

AXIAN TELECOM

**CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

AXIAN TELECOM**CONSOLIDATED AND SEPERATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

CONTENTS	PAGES
COMPANY INFORMATION	3
COMMENTARY OF DIRECTORS	4 - 6
SECRETARY'S CERTIFICATE	7
INDEPENDENT AUDITOR'S REPORT	8 -15
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS	16
CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME	17
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION	18 - 19
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY	20 - 22
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS	23
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	24 -180

AXIAN TELECOM

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Date of appointment
DIRECTORS	:	
	Mr. Hassanein Shahreza Hiridjee	21 June 2003
	Mr. Ahmud Ismael Parwiz Jugoo	30 April 2018
	Mrs. Anja Blumert	15 August 2020
	Mr. Afsar Azize Abdulla Ebrahim	16 November 2020
	Mr. Michael Jimmy Wong Yuen Tien	01 December 2021
	Mrs. Badiene Seynabou Ba	28 November 2022
	Mr. Vivek Badrinath	18 February 2024
ADMINISTRATOR & SECRETARY	:	
	DTOS Ltd	
	10 th Floor	
	Standard Chartered Tower	
	19 Cybercity	
	Ebène	
	Mauritius	
REGISTERED OFFICE	:	
	c/o DTOS Ltd	
	10 th Floor	
	Standard Chartered Tower	
	19 Cybercity	
	Ebène	
	Mauritius	
AUDITOR	:	
	PricewaterhouseCoopers	
	PwC Centre	
	Avenue de Telfair	
	Telfair 80829	
	Moka	
	Mauritius	

AXIAN TELECOM

COMMENTARY OF DIRECTORS

The directors are pleased to present their commentary and the audited consolidated and separate financial statements of Axian Telecom (the 'Company') and its subsidiaries (together referred to as the 'Group') for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

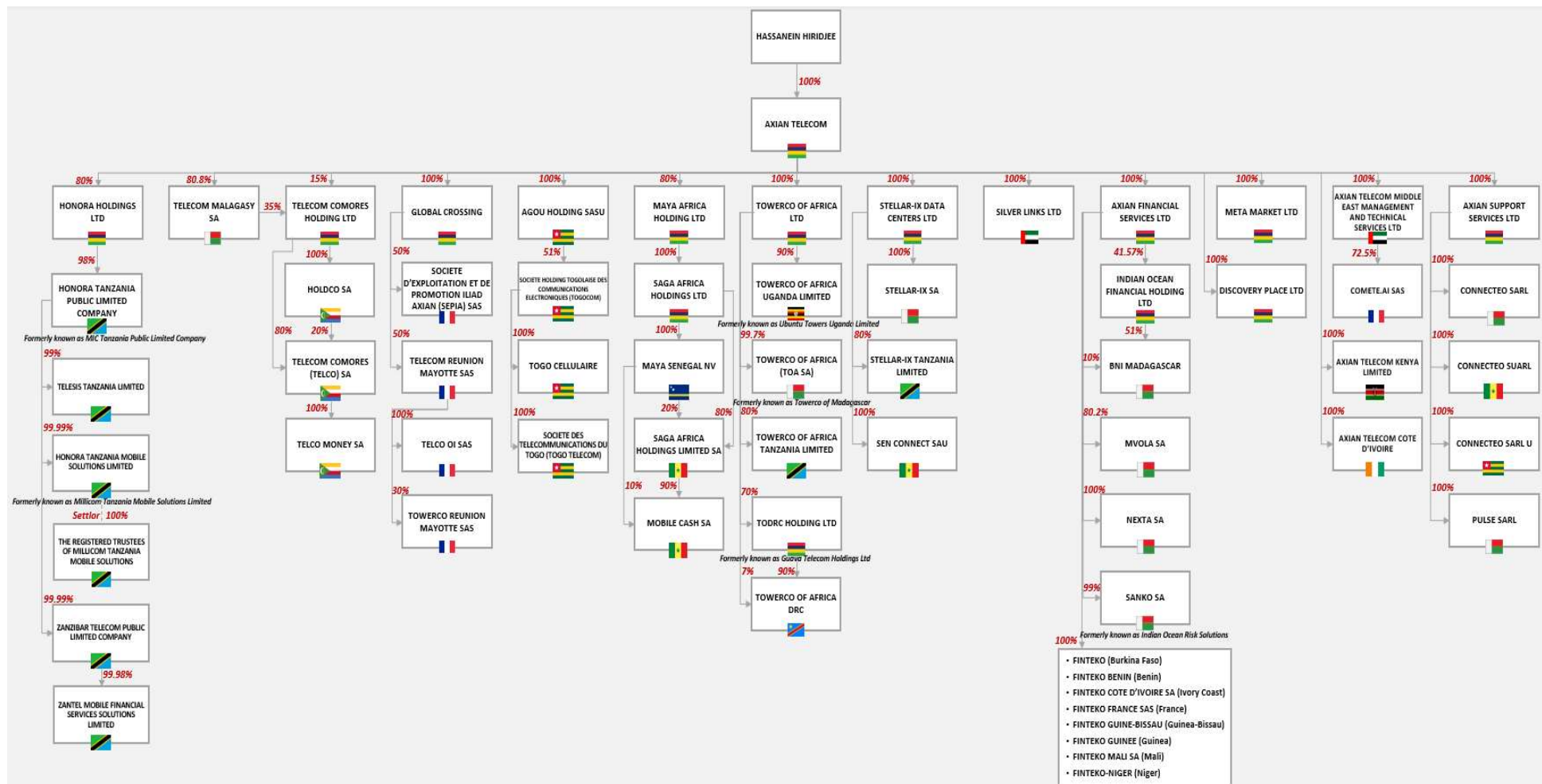
The Company operates as an investment holding company for entities operating in the telecommunications sector and also provides support services to its subsidiaries.

The Group is a leading pan-African telecommunications services provider, operating in ten markets through subsidiaries in Tanzania, Madagascar, Togo, Uganda, Democratic Republic of the Congo, Mauritius, the UAE (specifically Dubai), and Senegal and its joint ventures in Réunion, Mayotte and Comoros. The Group's activities span over 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, datacenters and fibres).

The Group structure as at 31 December 2023 is as follows:

AXIAN TELECOM

COMMENTARY OF DIRECTORS (CONTINUED)



AXIAN TELECOM

COMMENTARY OF DIRECTORS (CONTINUED)

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

REVIEW OF THE BUSINESS

The results for the year under review are shown in the consolidated and separate statements of profit or loss and the consolidated and separate statements of comprehensive income on pages 16 and 17.

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

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

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

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

SECRETARY'S CERTIFICATE

TO THE MEMBER OF AXIAN TELECOM

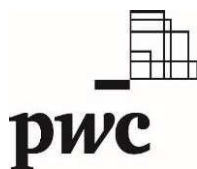
UNDER SECTION 166 (d) OF THE MAURITIAN COMPANIES ACT 2001

We certify that, based on records and information made available to us by the directors and shareholder of the Company, the Company has filed with the Registrar of Companies, for the year ended 31 December 2023, all such returns as are required of the Company under the Mauritian Companies Act 2001.

A handwritten signature in black ink, appearing to be 'R. [unclear]', written over a horizontal line.

Dated 22 April 2024

**DTOS LTD
SECRETARY**



Independent Auditor's Report

To the Shareholder of
Axian Telecom

Report on the Audit of the Consolidated and Separate Financial Statements

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Axian Telecom (the "Company") and its subsidiaries (together the "Group") and of the Company standing alone as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of Axian Telecom set out on pages 16 to 180 comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of profit or loss for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for Opinion

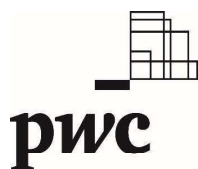
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements" section of our report.

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

Independence

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

PricewaterhouseCoopers, PwC Centre, Avenue de Telfair, Telfair 80829, Moka, Republic of Mauritius
Tel: +230 404 5000, Fax: +230 404 5088, www.pwc.com/mu
Business Registration Number : F07000530



Independent Auditor's Report

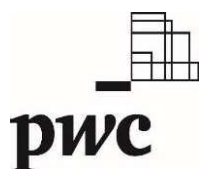
To the Shareholder of
Axian Telecom (Continued)

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter relating to the consolidated financial statements	How our audit addressed the key audit matter
<p>Business combination – Purchase Price Allocation (PPA) (see note 26 to the financial statements)</p> <p>The Group acquired 40% additional stake in Maya Africa Holding Ltd ("Maya") during the year ended 31 December 2023.</p> <p>This transaction has been accounted for in accordance with IFRS 3 'Business Combinations'. Management has applied the acquisition method in accounting for the above mentioned acquisition.</p> <p>The Group performed a PPA exercise to determine the fair value of the identifiable assets and liabilities.</p> <p>Given its nature, this PPA allocation requires the exercise of judgement to identify the assets acquired and the liabilities assumed, and to determine the various assumptions used to estimate the fair value of these assets and liabilities.</p> <p>This was an area of focus in light of the amounts involved and the level of judgement and estimation required from management.</p>	<p>We obtained management's PPA workings.</p> <p>With the support of our internal technical expert and internal valuation expert, our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed whether management's assumptions in relation to the accounting for the transactions are in accordance with the requirements of IFRS 3; Assessed the completeness and accuracy of the assets acquired and liabilities assumed in the purchase price allocation; and Reviewed the appropriateness of the valuation methodology and approach used by the Group including the identification of intangible assets and the determination of the useful lives of the identified intangible assets. <p>We also assessed whether appropriate disclosures were made by management in the financial statements.</p>



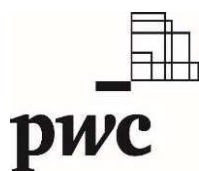
Independent Auditor's Report

To the Shareholder of
Axian Telecom (Continued)

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

Key Audit Matters (Continued)

Key audit matter relating to the consolidated financial statements	How our audit addressed the key audit matter
<p>Impairment of Goodwill (see note 33 to the financial statements)</p> <p>The Group has Goodwill amounting to USD 249.5 million as at 31 December 2023 (2022: USD 196.2 million).</p> <p>Management assessed whether there were any indicators of impairment as at 31 December 2023 using discounted cash flow models to determine the recoverable amounts of the respective cash generating units (CGUs) to which the Goodwill relates. The recoverable amount of each CGU has been determined based on the higher of value-in-use and fair value less cost to sell.</p> <p>The assessment of the recoverable amount of each cash generating unit requires the use of a number of key assumptions and judgements, including the estimated future cash flows, terminal growth rates, profitability levels and discount rates applied.</p> <p>This was an area of focus in light of the amounts involved and the level of judgement and estimation required from management.</p>	<p>We obtained management's assessment of the recoverable amounts of the different CGUs.</p> <p>With the support of our internal valuation experts, we tested the assumptions used in the discounted cash flow models by comparing these assumptions to our independently derived expectations, which are based on the historical performance of the businesses, as well as expectations for the markets in which the CGUs operate. The budgeted figures used in the discounted cash flow models were compared to the historical performance of the respective CGUs in order to assess the reasonableness of the forecasted cash flows.</p> <p>Terminal growth rates have been assessed for reasonableness based on market expected long term growth rates.</p> <p>In order to determine the reasonableness of the discount rates used in the cash flow models, these were independently calculated based on the markets in which the CGUs operate, taking into consideration the nature of the CGUs. We have also verified the mathematical accuracy of the models.</p> <p>We assessed whether appropriate disclosures were made by management in the financial statements.</p>



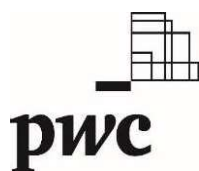
Independent Auditor's Report

To the Shareholder of
Axian Telecom (Continued)

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

Key Audit Matters (Continued)

Key audit matter relating to the separate financial statements	How our audit addressed the key audit matter
<p>Impairment assessment of investments in subsidiaries and interests in joint ventures and associates (see notes 10 and 11 to the financial statements)</p> <p>The Company holds investments in subsidiaries and interests in joint ventures and associates which amounted to USD 215.5 million and USD 3.7 million respectively as at 31 December 2023 (2022: USD 137.3 million and USD 6.6 million).</p> <p>Management determines at the end of each reporting period the existence of any indication of impairment of the Company's investments in subsidiaries and interests in joint ventures and associates. If there are indicators of impairment, management would assess the recoverable amounts, which is the higher of the respective investment's fair value less cost to sell and value in use. Any shortfall between the recoverable amounts and their carrying values is recognised in profit or loss.</p> <p>The assessment of indicators of impairment and the determination of the recoverable amounts of the investments in subsidiaries and interests in joint ventures and associates require judgement.</p> <p>The determination of the recoverable amounts, using a discount cash flow model, requires the use of a number of key assumptions and estimates such as the estimated future cash flows, discount rates, profitability levels and terminal growth rate. This was an area of focus in light of the amounts involved and the level of judgement and estimation required from management.</p>	<p>We considered whether there were internal and external indicators of impairment for investments in subsidiaries and interests in joint ventures and associates as at 31 December 2023.</p> <p>For those investments in subsidiaries and interests in joint ventures and associates whereby indicators of impairment were identified, we obtained management computation of the recoverable amounts, which were based on a discounted cash flow model.</p> <p>With the support of our internal valuation experts, we have independently assessed the recoverable amounts of the investments in subsidiaries and interests in joint ventures and associates based on the markets in which the investee entities operate and their actual performance.</p> <p>We assessed whether appropriate disclosures were made by management in the financial statements.</p>



Independent Auditor's Report

To the Shareholder of
Axian Telecom (Continued)

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

Other Information

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

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

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

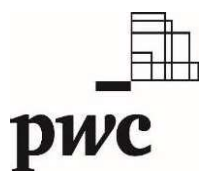
If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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



Independent Auditor's Report

To the Shareholder of
Axian Telecom (Continued)

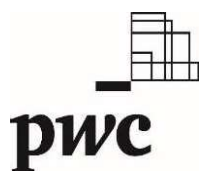
Report on the Audit of the Consolidated and Separate Financial
Statements (Continued)

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.



Independent Auditor's Report

To the Shareholder of
Axian Telecom (Continued)

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

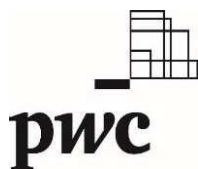
Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditor's Report

To the Shareholder of
Axian Telecom (Continued)

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

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

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

Other Matter

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

DocuSigned by:

E309D002CAF7490...
PricewaterhouseCoopers

DocuSigned by:

E309D002CAF7490...
Olivier Rey, licensed by FRC

22 April 2024

AXIAN TELECOM

**CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Group		Company	
	2023	Restated 2022	2023	2022
	USD	USD	USD	USD
Revenue (Note 29)	1,089,353,116	827,515,328	35,867,617	26,001,570
Other income (Note 30)	22,556,614	15,580,035	42,824,512	94,469,060
Cost of devices and equipments (Note 5)	(29,717,416)	(17,586,473)	-	-
Cost of interconnection and roaming (Note 5)	(31,496,332)	(27,049,175)	-	-
Government and regulatory costs (Note 5)	(66,142,813)	(50,130,980)	-	-
Advertising and distribution costs (Note 5)	(17,546,525)	(11,917,037)	-	-
Commissions to sales agents (Note 5)	(156,711,125)	(120,607,162)	-	-
Impairment losses on financial assets (Note 5)	(9,482,535)	(1,907,867)	(170,000)	-
Technology operation costs (Note 5)	(96,690,866)	(68,862,094)	(286,092)	-
Staff costs (Note 5)	(111,975,294)	(83,925,466)	(6,120,776)	(10,679,447)
Other operating expenses (Note 5)	(74,529,985)	(61,392,475)	(4,383,707)	(2,375,594)
Derecognition of financial assets (Note 5)	(2,645,900)	(3,522,597)	-	-
Professional fees (Note 5)	(26,974,694)	(21,637,089)	(27,188,196)	(12,637,993)
Depreciation and amortisation (Note 5)	(250,485,536)	(178,487,301)	-	-
Impairment of non-financial assets (Note 5)	(5,163,753)	(1,194,601)	-	-
Net fair value gains on financial assets at fair value through profit or loss (Note 5)	615,076	2,666,217	-	141,500
OPERATING PROFIT	232,962,032	197,541,263	40,543,358	94,919,096
Finance income (Note 6)	52,060,083	47,843,557	53,476,196	40,350,291
Finance costs (Note 6)	(208,326,273)	(145,480,371)	(55,733,731)	(57,255,558)
Finance costs – Net (Note 6)	(156,266,190)	(97,636,814)	(2,257,535)	(16,905,267)
Non-operating Income (Note 38)	6,498,394	1,823,707	-	-
Non-operating expenses (Note 38)	(16,746,316)	(6,309,388)	(34,329)	-
Share of profit in associates and joint ventures, net of tax (Note 11)	20,371,643	14,364,751	-	-
PROFIT BEFORE INCOME TAX	86,819,563	109,783,519	38,251,494	78,013,829
Income tax expense (Note 7 (a))	(32,264,031)	(28,662,557)	(2,711,147)	(5,175,313)
PROFIT FOR THE YEAR	54,555,532	81,120,962	35,540,347	72,838,516
Profit for the year attributable to:				
- Owners of the Company	39,151,183	55,954,716	35,540,347	72,838,516
- Non - controlling interest	15,404,349	25,166,246	-	-
	54,555,532	81,120,962	35,540,347	72,838,516

The notes on pages 24 to 180 are an integral part of these financial statements.

