increase in Active data users for the six month period ended June 30, 2023 is primarily driven by our Tanzania operation, which saw an increase of 0.5 million in the period, while the increase for the twelve month period ended June 30, 2023 is primarily driven by our Tanzania and Madagascar operations which saw increases of 0.5 million and 0.4 million in the period, respectively.

The increase in Active MFS users for the six month period ended June 30, 2023 is primarily driven by our Tanzania operation which saw an increase of 0.4 million in the six month period. Active MFS users increased by 0.4 million in both our Madagascar and Togo operations for the twelve month period ended June 30, 2023, and increased by 0.7 million in our Tanzania operation in the same period.

During the six month period ended June 30, 2023, we have increased the number of Owned Towers and Shared Towers by 141 and 94 respectively, mainly from increases in our Madagascar and Uganda operations which saw increases in their Owned Towers (which are also Shared Towers in those operations) of 59 and 35, respectively. We also added 46 Owned Towers in our Togo operations in the six month period ended June 30, 2023.

Our Tenants on Shared Towers also increased by 247 in the same period as a result of net increases in our Madagascar and Uganda operations of 93 and 154, respectively. Our Tenancy Ratio increased by 0.07x, to 1.32x, during the same period.

Revenue

Revenue for the three month period ended June 30, 2023 increased year-on-year by \$30.0 million or 13.4%, to \$253.2 million in Q2 2023, compared to \$223.2 million in Q2 2022. The year-on-year increase is mainly comprised of an increases in revenue related to our operations in Tanzania and Madagascar, which increased by \$16.5 million (or 18.3%), and \$8.8 million (or 12.6%), year-on-year, respectively. Our operations in Uganda and Togo also increased by \$2.3 million (or 158.2%), and \$1.2 million (or 1.9%), year-on-year, respectively, for the same period.

The year-on-year increase in revenue in Madagascar is comprised of increases of \$5.1 million, \$1.9 million, and \$1.8 million in our Mobile and fixed-line communications, Infrastructure, and Digital and mobile financial services segments respectively. The increases in our Mobile and fixed-line communications and Digital and mobile financial services segments are primarily driven by the year-on-year increase in RGS, Active data users, and active MFS users, which results in increased activity in those segments. The aggregate year-on-year growth for the period in our Madagascar operation is partially offset by negative foreign exchange translation impacts of \$8.0 million (or 9.2%), owing to the year-on-year strengthening of the US Dollar against the Malagasy Ariary.

The year-on-year increase in revenue in Tanzania is comprised of increases of \$8.9 million and \$7.6 million in our Mobile and fixed-line communications, and Digital and mobile financial services segments respectively. These increases are primarily driven by the year-on-year increase in activity, resulting from increases in RGS, Active data users, and active MFS users. The aggregate year-on-year growth for the period in our Tanzania operation is partially offset by negative foreign exchange translation impacts of \$2.7 million (or 2.4%), owing to the year-on-year strengthening of the US Dollar against the Tanzanian Shilling.

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
OPERATING AND FINANCIAL REVIEW (CONTINUED)
Revenue (continued)

Revenue for the six month period ended June 30, 2023 increased year-on-year by \$140.4 million or 39.7%, to \$493.8 million in the six month period to June 30, 2023 compared to \$353.4 million in the prior year comparative period. Included in revenue for the six month period ended June 30, 2023, is an amount of \$206.9 million from MIC Tanzania, whereas the prior year comparative period includes only \$89.7 million of revenue in respect of MIC Tanzania. The remaining year-on-year increase, net of the impact of MIC Tanzania, is \$23.2 million (or 8.8% when excluding MIC Tanzania), and is mainly comprised of an increase in revenue related to our operations in Madagascar, Uganda, and our other smaller operations, which increased by \$16.5 million (or 12.2%), \$4.8 million (or 205.9%), and by an aggregate of \$2.0 million year-on-year respectively.

The year-on-year increase in revenue for the six month period ended June 30, 2023 is impacted by aggregate negative foreign exchange translation impacts of \$19.2 million (or 3.7%), primarily related to our Madagascar, Tanzania, and Togo markets, which reflected negative foreign exchange translation impacts of \$15.1m, \$2.7m, and \$1.4m respectively, for the period.

The year-on-year increase in revenue in our Uganda operations for the three month and six month periods ended June 30, 2023 are driven by increases in the number of Shared Towers and Tenants on Shared Towers which increased by 140 (or 70.4%) and 212 (or 96.8%) respectively, in the twelve month period ended June 30, 2023; resulting in a year-on-year increase in the Tenancy Ratio of 0.17x (from 1.10x at June 30, 2022, to 1.27x at June 30, 2023).

The year-on-year growth in revenue in our other smaller operations is also primarily related to our infrastructure segment and relates to primarily to the sale of capacity on undersea cables.

Revenue by segment is presented below:

For the three month period ended:

	June 30, 2023 USD	June 30, 2022 USD	Movement USD	Movement %
Mobile and fixed-line communications	194,049,534	178,872,145	15,177,389	8.5%
Infrastructure	10,393,698	5,148,120	5,245,578	101.9%
Digital and mobile financial services	48,380,218	39,025,906	9,354,312	24.0%
Other	363,239	162,410	200,829	123.7%
	253,186,689	223,208,581	29,978,108	13.4%

For the six month period ended:

	June 30, 2023 USD	June 30, 2022 USD	Movement USD	Movement %
Mobile and fixed-line communications	379,893,778	291,830,518	88,063,260	30.2%
Infrastructure	19,995,915	9,506,449	10,489,466	110.3%
Digital and mobile financial services	93,322,151	51,724,179	41,597,972	80.4%
Other	590,664	345,701	244,963	70.9%
	493,802,508	353,406,847	140,395,661	39.7%

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs

Operating costs for the three month period ended June 30, 2023 increased year-on-year by \$30.4 million (or 17.4%), to \$205.5 million in Q2 2023 compared to \$175.1 million in Q2 2022. The year-on-year increase is primarily comprised of a year-on-year increase in depreciation and amortization of \$10.5m, a year-on-year increase in technology operating costs of \$5.3 million, a year-on-year increase in staff costs of \$4.1 million, a year-on-year increase in the cost of devices and equipment of \$3.8 million, a year-on-year increase in the aggregate cost of write-off of financial assets and net impairment losses on financial and contract assets of \$5.4 million, a year-on-year increase in the impairment of non-financial assets of \$2.2 million, and year-on-year increases in government and regulatory costs and commissions to sales agents of \$1.3 million and \$1.7 million respectively. The aggregate year on-year-increases for the period are partially offset by year-on-year decreases in non-technical professional fees and interconnection and roaming costs of \$4.3 million and \$0.9 million, respectively.

Operating costs for the six month period ended June 30, 2023 increased year-on-year by \$123.7 million (or 45.9%), to \$393.0 million in Q2 2023 compared to \$269.3 million in Q2 2022. Included in operating costs for the six month period ended June 30, 2023, is an amount of \$171.5 million from MIC Tanzania, whereas the prior year comparative period includes only \$76.9 million of operating costs in respect of MIC Tanzania; this represents a year-on-year increase of \$94.6 million resulting from the change in scope.

The remaining year-on-year increase of \$29.1 million (or 15.1%), excluding the impact of the MIC Tanzania change of scope, is primarily comprised of a year-on-year increase in technology operating costs of \$6.8 million, a year-on-year increase in staff costs of \$6.7 million, a year-on-year increase in the aggregate cost of write-off of financial assets and net impairment losses on financial and contract assets of \$6.2 million, a year-on-year increase in depreciation and amortization of \$5.1m, a year-on-year increase in the cost of devices and equipment of \$2.8 million, a year-on-year increase in the impairment of non-financial assets of \$2.2 million, and year-on-year increases in government and regulatory costs, advertising and distribution costs, and commissions to sales agents of \$1.2 million, \$1.3 million, and \$1.9 million respectively. The aggregate year on-year-increases for the period are partially offset by year-on-year decreases in non-technical professional fees and interconnection and roaming costs of \$3.1 million and \$2.0 million, respectively.

The year-on-year increase in depreciation and amortization for the three month and six month periods ended June 30, 2023, is primarily related to depreciation of right-of use assets, on account of higher value leases in Tanzania, and to the amortization of intangible assets related to our Tanzania acquisition. The year-on-year increase for the three month and six month periods ended June 30, 2023 in respect of staff costs is primarily driven by a general increase in staff numbers, and an increase in average wages and welfare benefits, such as medical insurance.

The year-on-year increase in technology operating costs for the three month and six month period ended June 30, 2023, is primarily driven by an increase in energy costs owing to an increased number of Owned Towers and Shared Towers, mainly in our Infrastructure segment in Madagascar and Uganda. We also had year-on-year increases in maintenance costs of \$2.7 million and \$2.1 million for the three month and six month period respectively, primarily related to network maintenance in our Togo and Madagascar operations.

The year-on-year increase in the cost of devices and equipment for the three month and six month periods ended June 30, 2023, is primarily driven by the increased sales of devices in our Tanzania and Madagascar operations, and increased sales of fiber installations and associated equipment, primarily in our Togo operations. The year-on-year increase in the impairment of financial and contract assets for the same periods, mainly result from credit loss provisions in respect of nanoloan customers and device finance customers which have increased year-on-year, as the value of nanoloans granted has increased year-on-year. The year-on-year increase in the write-off of financial assets is primarily related to our nanoloan operations where loans which were deemed irrecoverable have been written off, primarily in the three month period ended June 30, 2023.

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs (continued)

The year-on-year increases in government and regulatory costs and the cost of commissions to sales agents for the three month and six month periods ended June 30, 2023, are primarily driven by increased activity in our Mobile and fixed-line communications and Digital and mobile financial services segments respectively, as reflected by the increase in revenue in those segments.

The year-on-year decrease in non-technical professional fees for the three month and six month periods ended June 30, 2023, is driven by the acquisition costs in respect of the acquisition of MIC Tanzania; these costs were incurred in the prior year comparative periods, but not repeated again in the current year periods.

The year-on-year decrease in interconnection and roaming costs for the same periods is primarily driven by our increased network coverage in our Tanzania and Togo markets, which results in less requirement for interconnections.

Other operating income, and non-operating income and expenses

Other operating income was \$6.5 million and \$9.9 million for the three month and six month periods ended June 30, 2023, respectively, compared to \$2.7 million and \$5.6 million for the three month and six month periods ended June 30, 2022, respectively. The year-on-year increases of \$3.8 million and \$4.3 million respectively, for the three month and six month periods ended June 30, 2023 are primarily related to a dividend received from an associate entity of \$2.8 million (for which the value of investment in associate was nil at the time of receipt), and from sales of obsolete inventories amounting to \$0.4 million, which had previously been impaired.

Non-operating expenses amount to nil in the three month and six month periods ended June 30, 2023, compared to \$5.9 million in the prior year comparative periods. The prior year comparative periods include a write-off of a related party loan receivable during Q2 2022 following a net settlement clean-up exercise, which was not repeated in the current year periods.

Net finance costs

Our net finance costs for the three month and six month periods ended June 30, 2023 were \$47.4 million and \$72.4 million respectively, compared to \$28.2 million and \$40.8 million in the prior year comparative periods; representing year-on-year increases of \$19.2 million and \$31.6 million for the three month period and six month period respectively.