AXIAN TELECOM

**CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Group		Company	
	2023	Restated	2023	2022
	USD	2022	USD	USD
		USD		
PROFIT FOR THE YEAR	54,555,532	81,120,962	35,540,347	72,838,516
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	17,241,460	(12,966,487)	-	-
Exchange differences on translation of foreign joint ventures and associates (Note 11)	1,426,283	(1,494,415)	-	-
	18,667,743	(14,460,902)	-	-
<i>Items that will not be re-classified to profit or loss</i>				
Net gain on equity instruments designated at fair value (Note 42)	270,045	3,155,480	-	-
Remeasurements of retirement benefit obligations (Note 35(ii))	(16,089)	22,516	(866)	(221)
Deferred tax on remeasurement of retirement benefit obligations	2,285	(3,377)	130	33
	256,241	3,174,619	(736)	(188)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	73,479,516	69,834,679	35,539,611	72,838,328
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
- Owners of the Company	56,047,275	46,851,931	35,539,611	72,838,328
- Non - controlling interest	17,432,241	22,982,748	-	-
	73,479,516	69,834,679	35,539,611	72,838,328

The notes on pages 24 to 180 are an integral part of these financial statements.

AXIAN TELECOM

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Group		Company	
	2023	Restated 2022	2023	2022
	USD	USD	USD	USD
ASSETS				
Non-current assets				
Property, plant and equipment (Note 8)	967,943,066	663,864,421	-	-
Right-of-use assets (Note 25 (i))	642,375,938	400,255,860	-	-
Intangible assets (Note 9)	287,289,719	218,736,067	-	-
Goodwill (Note 33)	249,468,397	196,215,765	-	-
Deferred tax assets (Note 7 (b(ii)))	51,934,575	35,165,682	687	179
Investments in subsidiaries (Note 10)	-	-	215,490,814	137,257,269
Interests in joint ventures and associates (Note 11)	73,213,174	61,522,220	3,718,867	6,571,031
Financial assets at fair value through other comprehensive income (FVOCI) (Note 42)	17,490,668	18,590,788	-	-
Financial assets at fair value through profit or loss (Note 31)	11,004,179	9,912,153	-	-
Loans receivable (Note 14)	11,713,729	167,508	377,962,210	333,254,563
Trade and other receivables (Note 12)	29,805,761	35,138,045	-	-
Deposits receivable (Note 36)	4,258,973	2,168,923	-	-
Treasury bonds (Note 32)	1,402,023	1,803,607	-	-
Derivative financial instruments (Note 40)	1,000,000	6,422,975	1,000,000	700,000
	2,348,900,202	1,649,964,014	598,172,578	477,783,042
Current assets				
Inventories (Note 13)	27,517,337	23,227,898	-	-
Loans receivable (Note 14)	20,493,983	17,187,838	117,824,390	83,761,289
Deposits receivable (Note 36)	201,753	220,015	-	-
Trade and other receivables (Note 12)	270,691,572	155,090,494	65,188,881	35,008,770
Dividend receivable (Note 41)	-	-	26,951,922	30,156,085
Current tax asset (Note 7(d))	13,619,187	9,841,120	2,787,255	-
Cash and cash equivalents (Note 15)	181,846,003	226,590,223	17,307,668	116,673,950
Restricted cash (Note 16)	325,070,229	277,344,579	-	-
	839,440,064	709,502,167	230,060,116	265,600,094
Total assets	3,188,340,266	2,359,466,181	828,232,694	743,383,136

Authorised for issue by the Board of Directors on 22 April 2024
Signed on its behalf by:



}



} DIRECTORS

AXIAN TELECOM

**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONTINUED)**

	Group		Company	
	2023	Restated 2022	2023	2022
	USD	USD	USD	USD
EQUITY AND LIABILITIES				
Equity and reserves				
Share capital (Note 17)	1,372,564	1,372,564	1,372,564	1,372,564
Reorganisation reserves	76,538,841	76,511,569	-	-
Other reserves	(18,861,385)	(36,397,142)	(924)	(188)
Legal reserves	6,503,426	3,025,353	-	-
Translation reserves	(4,340,978)	(20,507,236)	-	-
Retained earnings	153,593,943	137,416,590	141,072,309	125,531,962
	-----	-----	-----	-----
Equity attributable to owners of the Company	214,806,411	161,421,698	142,443,949	126,904,338
Non-controlling interests (Note 19)	90,525,447	98,947,434	-	-
	-----	-----	-----	-----
Total equity	305,331,858	260,369,132	142,443,949	126,904,338
	-----	-----	-----	-----
LIABILITIES				
Non-current liabilities				
Borrowings (Note 20)	731,498,441	674,743,490	610,646,963	542,459,743
Trade and other payables (Note 21)	73,523,171	61,125,648	-	-
Government grants (Note 22)	9,180,531	18,198,686	-	-
Provisions (Note 23)	45,623,573	45,853,429	-	-
Lease liability (Note 25 (i))	774,517,716	388,579,581	-	-
Deposits payable (Note 34)	7,918,759	7,652,013	-	-
Deferred tax liability (Note 7(b)(ii))	21,969,859	15,346,968	-	-
Retirement benefit obligations (Note 35)	6,644,439	2,352,140	4,579	1,195
Derivative financial instruments (Note 40)	-	36,951,071	-	-
	-----	-----	-----	-----
	1,670,876,489	1,250,803,026	610,651,542	542,460,938
	-----	-----	-----	-----
Current liabilities				
Trade and other payables (Note 21)	948,743,291	690,586,504	31,320,479	20,040,360
Deposits from customers (Note 39)	3,142,045	1,330,778	-	-
Borrowings (Note 20)	129,971,689	55,542,276	43,816,560	31,769,344
Provisions (Note 23)	13,171,671	2,483,165	-	-
Lease liability (Note 25 (i))	36,386,565	41,295,551	-	-
Bank overdraft (Note 15)	54,021,078	27,728,595	164	-
Current tax liability (Note 7(d))	8,981,915	7,631,340	-	521,883
Dividend payable (Note 37)	5,783,890	21,695,814	-	21,686,273
Government grants (Note 22)	11,565,553	-	-	-
Derivative financial instruments (Note 40)	364,222	-	-	-
	-----	-----	-----	-----
	1,212,131,919	848,294,023	75,137,203	74,017,860
	-----	-----	-----	-----
Total liabilities	2,883,008,408	2,099,097,049	685,788,745	616,478,798
	-----	-----	-----	-----
Total equity and liabilities	3,188,340,266	2,359,466,181	828,232,694	743,383,136
	=====	=====	=====	=====

Authorised for issue by the Board of Directors on 22 April 2024
Signed on its behalf by:



}



} DIRECTORS

AXIAN TELECOM

**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

Group	Stated capital USD	Re- organisation reserves USD	Other reserves USD	Legal reserves USD	Translation reserves USD	Retained Earnings USD	Total USD	Non- controlling interest USD	Total USD
At 01 January 2022	1,372,564	76,511,569	6,059,348	781,147	(8,587,980)	83,706,080	159,842,728	91,152,614	250,995,342
Comprehensive income:									
Profit for the year - Restated	-	-	-	-	-	55,954,716	55,954,716	25,166,246	81,120,962
Other comprehensive income for the year, net of tax - Restated	-	-	2,816,471	-	(11,919,256)	-	(9,102,785)	(2,183,498)	(11,286,283)
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total comprehensive income for the year - Restated	-	-	2,816,471	-	(11,919,256)	55,954,716	46,851,931	22,982,748	69,834,679
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Transaction with owners in their capacity as owners:									
Acquisition through business combination (Note 26)	-	-	-	-	-	-	-	(3,433,350)	(3,433,350)
Dividend declared (Note 37)	-	-	-	-	-	-	-	(11,754,578)	(11,754,578)
Transfer to legal reserves	-	-	-	2,244,206	-	(2,244,206)	-	-	-
Recognition of NCI put option (Note 40 (c))	-	-	(45,272,961)	-	-	-	(45,272,961)	-	(45,272,961)
	-----	-----	-----	-----	-----	-----	-----	-----	-----
At 31 December 2022 - Restated	1,372,564	76,511,569	(36,397,142)	3,025,353	(20,507,236)	137,416,590	161,421,698	98,947,434	260,369,132
	=====	=====	=====	=====	=====	=====	=====	=====	=====

The notes on pages 24 to 180 are an integral part of these financial statements.

AXIAN TELECOM

**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

Group	Stated capital USD	Re- organisation reserves USD	Other reserves USD	Legal reserves USD	Translation reserves USD	Retained Earnings USD	Total USD	Non- controlling interest USD	Total USD
At 01 January 2023	1,372,564	76,511,569	(36,397,142)	3,025,353	(20,507,236)	137,416,590	161,421,698	98,947,434	260,369,132
Comprehensive income:									
Profit for the year	-	-	-	-	-	39,151,183	39,151,183	15,404,349	54,555,532
Other comprehensive income for the year, net of tax	-	-	225,591	-	16,166,258	504,243	16,896,092	2,027,892	18,923,984
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total comprehensive income for the year	-	-	225,591	-	16,166,258	39,655,426	56,047,275	17,432,241	73,479,516
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Transaction with owners in their capacity as owners:									
Acquisition through business combination (Note 26)	-	-	-	-	-	-	-	(1,404,853)	(1,404,853)
Transactions with non-controlling interest	-	-	-	-	-	-	-	390,940	390,940
Purchase of minority interest ¹	-	-	17,310,166	-	-	-	17,310,166	(10,107,765)	7,202,401
Dividend declared (Note 37)	-	-	-	-	-	(20,000,000)	(20,000,000)	(14,732,550)	(34,732,550)
Transfer to legal reserves	-	-	-	3,478,073	-	(3,478,073)	-	-	-
Diposal of subsidiary (Note 47)	-	27,272	-	-	-	-	27,272	-	27,272
	-----	-----	-----	-----	-----	-----	-----	-----	-----
At 31 December 2023	1,372,564	76,538,841	(18,861,385)	6,503,426	(4,340,978)	153,593,943	214,806,411	90,525,447	305,331,858
	=====	=====	=====	=====	=====	=====	=====	=====	=====

¹ On July 20, 2023, the Group has acquired the non-controlling interest's 20% shareholding in Agou Holding SAS. 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 39.4 million, was 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.

AXIAN TELECOM**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****Company**

	Stated capital USD	Other reserves USD	Retained earnings USD	Total USD
At 01 January 2022	1,372,564	-	52,693,446	54,066,010
Comprehensive income: Profit and total comprehensive income for the year	-	(188)	72,838,516	72,838,328
	-----	-----	-----	-----
Total comprehensive income for the year	-	(188)	72,838,516	72,838,328
	-----	-----	-----	-----
At 31 December 2022	1,372,564	(188)	125,531,962	126,904,338
Comprehensive income: Profit and total comprehensive income for the year	-	(736)	35,540,347	35,539,611
	-----	-----	-----	-----
Total comprehensive income for the year	-	(736)	35,540,347	35,539,611
	-----	-----	-----	-----
Dividend declared (Note 37)	-	-	(20,000,000)	(20,000,000)
	-----	-----	-----	-----
At 31 December 2023	1,372,564	(924)	141,072,309	142,443,949
	=====	=====	=====	=====

AXIAN TELECOM

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Cash flows from operating activities				
Cash generated from operations (Note 28)	487,720,238	360,355,796	(20,479,907)	439,425
Interest paid	(113,901,230)	(61,110,713)	(31,042,205)	(15,487,500)
Interest received	12,144,886	7,586,471	22,499,488	6,270,543
Taxation paid (Note 7(d))	(43,965,046)	(53,248,957)	(3,309,138)	(6,746,314)
Net cash generated from/(used in) operating activities	341,998,848	253,582,597	(32,331,762)	(15,523,846)
Cash flows from investing activities				
Proceeds from sale of property, plant & equipment	177,827	413,979	-	-
Proceeds from sale of intangible assets	6,758	184,973	-	-
Purchase of property, plant and equipment (Note 8)	(309,711,385)	(225,349,941)	-	-
Acquisition of subsidiaries net of cash acquired (Note 26 and Note 10)	(47,659,964)	(77,793,423)	(75,381,392)	-
Disposal of subsidiaries (Note 47)	(86,621)	-	-	-
Purchase of intangible assets (Note 9)	(43,545,419)	(43,507,569)	-	-
Dividend received (Note 41)	125,520	581,692	45,975,460	113,250,276
Treasury bonds matured (Note 32)	456,117	443,686	-	-
Purchase of financial assets at fair value through profit or loss	(1,250,684)	(1,436,744)	-	-
Proceeds from disposal of financial assets at fair value through profit or loss	824,059	-	-	-
Buy back of shares by joint ventures (Note 11)	-	1,993,678	-	547,710
Dividend received from joint ventures (Note 11 and Note 30)	12,945,792	15,157,492	-	-
Loan granted to related parties (Notes 24(a) and (b))	(10,000)	-	(111,861,621)	(360,328,183)
Loan repayments made by related parties (Notes 24(a) and (b))	196,782	533,694	42,622,756	15,085,000
Amount received from minority interests (Note 24(a))	-	5,085,000	-	-
Additional deposits (Note 36)	(745,578)	(362,206)	-	-
Deposits received (Note 36)	820,369	1,252,110	-	-
Decrease/(increase) in deposits payable (Note 34)	99,031	(408,131)	-	-
Grants received (Note 22)	15,955,444	3,330,309	-	-
Purchase of minority interest (Note 10)	(22,459,407)	-	-	-
Net cash used in investing activities	(393,861,359)	(319,881,401)	(98,644,797)	(231,445,197)
Cash flows from financing activities				
Premium on settlement of swap derivative liability	(1,308,395)	-	-	-
Proceeds from borrowings (Note 28)	164,555,230	463,355,178	81,604,608	424,915,000
Repayment of borrowings (Note 28)	(84,273,556)	(269,076,785)	(8,496,313)	(83,867,851)
Payment of transaction costs on borrowings	(6,932,386)	(11,525,796)	-	(11,525,796)
Repayment of principal component of lease liabilities (Note 28)	(39,285,872)	(26,493,552)	-	-
Dividend paid (Note 37)	(50,883,772)	(11,822,484)	(41,785,341)	-
Issue of shares to non-controlling interest	390,940	-	-	-
Net cash flow (used in)/generated from financing activities	(17,737,811)	144,436,561	31,322,954	329,521,353
Net (decrease)/increase in cash and cash equivalents	(69,600,322)	78,137,757	(99,653,605)	82,552,310
Effect of exchange rate on cash and cash equivalents	(1,436,381)	8,771,883	287,159	(2,344,370)
Cash and cash equivalents at beginning of year	198,861,628	111,951,988	116,673,950	36,466,010
Cash and cash equivalents at end of year (Note 15)	127,824,925	198,861,628	17,307,504	116,673,950

The notes on pages 24 to 180 are an integral part of these financial statements.

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****1 GENERAL INFORMATION**

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

The principal activity of the Company is to engage in investment holding activities primarily in entities operating in the telecommunications sector and related sectors. The Company also provides support services to its subsidiaries in African countries.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

Basis of preparation

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

The principal accounting policies are set out below:

Going concern

In accordance with the requirements of IAS 1 - Presentation of Financial Statements, the financial statements have been prepared on the going concern basis which assumes that the Group and the Company will continue in operational existence for the foreseeable future.

At 31 December 2023, the Group was in a net current liability position of **USD 372,691,855** (2022: Restated net current liability position of USD 138,791,856). The directors have made an assessment of the Group's ability to continue as a going concern, and they consider that there is sufficient liquidity to continue as a going concern for at least 12 months, taking into account the following factors:

- Based on management assessment, the forecast cash generated from operations in the 12 months after the signing of these financial statements will be sufficient to meet the liquidity requirements for that period.
- The Group's operations are cash generative and the nature of mobile services revenue (which makes up the majority of the Group's revenue) in the markets where the Group operates, is such that customers will generally prepay for their services through prepaid airtime and data bundles. The Group thus inherently has more favourable credit terms with its suppliers than it does with its customers and is able to manage cash resources effectively in order to ensure sufficient liquidity.
- The current balance of deferred revenue of USD 41.7 million (Note 21), and the current balance of government grants of USD 11.6 million (Note 22) do not represent a cash liabilities in their entirety. The Group is required to deliver services in respect of billing made in advance and grants received in advance, but the cash cost of delivering those services is significantly lower than the balance of the deferred amounts as at 31 December 2023.
- The Group has a revolving credit facility which provides it with USD 42.0 million of available credit, should the need arise. This revolving credit facility expires on 16 February 2027. As at date, the Group has not drawn any amount on this facility.
- On 14 October 2023, the Group and the Company entered into a credit facility agreement with The Standard Bank, Rand Merchant Bank, Standard Chartered Bank, and The Mauritius Commercial Bank, to avail a term loan facility of up to USD 150.0 million. This facility may be drawn upon immediately following realization of the remaining conditions precedent.

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES***Going concern (continued)*

- On 30 December 2023, the Group has signed a common terms agreement with the European Investment Bank ("EIB"), Oesterreichische Entwicklungsbank AG ("OeEB"), Belgian Investment Company For Developing Countries NV/SA ("BIO") for the provision of an equivalent USD 40.0 million in total loan commitments. This facility may be drawn upon immediately following realization of the remaining conditions precedent.
- On 01 February 2024, the Group and the Company entered into a credit facility agreement with British International Investment PLC, to avail a term loan facility of up to USD 30.0 million. This facility may be drawn upon immediately following realization of the remaining conditions precedent.
- On 08 February 2024, the Group has signed a common terms agreement with the International Finance Corporation ("IFC") for the provision of an equivalent USD 60.8 million in total loan commitments. These loans may be drawn upon immediately following realization of the remaining conditions precedent.
- Based on the group cash flow forecast, management expects increased revenue from growth in the demand for products and services from the existing customer base, expansion of the customer base (underlined by strong market fundamentals with growing telecom penetration in all of the Group's core markets), and expansion of highly synergetic business such as Mobile Financial Services ('MFS'). Strong operating cash flow generation is supported by efficient working capital with a majority of our revenues being prepaid and, a majority of our suppliers extending the Group customary payment terms of between 30 and 90 days.
- Taking account of our net current liability position of USD 372.7 million as at 31 December 2023, and adjusting for the aggregate balance of deferred revenues and government grants (USD 53.3 million), and the aggregate value of available facilities (USD 322.8 million), the Group has a net current asset position of USD 3.4 million. This amount represents 0.7% of the amount of cash generated from operations before working capital changes, during the current year, which amounted to USD 470.8 million. If the current year results were to be repeated in 2024, it would result in an aggregate current asset position of USD 474.2 million as at 31 December 2024.
- The above assessment assumes no increase in cash generated from operations before working capital changes during 2024, which in the opinion of management, is a conservative assumption. Management's assessments reflect that an excess amount of USD 474.2 million provides sufficient liquidity for settlement of upcoming interest (including interest on leases) and tax payments during 2024; these payments amounted to an aggregate value of \$157.9 million during the current year.
- Thus, having assessed existing cash reserves, the availability of undrawn facilities, and the ongoing operational requirements and planned capital expenditure payments, management believes that the going concern assumption remains appropriate in the context of current commitments and available liquidity.

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

Basis of consolidation

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments in subsidiaries

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

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

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

Interests in joint ventures and associates

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

The Group accounts for its investments in joint ventures and associates in its consolidated financial statements by using the equity method. Under the equity method, the investment in a joint venture or associate is initially recognised at cost, which includes transaction costs. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture or associate after the acquisition date.

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

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

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

Business combination under common control

Where the combining entities are ultimately controlled by the same party both before and after the combination, the transaction is a "common control" transaction, outside the scope of IFRS 3 Business Combinations.

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

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

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

The principles of predecessor accounting are:

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

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)***Changes in accounting policies and disclosures***(i) New and amended standards**

The following new standards, amendments to existing standards and interpretations, which are effective for the financial periods beginning on 01 January 2023, have been assessed by management who concluded that the new standards have no effect on the financial results or financial position of the Group and the Company.

- The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Amendments regarding the disclosure of accounting policies (effective 1 January 2023)
- IAS 12 Deferred tax related to assets and liabilities arising on a single transaction: Amendments regarding recognition of related deferred tax asset and liability (effective 1 January 2023)

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

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

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

- IAS 1 Presentation of Financial Statements – Amendments regarding the classification of liabilities (effective 1 January 2024)
- IAS 1 Presentation of Financial Statements: Amendments regarding the disclosure of accounting policies (effective 1 January 2024)
- IAS 1 Presentation of Financial Statements: Amendments regarding the classification of debt with covenants (effective 1 January 2024)
- IFRS 16 Leases: Amendments to lease liability in a Sale and Leaseback (effective 1 January 2024)

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

(b) Foreign denominated transactions and balances

- In the individual accounts of the Group's entities

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

- In the Group's consolidated financial statements

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

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

Revenue recognition

The Group applies IFRS 15 "Revenue from Contracts with Customers" in accounting for revenue.

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

Revenue from contracts with customers

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

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

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

The Group applies the practical expedient in IFRS 15 paragraph 63 and does not account for the impact of financing components where the period between the receipt of payment and the delivery of a good or service is of one year or less.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

(i) Mobile services and fixed services

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

(ii) Revenue from interconnection, roaming and Mobile Virtual Network Operator (MVNO)

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

(iii) Customer Equipment and infrastructure

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

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

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

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

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

(v) Revenue from operator infrastructure services

Revenue from operator infrastructure services include income from backbone connectivity rental in any contractual form with Synchronous Transport Module (STM). The services also comprise of rental of technical sites and accommodation of data processing equipment in technical rooms.

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

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

(vi) Commission received on electronic money activities

The Group provides mobile money activities whereby customers can open a virtual wallet and deposit funds, withdraw or transfer funds, or transact with registered vendors using their wallet balance. Revenue from our mobile money activities mainly comprises of the commissions received on cash transactions, which are calculated based on the official rates decided by management. The revenues are net of value added taxes.

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)***Revenue recognition (Continued)***(vi) Commission received on electronic money activities (continued)**

Revenue is recognised as and when the service is provided, which is at a point in time. Interest income on loan to clients calculated using the effective interest rate method is recognised in profit or loss as part of Commission received on electronic money activities.

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

Trademark fees are derived from the use of the trademark and intellectual property rights which are registered in Mauritius. A trademark fee is received based on the agreements between the parties. Revenue is recognised in the accounting period in which the customer is granted the right to use the trademark or intellectual, which is over time.

(viii) Revenue received from digital solutions services (Other services)

Digital solutions services are derived from providing IT support services and other assistance to companies. Revenue derived from digital solutions services is categorised as service revenue. This type of revenue is recognised in the accounting period in which the service is provided, which is over time, usually over the duration of the contract with the customer.

(ix) Management fees

The Group provides assistance to customers in the management of their business and their corporate strategy. The Group is actively involved in the operational management of those companies where it provides training and administrative assistance to its personnel. The Group has contracts with customers and revenue is recognised in the accounting period in which the service is provided, which is over time, usually over the duration of the contract with the customer.

Operating costs

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

Segment reporting

The Group presents segment information using business segments as its primary reporting format and geographical segments as its secondary reporting format. The identification of business and geographical segments is based on the internal management and financial reporting systems and reflects the risks and sources of earnings the Group's earnings. Management and key decision makers (comprising the Chief Executive Officer, Chief Financial Officer, and Chief Technical Officer, as well as the executive and non-executive directors of the Group), monitor the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Property, plant and equipment

Property, plant and equipment ("PPE") is stated at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment.

Initial and subsequent costs associated with items of property, plant and equipment are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The group classifies its PPE by reference to separately identifiable components which may be replaced separately or may have differing useful lives. The carrying amount of any component accounted for as a separate asset is derecognised when replaced, scrapped or disposed of. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)***Property, plant and equipment (Continued)*

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

Land is not depreciated.

The annual rates or lifetime are as follows.

Buildings & Infrastructure	10 to 20 years
Technical equipment	3 to 20 years
Materials	5% to 10%
Others	2 to 10 years

Others include furniture & fittings and vehicles.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, with the resulting impairment recognised in profit or loss. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

*Intangible assets***(a) Licences**

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

(b) Software

The Group purchases software as well as develops software internally. Purchased software is recognised initially at its purchase price plus any costs necessary for bringing it into a condition where it is available for use, for example installation and setup costs.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

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

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

Capitalised software purchase and development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. These costs are amortised over the estimated useful life of the software between 2 and 10 years.

Costs associated with maintaining software programmes are recognised as an expense as incurred.

(c) Indefeasible right of use (IRU)

IRUs acquired are recorded at cost, net of amortisation and impairment losses. Amortisation is calculated on a straight-line basis in order to spread the cost of the IRUs over their estimated useful lives (usually 5 to 20 years). The amortisation period is reviewed annually and is modified if expectations differ from previous estimates.

Where an IRU is acquired for a specified bandwidth in a fibre cable, such IRUs are recognised as intangible assets. The carrying value of intangible assets as at the end of the reporting period also consist of the Group's share of international bandwidth capacity on the Metiss ("Melting pot indianoceanic submarine system"), Eassy ("Eastern African submarine cable system"), 2Africa and Simba Gera submarine cable systems following its participation in the relevant consortiums.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

(d) Brands and customer related intangible assets

Brands and customer related intangible assets, acquired in a business combination, are recognised at fair value at the acquisition date. The right to use the Tigo and Zantel brands was acquired as part of the business combination of Honora Tanzania Public Limited Company, and the right to use the Free brand was acquired as part of the business combination of Saga Africa Holdings Limited SA. Those brands provide customer recognition and pricing power. The Zantel brand, the Tigo brand and the Free brand shall be amortised over 3 years. Customer related intangible assets represents customer contracts and relationships. Amortisation is calculated using the straight-line method to allocate the customer related intangible assets over their estimated useful lives of 3-22 years.

Impairment of property, plant and equipment and intangible assets (excluding goodwill)

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

If the recoverable amount of an asset or cash-generating unit ("CGU") is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The recoverable amount is the higher of the CGU's fair value less cost to sell and its value in use.

An impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised in profit or loss.

Financial assets

(i) Initial measurement of financial assets

Financial assets are recognised in the statements of financial position when the Group becomes a party to the contractual provisions of the financial instruments.

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

(ii) Classification of financial assets

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

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

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

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

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

When the Group acquires a subsidiary, it maintains the initially elected classification of financial assets of that subsidiary that are classified as either fair value through profit or loss or FVOCI.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

(iii) Impairment of financial assets

The impairment requirements under IFRS 9 are based on an expected credit loss (ECL) model, under which the Group must recognise expected credit losses at the initial recognition of a financial asset, and changes in these expected credit losses at each balance sheet date in order to reflect changes in credit risk since the initial recognition of the financial assets. In other words, there is no longer a need for a credit-related event to occur before credit losses are recognised.

General approach

IFRS 9 requires that the Group measures a loss allowance for a financial instrument at an amount corresponding to the credit losses expected over the remaining life of the financial instrument if the credit risk associated with this financial instrument has increased significantly since its initial recognition, or if the financial instrument is an impaired financial asset upon its acquisition or creation (a lifetime ECL). For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). The Group uses the general approach for its exposures under loans receivables and amounts due from related parties.

Simplified approach

IFRS 9 also requires a simplified approach whereby the Group does not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. An entity is allowed to apply the simplified approach only for trade receivable, lease receivables and contract assets within the scope of IFRS 15 and that do not contain a significant financing component. Accordingly, the Group uses the simplified approach for its exposures from trade and other receivables.

It is the policy of the Group to write off trade and other receivables on case-to-case basis if the Group deems that these receivables will not be collectible on the assessment of underlying facts and circumstances. These underlying facts include historical experience of the receivables, instances where the customer has been declared insolvent or bankrupt, and instances when debt settlement negotiations have been unsuccessful in achieving debt collections for long-outstanding unpaid amounts from customers.

Long-term loans

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

Long-term loans are assessed for impairment losses resulting from changes in the credit risk of the counterparty. The amount of any provision for ECL is recognised in profit or loss.

Trade and other receivables

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

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

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

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)***Financial assets (continued)**Cash and cash equivalents*

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

(iv) Derecognition of financial assets

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

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

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

Financial liabilities

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

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

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

Financial liabilities which are designated at fair value through profit or loss are fair valued at each reporting period and the fair valuation movements are recognised in profit or loss.

Embedded derivatives

Embedded derivatives are derivative instruments which are embedded within the terms of other financial or non financial contracts (the host contract). Embedded derivatives are bifurcated if their terms are not closely related to that of the host contract. The initial fair value of derivatives embedded within financial contracts is recognised as an adjustment to the initial fair value recognised in respect of the host contract. Subsequently the embedded derivative is measured at fair value and the host contract is measured using the appropriate provisions of IFRS 9 (for example at amortised cost). The initial fair value of derivatives embedded within non-financial host contracts is recognised according to the nature of the underlying transaction, as an asset, liability, or equity transaction.

The movement in the fair values of the embedded derivatives are recognised under finance income and finance cost in profit or loss.

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)***Taxation*

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

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

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

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

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

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

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

Inventories

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

Restricted cash

Restricted cash represents funds for which the use by the Group is subject to restrictions. Restricted cash primarily represents funds deposited by the Group in order to create mobile money in circulation, and which the Group cannot utilise as such money may only be used to refund mobile money customer wallet balances, net of commission and revenues earned. The value of restricted cash therefore generally approximates the value of mobile money customer deposits.

Stated capital

Ordinary shares are classified as equity.

Reorganisation reserves

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

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)***Legal reserves*

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

Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less; otherwise, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Provisions

Provisions are recognised when an entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

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

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

Provision for dismantling costs

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

Provisions for dismantling are initially measured at the present value of the estimated future cost of dismantling, with a corresponding increase in the cost of the associated item of property, plant and equipment or right of use asset. Interest is accrued against the provision for dismantling using the effective interest rate method and such provisions are revised annually for changes in estimated future dismantling costs and discount rates.

Any difference between the carrying value of the dismantling obligation and its re-estimated present value is recognised as an increase or decrease in the cost of the associated item of property, plant and equipment or the right of use asset, unless such a decrease exceeds the carrying value of the item of property, plant and equipment or right of use asset; in which case such excess is immediately expensed to profit or loss.

Government grants

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

Government grants, whose main condition is that the Group must purchase, construct or otherwise acquire non-current assets, are included in non-current liabilities and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Where government grants do not have a minimum period for which the Group must provide services, management considers that the costs that the grants are intended to compensate are the actual costs incurred, as they are incurred. Income from such government grants is therefore recognised in profit or loss in the same period as the actual associated costs that are incurred.

Borrowings

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

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)***Leases*

The Group applies IFRS 16 in accounting for leases and applies the requirement of IFRS 16 in identifying whether a contract contains a lease element. The Group considers whether it obtains control of an asset as part of the contract. Control exists if the Group has both of the following:

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

Where the Group identifies a contract as a lease, it recognises a lease liability and right-of-use asset at the commencement of the lease.

The Group applies the practical expedient in IFRS 16 and does not recognise lease liabilities and right-of-use assets in respect of short-term and low value leases. Short-term leases are leases with a term of less than 12 months and low value leases are those where the total payments under the lease do not exceed USD 5,000.

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

Lease liabilities

Lease liabilities are initially recognised at the net present value of the outstanding lease payments, over the term of the lease which are fixed and determinable at the start of the lease.

The discount rate is the interest rate implicit in the lease contract. If this cannot readily be determined, the lessee's incremental borrowing rate is used instead, which in the case of the Group ranges between 4.5% and 18.6%.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments that are due within 12 months from the end of the reporting period, less associated interest expense to be accrued within the same 12-month period, are classified as current liabilities. Lease payments that are due for settlement after more than 12 months from the end of the reporting period are classified as non-current liabilities.

Right-of-use of assets

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

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

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis and are assessed annually for indicators of impairment. Depreciation and impairment expenses in respect of right-of-use assets are recognised in profit or loss.

Dividends

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

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

Goodwill

Goodwill is not subject to amortisation and is tested annually for impairment. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if there is an indication that the unit may have suffered an impairment loss. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is first recorded as a reduction of the carrying amount of any goodwill allocated to the unit and is subsequently charged to other assets of the unit in proportion to the book value of each of the assets included in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period, even if the recoverable amount of the unit exceeds the carrying value in a future period.

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)***Retirement benefit obligations*

The Group operates an unfunded defined benefit plan in Togo and Senegal and a defined contribution scheme in Mauritius.

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

The liability recognised in the statement of financial position in respect of retirement benefit obligations is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by an actuary based on the gross salary and according to the length of service of the employee in the company. There is no legal obligation in Togo to contribute in a pension plan.

In Mauritius, the net present value of gratuity on retirement benefit payable under the Worker's Rights Act 2019 has been calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

Expense recognition

Expenses are accounted for in profit or loss on an accrual basis.

Fair values

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

The fair value hierarchy has the following levels:

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

Treasury bonds

The Treasury bonds are marketable, fixed-interest government debt securities with a long-term maturity which pays periodic interest payments until maturity. These bonds are considered to be risk-free since they are backed by the government and offer stable returns.

Deposits receivable

Deposits receivable refer to funds that the Group expects to receive in the form of cash and/or other financial asset from an entity, typically arising from transactions such as security deposits amongst others. These deposits are refundable on either a short-term or long-term basis and they have an original maturity of more than 3 months.

Deposits payable

Deposits payable refer to funds that the Group contractually expects to refund at a later date or upon the occurrence of specified conditions, typically arising from transactions such as security deposits for post-paid services and surety bonds for roaming services. The deposits are refundable after more than one year.

Deposits from customers

Deposits from customers represent a client savings account whereby the Group acting under the relevant legislation enables the public to save electronic money and to deal in transactions involving this digital form of money. A fixed rate of interest is incurred on the deposits payable to such customers.

Dividend receivable

Dividend receivable from subsidiaries are recognised when the shareholder's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be reliably measured.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT

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

Risk management is carried out under policies approved by the Board of Directors of the Group and of relevant subsidiaries. The Board of Directors identifies, evaluates and manages financial risks in cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as for specific areas such as foreign exchange risk, interest rate risk and credit risk. The Group treasury is responsible for managing the Group's exposure to financial risk within the policies set by the Board of Directors.