The year-on-year increase for the six month period ended June 30, 2023 includes a net finance cost of \$34.0 million owing to the scope change from the inclusion of MIC Tanzania, which, if excluded, results in a year-on-year decrease in net finance costs of \$2.4 million for the period.

The year-on-year increase in net finance costs for Q2 2023 of \$19.2 million, is primarily driven by a year-on-year net unfavorable impact in foreign exchange of \$20.0 million, which reflects a net foreign exchange loss in the current year period of \$23.5 million compared to a net foreign exchange loss of \$3.5 million in the prior year comparative period. We also had a year-on-year increase of \$7.2 million in respect of interest expense for leases and decommissioning provisions, owing to a higher value of lease liabilities and a one-off reversal of interest cost on decommissioning provisions in the prior year comparative period.

This aggregate year-on-year increase in finance costs in Q2 2023 is partially offset by a year-on-year favorable aggregate fair valuation impact in respect of derivative instruments of \$5.0 million; from a net fair valuation loss of \$2.6 million in the prior year comparative period, to a net fair valuation gain in the current year period of \$2.4 million. This net fair valuation gain is primarily as a result of the decrease in the fair value of the NCI put liability in the period.

In Q2 2023, we also had year-on-year increase in interest income on deposits of \$1.2 million, owing to larger restricted cash deposits, and a year-on-year decrease in other finance costs of \$2.0 million, primarily related to vendor financing arrangements.

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Net finance costs (continued)

The year-on-year decrease in net finance costs of \$2.4 million for the six month period ended June 30, 2023, excluding the impact of the MIC Tanzania scope inclusion, primarily results from a year-on-year increase in interest earned on bank deposits of \$3.0 million and a year-on-year aggregate favorable impact resulting from fair valuation of derivatives of \$2.9 million, partially offset by a net year-on-year increase in interest expense for the Notes and bank loans of \$2.9 million (owing to the issue of the Notes part-way through Q1 2022), and by a year-on-year net unfavorable impact from foreign exchange losses of \$1.1 million.

The net finance cost resulting from the scope inclusion of MIC Tanzania of \$34.0 million for the six month period ended June 30, 2023 is primarily comprised of interest of \$19.1 million in respect of lease liabilities, a net foreign exchange loss of \$16.7 million, and a net loss on fair valuation of foreign exchange derivative instruments of \$1.1 million, partially offset by a year-on-year decrease of \$2.5 million in other interest costs (primarily related to vendor financing), and a year-on-year increase in interest income on deposits of \$0.4 million.

The year-on-year increase in foreign exchange losses for the three month and six month periods ended June 30, 2023 primarily result from the devaluation of the Tanzanian Shilling and the Malagasy Ariary in Q2 2023 against the US Dollar and the Euro; resulting in foreign exchange losses in respect of foreign denominated borrowings, shareholder loans, and supplier balances in our Tanzania and Madagascar markets.

Share of profit in joint ventures and associates

Our share of profit in joint ventures and associates decreased year-on-year by \$0.9 million for the three month period ended June 30, 2023, and by \$3.9 million for the six month period ended June 30, 2023.

The year-on-year decrease for the three month period ended June 30, 2023 mainly results from decreased profits in Maya Africa Holding Ltd which recorded a loss for Q2 2023. The loss in Maya Africa Holdings Ltd resulted in the recognition of a zero amount of profits for this entity in the current year, compared to profits of \$3.9 million in the prior year comparative period. The year-on-year decrease in share of profits from Maya Africa Holdings Ltd is partially offset by year-on-year increases in our share of profits from Telecom Reunion Mayotte and BNI Madagascar of \$0.8 million and \$2.0 million respectively.

The year-on-year decrease for the six month period ended June 30, 2023 mainly results from decreased profits in Maya Africa Holding Ltd which recorded a loss for the current year period. The loss in Maya Africa Holdings Ltd resulted in the recognition of a zero amount of profits for this entity in the current year, compared to profits of \$5.5 million in the prior year comparative period. The year-on-year decrease in share of profits from Maya Africa Holdings Ltd is partially offset by a year-on-year increase in our share of profits from BNI Madagascar of \$1.6 million.

Income tax

Income tax charge increased by \$5.3 million and by \$7.9 million year-on-year for the three month and six month periods ended June 30, 2023, respectively.

The year-on-year increase of \$5.3 million for Q2 2023, is comprised of year-on-year increases in actual income tax expense of \$3.6 million, and a year-on-year increase in deferred tax expense of \$1.8 million, partially offset by a year-on-year decrease in withholding tax expense of \$0.2 million.

The year-on-year increase of \$7.9 million for the six month period ended June 30, 2023, is comprised of year-on-year increases in actual income tax expense of \$5.2 million, a year-on-year increase in deferred tax expense of \$2.3 million, and a year-on-year increase in withholding tax expense of \$0.4 million.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Income tax (continued)

The year-on-year increase in actual income tax for both the three month and six month periods ended June 30, 2023, is primarily driven by the year-on-year increase in operating and taxable profits, which are reflected by the increased year-on-year EBITDA for the same periods. The year-on-year increases also include the impact of the restructuring in Tanzania, as assets are transferred from Zantel to MIC Tanzania.

The year-on-year increase in deferred income tax for both the three month and six month periods ended June 30, 2023, is primarily driven by the impact of the restructuring in Tanzania, as asset tax base costs are transferred from Zantel to MIC Tanzania and are compared against revised carrying values. The impact of the restructuring is partially offset by an increase in deferred tax assets related to unrealized foreign exchange losses in our Madagascar and Tanzania operations, which will be deductible once realized.

The withholding tax expense is primarily related to infrastructure revenue contracts in Silver Links Limited which are subject to withholding taxes when customers pay, and to interest payments made to Axian Telecom by its subsidiaries in respect of related party loans, which are subject to withholding taxes when the borrowers 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 (i.e. when the customers pay).

Profit for the period

Our profit for the period decreased by \$16.0 million year-on-year for the three month period ended June 30, 2023 and by \$16.3 million year-on-year for the six month period ended June 30, 2023. The year-on-year decrease for both periods, is primarily driven by a year-on-year increase in net finance costs, which more than offset the year-on-year increases in operating profits for both periods, and by a year-on-year increase in income tax expense for both periods. The impact of the increased net finance costs and income tax expense is partially offset by a year-on-year decrease in non-operating expenses as discussed earlier in this document.

Adjusted EBITDA

Our Adjusted EBITDA for the three month period ended June 30, 2023 increased year-on-year by \$23.6 million (or 26.0%), to \$114.2 million in the three month period ended June 30, 2023, compared to \$90.6 million in the prior year comparative period.

Our Adjusted EBITDA for the six month period ended June 30, 2023 increased year-on-year by \$62.2 million (or 38.8%), to \$222.4 million in the six month period ended June 30, 2023, compared to \$160.2 million in the prior year comparative period; including an amount of \$49.9 million from MIC Tanzania.

The year-on-year increase in Adjusted EBITDA for both periods reflects the year-on-year increase in operating profits (excluding non-cash operating costs such as depreciation and amortization), driven primarily by increased revenue for both periods; as discussed above. The year-on-year increases in revenue is partially offset by year-on-year increases in operating costs, resulting primarily from increased staff costs and from increases in the cost of subsidized devices and equipment provided to customers, for which the costs are recognized when the equipment is provided, whereas the revenue will only materialize in future periods as the customers use our mobile and data services.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Statements of cash flow and liquidity

The Group had cash and cash equivalents (net of bank overdrafts) of \$148.2 million as at June 30, 2023 (December 31, 2022: \$198.9 million), of which a total of \$103.9 million (December 31, 2022: \$132.8 million) was held in either USD or Euro.

Net cash generated from operating activities

Net cash generated from operating activities decreased by \$27.5 million year-on-year for the three month period ended June 30, 2023. The year-on-year increase in operating profits was more than offset by non-cash operating profit amounts, resulting in a year-on-year decrease of \$1.5 million in cash generated from operations before working capital changes. We also had a year-on-year negative cash flow impact of \$30.1 million in respect of working capital which reflected a net cash outflow in the current year quarter of \$31.4 million compared to a net cash outflow of \$1.3 million in the prior year comparative period, and a year-on-year increase in aggregate interest paid in respect of borrowings and leases of \$4.9 million, offset by a year on-year-decrease in tax paid of \$9.6 million.

Net cash generated from operating activities increased by \$13.8 million year-on-year for the six month period ended June 30, 2023 (including MIC Tanzania), primarily as a result of increased operating profits, resulting in a year-on-year increase of \$41.0 million in cash generated from operations before working capital changes, partially offset by a negative cash flow impact of \$14.4 million in respect of working capital which reflected a net cash outflow in the current year period of \$35.2 million compared to a net cash outflow of \$20.9 million in the prior year comparative period. We also had a year-on-year increase in interest received in respect of invested balances of \$2.6 million and a year on-year-decrease in tax paid of \$11.2 million. The positive aggregate cash impact of operating profits, working capital changes, and interest and tax payments, is partially offset by a year-on-year increase in aggregate interest paid of \$26.6 million, mainly related to increased lease liabilities balances, and to the Notes.

Net cash used in investing activities

Net cash outflows used in investing activities decreased by \$88.3 million year-on-year for the three month period ended June 30, 2023, primarily due to a year-on-year decrease in aggregate cash utilized in the acquisition of subsidiaries, whereby the prior year reflects a cash outflow of \$77.8 million related to the purchase of MIC Tanzania. We also had a year-on-year decrease in cash outflows for the purchase of property, plant and equipment and intangible assets of \$12.8 million, a year-on-year decrease in cash outflows in respect of deposits paid of \$3.9 million. This aggregate positive cash flow impact is partially offset by a year-on-year decrease in cash refunded on loans to related parties of \$5.0 million, and a year-on-year decrease in the value of government grants received of \$1.6 million.

Net cash outflows used in investing activities decreased by \$34.4 million year-on-year for the six month period ended June 30, 2023, primarily due to a year-on-year decrease in aggregate cash utilized in the acquisition of subsidiaries, whereby the prior year reflects a cash outflow of \$77.8 million related to the purchase of MIC Tanzania. This positive year-on-year cash flow impact is partially offset by a year-on-year increases in cash outflows from the purchase of property, plant and equipment and intangible assets of \$37.9 million, a year-on-year decrease in cash refunded on loans to related parties of \$5.2 million, and a year-on-year decrease in the value of government grants received of \$1.6 million.

The cash outflows from the purchase of property, plant and equipment and intangible assets in both periods mainly result from our network improvement plans in Togo, Madagascar and Tanzania (including a part payment for new spectrum in Tanzania), as well as reflecting increased tower construction activity in Uganda and Madagascar, when compared to the prior year comparative periods.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)**Statements of cash flow and liquidity (continued)***Net cash used in or generated from financing activities*

We had net cash outflows from financing activities of \$49.2 million for the three month period ended June 30, 2023, compared with net cash inflows of \$180.1 million in the prior year comparative period; a year on year net cash outflow impact of \$229.3 million. This year-on-year net cash outflow impact is primarily related to a year-on-year net cash outflow impact from receipt and repayment of borrowings (including the payment of loan costs), of \$188.3 million, primarily as a result of the issue of the Notes in the prior year comparative period. We also reflect a year-on-year increase in cash outflows from the payment of lease liabilities of \$4.8 million (primarily representing the timing of payment of site leases in our Tanzania operations and an increased number of land leases in our Uganda operations), a year-on-year increase in cash outflows for dividends paid of \$31.2 million, and a year-on-year decrease in cash inflows from NCI loans of \$4.9 million.