Categories of financial instruments

	Group		Company
	Restated		
2023	2022	2023	2022
Financial assets at amortised cost USD	Financial assets at amortised cost USD	Financial assets at amortised cost USD	Financial assets at amortised cost USD
Deposits receivable	4,460,725	2,388,938	-
Treasury bonds	1,402,023	1,803,607	-
Loans receivable	32,207,712	17,355,346	495,786,600
Trade and other receivables	175,336,776	98,040,026	63,188,924
Dividend receivable	-	-	26,951,922
Cash and cash equivalents	181,846,003	226,590,223	17,307,668
Restricted cash	325,070,229	277,344,579	-
Total	720,323,468	623,522,719	603,235,114

	Group		Company
	2022		2022
2023	2022	2023	2022
Financial asset at fair value through profit or loss USD	Financial assets at fair value through profit or loss USD	Financial assets at fair value through profit or loss USD	Financial assets at fair value through profit or loss USD
Mutual funds and securities	978,588	908,248	-
Equity securities	3,010,520	1,479,188	-
Venture capital funds	7,015,071	7,524,717	-
Embedded derivative assets	1,000,000	6,422,975	1,000,000
Total	12,004,179	16,335,128	1,000,000

	Group		Company
	2023		2022
2023	2023	2023	2022
Financial asset at fair value through Other Comprehensive Income USD	Financial asset at fair value through Other Comprehensive Income USD	Financial asset at fair value through Other Comprehensive Income USD	Financial asset at fair value through Other Comprehensive Income USD
Equity Investments	17,490,668	18,590,788	-
Total	17,490,668	18,590,788	-

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Categories of financial instruments (Continued)

	2023	Group Restated 2022	2023	Company 2022
	Financial liabilities at amortised cost USD	Financial liabilities at amortised cost USD	Financial liabilities at amortised cost USD	Financial liabilities at amortised cost USD
Borrowings	861,470,130	730,285,766	654,463,523	574,229,087
Lease liability	810,904,281	429,875,132	-	-
Trade and other payables	871,590,189	614,827,969	31,310,541	20,035,537
Bank overdraft	54,021,078	27,728,595	164	-
Deposits payable	5,909,670	5,728,963	-	-
Dividend payable	5,783,890	21,695,814	-	21,686,273
Deposits from customers	3,142,045	1,330,778	-	-
	-----	-----	-----	-----
Total	2,612,821,283	1,831,473,017	685,774,228	615,950,897
	=====	=====	=====	=====

	2023	Group 2022	2023	Company 2022
	Financial liabilities at fair value through profit or loss USD	Financial liabilities at fair value through profit or loss USD	Financial liabilities at fair value through profit or loss USD	Financial liabilities at fair value through profit or loss USD
NCI put option	-	36,951,071	-	-
Swap derivative liability	364,222	-	-	-
	-----	-----	-----	-----
Total	364,222	36,951,071	-	-
	=====	=====	=====	=====

Group

Trade and other receivables exclude the following:

- Prepayments of **USD 47,070,939** (Restated 2022: USD 39,846,287)
- VAT receivable and amount receivable from authorities of **USD 78,089,620** (Restated 2022: USD 52,342,226)
- Contract assets of **USD 4,846,041** (2022: USD Nil)

Trade and other payables exclude deferred revenue of **USD 57,267,699** (2022: USD 52,016,153) and VAT payable and amount payable to authorities of **USD 93,408,598** (2022: USD 84,868,030).

Deposit payable excludes non-refundable deposits of **USD 2,009,089** (2021: 1,923,050).

Company

Trade and other receivables exclude prepayments of **USD 36,027** (2022: USD 45,646) and other receivables of **USD 1,963,930** (2022: Nil).

Trade and other payables exclude other payables of **USD 9,938** (2022: USD 4,823).

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) Foreign exchange risk

Company

	Financial Assets USD	2023 Financial liabilities USD	Financial assets USD	2022 Financial liabilities USD
Euro	42,044,828	58,024,725	78,791,553	52,849,192
United States Dollar	515,343,658	627,749,503	479,431,647	563,101,705
CFA Franc	46,580,780	-	41,069,905	-
Others	265,848	-	215,906	-
	-----	-----	-----	-----
Total	604,235,114	685,774,228	599,509,011	615,950,897
	=====	=====	=====	=====

At 31 December 2023, if the United States Dollar ("USD") had strengthened by 5% against the Euro, with all other variables held constant, profit before income tax for the Company would have been higher by **USD 798,995** (2022: lower by USD 1,297,118).

At 31 December 2023, if the United States Dollar ("USD") had strengthened by 5% against the CFA Franc, with all other variables held constant, profit before income tax for the Company would have been lower by **USD 2,329,039** (2022: lower by USD 2,053,495).

Group

The Group's activities expose them primarily to the financial risks of changes in foreign currency exchange rates. The Group manages its exposure to foreign exchange risk by retaining funds in local currencies to the extent required (or forecast to be required) for liquidity, working capital, and local investment purposes.

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

	Financial Assets USD	2023 Financial liabilities USD	Financial assets USD	Restated 2022 Financial liabilities USD
CFA Franc	219,469,140	711,847,897	111,483,782	254,965,937
United States Dollar	93,582,852	1,097,873,870	143,420,892	644,820,679
Malagasy Ariary	177,820,315	196,147,883	140,598,420	191,935,989
Euro	22,772,608	116,688,414	50,610,180	124,570,633
Tanzanian Shilling	230,591,409	463,641,400	209,451,285	621,436,388
Ugandan Shilling	4,953,733	26,741,664	2,025,731	30,345,932
Others	628,258	244,377	858,345	348,530
	-----	-----	-----	-----
Total	749,818,315	2,613,185,505	658,448,635	1,868,424,088
	=====	=====	=====	=====

At 31 December 2023, if the United States Dollar ("USD") had strengthened by 5% against the Malagasy Ariary, with all other variables held constant, profit before income tax for the Group would have been higher by **USD 916,378** (2022: higher by USD 2,566,878).

At 31 December 2023, if the United States Dollar ("USD") had strengthened by 5% against the Euro, with all other variables held constant, profit before income tax for the Group would have been higher by **USD 4,695,790** (2022: higher by USD 3,698,023).

At 31 December 2023, if the United States Dollar ("USD") had strengthened by 5% against the CFA Franc, with all other variables held constant, profit before income tax for the Group would have been higher by **USD 24,618,938** (2022: higher by USD 7,174,108).

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)****(a) Market risk (Continued)****(i) Foreign exchange risk (Continued)**

At 31 December 2023, if the United States Dollar ("USD") had strengthened by 5% against the Tanzanian Shilling, with all other variables held constant, profit before income tax for the Group would have been higher by **USD 11,652,500** (Restated 2022: higher by USD 20,599,255).

At 31 December 2023, if the United States Dollar ("USD") had strengthened by 5% against the Ugandan Shilling, with all other variables held constant, profit before income tax for the Group would have been higher by **USD 1,089,397** (2022: higher by USD 1,416,010).

(ii) Interest rate risk**Group**

The Group is exposed to interest rate risks as it borrows funds at floating rates as at 31 December 2023. The interest rate was as follows:

	Floating interest rate 2023
Bank loan – BFV Société Générale de Madagascar	
(i) Principal USD 12,000,000	SOFR+ margin 3.75%
(ii) Principal MGA 25,000,000,000	Variable rate (bank base rate – 7.9%) of 7% payable monthly
Bank loan – BNI Madagascar	
(i) Principal MGA 50,000,000,000	8% per annum over first 36 months, 6.6% per annum as from the 37th month
Stanbic Bank Uganda Limited	
(i) Principal USD 9,000,000	3 months SOFR + 5% margin
(ii) Principal UGX 38,588,250,000	3 months average 182 days treasury bill rates + 4.25% margin
JP Morgan Chase Bank N.A	
(i) Principal USD 101,955,751	SOFR+ margin 0.9%

Company

The Company is exposed to interest rate risks as it borrows funds at floating rates as at 31 December 2023. The interest rate was as follows:

JP Morgan Chase Bank N.A	
(i) Principal USD 101,955,751	SOFR+ margin 0.9%

The sensitivity analysis below has been determined based on the exposure to interest rates for financial assets and financial liabilities at year-end. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at year-end was outstanding for the whole year. A 1% increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

	Group		Company	
	2023	2022	2023	2022
	USD	USD	USD	USD
Profit or loss	406,686	481,325	40,826	-
	-----	-----	-----	-----

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(iii) Price risk

The Group is exposed to equity securities price risk and derivative price risk. The equities price risk arises on the Group's investments at FVPTL and FVOCI whereas its exposure to derivative price risk mainly arises from its embedded derivative assets (Refer to Note 40). Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares.

Derivative price risk is the risk of unfavourable movement in the inputs to the valuation model which in turn impact on the fair value of the derivative asset. The key inputs to the valuation of the call option are last 12-month EBITDA, EBITDA multiple and market volatility. The Group has undertaken a sensitivity analysis of the key inputs that impact the valuation of the call option and this is provided under Note 4.

The risk arising from changes in the value of equity securities is managed by regular monitoring of the performance of the investment through information available to management.

Sensitivity analysis

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

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

	2023	Group	2023	Company
	Effect on pre-tax profit and equity	2022	Effect on pre-tax profit and equity	2022
	USD	Effect on pre-tax profit and equity	USD	Effect on pre-tax profit and equity
		USD		USD
Increase in share price	9,786	9,082	-	-
Decrease in share price	(9,786)	(9,082)	-	-

(b) Credit risk

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

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

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

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

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

General approach

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

Three elements are taken into account:

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

There is a rebuttable presumption that if a loan is more than 30 days past due, there has been a significant increase in credit risk. Most amounts receivable from entities under common control have no fixed repayment terms. If the amounts receivable from entities under common control are considered fully performing, healthy assets, then the loss allowance is calculated at 12-month ECL. We therefore apply a $PD \times LGD \times EAD$ (probability weighted) methodology for calculating the expected credit loss under IFRS 9. A weighted average PD rate was computed based on a probability weighted outcomes approach.

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

- adjustment in dividends declared and upstreamed;
- guaranteed financial support or direct support from the ultimate beneficial owner of the entities under common control

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

Simplified approach

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss, which is based on days past due for the debtors. In determining the provision matrix, no segregation has been made among the debtors due to their homogeneity.

The calculation reflects the probability-weighted outcome that is available at the reporting date about past events, current conditions and future economic conditions. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the corresponding historical credit losses and levels of actual losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of the country in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Generally, trade receivables are written-off if past due for more than one year except for customers with special credit arrangements.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

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

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

31 December 2023	Total	Current	>30 days	>90 days	> 180 days
	USD	USD	USD	USD	USD
<i>Expected credit loss rate</i>		2%	2%	9%	36%
Carrying amount					
Trade and other receivables	213,114,032	48,856,454	36,598,193	20,683,241	106,976,144
Expected credit loss	42,033,983	914,608	617,939	1,959,223	38,542,213
31 December 2022	Total	Current	>30 days	>90 days	> 180 days
	USD	USD	USD	USD	USD
<i>Expected credit loss rate</i>		4%	3%	6%	40%
Carrying amount					
Trade and other receivables	115,857,830	25,699,635	13,216,542	16,151,096	60,790,557
Expected credit loss	27,004,633	952,363	457,216	1,011,565	24,583,489

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

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

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

31 December 2023	Total	Current	>30 days	>90 days	> 180 days
	USD	USD	USD	USD	USD
<i>Expected credit loss rate</i>		4%	34%	65%	100%
Carrying amount					
Loans receivable	31,683,980	17,593,757	3,835,661	2,707,114	7,547,448
Expected credit loss	11,347,876	727,410	1,303,253	1,769,765	7,547,448
31 December 2022	Total	Current	>30 days	>90 days	> 180 days
	USD	USD	USD	USD	USD
<i>Expected credit loss rate</i>		9%	12%	100%	100%
Carrying amount					
Loans receivable	16,550,549	10,576,619	2,619,216	1,534,494	1,820,220
Expected credit loss	4,576,093	919,500	301,879	1,534,494	1,820,220

The loan to clients amounting to **USD 31,683,980** (2022: USD 16,550,549) mainly comprises of short-term micro-loans provided to clients for the mobile banking business, with a maturity period not more than 30 days.

The Group is exposed to credit risk from its provision of short-term micro-loans to various customers as from 16 October 2021. Loans are provided only after an evaluation of the financial position of the respective customer. Details regarding such credit risk are provided under note 14 of these financial statements.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

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

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

Group

At 31 December 2023	Less than 1 year USD	Between 1 and 2 years USD	Between 2 and 5 years USD	More than 5 years USD	On demand USD	Total USD
Trade and other payables	634,376,008	-	-	57,076,048	180,138,133	871,590,189
Listed bonds	30,975,000	30,975,000	466,462,500	-	-	528,412,500
Borrowings	136,157,844	62,855,521	355,944,298	10,084,078	1,400,591	566,442,332
Lease liability	122,395,183	129,164,543	366,887,023	752,856,248	-	1,371,302,997
Bank overdraft	54,021,078	-	-	-	-	54,021,078
Deposits payable	-	-	-	5,909,670	-	5,909,670
Deposits from customers	3,142,045	-	-	-	-	3,142,045
Dividend payable	5,783,890	-	-	-	-	5,783,890
Swap derivative liability	364,222	-	-	-	-	364,222
	<u>987,215,270</u>	<u>222,995,064</u>	<u>1,189,293,821</u>	<u>825,926,044</u>	<u>181,538,724</u>	<u>3,406,968,923</u>
Restated At 31 December 2022	Less than 1 year USD	Between 1 and 2 years USD	Between 2 and 5 years USD	More than 5 years USD	On demand USD	Total USD
Trade and other payables	410,463,331	25,601,728	16,229,874	1,111	162,531,925	614,827,969
Listed bonds	30,975,000	30,975,000	497,437,500	-	-	559,387,500
Borrowings	52,598,715	57,217,634	243,206,957	13,707,843	141,996	366,873,145
Lease liability	90,164,258	95,221,138	275,932,100	513,647,271	-	974,964,767
Bank overdraft	27,728,595	-	-	-	-	27,728,595
Deposits payable	-	-	-	5,728,963	-	5,728,963
Deposits from customers	1,330,778	-	-	-	-	1,330,778
Embedded derivatives liabilities	-	36,951,071	-	-	-	36,951,071
Dividend payable	21,695,814	-	-	-	-	21,695,814
	<u>634,956,491</u>	<u>245,966,571</u>	<u>1,032,806,431</u>	<u>533,085,188</u>	<u>162,673,921</u>	<u>2,609,488,602</u>

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Company

	Less than 1 year USD	Between 1 and 2 years USD	Between 2 and 5 years USD	More than 5 years USD	Total USD
At 31 December 2023					
Trade and other payables	31,310,541	-	-	-	31,310,541
Listed bonds	30,975,000	30,975,000	466,462,500	-	528,412,500
Bank loans	24,528,469	23,528,469	69,941,340	-	117,998,278
Loans from related parties	14,640,804	-	188,259,909	-	202,900,713
Bank overdraft	164	-	-	-	164
	101,454,978	54,503,469	724,663,749	-	880,622,196
At 31 December 2022					
Trade and other payables	20,035,537	-	-	-	20,035,537
Listed bonds	30,975,000	30,975,000	497,437,500	-	559,387,500
Loans from related parties	19,197,972	-	158,271,168	-	177,469,140
Dividend payable	21,686,273	-	-	-	21,686,273
	91,894,782	30,975,000	655,708,668	-	778,578,450

(d) Fair values

Except where stated elsewhere, the fair value of cash and short-term deposit, current trade and other receivables, trade and other payables, bank overdrafts and other current financial liabilities approximate their carrying amount due to the short-term maturities of these instruments. The fair values of mutual funds, which are traded in active markets, have been arrived at using the quoted bid prices at the reporting date. The fair values of equity securities have been determined using a comparable multiple basis based on a recent transaction in the market. The following table presents the Group's assets as at 31 December 2023 and 31 December 2022:

Group

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
At 31 December 2023				
Financial assets at FVTPL:				
- Mutual funds	978,588	-	-	978,588
- Equity securities	-	2,951,759	58,761	3,010,520
- Venture capital funds	-	7,015,071	-	7,015,071
	978,588	9,966,830	58,761	11,004,179
Financial assets at FVOCI:				
- Equity securities	-	-	17,490,668	17,490,668
	-	-	17,490,668	17,490,668
Embedded derivatives assets:				
- Call Options in Notes	-	-	1,000,000	1,000,000
	-	-	1,000,000	1,000,000
Total assets	978,588	9,966,830	18,549,429	29,494,847
Derivative financial instrument				
- Swap derivative liability	-	364,222	-	364,222
Total liabilities	-	364,222	-	364,222

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair values (Continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
At 31 December 2022				
Financial assets at FVTPL:				
- Mutual funds	908,248	-	-	908,248
- Equity securities	-	1,436,743	42,445	1,479,188
- Venture capital funds	-	7,524,717	-	7,524,717
	-----	-----	-----	-----
	908,248	8,961,460	42,445	9,912,153
	-----	-----	-----	-----
Financial assets at FVOCI:				
- Equity securities	-	18,590,788	-	18,590,788
	-----	-----	-----	-----
	-	18,590,788	-	18,590,788
	-----	-----	-----	-----
Embedded derivatives assets:				
- Call Options in Notes	-	-	700,000	700,000
- NCI Call Options	-	-	5,722,975	5,722,975
	-----	-----	-----	-----
	-	-	6,422,975	6,422,975
	-----	-----	-----	-----
Total assets	908,248	27,552,248	6,465,420	34,925,916
	=====	=====	=====	=====
Embedded derivatives:				
- NCI put option	-	-	36,951,071	36,951,071
	-----	-----	-----	-----
Total liabilities	-	-	36,951,071	36,951,071
	-----	-----	-----	-----

Financial asset at FVTPL

	Group	
	Level 3 2023	Level 3 2022
At 01 January	42,445	4,903,543
Purchase of financial assets at FVTPL	14,768	-
Transfer to level 2	-	(4,858,500)
Net fair value gain on financial assets at FVTPL	1,548	(2,598)
	-----	-----
At 31 December	58,761	42,445
	=====	=====

	Group	
	Level 2 2023	Level 2 2022
At 1 January	8,961,460	-
Transfer from level 3	-	4,858,500
Purchase of financial assets at FVTPL	1,758,632	1,436,743
Net fair value (loss)/gain on financial assets at FVTPL	(753,262)	2,666,217
	-----	-----
At 31 December	9,966,830	8,961,460
	=====	=====

During the year ended 31 December 2022, investments in venture capital funds have moved from Level 3 to Level 2 on the basis that its fair value were determined from the most recent equity transactions.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair values (Continued)

Financial Assets at fair value through other comprehensive income

	Group	
	Level 3 2023	Level 3 2022
At 01 January	-	-
Transfer from Level 2	18,590,788	-
Net fair value gain on financial assets at FVOCI	270,045	-
Translation difference	(1,370,165)	-
	-----	-----
At 31 December	17,490,668	-
	=====	=====
	Group	
	Level 2 2023	Level 2 2022
At 1 January	18,590,788	-
Acquisition through business combination (Note 26)	-	15,510,333
Transfer to level 3	(18,590,788)	-
Net fair value gain on financial assets at FVOCI	-	3,155,480
Translation difference	-	(75,025)
	-----	-----
At 31 December	-	18,590,788
	=====	=====

During the year ended 31 December 2023, the investment in equity securities has moved from Level 2 to Level 3 on the basis that its fair value was determined using an EBITDA multiple approach.