We had net cash outflows from financing activities of \$51.6 million for the six month period ended June 30, 2023, compared with net cash inflows of \$195.6 million in the prior year comparative period; a year on year net cash outflow impact of \$247.2 million. This year-on-year net cash outflow impact is primarily related to a year-on-year net cash outflow impact from receipt and repayment of borrowings (including the payment of loan costs), of \$186 million, primarily as a result of the issue of the Notes in the prior year comparative period. We also reflect a year-on-year increase in cash outflows for dividends paid of \$31.2 million, a year-on-year increase in cash outflows related to lease liabilities of \$24.8 million, and a year-on-year decrease in cash inflows from NCI loans of \$4.9 million.

Additional borrowings for the three month and six month periods ended June 30, 2023 are primarily comprised of the utilization of letter of credit agreements entered into by MIC Tanzania, in order to fund capital expenditure. These letters of credit generally have a maturity of one year, but can be extended to one and a half years. Refer to note 14 for more information.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
For the three month and six month periods ended June 30, 2023

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
Revenue (Note 3)	253,186,689	223,208,581	493,802,508	353,406,847
Cost of devices and equipment (Note 5)	(8,327,602)	(4,524,499)	(14,205,775)	(6,566,584)
Cost of interconnection and roaming (Note 5)	(7,351,974)	(8,234,166)	(14,629,327)	(12,043,972)
Government and regulatory costs (Note 5)	(15,351,704)	(14,010,880)	(29,595,567)	(22,285,434)
Advertising and distribution costs (Note 5)	(4,017,515)	(3,200,209)	(7,132,434)	(4,430,158)
Commission to sales agents (Note 5)	(37,987,298)	(36,280,245)	(73,050,396)	(47,669,211)
Net (impairment)/reversal of impairment on financial and contract assets (Note 5)	(865,385)	2,804,831	(2,612,962)	2,459,971
Technology operation costs (Note 5)	(23,274,265)	(18,021,171)	(44,434,907)	(27,945,114)
Staff costs (Note 5)	(25,264,717)	(21,147,764)	(48,960,106)	(34,973,415)
Other operating expenses (Note 5)	(19,911,451)	(19,476,466)	(36,841,579)	(29,273,168)
(Write-off)/reversal of write-off of financial assets (Note 5)	(1,306,418)	346,998	(2,421,633)	-
Professional fees, non-technical (Note 5)	(4,521,656)	(8,803,547)	(10,427,479)	(11,331,672)
Depreciation and amortization (Note 5)	(56,134,411)	(45,639,745)	(107,555,932)	(76,311,165)
(Impairment)/reversal of impairment of non-financial assets (Note 5)	(1,140,558)	1,108,138	(1,112,232)	1,108,138
Other income (Note 4)	6,475,422	2,664,885	9,901,564	5,563,191
OPERATING PROFIT	54,207,157	50,794,741	110,723,743	89,708,254
Finance income (Note 6)	14,133,714	6,816,324	26,969,137	14,827,278
Finance costs (Note 6)	(61,560,518)	(35,052,103)	(99,353,463)	(55,612,778)
Non-operating income (Note 4)	253,865	258,502	510,449	258,502
Non-operating expenses (Note 4)	-	(5,874,829)	-	(5,874,829)
Share of profit in joint ventures and associates	5,499,099	6,383,133	7,443,224	11,303,140
PROFIT BEFORE INCOME TAX	12,533,317	23,325,768	46,293,090	54,609,567
Income tax expense (Note 7)	(18,443,978)	(13,129,899)	(29,794,714)	(21,899,202)
(LOSS)/PROFIT FOR THE PERIOD	(5,910,661)	10,195,869	16,498,376	32,710,365
Profit for the period attributable to:				
- Owners of the Company	(6,449,384)	6,014,528	10,047,390	20,132,867
- Non-controlling interest	538,723	4,181,341	6,450,986	12,577,498
	(5,910,661)	10,195,869	16,498,376	32,710,365

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
For the three month and six month periods ended June 30, 2023

	3 month period ended		6 month period ended	
	June 30, 2023 USD	June 30, 2022 USD	June 30, 2023 USD	June 30, 2022 USD
(LOSS)/PROFIT FOR THE PERIOD	(5,910,661)	10,195,869	16,498,376	32,710,365
OTHER COMPREHENSIVE INCOME/(LOSS)				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	8,490,413	(10,236,773)	16,485,229	(15,152,721)
Exchange differences on translation of foreign joint ventures	(231,744)	(2,689,353)	614,162	(1,959,994)
Total items that may be reclassified to profit or loss, net of tax	8,258,669	(12,926,126)	17,099,391	(17,112,715)
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of retirement benefit obligations	850	-	-	-
Total Items not reclassified to profit or loss, net of tax	850	-	-	-
Other comprehensive income/(loss) for the period, net of tax	8,259,519	(12,926,126)	17,099,391	(17,112,715)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	2,348,858	(2,730,257)	33,597,767	15,597,650
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
- Owners of the Company	1,295,395	(5,699,476)	25,606,064	4,778,317
- Non - controlling interest	1,053,463	2,969,219	7,991,703	10,819,333
	2,348,858	(2,730,257)	33,597,767	15,597,650

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

	June 30, 2023 USD	December 31, 2022 USD
ASSETS		
Non-current assets		
Property, plant and equipment (Note 8)	725,814,478	670,042,389
Intangible assets (Note 9)	201,472,694	211,680,348
Interests in joint ventures and associates (Note 10)	59,476,344	61,522,220
Deferred tax assets	35,576,155	35,165,682
Trade and other receivables	34,327,881	35,138,045
Deposits receivable	2,133,041	2,168,923
Loans receivable	130,870	167,508
Right-of-use assets (Note 11)	434,953,368	392,172,617
Goodwill	199,797,973	196,215,765
Financial assets at fair value through profit or loss	9,929,982	9,912,153
Financial assets at fair value through OCI	17,966,600	18,590,788
Embedded derivative assets	3,635,108	6,422,975
Treasury bonds	1,533,666	1,803,607
	1,726,748,160	1,641,003,020
Current assets		
Inventories	26,112,670	23,227,898
Loan receivables	19,237,950	17,187,838
Trade and other receivables	212,771,981	160,390,000
Income tax receivable (Note 7)	5,361,452	9,841,120
Cash and cash equivalents (Note 12)	193,781,009	226,590,223
Restricted cash	298,778,659	277,344,579
	756,043,721	714,581,658
Total assets	2,482,791,881	2,355,584,678

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at June 30, 2023

	June 30, 2023 USD	December 31, 2022 USD
EQUITY AND LIABILITIES		
Equity and reserves		
Stated capital	1,372,564	1,372,564
Reorganization reserves	76,538,842	76,511,569
Other reserves	(36,397,981)	(36,397,142)
Legal reserves	3,025,353	3,025,353
Translation reserves	(4,956,909)	(20,516,421)
Retained earnings	129,393,108	139,345,719
Equity attributable to owners of the Company	168,974,977	163,341,642
Non-controlling interest	107,449,050	99,967,254
Total equity	276,424,027	263,308,896
LIABILITIES		
Non-current liabilities		
Borrowings (Note 14)	252,756,107	262,969,286
Bond borrowings (Note 14)	413,543,584	411,774,204
Trade and other payables (Note 13)	55,595,207	61,125,648
Government grants	13,562,722	18,198,686
Provisions	48,300,044	45,853,429
Lease liability (Note 11)	402,237,132	380,496,338
NCI put option liability	32,396,915	36,951,071
Deposits payable	7,806,525	7,652,013
Deferred tax liability	18,060,746	16,608,944
Retirement benefit obligations	2,524,058	2,352,140
	1,246,783,040	1,243,981,759
Current liabilities		
Trade and other payables (Note 13)	734,964,932	690,586,504
Client savings accounts	1,737,975	1,330,778
Borrowings (Note 14)	65,675,634	42,828,908
Bond borrowings (Note 14)	11,529,583	12,713,368
Provisions	1,322,296	2,483,165
Lease liability (Note 11)	68,742,259	41,295,551
Bank overdraft (Note 12)	45,614,594	27,728,595
Dividend payable	11,000,000	21,695,814
Income tax payable (Note 7)	18,355,282	7,631,340
Swap Derivative Liability	642,259	-
	959,584,814	848,294,023
Total liabilities	2,206,367,854	2,092,275,782
Total equity and liabilities	2,482,791,881	2,355,584,678

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital USD	Retained Earnings USD	Other reserves* USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2022	1,372,564	83,706,080	74,764,084	159,842,728	91,152,614	250,995,342
Comprehensive income/(loss):						
Profit for the period	-	57,883,845	-	57,883,845	26,187,242	84,071,087
Other comprehensive loss for the period, net of tax	-	-	(9,111,970)	(9,111,970)	(2,184,674)	(11,296,644)
Total comprehensive income/(loss) for the period	-	57,883,845	(9,111,970)	48,771,875	24,002,568	72,774,443
Transactions with owners in their capacity as owners:						
Recognition of NCI put option	-	-	(45,272,961)	(45,272,961)	-	(45,272,961)
Acquisition through business combination (Note 18)	-	-	-	-	(3,433,350)	(3,433,350)
Dividend declared	-	-	-	-	(11,754,578)	(11,754,578)
Transfer to legal reserve	-	(2,244,206)	2,244,206	-	-	-
Total transactions with owners	-	(2,244,206)	(43,028,755)	(45,272,961)	(15,187,928)	(60,460,889)
At December 31, 2022	1,372,564	139,345,719	22,623,359	163,341,642	99,967,254	263,308,896

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

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Stated Capital USD	Retained Earnings USD	Other reserves* USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2023	1,372,564	139,345,719	22,623,359	163,341,642	99,967,254	263,308,896
Comprehensive income:						
Profit for the period	-	10,047,389	-	10,047,389	6,450,986	16,498,375
Other comprehensive income for the period, net of tax	-	-	15,558,675	15,558,675	1,540,717	17,099,392
Total comprehensive income for the period	-	10,047,389	15,558,675	25,606,064	7,991,703	33,597,767
Transactions with owners in their capacity as owners:						
Issue of shares	-	-	-	-	99,564	99,564
Dividend paid	-	(20,000,000)	-	(20,000,000)	(609,471)	(20,609,471)
Disposal of subsidiary	-	-	27,271	27,271	-	27,271
Total transactions with owners	-	(20,000,000)	27,271	(19,972,729)	(509,907)	(20,482,636)
At June 30, 2023	1,372,564	129,393,108	38,209,305	168,974,977	107,449,050	276,424,027

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
For the three month and six month periods ended June 30, 2023