Company

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
At 31 December 2023				
Embedded derivatives assets:				
- Call Options in Notes	-	-	1,000,000	1,000,000
	-----	-----	-----	-----
	-	-	1,000,000	1,000,000
	=====	=====	=====	=====
At 31 December 2022				
Embedded derivatives assets:				
- Call Options in Notes	-	-	700,000	700,000
	-----	-----	-----	-----
Total assets	-	-	700,000	700,000
	=====	=====	=====	=====

(e) Capital risk management

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities (including current and non-current borrowings and lease liabilities) as shown on the statement of financial position less cash and cash equivalents.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Capital risk management (continued)

Loans payable to shareholder of **USD 139,776,102** (2022: USD 130,543,543) have been excluded from total borrowings given that the Group's and Company's obligations towards its shareholder have been subordinated to its obligations in respect of the Notes and the Revolving Credit facility pursuant to the terms of subordination deeds entered into between, amongst others, the shareholder and the Company. Total capital is calculated as equity as shown on the statement of financial position, plus net debt.

As at 31 December 2023 and 2022 the gearing ratios were as follows:

		Group		Company
	2023	Restated	2023	2022
	USD	2022	USD	USD
		USD		
Total borrowings	1,532,598,309	1,029,617,355	514,687,421	443,685,544
Less: cash and cash equivalents (Note 15)	(127,824,925)	(198,861,628)	(17,307,504)	(116,673,950)
Net debt	1,404,773,384	830,755,727	497,379,917	327,011,594
Total equity	305,331,858	260,369,132	142,443,949	126,904,338
Total capital	1,710,105,242	1,091,124,859	639,823,866	453,915,932
Gearing ratio	82%	76%	78%	72%

The gearing ratio has increased from 76% in 2022 to 82% in 2023 because:

- (i) The Group has drawn additional loan facilities during the year ended 31 December 2023 (Refer to Note 20)
- (ii) The lease liability has increased following the acquisition of Maya Africa Holding Limited and its subsidiaries and owing to lease contract modifications resulting in higher lease balances in existing subsidiaries.

4 ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Critical accounting estimates and judgement

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

Significant judgements

- Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences only to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Recoverability of deferred tax assets has been assessed for each subsidiary based on the forecast taxable profit expected to be generated over the next 5 years.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****4 ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)***Critical accounting estimates (Continued)*

At 31 December 2023 and 2022, the status of unused tax losses of the Group was as follows:

	2023		
	Recognised USD	Unrecognised USD	Total USD
Tax losses	71,865,331	166,956,020	238,821,351
	2022		
	Recognised USD	Unrecognised USD	Total USD
Tax losses	59,409,657	35,278,449	94,688,106

Deferred tax assets of **USD 15,349,135** (2022: USD 14,809,213), **USD 4,479,004** (2022: USD 4,569,971) and **USD 26,001** (2022: USD Nil) have been recognised on the tax losses carried forward of Togocom and Togo Telecom, Honora Tanzania Public Limited Company Group and Towerco of Africa Tanzania Limited respectively at 31 December 2023.

The assumption that is considered to be the main driver in the cash flow projection is the gross profit margin. Management have considered and assessed the impact of a 10% change in the forecast gross profit margin and has concluded that even a decrease of 10% in the gross profit margin would not have an impact on the deferred tax assets recognised in respect of tax losses.

No deferred tax assets have been recognised on the remaining tax losses carried forward of **USD 166,956,020** (2022: USD 35,278,449) arising from other subsidiaries. The Group has concluded that there will be no sufficient future taxable profits against which the taxable losses can be utilised.

- Impairment of trade and other receivables

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

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

The Group had an expected credit loss as at 31 December 2023 of **USD 42,033,983** (2022: USD 27,004,633).

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

	2023 USD	2022 USD
Increase in expected credit loss following an increase in loss rate of 0.5%	1,065,570	579,289

- Impairment of loans receivable

The Group applies the same policy in assessing the expected credit loss and impairment of loans receivable, as it uses for trade and other receivables.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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

Critical accounting estimates (continued)

- Impairment of loans receivable (continued)

The Group had a total amount of the provision for doubtful loan receivables as at 31 December 2023 of **USD 11,347,876** (2022: USD 4,576,093).

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

	2023 USD	2022 USD
Increase in expected credit loss following an increase in loss rate of 0.5%	158,420	82,753

The loan to clients amounting to **USD 31,683,980** (2022: USD 16,550,549) mainly comprises of short-term micro-loans provided to clients for the mobile banking business, with a maturity period not more than 30 days (Note 14).

- Fair value of Non-controlling interest (NCI) call and put options

The NCI call option asset represents the right of the Group to repurchase the non-controlling interest in a subsidiary of the Group, at a price which is based on the last twelve-month EBITDA of the subsidiary at the time of exercise.

The NCI call option represents a derivative instrument, the value of which changes in response to the value of the underlying shares. The NCI call is initially measured at fair value and subsequently measured at fair value at every balance sheet date, with fair valuation movements being recognised in the profit or loss.

The NCI put option liability represents the right of the non-controlling interest in one of the subsidiaries to request the repurchase of their non-controlling interest at a price which is based on the last twelve-month EBITDA of the subsidiary at the time of exercise.

The NCI put option has been accounted for at the present value of the future liability which would occur on the date of settlement. The liability is initially recognised with a corresponding movement in other reserves in equity and thereafter unwound to maturity using the initial discount rate. The liability is also subsequently remeasured at fair value at every balance sheet date, with fair valuation movements being recognised in the profit or loss.

The Group has adopted a market approach in its valuation of the subsidiary and thus its valuation of the NCI put and call options. The market approach utilises three key inputs:

1. The earnings before interest, tax depreciation, and amortisation (EBITDA) for the last twelve months to the valuation date and as projected for the next twelve-months after the valuation date;
2. The EBITDA multiple used to derive the equity value of the subsidiary and obtained by comparison to the valuation multiples of similar, but listed, entities as at the valuation date; and
3. A 3-year equity volatility ratio derived from the movements in equity values of similar, but listed, entities over the 3-year period prior to the valuation date. This input impacts only the value of the call options.

On 20 July 2023, the Group acquired the non-controlling interest's 20% shareholding in Agou Holding SAS. This transaction resulted in the extinguishment of USD 32.4 million of the NCI put option liability and the extinguishment of USD 2.7 million of the NCI call option assets.

The below sensitivity analysis table reflects the isolated impact of movements in the three key valuation factors, on the value of the options as at 31 December 2022.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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

- Fair value of Non-controlling interest (NCI) call and put options (continued)

Input	Base case	Sensitivity movement	Impact on value of put liability	Impact on value of call asset
LTM EBITDA and projected next 12 months EBITDA	Between \$132 million and \$134 million	5% increase	Increase of USD 2.2 million	Increase of USD 0.3 million
		5% decrease	Decrease of USD 2.1 million	Decrease of USD 0.3 million
EBITDA multiple	Between 4.0x and 5.0x	Increase of 0.23x	Increase of USD 2.4 million	Increase of USD 0.3 million
		Decrease of 0.23x	Decrease of USD 2.0 million	Decrease of USD 0.3 million
Volatility	Volatility of 32.5%	Decrease to 20%	Decrease of USD 0.7 million	n.a
		Increase to 40%	Increase of USD 2.0 million	n.a

The change in fair value of the NCI call option asset and put option liability has been recognised in the statement of profit or loss as follows:

	2023 USD	2022 USD
Finance income:		
Gain on fair value of NCI call option derivative asset (Note 40(b))	-	5,722,975
Gain on fair value of NCI put option liability (Note 40(c))	5,251,885	8,922,995
	-----	-----
	5,251,885	14,645,970
	=====	=====
Finance cost:		
Loss on fair value of NCI call option derivative asset (Note 40(b))	(2,987,867)	-
	=====	=====

- Impairment of goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis by calculating the recoverable amount of each cash-generating unit (CGU) to which goodwill has been assigned. The recoverable amounts of the CGUs as at 31 December 2023, were determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in the industry reports specific to the market in which the CGU operates.

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

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

(i) Discount rates

Management utilises an iterative pre-tax weighted average cost of capital calculated based on the estimated cost of debt for each individual CGU and its cost of equity derived from that of market peers. The discount rates represent the specific risk rating associated with each CGU based on the credit risk and equity risk associated with the operation and the market in which it operates.

(ii) Gross margins

Gross margins are based on past performance and management's expectations for the future.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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

Critical accounting estimates (continued)

- Impairment of goodwill (continued)

(iii) Terminal growth rates

Terminal growth rates are determined on the basis of past performance and management's expectation of industry growth.

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

- Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Where government grants do not have a minimum period for which the Group must provide services, management considers that the costs that the grants are intended to compensate are the actual costs incurred, as they are incurred. Income from such government grants is therefore recognised in profit or loss in the same period as the actual associated costs that are incurred.

- Retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for retirement benefit obligations include the discount rate. Any changes in these assumptions will impact the carrying amount of the retirement benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of the estimated future cash outflows expected to be required to settle the retirement benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of long-term government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement benefit obligations.

Other key assumptions as disclosed in note 35 are based on the current conditions prevailing in each market within the Group.

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****4 ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)***Critical accounting estimates (continued)*

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

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

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

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

The below table reflects the key assumptions used in the calculations for material subsidiaries and joint ventures for the year ended 31 December 2023, for which an impairment indication has been noted:

	Axian Financial Services Ltd Group (Subsidiary)	Telecom Comores Holdings Ltd Group (Joint venture)	Maya Africa Holding Limited Group (Subsidiary)	Telecom Reunion Mayotte Group (Joint venture)	Telecom Malagasy SA (Subsidiary)	Honora Tanzania Public Limited Company Group (Subsidiary)
Discount rates	34.5%	29.2%	12.7%	15.2%	22.1%	19.8%
Gross margins	Between 38.7% and 42.1%	Between 60.6% and 72.4%	Between 43.4% and 63.1%	Between 64.9% and 66%	Between 65.5% and 71.2%	Between 58.3% and 60.6%
Terminal growth rates	1.3%	2.1%	3.4%	0.1%	4.5%	1.8%

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

	Telecom Comores Holdings Ltd (Joint Venture)	Telecom Reunion Mayotte (Joint venture)
Percentage (%) rise in discount rate (pp)	38.2%	9.8%
Gross margin (excluding depreciation and amortisation)	Decrease on average by 17.9% over 5 years	Decrease on average by 8.3% over 5 years
Decrease in terminal growth rate	Decrease to less than 0%	Decrease to less than 0%

Based on the above sensitivity analysis, management do not expect any increase/decrease in the above assumptions beyond the range specified in the above table, which could cause the carrying amount of the investments to exceed their equity values, resulting in an impairment.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5 OPERATING COSTS

		Group		Company
	2023	Restated	2023	2022
	USD	2022	USD	USD
		USD		
Cost of equipment: Devices and other related costs	22,720,265	12,987,443	-	-
Provision for inventories of devices	143,430	409,930	-	-
Prepaid cards and accessories	6,853,721	4,189,100	-	-
Cost of devices and equipments	29,717,416	17,586,473	-	-
Interconnection fees	30,161,158	25,960,062	-	-
Roaming (paid to service providers or clearing houses)	1,335,174	1,089,113	-	-
Cost of interconnection and roaming	31,496,332	27,049,175	-	-
Telecom operator fee, regulatory	39,099,678	28,069,563	-	-
Frequency fees	14,443,100	10,603,804	-	-
Excise duty	12,600,035	11,457,613	-	-
Government and regulatory costs	66,142,813	50,130,980	-	-
Advertising and distribution costs	17,546,525	11,917,037	-	-
Commissions to sales agents	156,711,125	120,607,162	-	-
Impairment of loans to clients (Note 14)	7,018,088	4,602,610	-	-
Loss allowance/(Reversal of loss allowance) on trade receivables (Note 12)	2,132,794	(2,967,063)	-	-
Impairment of other financial assets (Notes 12 and 24(a))	331,653	272,320	170,000	-
Net impairment losses on financial assets	9,482,535	1,907,867	170,000	-
Transmission fees	9,370,520	9,701,562	-	-
Content and VAS charges	6,509,600	2,701,108	-	-
Backbone charges	54,638	-	-	-
Satellite and optical fibre bandwidth charges	1,915,670	1,456,979	286,092	-
Site energy	31,037,599	21,358,545	-	-
Repairs and maintenance (Technical site)	15,446,361	10,711,418	-	-
Professional fees: Technical	8,629,261	5,799,204	-	-
Rental expenses for short term and low value leases - Technical sites	586,462	1,255,136	-	-
Maintenance of materials, software and network	23,140,755	15,878,142	-	-
Technology operation costs	96,690,866	68,862,094	286,092	-

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5 OPERATING COSTS (CONTINUED)

	Group		Company	
	2023	2022	2023	2022
	USD	Restated USD	USD	USD
Payroll and social charges	99,765,745	79,244,756	3,291,854	10,666,260
Travel Expenses	7,456,813	4,157,500	1,552,386	9,309
Training	782,487	147,194	15,589	3,524
Provision for retirement benefit obligations (Note 35)	1,666,940	195,096	2,483	354
Other staff costs	2,303,309	180,920	1,258,464	-
Staff costs	111,975,294	83,925,466	6,120,776	10,679,447
Office supply	969,817	1,793,386	-	-
General IT expenses	13,647,191	10,165,494	-	3,402
Bank charges	5,584,912	4,682,268	54,141	31,977
Communication & postal charges	1,599,289	1,334,465	8,120	375
Vehicles costs	5,600,306	3,565,137	-	-
Rental charges/(refunds) - Non-technical	1,291,027	(662,994)	87,677	235,341
Subcontracting charges	2,127,139	2,111,149	-	-
Water and electricity	1,980,786	1,265,157	6,184	-
Insurance charges	3,899,496	2,466,922	355,159	-
Repairs and maintenance: Non-technical	906,508	691,799	-	-
General costs: Security and cleaning	9,161,085	7,049,358	-	-
Taxes (other than income tax)	13,563,087	6,675,723	-	-
Loss on disposal of property, plant and equipment	357,001	462,753	-	-
(Reversal of)/Provision for litigation (Note 23(ii))	(2,979,264)	4,352,932	-	-
Donation	3,337,115	3,040,210	-	-
Licence fees	183,116	247,733	16,298	2,475
Penalties	3,952,817	4,977,464	-	-
Rechargeable expenses	5,032,268	3,039,220	3,417,914	2,031,754
Other charges	4,316,289	4,134,299	438,214	70,270
Other operating expenses	74,529,985	61,392,475	4,383,707	2,375,594
Bad debts written off (Note 12)	2,645,900	3,522,597	-	-
Derecognition of financial assets	2,645,900	3,522,597	-	-

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2023 (CONTINUED)

5 OPERATING COSTS (CONTINUED)

		Group		Company
	2023	Restated	2023	2022
	USD	2022	USD	USD
		USD		
Professional fees: non-technical	22,061,644	17,428,943	6,721,939	10,089,949
Audit fees	1,071,558	811,946	85,750	108,560
Directors fees	379,315	371,763	83,298	77,250
Administrative charges	492,407	231,252	4,800	4,800
Technical assistance	310,638	91,227	18,612,409	677,434
Global treasury fees	436,759	1,741,425	840,000	840,000
General & management fees	2,222,373	960,533	840,000	840,000
Professional fees	26,974,694	21,637,089	27,188,196	12,637,993
Depreciation of property, plant & equipment (Note 8)	147,515,786	117,014,286	-	-
Amortisation of intangible assets (Note 9)	36,988,458	23,441,117	-	-
Depreciation of right-of-use assets (Note 25(i))	65,981,292	38,031,898	-	-
Depreciation and amortisation	250,485,536	178,487,301	-	-
Impairment of property, plant and equipment (Note 8)	6,319,010	4,212,101	-	-
Impairment of intangible assets (Note 9)	7,197	-	-	-
Reversal of impairment investment in joint ventures and associates (Note 11)	(54,029)	-	-	-
Reversal of impairment on advances to suppliers on fixed assets	(15,386)	(991,580)	-	-
Reversal of impairment of inventory	(1,093,039)	(2,025,920)	-	-
Impairment of non-financial assets	5,163,753	1,194,601	-	-
Net fair value gains on financial assets at fair value through profit or loss (Note 31(ii))	(615,076)	(2,666,217)	-	(141,500)
Total operating costs	878,947,698	645,554,100	38,148,771	25,551,534

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

6 FINANCE COSTS – NET

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Finance income				
Exchange gain	29,234,429	24,355,912	16,785,148	16,235,318
Interest income	4,783,284	2,152,578	36,391,048	23,703,096
Interest income on bank account and restricted cash	7,589,617	5,588,313	-	411,877
Gain on fair value of NCI put option liability (Note 40(c))	5,251,885	8,922,995	-	-
Gain on fair value of NCI call option derivative asset (Note 40(b))	-	5,722,975	-	-
Net gain on fair value of embedded derivatives (Note 40(a))	300,000	-	300,000	-
Other finance income	4,900,868	1,100,784	-	-
	<u>52,060,083</u>	<u>47,843,557</u>	<u>53,476,196</u>	<u>40,350,291</u>
Finance costs				
Exchange loss	(77,284,659)	(45,286,324)	(14,528,882)	(20,494,443)
Interest expense on bank loan	(13,809,552)	(14,051,803)	(912,543)	-
Interest on loans payable to shareholders and minority interest (Note 24(e))	(9,018,783)	(7,013,320)	(7,853,891)	(5,960,247)
Interest on bonds	(32,438,415)	(28,200,868)	(32,438,415)	(28,200,868)
Interest expense on late payment of trade payables	(388,774)	(420,078)	-	-
Interest on loans payable to entities under common control (Note 24 (e))	-	(3,441)	-	-
Interest on amount payable to entities under common control	-	(12,437)	-	-
Interest on bank overdraft	(2,002,536)	(1,172,484)	-	-
Interest (expense)/income on provision for dismantling costs (Note 23(i))	(2,073,358)	302,152	-	-
Finance costs on IRU	(1,523,617)	(1,342,237)	-	-
Finance costs on lease liability (Note 25 (ii))	(63,070,818)	(41,089,046)	-	-
Loss on fair value of NCI call option derivative asset (Note 40(b))	(2,987,867)	-	-	-
Net loss on fair value of embedded derivatives in the Notes (Note 40(a))	-	(2,600,000)	-	(2,600,000)
Interest expense on unwinding of put option liability	(697,729)	(601,105)	-	-
Loss on fair value of swap derivative liability (Note 40(d))	(1,687,082)	-	-	-
Other finance costs	(1,343,083)	(3,989,380)	-	-
	<u>(208,326,273)</u>	<u>(145,480,371)</u>	<u>(55,733,731)</u>	<u>(57,255,558)</u>
Finance costs – Net	<u>(156,266,190)</u>	<u>(97,636,814)</u>	<u>(2,257,535)</u>	<u>(16,905,267)</u>

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 INCOME TAX

(a) Income tax expense

As at 31 December 2023, the Company is liable to income tax in Mauritius on its chargeable income at the rate of 15%. Under the current regime, the Company is able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption are taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in foreign jurisdiction where it generates income.

The Madagascar, Togo, Uganda, Senegal and Tanzania subsidiaries are subject to income tax on their income at 20% (Madagascar), 27% (Togo) and 30% (Uganda, Senegal and Tanzania) respectively (for Uganda, Kenya, Senegal 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.

	2023 USD	Restated Group 2022 USD	2023 USD	Company 2022 USD
Income tax expense				
Actual income tax (Note 7(d))	44,078,755	37,351,020	-	3,586,161
Withholding tax	3,355,495	1,898,543	2,711,525	1,589,298
Deferred tax charge (Note 7 (b))	(15,170,219)	(10,587,006)	(378)	(146)
	32,264,031	28,662,557	2,711,147	5,175,313

(b) Deferred tax

The change in deferred tax is set out below:

	2023 USD	Restated Group 2022 USD	2023 USD	Company 2022 USD
At 01 January	19,818,714	36,487,015	179	-
Acquisition through business combinations (Note 26)	(6,118,746)	(25,031,678)	-	-
Credit to profit or loss	15,170,219	10,587,006	378	146
Charge to other comprehensive income	1,094,529	(2,223,629)	130	33
At 31 December	29,964,716	19,818,714	687	179

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 INCOME TAX (CONTINUED)

(b) Deferred tax (Continued)

The movement in deferred tax is as follows:

	2023 USD	Restated Group 2022 USD	2023 USD	Company 2022 USD
Deferred tax assets (i)	51,934,575	35,165,682	687	179
Deferred tax liability (ii)	(21,969,859)	(15,346,968)	-	-
	29,964,716	19,818,714	687	179

(i) Deferred tax assets

The movement in deferred tax assets is set out below:

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
At 01 January	35,165,682	36,514,957	179	-
Credit to profit or loss	16,811,783	902,750	378	146
Charge to other comprehensive income	(42,890)	(2,252,025)	130	33
At 31 December	51,934,575	35,165,682	687	179

The deferred tax assets expected to be recovered within the next 12 months is **USD 7,947,761** (2022: USD 11,706,877) and after 12 months is USD 43,986,814 (2022: USD 23,458,805).

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 INCOME TAX (CONTINUED)

(b) Deferred tax (continued)

(i) Deferred tax assets (continued)

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

	For the year ended		Movement for year 2023		Movement for year 2022	
	2023 USD	2022 USD	Credit to profit or loss USD	Charge to OCI USD	Credit to profit or loss USD	Charge to OCI USD
Provision for impairment	7,171,460	7,306,800	(175,990)	40,650	887,242	(433,489)
Provision for litigations	1,837,997	1,814,871	28,092	(4,966)	721,858	(67,642)
Provision for retirement benefit obligations	1,069,731	627,998	406,328	35,405	45,797	(34,172)
Provision for depreciation on property, plant and equipment and intangible assets	(8,473,060)	(7,440,493)	(2,371,446)	1,338,879	(11,784,072)	(257,287)
Provision on staff costs	2,234,141	2,160,592	93,822	(20,273)	738,024	(88,041)
Other provisions	11,346,347	4,381,831	7,589,124	(624,608)	3,676,713	(33,483)
IFRS 16 adjustment	13,310,521	2,394,426	11,636,461	(720,366)	2,354,699	11,623
Tax losses carried forward	19,854,140	19,379,184	225,939	249,017	4,127,784	(946,844)
Provision for slow moving inventories	3,583,298	4,540,473	(620,547)	(336,628)	134,705	(402,690)
	51,934,575	35,165,682	16,811,783	(42,890)	902,750	(2,252,025)

At the end of the reporting period, the Group has unused tax losses of **USD 238,821,351** (2022: USD 94,688,106). As of 31 December 2023, a deferred tax asset has been recognised on the Group's tax losses carried forward of **USD 71,865,331** (2022: USD 59,409,657). The Group has concluded that the tax losses carried forward will be recoverable using the estimated future taxable profits based on the approved business plans and cash flow projections for Togocom and its subsidiaries and Honora Tanzania Public Limited Company and its subsidiaries and Towerco of Africa Tanzania Limited. The subsidiaries are expected to generate taxable profits from 2024 onwards.

The Company does not have any tax losses carried forward for the years ended 31 December 2023 and 31 December 2022.

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****7 INCOME TAX (CONTINUED)****(b) Deferred tax (continued)****(ii) Deferred tax liability**

The movement in deferred tax liability is set out below:

		Restated Group		Company
	2023	2022	2023	2022
	USD	USD	USD	USD
At 01 January	15,346,968	27,942	-	-
Acquisition through business combinations (Note 26)	6,118,746	25,031,678	-	-
Credit to profit or loss	1,641,564	(9,684,256)	-	-
Credit to other comprehensive income	(1,137,419)	(28,396)	-	-
	-----	-----	-----	-----
At 31 December	21,969,859	15,346,968	-	-
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 INCOME TAX (CONTINUED)

(b) Deferred tax (continued)

(ii) Deferred tax liability (continued)

	For the year ended Restated		Acquisition through business combinations		Movement for year 2023		Movement for year 2022 Restated	
	2023 USD	2022 USD	2023 USD	2022 USD	Credit to profit or loss USD	Charge to OCI USD	Credit to profit or loss USD	Charge to OCI USD
Provision for doubtful debts	597,046	-	-	(1,750,143)	610,682	(13,636)	1,738,675	11,468
Provision for litigation	-	-	-	(632,611)	-	-	628,466	4,145
Provision on depreciation of property, plant & equipment and intangible asset	-	-	-	9,939,668	(8,862)	8,862	(9,874,538)	(65,130)
Provision for staff bonus	-	-	-	(73,360)	-	-	72,880	480
Tax losses carried forward	-	-	-	(89,356)	-	-	88,770	586
Provision for slow moving stocks	-	-	-	(260,797)	-	-	259,088	1,709
Deferred gain - disposal of tower assets	-	-	-	(1,191,599)	-	-	1,183,791	7,808
Other taxes - provision for indirect tax payable	-	-	-	(679,100)	-	-	674,650	4,450
IFRS 16 adjustment	-	-	-	(1,111,757)	-	-	1,104,472	7,285
Revaluation of property, plant and equipment	(3,397,869)	(16,965,018)	856,947	(12,289,529)	6,619,399	6,090,803	(4,675,489)	-
Recognition of intangible assets	9,459,948	19,576,994	680,405	19,526,874	(4,347,085)	(6,450,366)	50,120	-
Lease liability	14,709,727	12,660,156	4,033,208	13,698,110	(1,192,804)	(790,833)	(1,037,954)	-
Others	601,007	74,836	548,186	(54,722)	(39,766)	17,751	102,813	(1,197)
	----- 21,969,859 =====	----- 15,346,968 =====	----- 6,118,746 =====	----- 25,031,678 =====	----- 1,641,564 =====	----- (1,137,419) =====	----- (9,684,256) =====	----- (28,396) =====

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 INCOME TAX (CONTINUED)

(c) Tax reconciliation

The table below explains the differences between the expected tax expense on continuing operations, at the Mauritius statutory rate of 15% and the Group's total tax expense for each year. The reconciliation of taxation has been performed using the statutory tax rate of the Company of 15% (2022: 15%). The impact of different corporate tax rates applied to the various jurisdictions in which the Group operates has been incorporated in the "Effect of using different tax rates in other countries" line.

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

	Group		Company	
	2023	Restated	2023	2022
	USD	2022	USD	USD
		USD		
Profit before income tax	87,290,503	109,783,519	38,251,494	78,013,829
Tax calculated at domestic tax rates applicable to profits in the respective countries (2023: 15%, 2022: 15%)	13,093,575	16,467,528	5,737,724	11,702,074
<i>Tax effects of :</i>				
Non-allowable expenses*	12,563,893	23,124,350	2,107,378	3,373,577
Exempt income**	(3,985,339)	(6,643,150)	(10,306,830)	(17,910,287)
Non-taxable income	(10,437,833)	(16,835,332)	(2,138,399)	
Expenses attributable to exempt income	9,174,116	9,381,423	5,073,369	6,550,979
Dividend of joint venture not recognised in the statement of profit or loss	307,911	699,624	-	-
Tax credit	(11,781,450)	(1,092,959)	(473,242)	(130,182)
Deferred income tax assets unrecognised	3,116,126	2,572,368	(378)	(146)
Utilisation of previously unrecognised tax losses	(86,502)	(3,621)	-	-
Withholding and underlying tax	3,617,902	1,898,543	2,711,525	1,589,298
Share of profit of joint ventures	(3,055,746)	(2,154,713)	-	-
Effect of using different tax rates in other countries	16,299,867	22,701,756	-	-
Deferred tax asset not recognized in previous years	(1,592,778)	-	-	-
Under/(Over) provision in previous year	699,176	(21,590,564)	-	-
Over-provision of deferred tax liability for previous year	2,721,714	-	-	-
Minimum tax	1,609,399	137,304	-	-
Income tax expense	32,264,031	28,662,557	2,711,147	5,175,313

*Non-allowable expenses include mainly penalties, unrealised exchange loss on retranslation of loans and bank accounts, professional fees, net loss on fair value of embedded derivatives and other provisions made during the year.

**Exempt income includes mainly revenue from sale of bandwidth, unrealised exchange gain on retranslation of loan and bank accounts, interest income and dividend income.

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

7 INCOME TAX (CONTINUED)

(d) Current tax (liability)/asset

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
At 01 January	(2,209,780)	9,709,590	521,883	3,682,036
Acquisition through business combination (Note 26)	(294,657)	6,338,613	-	-
Disposal of subsidiary (Note 47)	(23,102)	-	-	-
Charge during the year (Note 7(a))	44,078,755	37,351,020	-	3,586,161
Tax paid	(43,965,046)	(53,248,957)	(3,309,138)	(6,746,314)
Withholding tax suffered	(2,387,591)	(2,021,280)	-	-
Withholding tax written off	(3,253)	-	-	-
Translation difference	167,402	(338,766)	-	-
At 31 December	(4,637,272)	(2,209,780)	(2,787,255)	521,883
Analysed as follows :				
Current tax asset	(13,619,187)	(9,841,120)	(2,787,255)	-
Current tax liability	8,981,915	7,631,340	-	521,883
	(4,637,272)	(2,209,780)	(2,787,255)	521,883

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

8 PROPERTY, PLANT AND EQUIPMENT

	Materials USD	Land and building USD	Technical equipment USD	Others ⁶ USD	Assets in progress USD	Total USD
Cost :						
At 01 January 2022	78,890,635	250,168,432	1,263,561,353	23,163,005	52,280,575	1,668,064,000
Acquisition through business combinations (Note 26)	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)	-
Transfer to right of use assets (Note 25(i))	(388,530)	-	-	(4,227,268)	-	(4,615,798)
Disposal and scrap	(3,450,062)	(1,221,686)	(53,370,951)	(5,495,564)	-	(63,538,263)
Provision for dismantling cost	-	7,598,663	345,389	-	-	7,944,052
Reclassification to intangible assets ¹ (Note 9)	(488,000)	1,225,279	(2,681,140)	-	(34,644)	(1,978,505)
Reclassification adjustments ²	(23,172,770)	15,992,269	6,051,523	-	1,128,978	-
Transfer to inventories	-	-	-	-	(1,811,025)	(1,811,025)
Translation difference	(4,696,096)	(30,224,230)	(99,584,338)	(1,437,450)	(3,963,292)	(139,905,406)
At 31 December 2022 (As restated)	56,298,963	289,114,693	1,336,868,621	13,823,479	104,098,607	1,800,204,363
Acquisition through business combinations (Note 26)	-	9,096,324	73,558,265	5,435,587	14,844,798	102,934,974
Additions	248,423	98,127	(5,446,454)	3,084,759	368,348,449	366,333,304
Transfers	12,279,711	72,378,253	251,796,158	957,212	(337,411,334)	-
Disposals and scrap	(1,381,861)	(785,737)	(3,418,225)	(851,861)	-	(6,437,684)
Provision for dismantling cost	-	(1,038,956)	507,651	-	-	(531,305)
Reclassification from depreciation ³	-	-	-	635,345	-	635,345
Transfer to inventories	-	-	(107,558)	-	-	(107,558)
Reclassification to intangible assets ⁴ (Note 9)	392,642	(109,319)	(1,021,302)	-	-	(737,979)
Translation difference	1,012,359	(3,938,332)	12,064,774	(87,920)	(758,386)	8,292,495
At 31 December 2023	68,850,237	364,815,053	1,664,801,930	22,996,601	149,122,134	2,270,585,955

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Materials USD	Land and building USD	Technical equipment USD	Others ⁶ USD	Assets in progress USD	Total USD
Depreciation and Impairment:						
At 01 January 2022	(72,053,095)	(93,272,230)	(988,854,117)	(18,095,502)	-	(1,172,274,944)
Charge for the year (Note 5)	(4,025,965)	(22,988,828)	(87,379,199)	(2,620,294)	-	(117,014,286)
Disposal and scrap	3,437,826	1,195,402	53,364,336	4,663,967	-	62,661,531
Reclassification adjustment ²	23,548,004	(23,889,486)	341,482	-	-	-
Impairment (Note 5) ⁵	-	-	(4,212,101)	-	-	(4,212,101)
Transfer to right of use assets (Note 25(i))	188,288	-	-	1,282,248	-	1,470,536
Translation difference	4,166,379	10,189,627	76,736,794	1,936,522	-	93,029,322
	-----	-----	-----	-----	-----	-----
At 31 December 2022 (As restated)	(44,738,563)	(128,765,515)	(950,002,805)	(12,833,059)	-	(1,136,339,942)
Charge for the year (Note 5)	(5,616,587)	(27,501,767)	(112,116,064)	(2,281,368)	-	(147,515,786)
Disposal and scrap	1,374,174	661,483	3,027,507	839,692	-	5,902,856
Impairment (Note 5) ⁵	(243,218)	(269,718)	(5,806,074)	-	-	(6,319,010)
Reclassification to cost ³	-	-	-	(635,345)	-	(635,345)
Reclassification from intangible assets ⁴ (Note 9)	(182,731)	(26,892)	912,022	-	-	702,399
Translation difference	(1,398,829)	959,429	(18,256,646)	257,985	-	(18,438,061)
	-----	-----	-----	-----	-----	-----
At 31 December 2023	(50,805,754)	(154,942,980)	(1,082,242,060)	(14,652,095)	-	(1,302,642,889)
	=====	=====	=====	=====	=====	=====
Net book value:						
At 31 December 2023	18,044,483	209,872,073	582,559,870	8,344,506	149,122,134	967,943,066
	=====	=====	=====	=====	=====	=====
At 31 December 2022 (As restated)	11,560,400	160,349,178	386,865,816	990,420	104,098,607	663,864,421
	=====	=====	=====	=====	=====	=====

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

¹ Honora Tanzania Public Limited Company has made changes in the presentation of its property, plant, and equipment to intangible assets on reviewing the nature of each asset during the year ended 31 December 2022. These changes include corrections of prior year errors. Refer to Note 44.

² Towerco of Africa Madagascar and Togocom and its subsidiaries have made changes in the presentation of the property, plant and equipment on reviewing the nature of each asset in year ended December 2022. Thus, a reclassification adjustment has been made.

³ Telecom Malagasy has made a reclassification between cost and depreciation in the presentation of its property, plant, and equipment for the year ended 31 December 2023. Thus, reclassification adjustments have been made.

⁴ Togocom and its subsidiaries have made changes in the presentation of its property, plant and equipment from intangible assets on reviewing the nature of each asset during the year ended 31 December 2023.