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
Cash flows from operating activities				
Cash flows from operations (Note 15)	53,957,869	85,403,660	159,506,004	132,866,217
Interest paid on lease liabilities	(15,631,632)	(6,961,229)	(22,575,748)	(8,386,480)
Interest paid on loans, bonds and other borrowings	(4,289,438)	(7,962,054)	(22,912,853)	(10,509,198)
Interest received	2,107,877	2,885,398	5,863,290	3,271,976
Tax paid	(7,866,158)	(17,536,560)	(10,725,881)	(21,871,465)
Net cash generated from operating activities	28,278,518	55,829,215	109,154,812	95,371,050
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	69,536	24,834	75,819	24,834
Purchase of property, plant and equipment	(50,284,720)	(62,088,481)	(118,795,104)	(96,811,642)
Acquisition of investment in subsidiaries (net of cash acquired) (Note 18)	4,155	(77,793,423)	4,155	(77,793,423)
Purchase of intangible assets	(3,460,141)	(4,529,665)	(22,313,320)	(6,441,337)
Dividend received from investment in joint ventures	12,945,792	12,555,028	12,945,792	12,555,028
Disposal of subsidiary, net of cash disposed	-	-	(2,707)	-
Loan granted to related parties	(20,000)	-	(20,000)	-
Repayment made by related parties	101,156	5,084,379	144,172	5,312,521
Net deposits refunded/(deposited)	3,450,016	(367,946)	248,056	(564,512)
Treasury bonds deposited	-	(313,005)	-	-
Corporate bonds matured	2,202	304,712	301,438	304,712
Grants received	484,099	2,086,665	484,099	2,086,665
Dividend received	25,069	23,856	25,069	23,856
Net cash used in investing activities	(36,682,836)	(125,013,046)	(126,902,531)	(161,303,298)
Cash flows from financing activities				
Proceeds from issue of shares	99,564	-	99,564	-
Additional borrowings	7,935,136	429,568,456	35,870,471	457,783,297
Repayment of borrowings	(18,681,604)	(245,109,484)	(27,477,553)	(252,231,717)
Repayment of principal on lease liabilities	(6,770,919)	(2,029,290)	(27,986,196)	(3,172,939)
Dividend paid	(31,394,725)	(204,658)	(31,404,528)	(204,658)
Payment of bond transaction costs	-	(6,998,319)	-	(11,525,796)
Payment of loan transaction costs	(28,626)	-	(266,026)	-
Loan from non-controlling interest	-	4,915,000	-	4,915,000
Premium on settlement of swap derivative liability	(391,700)	-	(391,700)	-
Net cash flow (used in)/generated from financing activities	(49,232,874)	180,141,705	(51,555,968)	195,563,187
Net (decrease)/increase in cash and cash equivalents	(57,637,192)	110,957,874	(69,303,687)	129,630,939
Effect of exchange rate on cash and cash equivalents	17,183,759	3,798,925	18,608,474	1,400,374
Cash and cash equivalents at beginning of the period	188,619,848	128,226,502	198,861,628	111,951,988
Cash and cash equivalents at end of the period (Note 12)	148,166,415	242,983,301	148,166,415	242,983,301

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

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 nine markets through subsidiaries and nonconsolidated joint ventures in Tanzania (including the completion of the Acquisition as defined below), Madagascar, Togo, Uganda, Democratic Republic of the Congo, Mauritius, Senegal, Réunion/Mayotte, and the 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, 2022.

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 August 28, 2023.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
3. REVENUE

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
Mobile services	148,007,484	135,883,657	291,461,817	220,179,864
Fixed services	15,742,374	16,128,943	32,849,319	30,745,034
Interconnection/Roaming/MVNO	11,078,684	10,663,091	20,656,930	16,419,625
Customer Equipment and Infrastructure	4,438,056	1,737,413	7,845,694	3,011,997
Operator Infrastructure services	7,107,513	6,404,459	14,217,608	12,188,053
Commissions received on electronic money activities	52,602,942	41,125,207	99,453,558	54,417,653
Content and value added services	3,579,454	3,084,203	6,764,834	3,084,203
Other revenue	498,503	1,127,081	1,770,749	1,961,315
Hosting and rental of sites	9,312,045	4,274,008	16,728,582	7,787,415
Trademark and license fees	29,856	38,735	153,900	103,081
Administration and general management fees	300,795	114,147	465,857	242,620
Digital solutions and other support services	488,983	2,627,637	1,433,660	3,265,987
	253,186,689	223,208,581	493,802,508	353,406,847

4. OTHER INCOME AND EXPENSES

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
Other income				
Gain on disposal of property, plant, and equipment	(4,520)	-	-	-
Dividend Income	2,813,572	23,856	2,813,572	23,856
Reversal of provision for risks and charges	(8,843)	(8,885)	-	-
Release of government grant	2,587,909	2,530,558	4,967,819	5,016,242
Trade payables (reinstated)/waived	(308)	-	34,952	-
Other income	1,087,612	119,356	2,085,221	523,093
	6,475,422	2,664,885	9,901,564	5,563,191
	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
Non-operating income				
Amortization of deferred gain on sale of PPE	253,865	258,502	510,449	258,502
	253,865	258,502	510,449	258,502

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
4. OTHER INCOME AND EXPENSES (CONTINUED)

	3 month period ended		6 month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	USD	USD	USD	USD
Non-operating expenses				
Loan receivable written off	-	(5,867,712)	-	(5,867,712)
Loss on lease modification	-	(7,117)	-	(7,117)
	-	(5,874,829)	-	(5,874,829)

5. OPERATING COSTS

	3 month period ended		6 month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	USD	USD	USD	USD
Cost of equipment, devices	6,506,881	2,895,108	10,851,613	4,589,072
Provision for device inventories	101,709	518,774	104,749	590,439
Prepaid cards and accessories	1,719,012	1,110,617	3,249,413	1,387,073
Cost of devices and equipment	8,327,602	4,524,499	14,205,775	6,566,584
Interconnection fees	7,002,096	7,781,956	13,884,037	11,494,078
Roaming fees	349,878	452,210	745,290	549,894
Cost of interconnection and roaming	7,351,974	8,234,166	14,629,327	12,043,972
Telecom operator and regulatory fees	9,351,016	8,236,511	17,713,915	12,038,962
Frequency fees	2,997,332	2,964,900	6,050,320	4,848,671
Excise Duty	3,003,356	2,809,469	5,831,332	5,397,801
Government and regulatory costs	15,351,704	14,010,880	29,595,567	22,285,434
Advertising and distribution costs	4,017,515	3,200,209	7,132,434	4,430,158
Commission to sales agents	37,987,298	36,280,245	73,050,396	47,669,211
Impairment/(reversal of impairment) of loans to clients	568,317	(4,924,177)	2,042,057	(4,924,177)
Loss allowance on trade receivables	297,068	2,119,346	570,905	2,464,206
Net impairment/(reversal of impairment) on financial and contract assets	865,385	(2,804,831)	2,612,962	(2,459,971)
Transmission fees	2,742,485	3,089,782	5,610,935	3,619,320
Content and value added service (VAS) charges	1,147,234	1,003,770	2,047,655	1,003,770
Satellite and bandwidth charges	433,412	793,950	830,302	1,591,145
Site energy	7,689,380	5,121,095	15,011,925	9,105,948
Site and network repairs and maintenance	2,617,706	3,189,572	4,903,268	4,768,202
Professional fees, technical	2,370,470	1,577,817	4,614,330	1,635,314
Rental expenses for short term and low value leases, technical sites	33,200	(254,864)	213,070	220,446
Maintenance of Materials, software and Network	6,240,378	3,500,049	11,203,422	6,000,969
Technology operation costs	23,274,265	18,021,171	44,434,907	27,945,114

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
5. OPERATING COSTS (CONTINUED)

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
Payroll and social charges	24,282,355	20,104,030	45,963,895	33,171,716
Travel expenses	869,749	1,025,126	2,745,501	1,756,819
Training	48,943	53	122,141	53
Provision for retirement benefit obligations	63,670	18,555	128,569	44,827
Staff costs	25,264,717	21,147,764	48,960,106	34,973,415
Write-off/(reversal of write-off) of financial assets	1,306,418	(346,998)	2,421,633	-
Professional fees, non-technical	4,521,656	8,803,547	10,427,479	11,331,672
Depreciation of property, plant & equipment	33,461,611	35,834,080	64,016,787	58,801,236
Amortization of intangible assets	7,735,026	3,211,217	15,136,105	5,199,815
Depreciation of rights of use assets	14,937,774	6,594,448	28,403,040	12,310,114
Depreciation and amortization	56,134,411	45,639,745	107,555,932	76,311,165
Impairment/(reversal of impairment) of property, plant and equipment, and intangible assets	3,610,000	(210,512)	3,610,000	(210,512)
Reversal of impairment of interest in joint ventures	(402)	-	(54,029)	-
Reversal of provision of depreciation on advances to suppliers	-	60,915	-	60,915
Reversal of impairment on inventory	(2,469,040)	(958,541)	(2,443,739)	(958,541)
Impairment/(reversal of impairment) of non-financial assets	1,140,558	(1,108,138)	1,112,232	(1,108,138)
Other operating expenses*	19,911,451	19,476,466	36,841,579	29,273,168
Total operating costs	205,454,954	175,078,725	392,980,329	269,261,784

*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		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
Finance income				
Foreign exchange gain	5,577,176	7,013,533	13,297,455	10,221,804
Interest income	2,916,583	1,714,436	6,672,109	3,275,801
Gain/(loss) on fair valuation of derivatives	5,330,702	(2,100,000)	5,530,702	-
Other finance income	309,253	188,355	1,468,871	1,329,673
	14,133,714	6,816,324	26,969,137	14,827,278

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
6. FINANCE INCOME AND EXPENSE (CONTINUED)

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
Finance costs				
Foreign exchange loss	(29,074,322)	(10,516,684)	(35,772,263)	(14,880,715)
Interest on bank loans	(2,899,584)	(3,520,192)	(5,975,842)	(7,734,463)
Interest on listed bonds	(8,078,183)	(8,051,964)	(16,073,095)	(11,891,247)
Interest on loan and amount payable to related parties	(1,840,485)	(1,716,921)	(3,651,734)	(3,413,197)
Interest on bank overdraft	(522,899)	(324,107)	(936,663)	(600,571)
Interest on lease liabilities	(14,745,398)	(9,361,690)	(29,420,561)	(10,786,941)
(Interest expense)/reversal of interest expense on provision for dismantling costs	(531,655)	1,245,913	(1,080,863)	(771,204)
Reversal of finance costs/(finance costs) on other borrowings	-	617,450	-	(327,158)
Loss on fair valuation of derivatives	(2,924,262)	(500,000)	(4,118,239)	(500,000)
Other interest charges	(943,730)	(2,923,908)	(2,324,203)	(4,707,282)
	(61,560,518)	(35,052,103)	(99,353,463)	(55,612,778)
Net finance costs	(47,426,804)	(28,235,779)	(72,384,326)	(40,785,500)

7. INCOME TAX
a) Income tax expense

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
Actual income tax	15,533,255	11,904,973	26,458,406	21,287,063
Withholding tax	954,123	1,116,431	1,490,064	1,144,267
Deferred tax credit	1,956,600	108,495	1,846,244	(532,128)
	18,443,978	13,129,899	29,794,714	21,899,202

As at June 30, 2023, the Company is liable to income tax in Mauritius on its chargeable income at the rate of 15%. 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 foreign jurisdiction where it generates income.