⁵ As part of its network improvement programmes, the Group undertook the replacement of several pieces of equipment deemed outdated. Upon conducting physical inspections, it was identified that certain items of property, plant and equipment had suffered a loss in value attributable to wear and tear, technological obsolescence, or physical deterioration beyond normal servicing. As a result, the Group has included an impairment loss of **USD 6,319,010** (2022: Restated USD 4,212,101 (refer to Note 44)) for the year ended 31 December 2023.

⁶ As at 31 December 2023 and 2022, the category 'Others' comprises IT equipment, furniture and fixtures, and motor vehicles.

Pledge assets

The Group has pledged part of the value of its technical assets as collateral for bank borrowings in its Madagascar, Uganda and Togo jurisdictions. Please refer to note 20 for a description of the pledges.

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

	2023	Group
	USD	2022
		USD
Acquisitions during the year	366,333,304	214,777,556
Movement in advances to suppliers for purchase of property, plant and equipment	(234,983)	52,320
Movement in unpaid amount on acquisition of property, of property, plant and equipment	(56,386,936)	10,520,065
	-----	-----
	309,711,385	225,349,941
	=====	=====

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

9 INTANGIBLE ASSETS

Group	Software USD	Licence USD	Assets in progress USD	IRU USD	International bandwidth Capacity USD	Networking USD	Customer related assets USD	Brand USD	Others USD	Total USD
Cost :										
At 01 January 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 26)	-	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
Installation cost capitalised	-	3,217,919	(7,824,238)	-	-	-	-	-	4,606,319	-
Transfers	1,196,960	-	(1,196,960)	-	-	-	-	-	-	-
Reclassification from prepayment (As restated) (Note 44)	-	-	236,140	5,085,348	-	-	-	-	-	5,321,488
Reclassification from property, plant and equipment*** (Note 8)	-	(1,424,873)	-	3,403,378	-	-	-	-	-	1,978,505
Disposals and scrap	(29,010)	(509,347)	-	-	-	-	-	-	(292,928)	(831,285)
Translation difference	(1,708,827)	(10,854,998)	(634,270)	566,973	(822,100)	(33,128)	-	-	(1,242,286)	(14,728,636)
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
At 31 December 2022 (As restated)	28,819,123	220,497,869	20,185,043	26,730,469	13,417,653	1,303,820	49,040,544	16,048,894	10,693,666	386,737,081
Reclassification adjustments**	14,004,188	(2,586,230)	-	(1,551)	-	(9,856)	-	-	(10,943,913)	462,638
Acquisition through business combinations (Note 26)	720,043	48,896,346	-	-	-	14,091,818	13,853,110	3,387,799	-	80,949,116
Additions*	1,071,917	5,715,626	20,163,746	-	-	706,889	-	-	-	27,658,178
Transfers	6,434,657	473,826	(13,555,249)	-	-	6,646,766	-	-	-	-
Reclassification from property, plant & equipment**** (Note 8)	696,065	41,914	-	-	-	-	-	-	-	737,979
Transfer to inventories	-	46,303	-	-	-	-	-	-	-	46,303
Disposals and scrap	(6,758)	-	-	-	-	(443,675)	-	-	-	(450,433)
Translation difference	604,783	(179,897)	340,842	(1,239,625)	250,864	760,830	(785,822)	(3,659,559)	255,614	(3,651,970)
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
At 31 December 2023	52,344,018	272,905,757	27,134,382	25,489,293	13,668,517	23,056,592	62,107,832	15,777,134	5,367	492,488,892

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

9 INTANGIBLE ASSETS (CONTINUED)

	Software USD	Licence USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Customer related assets USD	Brand USD	Others USD	Total USD
Amortisation :										
At 01 January 2022	(25,235,201)	(121,928,641)	-	(845,330)	(894,886)	(13,099)	-	-	(6,361,877)	(155,279,034)
Charge for the year (Note 5)	(1,345,270)	(6,686,232)	-	(1,659,464)	(869,834)	(82,292)	(9,457,252)	(1,370,519)	(1,970,254)	(23,441,117)
Disposals and scrap	29,010	509,347	-	-	-	-	-	-	292,928	831,285
Translation difference	1,468,648	7,404,102	-	81,754	37,500	1,290	-	-	894,558	9,887,852
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
At 31 December 2022 (restated)	(25,082,813)	(120,701,424)	-	(2,423,040)	(1,727,220)	(94,101)	(9,457,252)	(1,370,519)	(7,144,645)	(168,001,014)
Reclassification adjustments**	(9,057,441)	1,401,871	-	(266)	-	9,856	-	-	7,183,342	(462,638)
Charge for the year (Note 5)	(4,158,227)	(10,718,268)	-	(3,100,852)	(900,525)	(1,319,468)	(12,335,799)	(4,454,839)	(480)	(36,988,458)
Impairment (Note 5)	(7,100)	-	-	(97)	-	-	-	-	-	(7,197)
Reclassification to property, plant and equipment**** (Note 8)	(696,065)	(6,334)	-	-	-	-	-	-	-	(702,399)
Disposals and scrap	-	-	-	-	-	443,675	-	-	-	443,675
Translation difference	(658,637)	263,631	-	(405,282)	(32,293)	(19,334)	196,429	1,217,928	(43,584)	518,858
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
At 31 December 2023	(39,660,283)	(129,760,524)	-	(5,929,537)	(2,660,038)	(979,372)	(21,596,622)	(4,607,430)	(5,367)	(205,199,173)
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Net book value :										
At 31 December 2023	12,683,735	143,145,233	27,134,382	19,559,756	11,008,479	22,077,220	40,511,210	11,169,704	-	287,289,719
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
At 31 December 2022 (As restated)	3,736,310	99,796,445	20,185,043	24,307,429	11,690,433	1,209,719	39,583,292	14,678,375	3,549,021	218,736,067
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

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

**Telecom Malagasy and Honora Tanzania Public Limited Company has made changes in the presentation of the intangible assets on reviewing the nature of each intangible assets during the year ended 31 December 2023.

***Honora Tanzania Public Limited Company has made some changes in the presentation of the intangible assets to property, plant and equipment on reviewing the nature of each intangible assets for the year ended 31 December 2022. These changes include corrections of prior year errors. Refer to Note 44.

****Togocom and its subsidiaries has made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the year ended 31 December 2023.

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****9. INTANGIBLE ASSETS (CONTINUED)**

The cash flow on acquisitions of intangible assets during the year is as follows:

	2023	2022
	USD	USD
Acquisitions during the year	27,658,178	60,254,284
Movement in advances to suppliers for purchase of intangibles assets	15,887,241	(16,746,715)
	43,545,419	43,507,569
	=====	=====

The Group has not pledged any intangible assets.

10 INVESTMENTS IN SUBSIDIARIES

Details pertaining to the investments in subsidiaries at 31 December 2023 and 31 December 2022 are as follows:

Name of subsidiary	Country of incorporation	Proportion of ordinary shares held directly by the parent		Proportion of ordinary shares held indirectly by the parent		Principal activities
		2023 %	2022 %	2023 %	2022 %	
Telecom Malagasy SA	Madagascar	80.8	80.8	-	-	Telecommunications Holding company & technical support services
Towerco of Africa Ltd	Mauritius	100	100	-	-	
TowerCo of Africa Uganda Limited (formerly known as Ubuntu Towers Uganda Limited)	Uganda	-	-	90.0	90.0	Construction and operation of telecommunication infrastructures
Towerco of Africa Madagascar (formerly known as Towerco of Madagascar)	Madagascar	-	-	99.7	99.7	Construction and operation of telecommunication infrastructures
Towerco of Africa Tanzania Ltd	Tanzania	-	-	80.0	-	Construction and operation of telecommunication infrastructures
Global Crossing	Mauritius	100	100	-	-	Holding company & telecommunications
Agou Holding SAS	Togo	100	80.0	-	-	Holding company
Togocom	Togo	-	-	51.0	40.8	Telecommunications
Togo Telecom	Togo	-	-	51.0	40.8	Telecommunications
Togo Cellulaire	Togo	-	-	51.0	40.8	Telecommunications
Silver Links Ltd	United Arab Emirates	100	100	-	-	Trading in internet capacity Holding company, emarketing & technical support services
Emediaplace Ltd	Mauritius	-	-	-	100	

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

10 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details pertaining to the investments in subsidiaries at 31 December 2023 and 31 December 2022 are as follows (continued):

Name of subsidiary	Country of incorporation	Proportion of ordinary shares held directly by the parent		Proportion of ordinary shares held indirectly by the parent		Principal activities
		2023 %	2022 %	2023 %	2022 %	
Stellar-IX Data Centers Ltd	Mauritius	100	100	-	-	Holding company
MadaPlace	Madagascar	-	-	-	100	Emarketing and contentse
TODRC Holding Ltd	Mauritius	-	-	70.0	100	Holding company
Towerco of Africa DRC	Democratic Republic of Congo	-	-	70.0	-	Construction and operation of telecommunication infrastructures
Honora Holdings Ltd	Mauritius	80.0	90.0	-	-	Holding company
Prime Africa Real Estate Ltd	Mauritius	-	100	-	-	Holding company
Stellar IX	Madagascar	-	-	100	100	Data center services
Stellar-IX Tanzania Limited	Tanzania	-	-	80.0	-	Data center services Data Center services
Sen Connect	Senegal	-	-	100	-	Holding company & management services
Axian Support Services Ltd	Mauritius	100	100	-	-	Marketing and communication services
Pulse	Madagascar	-	-	100	100	Marketing and communication services
Connecteo SUARL	Senegal	-	-	100	100	Marketing and communication services
Connecteo SARLU	Togo	-	-	100	100	Marketing and communication services
Connecteo SARL	Madagascar	-	-	100	100	Marketing and communication services
Axian Telecom Kenya Limited	Kenya	100	-	-	-	Management services
Axian Financial Services Ltd	Mauritius	100	100	-	-	Holding company
NEXTA	Madagascar	-	-	100	100	Business support
MVola S.A.	Madagascar	-	-	80.2	80.2	Mobile banking services
Finteko Burkina Faso	Burkina Faso	-	-	100	100	Business Support

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****10 INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

Details pertaining to the investments in subsidiaries at 31 December 2023 and 31 December 2022 are as follows (continued):

Name of subsidiary	Country of incorporation	Proportion of ordinary shares held directly by the parent		Proportion of ordinary shares held indirectly by the parent		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
Finteko Niger	Niger	-	-	100	100	Business Support
Finteko Guinee SA	Guinea	-	-	100	100	Business Support
Finteko Guine Bissau	Guine Bissau	-	-	100	100	Business Support
Finteko Mali	Mali	-	-	100	100	Business Support
Finteko Cote D'Ivoire SA	Côte d'Ivoire	-	-	100	100	Business Support
Finteko France SAS	France	-	-	100	100	Business Support
Finteko Benin	Benin	-	-	100	100	Business Support
SANKO (formerly known as Indian Ocean Risk Solutions)	Madagascar	-	-	99.0	99.0	Insurance broker services
Axian Telecom Côte D'Ivoire	Côte d'Ivoire	100	100	-	-	Management services
Discovery Place Ltd	Mauritius	100	100	-	-	Holding company
Meta Market Ltd	Mauritius	100	100	-	-	Holding company
Comete.AI SAS	France	-	-	72.5	-	Business Support
Axian Telecom Middle East Management and Technical Services Ltd	United Arab Emirates	100	100	-	-	Management services and procurement
Honora Tanzania Public Limited Company (formerly known as MIC Tanzania Public Limited Company)	Tanzania	-	-	78.4	88.7	Telecommunications
Zanzibar Telecom Public Limited Company	Tanzania	-	-	78.4	88.7	Telecommunications
Zantel Mobile Financial Services Solutions Limited	Tanzania	-	-	78.4	88.7	Mobile banking services
Honora Tanzania Mobile Solutions Limited (formerly known as Millicom Tanzania Mobile Solutions Limited)	Tanzania	-	-	78.4	88.7	Mobile banking services
The registered trustees of Millicom Tanzania Mobile Solutions	Tanzania	-	-	78.4	88.7	Trust

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****10 INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

Details pertaining to the investments in subsidiaries at 31 December 2023 and 31 December 2022 are as follows (continued):

Name of subsidiary	Country of incorporation	Proportion of ordinary shares held directly by the parent		Proportion of ordinary shares held indirectly by the parent		Principal activities
		2023 %	2022 %	2023 %	2022 %	
Telesis Tanzania Limited	Tanzania	-	-	78.4	88.7	Telecommunications
Maya Africa Holding Limited	Mauritius	80.0	-	-	-	Holding Company
Saga Africa Holdings Ltd	Mauritius	-	-	80.0	-	Holding Company
Maya Senegal N.V.	Curacao	-	-	80.0	-	Holding Company
Saga Africa Holdings Limited SA	Senegal	-	-	80.0	-	Telecommunications
Mobile Cash SA	Senegal	-	-	80.0	-	Mobile Banking services

The details of the investments in subsidiaries are as follows:

	2023 USD	2022 USD
At 01 January	137,257,269	137,247,269
Acquisition during the year	75,381,392	10,001
Transfer from investment in associate (Note 11)	2,852,164	-
Disposal of shares	(11)	(1)
At 31 December	215,490,814	137,257,269

As at 31 December 2023, the directors have assessed the recoverable amounts of the investments in subsidiaries and they are of the opinion that investments in subsidiaries have not suffered any impairment.

2023

As per the directors' resolution dated 12 January 2023, the Company disposed of the 1 ordinary share of par value USD 1 each held in the capital of Prime Africa Real Estate Ltd (formerly known as Tigo IPO SPV Ltd), in favour of Mr. Hassanein Shahreza Hiridjee, for a total consideration of USD 1.

On incorporation of Axian Telecom Kenya Limited on 04 May 2023, the Company was allotted 100 Ordinary Shares of KES 1,000 each representing 100% of the share capital of the subsidiary, equivalent to a total cost of USD 730.

As per the directors' resolution dated 31 December 2023, the Company has disposed 10 ordinary shares of USD 1 held in Honora Holdings Ltd to Next Telco Ltd, for a consideration of USD 10.

As per the share transfer agreement dated 20 July 2023, the Company has acquired the 20% non-controlling interest in Agou Holding SAS from ECP Africa Fund IV LLC and ECP Africa Fund IV A LLC together ("ECP"), and the loan receivable of USD 9.8m by ECP from Agou Holding SAS, for a consideration of EUR 29 million (equivalent to USD 32 million). The purchase of minority interest amounts to USD 22.4 million, which is the difference between the aggregate consideration of USD 32.2 million and the extinguishment of USD 9.8 million of the loans owing to the non-controlling interest.

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****10 INVESTMENTS IN SUBSIDIARIES (CONTINUED)****2023 (continued)**

Following the directors' resolution dated 02 October 2023 and 'Contract de Cession d'Actions' dated 23 June 2023 entered into between NJJ North Atlantic and Axian Telecom, whereby NJJ North Atlantic resolved to transfer all of its shares held in the Maya Africa Holding Limited, that is, of 2,067,115.20 ordinary shares of no-par value, representative of 40% of the shareholding, to Axian Telecom, for a total consideration of EUR 50 million (equivalent to USD 53 million). Following the transfer of shares, Axian Telecom now holds 80% shareholding in Maya Africa Holding Limited. The transaction results in a change of control and thus has been accounted for under IFRS 3 Business Combinations (refer to note 26).

On 10 April 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 consideration of USD 1 (Refer to Note 26).

On 30 January 2023, the Group, through its subsidiary TODRC Holding Ltd, has set up a subsidiary in Democratic Republic of Congo under the name of Towerco of Africa DRC and has subscribed for 288,000 ordinary shares for a consideration of USD 2,880,000.

On 17 February 2023, the Group, through its subsidiary Stellar IX Data Centers Ltd has set up a subsidiary in Tanzania under the name of Stellar-IX Tanzania Limited and has subscribed for 8,000 shares of TZS 2,332 each, representing 80% of its shareholding, equivalent to a total cost of USD 7,981.

On 14 December 2023, the Group has disposed emediaplace Ltd and its subsidiary Madaplace for a consideration of EUR 100 (equivalent to USD 112). Refer to Note 47.

On 18 December 2023, the Group through its subsidiary Axian Telecom Middle East Management and Technical Services Ltd, has set up a subsidiary in France under the name of Comete AI and has subscribed for 181,250 shares of EUR 1 each, representing 72.5% of its shareholding, equivalent to a total cost of EUR 181,250 (equivalent to USD 198,206).

On 31 December 2023, the Group through its subsidiary Honora Tanzania Public Limited Company has allotted 15,027,129 ordinary shares of TZS 100 each to the Revolutionary Government of Zanzibar. The allotment has increased the shareholding of the Revolutionary Government of Zanzibar in Honora Tanzania Public Limited Company from 1.5% to 2%.

Management has performed an assessment in relation to control in accordance with IFRS 10 consolidated financial statements. Whilst ascertaining control of the Group over each of the companies named-above, the following elements have been identified as the determining factors:

- The Group is exposed and have rights, to variable returns from its involvement with the subsidiary in terms of dividend and strategic benefits from its involvements with the subsidiaries.
- The Group has the power to direct (and to prevent other to direct) the relevant activities of the investees, which include research and development, determining the funding structure, managing financial assets & investment decisions, decision on purchase and sales of goods, services, assets and other contractual rights.
- In addition, the Group has the right to appoint or remove decision makers including key management personnel such as managing director, chief financial officers, chief technical officers amongst others.
- The Group also has voting rights and the right to elect the majority of Directors on the Board.