The Malagasy, Togo, Uganda and Tanzania subsidiaries are subject to income tax on their income at 20%, 27% and 30% respectively (for Uganda and Tanzania) (2022: 20%, 27% and 30%). Therefore, the income tax rate for the Group is in the range of 15% - 30% (2022: 15% - 30%). Local law in Madagascar further provides that all loss-making entities should be liable to a minimum tax of 5% of revenue.

AXIAN TELECOM
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
7. INCOME TAX (CONTINUED)
b) Net tax liability/(receivable)

	June 30, 2023 USD	December 31, 2022 USD
At January, 1	(2,209,780)	9,709,590
Acquisition through business combination (Note 18)	9,622	6,338,613
Charge during the period/year	26,458,406	37,351,020
Tax paid	(10,725,881)	(53,248,957)
Withholding tax suffered	(695,629)	(2,021,280)
Translation difference	157,092	(338,766)
At June 30/December 31	12,993,830	(2,209,780)
<i>Analyzed as follows:</i>		
Income tax receivable	(5,361,452)	(9,841,120)
Income tax payable	18,355,282	7,631,340
	12,993,830	(2,209,780)

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT

	Materials USD	Land and Building USD	Technical Equipment USD	Others USD	Assets in Progress USD	Total USD
Cost						
At January 1, 2022	78,890,635	250,168,432	1,263,561,353	23,163,005	52,280,575	1,668,064,000
Reclassification adjustments*	(23,172,770)	15,992,269	6,051,523	-	1,128,978	-
Acquisition through business combinations (Note 18)	4,442,521	5,726,220	95,777,519	-	15,321,492	121,267,752
Additions	523,871	20,144,488	5,013,138	1,197,132	187,898,927	214,777,556
Transfers	4,637,394	19,705,258	121,756,128	623,624	(146,722,404)	-
Disposals and scrap	(3,450,062)	(1,221,686)	(53,370,951)	(5,495,564)	-	(63,538,263)
Transfer to right of use asset	(388,530)	-	-	(4,227,268)	-	(4,615,798)
Provision for dismantling	-	7,598,663	345,389	-	-	7,944,052
Transfer to inventories	-	-	-	-	(1,811,025)	(1,811,025)
Translation difference	(4,696,658)	(30,222,818)	(99,587,426)	(1,437,450)	(3,963,329)	(139,907,681)
At December 31, 2022	56,786,401	287,890,826	1,339,546,673	13,823,479	104,133,214	1,802,180,593
Reclassification adjustments*	-	-	(184,351)	(136,855)	-	(321,206)
Reclassification from intangible assets**	141,634	-	6,024,391	-	-	6,166,025
Acquisition through business combinations (Note 18)	-	3,057,229	1,281,740	39,310	-	4,378,279
Additions	121,931	987,493	711,924	1,919,974	116,639,336	120,380,658
Transfers	1,018,154	17,533,342	60,898,871	132,099	(79,582,466)	-
Disposals and scrap	(495,332)	(165,566)	(6,358,565)	(246,140)	-	(7,265,603)
Provision for dismantling	-	918,136	157,520	-	-	1,075,656
Translation difference	(193,389)	(2,623,558)	(8,662,421)	(298,272)	(136,274)	(11,913,914)
At June 30, 2023	57,379,399	307,597,902	1,393,415,782	15,233,595	141,053,810	1,914,680,488

*Towerco of Africa and Telma have made changes in the presentation of the property, plant and equipment on reviewing the nature of each asset in the year ended December 31, 2022 and quarter ended 30 June 2023 respectively. Thus, reclassification adjustments have been made.

**MIC TZ has made some changes in the presentation of its intangible assets to property, plant and equipment on reviewing the nature of each intangible asset for the quarter ended 30 June 2023.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Materials USD	Land and Building USD	Technical Equipment USD	Others USD	Assets in Progress USD	Total USD
Accumulated depreciation						
At January 1, 2022	(72,053,095)	(93,272,230)	(988,854,117)	(18,095,502)	-	(1,172,274,944)
Reclassification adjustments*	23,548,004	(23,889,486)	341,482	-	-	-
Charge for the year	(4,025,965)	(22,988,828)	(87,379,199)	(2,620,294)	-	(117,014,286)
Disposals and scrap	3,437,826	1,195,402	53,364,336	4,663,967	-	62,661,531
Transfer to right of use asset	188,288	-	-	1,282,248	-	1,470,536
Translation difference	4,166,379	10,189,627	76,726,434	1,936,519	-	93,018,959
At December 31, 2022	(44,738,563)	(128,765,515)	(945,801,064)	(12,833,062)	-	(1,132,138,204)
Reclassification adjustments*	-	-	(132,099)	453,305	-	321,206
Reclassification from intangible assets**	(131,470)	-	(5,152,984)	-	-	(5,284,454)
Charge for the year	(2,445,924)	(13,822,194)	(47,116,248)	(632,421)	-	(64,016,787)
Impairment	-	-	(3,610,000)	-	-	(3,610,000)
Disposals and scrap	492,873	95,693	6,351,934	225,939	-	7,166,439
Translation difference	128,053	1,075,276	7,264,371	228,090	-	8,695,790
At June 30, 2023	(46,695,031)	(141,416,740)	(988,196,090)	(12,558,149)	-	(1,188,866,010)
Net book value						
At June 30, 2023	10,684,368	166,181,162	405,219,692	2,675,446	141,053,810	725,814,478
At December 31, 2022	12,047,838	159,125,311	393,745,609	990,417	104,133,214	670,042,389

*Towerco of Africa and Telma have made changes in the presentation of the property, plant and equipment on reviewing the nature of each asset in the year ended December 31, 2022 and quarter ended 30 June 2023 respectively. Thus, reclassification adjustments have been made.

**MIC TZ has made some changes in the presentation of the intangible assets to property, plant and equipment on reviewing the nature of each intangible asset for the quarter ended 30 June 2023.

AXIAN TELECOM
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FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

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	Customer related assets USD	Brand USD	Total USD
Cost										
At January 1, 2022	29,139,938	175,883,926	13,128,923	1,978,604	14,239,753	515,800	7,360,718	-	-	242,247,662
Acquisition through business combinations (Note 18)	-	11,987,708	-	15,417,917	-	-	-	49,040,544	16,048,894	92,495,063
Additions	220,062	42,197,534	16,475,448	278,249	-	821,148	261,843	-	-	60,254,284
Capitalized installation cost (Commissioning)	-	3,217,919	(7,824,238)	-	-	-	4,606,319	-	-	-
Transfers	1,196,960	-	(1,196,960)	-	-	-	-	-	-	-
Transfer from prepayment	-	-	236,140	-	-	-	-	-	-	236,140
Disposals and scrap	(29,010)	(509,347)	-	-	-	-	(292,928)	-	-	(831,285)
Translation difference	(1,708,827)	(10,856,639)	(634,260)	576,752	(822,100)	(33,128)	(1,242,286)	-	-	(14,720,488)
At December 31, 2022	28,819,123	221,921,101	20,185,053	18,251,522	13,417,653	1,303,820	10,693,666	49,040,544	16,048,894	379,681,376
Reclassification adjustments*	13,985,686	(2,861,221)	-	-	-	-	(11,124,465)	-	-	-
Reclassification to PPE**	-	(6,162,233)	-	(3,792)	-	-	-	-	-	(6,166,025)
Acquisition through business combinations (Note 18)	-	-	-	-	-	-	-	745,360	-	745,360
Additions	571,749	2,885,519	4,248,925	-	-	489,664	-	-	-	8,195,857
Transfers to profit and loss***	186,431	-	(375,950)	-	-	-	-	-	-	(189,519)
Adjustments	411,231	-	-	-	-	-	-	-	-	411,231
Opening balance reclassification	-	-	-	-	-	(9,856)	9,856	-	-	-
Translation difference	(208,757)	1,168,856	353,925	(542,197)	251,261	22,263	426,250	(2,011,322)	(658,221)	(1,197,942)
At June 30, 2023	43,765,463	216,952,022	24,411,953	17,705,533	13,668,914	1,805,891	5,307	47,774,582	15,390,673	381,480,338

*Telma has made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the quarter ended 30 June 2023. Thus, reclassification adjustments have been made.

**MIC TZ has made some changes in the presentation of the intangible assets to property, plant and equipment on reviewing the nature of each intangible asset for the quarter ended 30 June 2023.

*** Transfers to profit and loss relate to items incorrectly capitalised which have to the statement of profit and loss.

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 FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. INTANGIBLE ASSETS (CONTINUED)

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Customer related assets USD	Brand USD	Total USD
Accumulated amortization										
At January 1, 2022	(25,235,201)	(121,928,641)	-	(845,330)	(894,886)	(13,099)	(6,361,877)	-	-	(155,279,034)
Amortization charge for the period	(1,345,270)	(6,686,232)	-	(1,659,464)	(869,834)	(82,292)	(1,970,254)	(9,457,252)	(1,370,519)	(23,441,117)
Disposals and scrap	29,010	509,347	-	-	-	-	292,928	-	-	831,285
Translation difference	1,468,634	7,404,102	-	81,754	37,500	1,290	894,558	-	-	9,887,838
At December 31, 2022	(25,082,827)	(120,701,424)	-	(2,423,040)	(1,727,220)	(94,101)	(7,144,645)	(9,457,252)	(1,370,519)	(168,001,028)
Reclassification adjustments*	(8,395,545)	1,090,524	-	(270)	-	-	7,305,291	-	-	-
Reclassification to PPE**	-	5,282,633	-	1,821	-	-	-	-	-	5,284,454
Amortization charge for the period	(2,530,933)	(3,693,918)	-	(1,219,555)	(446,915)	(70,142)	(240)	(6,268,253)	(906,148)	(15,136,104)
Opening balance reclassification	-	-	-	-	-	9,856	(9,856)	-	-	-
Adjustments	(411,231)	-	-	-	-	-	-	-	-	(411,231)
Translation difference	(86,385)	(2,108,306)	-	81,886	(35,705)	(4,818)	(155,609)	493,497	71,704	(1,743,736)
At June 30, 2023	(36,506,921)	(120,130,491)	-	(3,559,158)	(2,209,840)	(159,205)	(5,059)	(15,232,008)	(2,204,963)	(180,007,645)
Net book value										
At June 30, 2023	7,258,542	96,821,531	24,411,953	14,146,375	11,459,074	1,646,686	248	32,542,574	13,185,710	201,472,693
At December 31, 2022	3,736,296	101,219,677	20,185,053	15,828,482	11,690,433	1,209,719	3,549,021	39,583,292	14,678,375	211,680,348

*Telma has made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the quarter ended 30 June 2023. Thus, reclassification adjustments have been made.

**MIC TZ has made some changes in the presentation of the intangible assets to property, plant and equipment on reviewing the nature of each intangible asset for the quarter ended 30 June 2023.

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10. INTEREST IN JOINT VENTURES AND ASSOCIATES

	June 30, 2023 USD	December 31, 2022 USD
At January, 1	61,522,220	68,846,258
Buy-back of shares by joint ventures	-	(1,993,678)
Share of profit in joint ventures and associates	7,443,224	14,364,751
Share of translation reserves	-	(1,494,415)
Reversal of impairment loss	54,027	-
Dividend received	(10,157,289)	(15,157,492)
Translation difference	614,162	(3,043,204)
At June 30/December 31	59,476,344	61,522,220

Details pertaining to the investment in joint ventures and associates at June 30, 2023 and December 31, 2022 are as follows:

Name of Company	Country of Incorporation /place of activity	Class of shares held	% Holding		Direct/ Indirect	Relationship	Activities
			Jun 30, 2023	Dec 31, 2022			
Telecom Comores Holding Ltd	Mauritius	Ordinary	15%	15%	Direct	Joint venture	Investment holding
Telecom Comores Holding Ltd	Mauritius	Ordinary	43.3%	43.3%	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%	Indirect	Joint venture	Telecommunications
Societe D'Exploration et de Promotion Iliad Axian	Reunion	Ordinary	50%	50%	Indirect	Joint venture	Real estate
BNI Madagascar	Madagascar	Ordinary	31.2%	31.2%	Direct & Indirect	Associate	Banking
Indian Ocean Financial Holdings Limited	Mauritius	Ordinary	41.6%	41.6%	Indirect	Associate	Investment holding

During the year ended December 31, 2022, following the directors' resolution dated November 21, 2022, it was resolved to approve the buy-back of 3,515,070 ordinary shares of EUR 1, held by the Group in Telecom Comores Holding Ltd.

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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 a 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 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

	June 30, 2023 USD	December 31, 2022 USD
<i>Right of use assets</i>		
At January, 1	392,172,617	44,007,136
Additions during the year	24,258,723	27,754,222
Acquisition through business combination (Note 18)	-	363,617,784
Transfer from PPE	-	3,145,262
Disposals during the year	-	(3,347,314)
Remeasurements	60,464,290	2,170,505
Amortization charge during the period/year	(28,403,040)	(38,031,898)
Translation difference	(13,539,222)	(7,143,080)
At June 30/December 31	434,953,368	392,172,617
<i>Lease liabilities</i>		
At January, 1	421,791,889	51,253,868
Additions during the year	24,258,723	27,754,223
Acquisition through business combination (Note 18)	-	363,617,784
Disposals during the year	-	(4,398,983)
Remeasurements	60,464,290	2,170,505
Transfer from borrowings	-	3,225,922
Interest expense for the period/year	29,420,561	41,089,046
Principal paid on lease liabilities	(27,986,196)	(26,493,552)
Interest paid on lease liabilities	(22,575,748)	(28,891,851)
Translation difference	(14,394,128)	(7,535,073)
At June 30/December 31	470,979,391	421,791,889
<i>Of which non-current</i>	402,237,132	380,496,338
<i>Of which current</i>	68,742,259	41,295,551

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12. CASH AND CASH EQUIVALENTS

	June 30, 2023 USD	December 31, 2022 USD
Cash at bank	193,781,009	226,590,223
Bank overdraft	(45,614,594)	(27,728,595)
	148,166,415	198,861,628

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

	June 30, 2023 USD	December 31, 2022 USD
Non-current		
Trade payables	48,114	47,223
Deferred revenue	16,879,648	18,478,298
Amounts payable to entities under common control*	1,094	1,111
Other payables	37,836,436	41,784,379
VAT payable	829,915	814,637
	55,595,207	61,125,648
Current		
Trade payables	217,441,762	183,166,245
Other payables	106,697,698	118,890,397
Deferred revenue	33,056,556	33,537,855
VAT payable	87,759,767	84,053,393
Mobile financial services creditors	284,813,375	266,545,706
Amounts payable to entities under common control*	5,195,774	4,392,908
	734,964,932	690,586,504
Total trade and other payables	790,560,139	751,712,152

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS

	June 30, 2023 USD	December 31, 2022 USD
Non-current		
Bank loans (a)	97,203,778	112,285,116
Listed bonds	413,543,584	411,774,204
Loans payable to related parties	155,552,329	150,684,170
	666,299,691	674,743,490
Current		
Bank loans	60,760,635	37,913,908
Listed bonds	11,529,583	12,713,368
Loans payable to related parties	4,914,999	4,915,000
	77,205,217	55,542,276
Total borrowings	743,504,908	730,285,766
(a) Bank loans		
Bank of Africa-Madagascar ('BOA')	14,433,443	18,281,826
Banque Malgache de L'Océan Indien ('BMOI')	8,226,185	9,300,751
BFV Société Générale ('BFV')	21,986,513	25,244,514
BNI Banque de l'Industrie ('BNI')	14,027,330	16,526,801
Société de Gestion et d'Intermédiation ('SGI')	14,523,513	17,820,193
Banque Togolaise pour le Commerce et l'Industrie ('BTCI')	6,453,945	8,573,158
Union Togolaise de Banque ('UTB')	14,139,108	14,495,305
Orabank ('ORB')	17,900,566	19,537,636
Stanbic bank Uganda	19,826,255	19,688,605
CRDB Bank Plc	21,061,837	-
National Bank of Commerce (Tanzania)	4,868,468	-
Accrued interest	517,250	730,235
Total bank loans	157,964,413	150,199,024
Loans payable within one year	60,760,635	37,913,908
Loans payable after one year	97,203,778	112,285,116

Axian Telecom Notes

On 16 February 2022, the Company, as Issuer, completed the offering of USD 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 arrears on 16 February and 16 August of each year, commencing on 16 August 2022. Interest on the Notes accrues at a rate of 7.375% per annum. The Notes will mature on 16 February 2027. The Notes are subject to customary restrictive covenants which limits the ability of the Issuer and the guarantors to take on additional debt.

Bank loans

The bank loans of the Group companies are repayable monthly, quarterly, semi-annually, or annually at fixed or variable interest rates varying between 6.6% and 13.0%.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
14. BORROWINGS (CONTINUED)
Bank loans (continued)
1. Telecom Malagasy S.A.

During the six month period ended June 30, 2023, Telecom Malagasy S.A. has not drawn down any additional loans and has made aggregate principal repayments amounting to MGA 21.4 billion (approximately USD 4.9 million).

2. Towerco of Madagascar S.A.

During the six month period ended June 30, 2023, Towerco of Madagascar S.A. has not drawn down any additional loans and has made aggregate principal repayments amounting to MGA 10.9 billion (approximately USD 2.5 million).

3. Togo Cellulaire S.A.

Togo Cellulaire S.A. has not drawn down additional loans during the six month period ended June 30, 2023 and has made aggregate principal repayments amounting to FCFA 4.3 billion (approximately USD 7.1 million).

4. Togo Telecom S.A.

Togo Telecom S.A. has not drawn down any additional loan amounts during the six month period ended June 30, 2023 and made aggregate principal repayments amounting to FCFA 2.6 billion (approximately USD 4.2 million) in the same period.

5. MIC Tanzania Plc

During the six month period ended June 30, 2023, MIC Tanzania Plc utilized a portion of its letter of credit facility with CRDB Bank Plc which allows for a total facility of EUR 32 million (the "CRDB LC facility"). The CRDB LC facility does not accrue contractual interest but attracts a quarterly commission fee amounting to 0.35% of the facility amount. The duration of each facility letter is for a maximum period of 18 months (initial period of 12 months with the possibility to extend for a further six months). As at June 30, 2023, MIC Tanzania Plc had utilized EUR 22.9 million of the available facility (approximately USD 21.1 million).

During the three month period ended June 30, 2023, MIC Tanzania Plc contracted a letter of credit facility with the National Bank of Commerce Limited (NBC) which allows for a total facility of TZS 47.6 billion (the "NBC LC facility"). The NBC LC facility does not accrue contractual interest but attracts a quarterly commission fee amounting to 0.25% of the facility amount. The duration of each facility letter is for a maximum period of 2 years (initial period of 1 year with the possibility to extend for a further 1 year). As at June 30, 2023, MIC Tanzania Plc had utilized TZS 11.8 billion of the available facility (approximately USD 4.9 million).

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

	Carrying value USD	Total cash flows USD	Cash flows within 1 year USD	Cash flows between 1 and 2 years USD	Cash flows between 3 and 4 years USD	Cash flows after 5 years USD
Borrowings	318,431,741	366,611,558	73,914,903	63,628,710	213,706,190	15,361,755
Listed bonds	425,073,167	543,900,000	30,975,000	30,975,000	481,950,000	-

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. CASH FLOW FROM OPERATING ACTIVITIES

	3 month period ended		6 month period ended	
	June 30, 2023 USD	June 30, 2022 USD	June 30, 2023 USD	June 30, 2022 USD
Cash flows from operating activities:				
Profit before income tax	12,533,317	23,325,768	46,293,090	54,609,567
<i>Adjustments:</i>				
Amortization of right-of-use assets	14,937,774	6,594,448	28,403,040	12,310,114
Depreciation of property, plant and equipment	33,461,611	35,834,080	64,016,787	58,801,236
Amortization of intangible assets	7,735,026	3,211,217	15,136,105	5,199,815
Loss on disposal of property, plant and equipment	27,865	31,968	23,345	31,968
Release of deferred profits on sale of property, plant and equipment	(253,865)	(258,502)	(510,449)	(258,502)
Provision on litigations	489,480	79,344	480,637	70,459
Provision for short term risks on operating activities	-	566,833	-	914,254
Write-back of government grants	(2,587,909)	(2,530,558)	(4,967,819)	(5,016,242)
Share of profit in associates and joint ventures	(5,499,099)	(6,383,133)	(7,443,224)	(11,303,140)
Interest expense on lease liability	14,745,398	9,361,690	29,420,561	10,786,941
Net interest expense/(expense reversal) on provision for dismantling costs	531,655	(1,245,913)	1,080,863	771,204
Other interest expense	14,284,881	15,919,642	28,961,537	28,673,918
Finance income	(3,225,836)	(1,902,791)	(8,140,980)	(4,605,474)
Dividend income	(2,813,572)	(23,856)	(2,813,572)	(23,856)
(Gain)/loss on fair valuation of derivatives	(2,406,440)	2,600,000	(1,412,463)	500,000
Write-off of financial assets	1,306,418	5,520,714	2,421,633	5,867,712
(Reinstatement)/waiver of financial liabilities	308	-	(34,952)	-
Provision/(reversal of provision) for impairment of receivables	297,068	(673,008)	570,905	(328,148)
Impairment/(reversal of impairment) of loans receivable and other financial assets	568,317	(2,131,823)	2,042,057	(2,131,823)
Reversal of provision for slow moving inventories	(2,469,040)	(958,541)	(2,443,739)	(958,541)
Provision for retirement benefits obligation	63,670	18,555	128,569	44,827
Loss on lease modification	-	7,117	-	7,117
Reversal of impairment of investment in joint ventures	(403)	-	(54,030)	-
Provision/(reversal of provision) for impairment of property, plant and equipment and intangible assets	3,610,000	(210,512)	3,610,000	(210,512)
Cash generated from operating activities before working capital changes	85,336,624	86,752,739	194,767,901	153,752,894
Changes in working capital:				
Increase in inventories	(783,115)	(2,117,105)	(441,033)	(5,374,595)
Increase in trade and other receivables	(16,718,770)	(27,422,964)	(42,499,331)	(48,955,968)
(Decrease)/increase in trade and other payables	(11,968,341)	32,762,469	13,012,921	40,331,229
Increase in loans to customers	(2,004,731)	(4,748,589)	(5,741,651)	(7,087,340)
Increase in deposits from customers	96,202	177,110	407,197	199,997
Net cash generated from operating activities	53,957,869	85,403,660	159,506,004	132,866,217

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
16. NON-IFRS MEASURES

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

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
(Loss)/Profit for the period	(5,910,661)	10,195,869	16,498,376	32,710,365
<i>Adjustments:</i>				
Income tax expense	18,443,978	13,129,899	29,794,714	21,899,202
Finance income	(14,133,714)	(6,816,324)	(26,969,137)	(14,827,278)
Finance costs	61,560,518	35,052,103	99,353,463	55,612,778
Depreciation of property, plant and equipment	33,461,611	35,834,080	64,016,787	58,801,236
Amortization of right of use assets	14,937,774	6,594,448	28,403,040	12,310,114
Amortization of intangible assets	7,735,026	3,211,217	15,136,105	5,199,815
EBITDA	116,094,532	97,201,292	226,233,348	171,706,232
Share of net profit in joint ventures and associates	(5,499,099)	(6,383,133)	(7,443,224)	(11,303,140)
Impairment/(reversal of impairment) of property, plant and equipment and intangible assets	3,610,000	(210,512)	3,610,000	(210,512)
Gain on disposal of property, plant and equipment and intangible assets	4,520	-	-	-
Adjusted EBITDA	114,209,953	90,607,647	222,400,124	160,192,580

17. SEGMENTAL REPORTING
Business Segments

For the six month period ended June 30, 2023, and for the year ended December 31, 2022, 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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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the three month period ended June 30, 2023:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	194,049,534	10,393,698	48,380,218	363,239	253,186,689
Profit/(loss) for the period before tax	8,611,105	(8,817,484)	21,569,283	(8,829,587)	12,533,317
<i>Adjustments:</i>					
Finance income	(425,080)	367,795	(1,695,765)	(12,380,664)	(14,133,714)
Finance costs	39,344,159	2,420,441	412,122	19,383,796	61,560,518
Depreciation of property, plant and equipment	26,171,794	7,204,703	76,444	8,670	33,461,611
Amortization of right of use assets	14,118,037	396,218	365,371	58,148	14,937,774
Amortization of intangible assets	7,334,285	329,272	31,414	40,055	7,735,026
EBITDA	95,154,300	1,900,945	20,758,869	(1,719,582)	116,094,532
Share of net profit in joint ventures and associates	-	-	-	(5,499,099)	(5,499,099)
Impairment of property, plant and equipment and intangible assets	3,610,000	-	-	-	3,610,000
Gain on disposal of property, plant and equipment and intangible assets	1,449	3,071	-	-	4,520
Adjusted EBITDA	98,765,749	1,904,016	20,758,869	(7,218,681)	114,209,953

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

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

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	178,872,145	5,148,120	39,025,906	162,410	223,208,581
Profit/(loss) for the period before tax	46,347,701	(1,474,993)	5,516,864	(27,063,804)	23,325,768
<i>Adjustments:</i>					
Finance income	(2,355,558)	(2,687,517)	(1,299,807)	(473,442)	(6,816,324)
Finance costs	14,949,407	1,866,230	174,317	18,062,149	35,052,103
Depreciation of property, plant and equipment	29,021,276	6,741,387	69,984	1,433	35,834,080
Amortization of right of use assets	6,294,892	299,556	-	-	6,594,448
Amortization of intangible assets	3,007,872	257,581	(54,236)	-	3,211,217
EBITDA	97,265,590	5,002,244	4,407,122	(9,473,664)	97,201,292
Share of net loss/(profit) in joint ventures and associates	93,239	-	-	(6,476,372)	(6,383,133)
Reversal of impairment of property, plant and equipment and intangible assets	(210,512)	-	-	-	(210,512)
Adjusted EBITDA	97,148,317	5,002,244	4,407,122	(15,950,036)	90,607,647

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the six month period ended June 30, 2023:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	379,893,778	19,995,915	93,322,151	590,664	493,802,508
Profit/(loss) for the period before tax	45,033,651	(16,445,571)	41,101,861	(23,396,851)	46,293,090
<i>Adjustments:</i>					
Finance income	(3,518,636)	(613,122)	(3,401,478)	(19,435,901)	(26,969,137)
Finance costs	59,878,456	5,439,697	616,913	33,418,397	99,353,463
Depreciation of property, plant and equipment	50,039,747	13,823,027	137,164	16,849	64,016,787
Amortization of right of use assets	26,836,192	815,118	636,073	115,657	28,403,040
Amortization of intangible assets	14,387,456	619,118	53,041	76,490	15,136,105
EBITDA	192,656,866	3,638,267	39,143,574	(9,205,359)	226,233,348
Share of net profit in joint ventures and associates	-	-	-	(7,443,224)	(7,443,224)
Impairment of property, plant and equipment and intangible assets	3,610,000	-	-	-	3,610,000
Adjusted EBITDA	196,266,866	3,638,267	39,143,574	(16,648,583)	222,400,124
	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Segment assets	1,738,561,410	257,608,258	313,892,441	172,729,772	2,482,791,881
Segment liabilities	(1,164,375,618)	(128,075,880)	(268,421,483)	(645,494,873)	(2,206,367,854)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the six month period ended June 30, 2022:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	291,830,518	9,506,449	51,724,179	345,701	353,406,847
Profit/(loss) for the period before tax	90,862,873	(14,779,001)	12,485,070	(33,959,375)	54,609,567
<i>Adjustments:</i>					
Finance income	(4,840,888)	(2,905,161)	(2,557,816)	(4,523,413)	(14,827,278)
Finance costs	21,591,488	5,654,455	215,056	28,151,779	55,612,778
Depreciation of property, plant and equipment	44,963,653	13,709,342	125,375	2,866	58,801,236
Amortization of right of use assets	11,421,006	889,108	-	-	12,310,114
Amortization of intangible assets	4,586,975	552,288	60,552	-	5,199,815
EBITDA	168,585,107	3,121,031	10,328,237	(10,328,143)	171,706,232
Share of net profit in joint ventures and associates	-	-	-	(11,303,140)	(11,303,140)
Reversal of impairment of property, plant and equipment and intangible assets	(210,512)	-	-	-	(210,512)
Adjusted EBITDA	168,374,595	3,121,031	10,328,237	(21,631,283)	160,192,580
	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Segment assets	1,519,704,716	199,825,049	251,471,764	198,502,630	2,169,504,159
Segment liabilities	(1,119,709,537)	(121,935,247)	(222,512,720)	(488,761,363)	(1,952,918,867)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS

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

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

Sen Connect SA

On April 10, 2023, The Group acquired 100% of the share capital of Sen Connect SA, a company providing data center services in Senegal. The Group acquired the shares through its subsidiary Stellar IX data Centers Limited for a price of USD1.

The Group previously held a minority stake in Sen Connect SA of 40%, through its investment in its Senegalese associate, Maya Africa Holding Limited. The fair value of the Group's indirect equity interest in Sen Connect SA before the business combination amounted to USD nil, resulting in a gain of nil in the statement of consolidated statement of profit or loss prior to the disposal of the previously held interest. The total consideration was settled in cash on completion.

The assets and liabilities of Sen Connect SA at the date of acquisition are reflected in the table below at their draft fair values at the date of acquisition.

	Fair values Sen Connect SA USD
ASSETS	
Property, plant and equipment	4,378,279
Intangible assets	745,360
Deposits receivable	26,983
Trade and other receivables	6,719,839
Cash and cash equivalents	4,156
Total assets	11,874,617
LIABILITIES	
Deferred tax liability	330,505
Trade and other payables	14,248,827
Income tax liability	9,622
Total liabilities	14,588,954
Cost of investment	1
Fair value of previously held interest	-
Net (assets)/liabilities at date of acquisition	2,714,337
Goodwill	2,714,338

The Group has not yet completed its assessment of the fair values of assets and liabilities acquired. The values reflected above remain subject to change within the remeasurement period as allowed by IFRS 3.

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 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Sen Connect SA (continued)

	Fair values Sen Connect SA USD
Revenue - post acquisition	444,357
Net profit - post acquisition	369,266
The cash flows associated with the business acquisitions are as follows:	
<i>Cash outflow/(inflow) from acquisition of subsidiaries</i>	
Purchase consideration	1
Cash and cash equivalents acquired	(4,156)
Cash inflow from acquisition, net of cash acquired	(4,155)

MIC Tanzania Public Limited Company (2022)

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.

As per the requirements of IFRS 3 (*Business combinations*), we have fair valued the identifiable assets and liabilities of MIC Tanzania and its subsidiaries on the date of the acquisition and recognized an amount of goodwill representing the difference between the fair value of consideration paid and the fair value of the net assets of MIC Tanzania and its subsidiaries. The accounting for the transaction took place in the quarter ended December 31, 2022.

The assets and liabilities of MIC Tanzania and its subsidiaries at the date of acquisition are reflected in the table below at their fair values at the date of acquisition.

	Fair values MIC Tanzania Public Limited Company and its subsidiaries USD
ASSETS	
Property, plant and equipment	121,267,752
Intangible assets	92,495,063
Right of use assets	363,617,784
Financial assets at fair value through OCI	15,510,333
Deposits receivable	850,115
Inventories	1,721,230
Trade and other receivables	48,987,597
Income tax receivable	1,421,587
Restricted cash	137,486,426
Cash and cash equivalents	23,604,840
Total assets	806,962,727

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)
MIC Tanzania Public Limited Company (2022) (continued)

	Fair values MIC Tanzania Public Limited Company and its subsidiaries USD
LIABILITIES	
Borrowings	335,149,397
Provisions	11,075,167
Lease liability	363,617,784
Deferred tax liability	25,031,678
Trade and other payables	293,218,557
Income tax liability	7,760,200
Total liabilities	1,035,852,783
Cost of investment	101,398,263
Add: Non-controlling interest share of net liabilities at date of acquisition	(3,433,350)
Less: Net (assets)/liabilities at date of acquisition	228,890,056
Less: Net loans payable to sellers transferred to purchasers*	(145,357,664)
Less: Net trade payable to sellers transferred to purchasers*	(32,209,000)
Goodwill	149,288,305
*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, thus decreasing the net liability value acquired.	
Revenue - post acquisition (to December 31, 2022)	286,245,122
Net profit - post acquisition (to December 31, 2022)	(9,016,421)
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)
Cash outflow from acquisition, net of cash acquired	77,793,423

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. SUBSEQUENT EVENTS

Change in domiciliation

As reported in the prior quarter, procedures are being undertaken by the relevant authorities in accordance with the Mauritian Companies Act 2001 to effect the decisions of the Board of Silver Links Ltd to redomicile from the Republic of Mauritius to Dubai International Financial Centre of the United Arab Emirates ("UAE"). This will result in a change in the Company's registered office address, a change in company secretary, and a change in the reporting currency from EUR to USD.

Silver Links Ltd has received its trading license from the Dubai International Financial Centre but has not yet been redomiciled as at August 28, 2023; pending deregistration from the Company Register of the Republic of Mauritius.

Agreement to acquire the 20% non-controlling interest in Agou Holding SAS

On July 20, 2023, the Group has acquired the non-controlling interest's 20% shareholding in Agou Holding SAS. This transaction also resulted in the settlement the non-controlling interest put and call options, in addition to settling the loan balances owing to the non-controlling interest. The complete purchase price amounts to Euro 29.0 million (USD 32.2 million), of which Euro 28.0 million (USD 31.1 million) has been settled immediately, while the remaining Euro 1.0 million (USD 1.1 million) is deferred for 12 months.

The transaction resulted in the extinguishment of USD 9.8 million of loans owing to the non-controlling interest, the extinguishment of USD 32.4 million of put option liabilities, and the extinguishment of USD 2.7 million of call option assets. The difference between the aggregate consideration of USD 32.2 million, and the net liability position settled of USD 39.5 million, will be recognized as a credit movement in equity, in restructuring reserves. This credit movement amounts to USD 7.3 million

The transaction has also resulted in the reclassification of USD 10.1 million of non-controlling interest within equity, with this amount being reclassified to restructuring reserves.

As a result of the settlement of the options, the Group now owns an additional 20% of the equity of Agou Holding SAS, bringing its total holding to 100%. The transaction does not result in a change of control and no fair valuation or accounting under IFRS 3 – Business combinations, is required.

Agreement to acquire a further 40% stake in our joint venture in Senegal

In July 2023, the Company signed an agreement to acquire a further 40% equity interest in its joint venture business in Senegal ("Free in Senegal"). After completion of the transaction, AXIAN Telecom will own an 80% equity interest in Free in Senegal, allowing it to control and financially consolidate the operations.

The transaction is subject to customary closing condition (including the approval of relevant authorities in Senegal).

Term facilities agreement

On July 19, 2023, Axian Telecom (as "Borrower") entered into a Term Facilities Agreement with JPMorgan Chase Bank N.A. as lender, for which supplier credit guarantees are offered by EKN (The Swedish Export Credit Agency). The Term Facilities Agreement is comprised of two facilities:

- Facility A amounts to a total commitment of \$102.0 million and is repayable in 12 equal 6-monthly instalments beginning on November 2, 2023.
- Facility B amounts to a total commitment of \$56.3 million and is repayable in 12 equal 6-monthly instalments beginning on April 30, 2025.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. SUBSEQUENT EVENTS (CONTINUED)

Term facilities agreement (continued)

The facilities accrue interest at the secured overnight financing rate (SOFR), plus a margin of 0.9% per annum, and interest is payable quarterly in arrear.

The facilities are also subject to a premium on each initial drawdown of between 5.0% and 6.0% of the amount drawn down against each of Facility A and Facility B. The premium is determined at the time of the first drawdown under each facility and is payable to EKN.

The purpose of the facilities is to reimburse our capital expenditure purchases in Tanzania and Madagascar, so long as those purchases are made from a qualifying exporter, and thereby to effectively finance past and future capital expenditure necessary to complete our ongoing network modernization programmes in Tanzania and Madagascar.

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

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

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 March 31, 2023; 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, 2022. 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, 2022.

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. The consolidated results for the six month period ended June 30, 2023 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 TZS2,348.17/USD1 for the six month period ended June 30, 2023. The average exchange rate used for the six month period ended June 30, 2022 is TZS2,318.40/USD1.

Completion of the purchase price allocation for the acquisition of MIC Tanzania

During the quarter ended December 31, 2022 we completed the purchase price allocation in respect of our acquisition of MIC Tanzania. As per the requirements of IFRS 3 (Business combinations), we have fair valued the identifiable assets and liabilities of MIC Tanzania and its subsidiaries on the date of the acquisition and recognized an amount of goodwill representing the difference between the fair value of consideration paid and the fair value of the net assets of MIC Tanzania and its subsidiaries. Refer to note 18 for the resulting figures.

As part of this process, we made several adjustment to the balances of MIC Tanzania at the date of acquisition (April 5, 2022), with the impact of those adjustments being processed at that date. These impacts are reflected in the numbers for the quarter ended March 31, 2022 and as a result, the numbers presented for the six month period ended June 30, 2022 will not agree to those previously reported in our Unaudited, condensed, consolidated financial statements for the three month and six month periods ended June 30, 2022.

Additional (costs)/credits	USD
Amortization of right-of-use assets	(500,401)
Interest on fixed deposits	(271,660)
Interest on lease liabilities	(5,719,415)
Movement in deferred tax	45,242,281
Net additional credits	38,750,805

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results

Condensed combined statements of profit or loss for the three month and six month period ended June 30, 2023

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
Revenue	253,186,689	223,208,581	493,802,508	441,894,012
Cost of devices and equipment	(8,327,602)	(4,524,499)	(14,205,775)	(7,561,542)
Cost of interconnection and roaming	(7,351,974)	(8,234,166)	(14,629,327)	(15,947,370)
Government and regulatory costs	(15,351,704)	(14,010,880)	(29,595,567)	(27,872,704)
Advertising and distribution costs	(4,017,515)	(3,200,209)	(7,132,434)	(5,245,259)
Commission to sales agents	(37,987,298)	(36,280,245)	(73,050,396)	(69,373,147)
Net (impairment losses)/reversal of impairment losses on financial and contract assets	(865,385)	2,804,831	(2,612,962)	2,081,923
Technology operation costs	(23,274,265)	(18,021,171)	(44,434,907)	(33,299,884)
Staff costs	(25,264,717)	(21,147,764)	(48,960,106)	(41,057,756)
(Write-off)/reversal of write-off of financial assets	(1,306,418)	346,998	(2,421,633)	-
Professional fees	(4,521,656)	(8,803,547)	(10,427,479)	(15,190,651)
Depreciation and amortization	(56,134,411)	(45,639,745)	(107,555,932)	(97,025,296)
Impairment/(reversal of impairment) of non-financial assets	(1,140,558)	1,108,138	(1,112,232)	1,108,138
Other operating expenses	(19,911,451)	(19,476,466)	(36,841,579)	(34,108,249)
Other income	6,475,422	2,664,885	9,901,564	5,567,388
OPERATING PROFIT	54,207,157	50,794,741	110,723,743	103,969,603
Finance income	14,133,714	6,816,324	26,969,137	14,567,319
Finance costs	(61,560,518)	(35,052,103)	(99,353,463)	(74,682,771)
Non-operating income	253,865	258,502	510,449	942,371
Non-operating expenses	-	(5,874,829)	-	(5,859,965)
Share of profit in joint ventures and associates	5,499,099	6,383,133	7,443,224	11,303,140
PROFIT BEFORE INCOME TAX	12,533,317	23,325,768	46,293,090	50,239,697
Income tax (expense)/credit	(18,443,978)	(13,129,899)	(29,794,714)	18,702,712
(LOSS)/PROFIT FOR THE PERIOD	(5,910,661)	10,195,869	16,498,376	68,942,409
(Loss)/Profit for the period attributable to:				
- Owners of the Company	(6,449,384)	6,014,528	10,047,390	56,069,528
- Non-controlling interest	538,723	4,181,341	6,450,986	12,872,881
	(5,910,661)	10,195,869	16,498,376	68,942,409

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,348.17/USD1 for the six month period ended June 30, 2023 (for the six month period ended June 30, 2022: TZS2,318.40/USD1).

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023
PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)
Combined financial results (continued)
Condensed combined statements of other comprehensive income for the three month and six month period ended June 30, 2023

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
(LOSS)/PROFIT FOR THE PERIOD	(5,910,661)	10,195,869	16,498,376	68,942,409
OTHER COMPREHENSIVE INCOME/(LOSS)				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	8,490,413	(10,236,773)	16,485,229	(18,032,034)
Exchange differences on translation of foreign joint ventures	(231,744)	(2,689,353)	614,162	(1,959,994)
<i>Items that will not be re-classified to profit or loss</i>				
Remeasurements of retirement benefit obligations	850	-	-	-
Other comprehensive income/(loss) for the period, net of tax	8,259,519	(12,926,126)	17,099,391	(19,992,028)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	2,348,858	(2,730,257)	33,597,767	48,950,381
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
- Owners of the Company	1,295,395	(5,699,476)	25,606,064	38,162,467
- Non - controlling interest	1,053,463	2,969,219	7,991,703	10,787,914
	2,348,858	(2,730,257)	33,597,767	48,950,381

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,348.17/USD1 for the six month period ended June 30, 2023 (for the six month period ended June 30, 2022: TZS2,318.40/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		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	USD	USD	USD	USD
(Loss)/Profit for the period	(5,910,661)	10,195,869	16,498,376	68,942,409
<i>Adjustments:</i>				
Income tax expense/(credit)	18,443,978	13,129,899	29,794,714	(18,702,712)
Finance income	(14,133,714)	(6,816,324)	(26,969,137)	(14,567,319)
Finance costs	61,560,518	35,052,103	99,353,463	74,682,771
Depreciation of property, plant and equipment	33,461,611	35,834,080	64,016,787	69,242,655
Amortization of right of use assets	14,937,774	6,594,448	28,403,040	20,192,864
Amortization of intangible assets	7,735,026	3,211,217	15,136,105	7,589,777
EBITDA	116,094,532	97,201,292	226,233,348	207,380,445
Share of net profit in joint ventures and associates	(5,499,099)	(6,383,133)	(7,443,224)	(11,303,140)
Impairment/(reversal of impairment) of property, plant and equipment and intangible assets	3,610,000	(210,512)	3,610,000	(210,512)
Gain/(loss) on disposal of property, plant and equipment and intangible assets	4,520	-	-	(34,361)
Other non-operating expense	-	-	-	(14,864)
Adjusted EBITDA	114,209,953	90,607,647	222,400,124	195,817,568

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,348.17/USD1 for the six month period ended June 30, 2023 (for the six month period ended June 30, 2022: TZS2,318.40/USD1).

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2023

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.

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.

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.

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

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.

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

Owned Towers: Refers to ground-based towers, rooftop towers, and cell-on-wheels. Our Towers support wireless telecommunication equipment, and we measure the number of Owned Towers by considering the number of towers which are owned by all consolidated subsidiaries of the Group.

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.

Shared Towers: Refers to a subset of Owned Towers, specifically those towers which are owned by companies in our Group which provide passive telecommunications infrastructure services. We measure the number of Shared Towers by considering only those Towers with at least one Tenant at the date of measurement.

Tenancy Ratio: Represents the average number of Tenants per Shared Tower across our portfolio. Tenancy Ratio is calculated by dividing the number of Tenants on Shared Towers by the number of Shared Towers at the date of measurement.

Tenants: Refers to the number of distinct customer points of presence across our Shared Tower portfolio.