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

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****10 INVESTMENTS IN SUBSIDIARIES (CONTINUED)****2022**

On 20 January 2022, the Company acquired from Silver Links Ltd the 1 ordinary share of par value EUR 1 for a consideration of EUR 1 in Stellar-IX Data Centers Ltd representing 100% of the share capital of the subsidiary.

On 16 April 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. The Acquisition was completed on 05 April 2022, and the impact thereof is described in more detail in Note 26. MIC Tanzania was acquired through Honora Holdings Ltd and this acquisition therefore does not result an in increase in the cost of investments in subsidiary for the Company.

On incorporation of Axian Telecom Middle East Management and Technical Services Ltd on 11 October 2022, the Company was allotted 10,000 Class A shares of USD 1 each representing 100% of the share capital of the subsidiary.

As per the directors' resolution dated 14 December 2022, the Company disposed of the 1 ordinary share of par value USD 1 each held in the capital of TODRC Holding Ltd (formerly known as Guava Telecom Holding Ltd), in favour of Towerco of Africa Ltd, for a total consideration of USD 1.

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES

The Group and the Company held shares in the following joint ventures and associates as at 31 December 2023 and 31 December 2022:

	Group		Company	
	2023	2022	2023	2022
	USD	USD	USD	USD
At 01 January	61,522,220	68,846,258	6,571,031	7,118,741
Buy back of shares by joint ventures	-	(1,993,678)	-	(547,710)
Reversal of impairment	54,029	-	-	-
Share of profit in joint ventures and associates	20,371,643	14,364,751	-	-
Share of translation reserves	1,426,283	(1,494,415)	-	-
Dividend received	(10,161,001)	(15,157,492)	-	-
Transfer to investment in subsidiaries (Note 10)	-	-	(2,852,164)	-
Translation difference	-	(3,043,204)	-	-
	-----	-----	-----	-----
At 31 December	73,213,174	61,522,220	3,718,867	6,571,031
	=====	=====	=====	=====

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)**

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

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

Name of company	Country of Incorporation /place of activity	Class of shares held	31 Dec 2023	% holding 31 Dec 2022	Direct/ Indirect	Relationship	Activities
Telecom Comores Holding Ltd	Mauritius	Ordinary	15.0%	15.0%	Direct	Joint venture	Investment holding
Telecom Comores Holding Ltd	Mauritius	Ordinary	43.3%	43.3%	Direct & Indirect	Joint venture Subsidiary/ Former Joint venture	Investment holding
Maya Africa Holding Limited	Mauritius	Ordinary	80.0%	N/A	Direct		Investment holding
Telecom Reunion Mayotte Société D'Exploration et de Promotion	France	Ordinary	50.0%	50.0%	Indirect	Joint venture	Telecommunications
Iliad Axian	Reunion	Ordinary	50.0%	50.0%	Indirect Direct & Indirect	Joint venture	Real estate
BNI Madagascar Indian Ocean Financial Holdings Limited	Madagascar	Ordinary	31.2%	31.2%	Indirect	Associate	Banking
	Mauritius	Ordinary	41.6%	41.6%	Indirect	Associate	Investment holding

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)**

In July 2023, the Company signed an agreement to acquire a further 40% equity interest in its joint venture Maya Africa Holding Limited and its subsidiaries. The transaction was completed on 2 October 2023 resulting in the Group owning an 80% equity interest in Maya Africa Holding Limited and its subsidiaries, allowing it to control and financially consolidate the companies from that date. Hence, the investment in Maya Africa Holding Limited was derecognised as an investment in joint venture during the year ended 31 December 2023. Refer to Note 26

During the year ended 31 December 2022, following the directors' resolution dated 21 November 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.

Telecom Comores Holdings Ltd is an investment entity holding stake in subsidiaries operating in the telecommunication sector. These are strategic investments for the Group which complement the telecommunication services being provided by the Group.

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

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

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

Summarised statement of financial position of the joint ventures and associates

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

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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

The financial statements of the joint ventures and associates are prepared under International Financial Reporting Standards (IFRS) Accounting Standards, except for Société D'Exploration et de Promotion Iliad Axian which is prepared under French GAAP. The impact of conversion to IFRS Accounting Standards for Société d'Exploration et de Promotion Iliad Axian is not material to the Group.

(a) Telecom Comores Holdings Ltd**Summarised statement of financial position**

	2023 USD	2022 USD
Current assets	6,562,530	6,768,186
Current liabilities	(25,968,024)	(20,525,994)
Current liabilities – net	(19,405,494)	(13,757,808)
Non-current assets	41,786,209	39,325,343
Non-current liabilities	(4,386,403)	(10,414,535)
Non-current assets – net	37,399,806	28,910,808
Assets – net	17,994,312	15,153,000

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	5,127,438	4,581,501
Current financial liabilities excluding trade payables and provisions:		
Current	5,449,631	4,092,781
Non-current	3,325,939	6,948,761
Bank overdraft	165	160

Summarised statement of comprehensive income

Revenue	27,004,472	22,042,515
Profit/(loss) for the year	2,234,344	(160,553)
Other comprehensive (loss)/income net of tax	(137)	733
Total comprehensive income/(loss) for the year	2,234,207	(159,820)

The above profit for the year includes the following:

Depreciation and amortisation of non-current assets	6,262,604	5,465,737
Finance income	1,638,577	71,055
Finance costs	970,541	916,008
Income tax expense	278,034	123,614

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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

(a) *Telecom Comores Holdings Ltd (Continued)*

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

	2023 USD	2022 USD
At 01 January	15,153,001	20,240,586
Profit/(loss) for the year	2,234,344	(160,553)
Other comprehensive (loss)/income	(137)	733
Shares buy-back	-	(3,696,431)
Translation difference	607,104	(1,231,334)
	-----	-----
At 31 December	17,994,312	15,153,001
	-----	-----
Direct and indirect percentage holding held by the Group in the joint venture	43.28%	43.28%
Carrying amount	7,787,938	6,558,218
	=====	=====

(b) *Maya Africa Holding Limited*

Summarised statement of financial position

	2022 USD
Current assets	74,365,820
Current liabilities	(123,880,217)

Current liabilities – net	(49,514,397)

Non-current assets	218,141,356
Non-current liabilities	(173,152,716)

Non-current assets – net	44,988,640

Liabilities - net	(4,525,757)
	=====
<i>The above amounts of assets and liabilities include the following:</i>	
Cash and cash equivalents	18,825,049
Current financial liabilities excluding trade payables and provisions:	
Current	25,603,697
Non-current	168,758,047
Bank overdraft	3,224,950

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)****Summarised statement of financial position of the joint ventures and associates (continued)****(b) Maya Africa Holding Limited (Continued)****Summarised statement of comprehensive income**

	2022 USD
Revenue	164,006,947
Loss for the year	(2,956,765)
Other comprehensive income net of tax	2,766
Total comprehensive loss for the year	(2,953,999)

The above profit for the year includes the following:

Depreciation and amortisation of non-current assets	31,283,017
Finance income	661,813
Finance costs	15,688,330
Income tax expense	2,432,727

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

	2022 USD
At 01 January	7,501,949
Loss for the year	(2,956,765)
Dividend	(8,454,826)
Translation difference	(616,116)
At 31 December	(4,525,758)
Direct percentage holding held by the Group in the joint venture	40%
Carrying amount	1

As at 31 December 2023, the results and financial position of Maya Africa Holding Limited and its subsidiaries were consolidated following the acquisition of the additional 40% stake by the Group on 2 October 2023.

(c) Telecom Reunion Mayotte**Summarised statement of financial position**

	2023 USD	2022 USD
Current assets	46,045,636	49,769,157
Current liabilities	(52,000,443)	(48,813,723)
Current (liabilities)/assets – net	(5,954,807)	955,434
Non-current assets	165,722,196	154,619,002
Non-current liabilities	(75,973,638)	(80,503,367)
Non-current assets – net	89,748,558	74,115,635
Assets – net	83,793,751	75,071,069

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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

(c) Telecom Reunion Mayotte (Continued)

	2023 USD	2022 USD
<i>The above amounts of assets and liabilities include the following:</i>		
Cash and cash equivalents	20,115,197	25,980,549
Current financial liabilities (excluding trade payables and provisions)		
Current	24,250,111	11,984,610
Non-current	72,999,557	74,086,780
Summarised statement of comprehensive income		
Revenue	89,784,383	83,181,188
Profit for the year	22,058,791	19,564,930
Total comprehensive income for the year	22,058,791	19,564,930
<i>The above profit for the year includes the following:</i>		
Depreciation and amortisation of non-current assets	5,051,986	8,501,096
Finance costs	1,111,372	933,817
Income tax expense	7,808,795	6,025,641
Reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture:		
At 01 January	75,072,137	75,613,645
Dividend paid	(16,216,522)	(15,802,396)
Profit for the year	22,058,791	19,564,930
Translation difference	2,879,345	(4,304,042)
	-----	-----
At 31 December	83,793,751	75,072,137
	=====	=====
Direct percentage holding held by the Group in the joint venture	50.00%	50.00%
Carrying amount	41,896,876	37,536,069
	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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

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

Summarised statement of financial position

	2023	2022
	USD	USD
Current assets	198,594	530,373
Current liabilities	(7,126,714)	(7,582,654)
Current liabilities – net	(6,928,120)	(7,052,281)
Non-current assets	7,093,502	7,177,201
Non-current liabilities	-	-
Non-current assets – net	7,093,502	7,177,201
Assets - net	165,382	124,920

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	49,078	182,876
Current financial liabilities excluding trade payables and provisions:		
Non-current	-	6,274,877
Current	6,855,748	-

Summarised statement of comprehensive income

Revenue	530,810	1,713,718
Profit for the year	35,032	126,249
Total comprehensive income for the year	35,032	126,249

The above profit for the year includes the following:

Finance costs	105,680	62,344
Income tax expense	10,027	5,889

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

	2023	2022
	USD	USD
At 01 January	-	-
Profit for the year	35,032	-
Unrecognised share of profit in prior years	18,042	-
Reversal of impairment	108,058	-
Translation difference	4,250	-
At 31 December	165,382	-

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)****Summarised statement of financial position of the joint ventures and associates (continued)****(d) Société D'Exploration et de Promotion Iliad Axian (Continued)**

	2023	2022
Direct percentage holding held by the Group in the joint venture	50.00%	50.00%
Carrying amount	82,691	-
	=====	=====

(e) BNI Madagascar**Summarised statement of financial position**

	2023	2022
	USD	USD
Current assets	866,813,939	992,356,590
Current liabilities	(758,152,618)	(810,771,581)
Current assets – net	108,661,321	181,585,009
Non-current assets	20,382,321	18,378,206
Non-current liabilities	(54,950,288)	(144,718,598)
Non-current liabilities – net	(34,567,967)	(126,340,392)
Assets – net	74,093,354	55,244,617
	=====	=====

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	137,565,464	277,720,902
Current financial liabilities excluding trade payables and provisions:		
Current	712,900,290	723,920,234
Non-current	54,950,288	144,718,598

Summarised statement of comprehensive income

Revenue	13,441,842	14,347,820
Profit for the year	26,357,781	14,227,779
Total comprehensive income for the year	26,357,781	14,227,779

The above profit for the year includes the following:

Depreciation and amortisation of non-current assets	3,962,888	3,331,409
Finance income	74,746,397	62,320,049
Finance costs	24,287,159	25,732,428
Income tax expense	7,301,415	5,583,236

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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

e) *BNI Madagascar (Continued)*

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

	2023 USD	2022 USD
At 01 January	55,244,625	61,720,282
Profit for the year	26,357,781	14,227,779
Dividend	(6,579,298)	(13,775,724)
Translation difference	(929,754)	(6,927,712)
	-----	-----
At 31 December	74,093,354	55,244,625
	=====	=====
Direct percentage holding held by the Group in the associate	31.20%	31.20%
Carrying amount	23,117,126	17,236,323

(f) *Indian Ocean Financial Holdings Limited*

Summarised statement of financial position

	2023 USD	2022 USD
Current assets	1,004,587	353,188
Current liabilities	(179,050)	(48,179)
	-----	-----
Current assets – net	825,537	305,009
	-----	-----
Non-current assets	21,102,099	20,300,411
Non-current liabilities	-	-
	-----	-----
Non-current assets – net	21,102,099	20,300,411
	-----	-----
Assets – net	21,927,636	20,605,420
Less: Investment in BNI Madagascar*	(21,102,099)	(20,300,411)
Less: Dividend received from BNI Madagascar	(17,705,348)	(13,637,911)
Add: Dividend paid by Indian Ocean Financial Holdings Limited	17,670,147	13,793,833
	-----	-----
Adjusted net assets	790,336	460,931
	=====	=====

*The investment held by Indian Ocean Financial Holdings Limited in BNI Madagascar has been excluded as it has already been considered in the equity accounting of BNI Madagascar by Axian Financial Services Ltd. The effective ownership interest has been used on equity accounting of BNI Madagascar.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

11 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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

(f) *Indian Ocean Financial Holdings Limited (continued)**The above amounts of assets and liabilities include the following:*

	2023 USD	2022 USD
Cash and cash equivalents	639,245	351,334

Summarised statement of comprehensive income

Revenue	1,089,531	809,118
Profit for the year	300,840	79,855
Total comprehensive income for the year	300,840	79,855

The above profit for the year includes the following:

Finance income	3,007	639
Income tax expense	385,713	751,165

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

At 01 January	460,931	383,045
Profit for the year	300,840	79,855
Translation difference	28,565	(1,969)
	-----	-----
At 31 December	790,336	460,931
	=====	=====
Direct percentage holding held by the Group in the associate	41.57%	41.57%
Carrying amount	328,543	191,609
	-----	-----

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

12 TRADE AND OTHER RECEIVABLES

		Group		Company
	2023	Restated	2023	2022
	USD	2022	USD	USD
		USD		
Non-current				
Trade receivables	2,524,351	1,731,015	-	-
Other receivables	1,775,996	1,695,411	-	-
Receivable from authorities	11,375,635	18,103,932	-	-
Prepayments and advances	14,129,779	13,607,687	-	-
	29,805,761	35,138,045	-	-
Current				
Trade receivables - gross	173,198,424	92,878,012	1,072,043	1,483,180
Expected credit losses - trade receivables	(37,764,917)	(25,668,433)	-	-
Trade receivables - net	135,433,507	67,209,579	1,072,043	1,483,180
Other receivables*	30,769,220	19,553,392	1,999,820	-
Withholding tax receivable	4,290,488	-	-	-
Amount receivable from subsidiaries (Note 24 (d))	-	-	61,725,795	33,119,860
Amount receivable from other related parties (Note 24 (c))	9,102,766	8,422,240	355,196	360,084
Receivable from authorities	57,577,456	34,238,294	-	-
Prepayments and advances	32,941,160	26,238,600	36,027	45,646
Contract assets and costs	4,846,041	764,589	-	-
Expected credit losses - other receivables	(4,269,066)	(1,336,200)	-	-
	270,691,572	155,090,494	65,188,881	35,008,770
Total trade and other receivables	300,497,333	190,228,539	65,188,881	35,008,770

*The 'Other receivables' pertain mostly to grants receivable from government institutions in several jurisdictions, interest receivable on financial assets and receivables from staff.

Trade and other receivables are not secured, nor are they interest-bearing. Allowances for expected credit losses for trade and other receivables have been assessed on an individual basis (in cases where the entity has few customers), or on a collective basis under the 'expected credit loss' model (in cases where the entity has a large number of homogenous customers).

Write off policy

It is the policy of the Group to write off trade and other receivables on case-to-case basis if the Group deems that these receivables will not be collectible on the assessment of underlying facts and circumstances. These underlying facts include historical experience of the receivables, instances where the customer has been declared insolvent or bankrupt, and instances when debt settlement negotiations have been unsuccessful in achieving debt collections for long-outstanding unpaid amounts from customers.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

12 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
At 01 January	27,004,633	23,197,042	-	-
Acquisition through business combination	19,771,735	8,219,133	-	-
Charge for the year	11,433,994	5,475,510	-	-
Amount recovered	(9,139,547)	(8,170,253)	-	-
Amount written off	(7,476,980)	-	-	-
Disposal of subsidiary	(6,746)	-	-	-
Translation difference	446,894	(1,716,799)	-	-
	-----	-----	-----	-----
At 31 December	42,033,983	27,004,633	-	-
	=====	=====	=====	=====

Expected credit losses on trade and other receivables are based on lifetime expected credit losses ("ECL").

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

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

	2023	Group
	USD	2022
		USD
Derecognition of financial assets (Note 5)	2,645,900	3,522,597
	=====	=====

The above amounts written off are subject to enforcement activities.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

13 INVENTORIES

	2023 USD	Group 2022 USD	2023 USD	Company 2023 USD
Raw materials	16,349,457	3,062,256	-	-
Trading inventories	12,950,488	12,830,040	-	-
Spare parts	13,810,688	23,586,595	-	-
Value of inventories at initial cost	43,110,633	39,478,891	-	-
Less: provision for slow moving inventories	(15,593,296)	(16,250,993)	-	-
	27,517,337	23,227,898	-	-

Inventories mainly comprise of technical spare parts and fast-moving items like handsets, scratchcards and SIM cards, accessories held for sale, and consumable items. Physical Inventory counts are conducted on a periodic basis and the technical team evaluates the condition of the stock and advises accordingly in case of obsolescence. Inventories are measured at the lower of cost and net realisable value.

The cost of inventory is determined using the weighted average method. Cost of inventory comprises of direct purchase costs, non-recoverable import duties and taxes, and transportation costs. The net realisable value of spare parts is determined on the basis of obsolescence; assessing whether the spare parts on hand can be utilised within our existing network or otherwise sold, or whether they should be provided for and scrapped.

A reversal of impairment of inventory of **USD 1,093,039** has been credited in profit or loss for the current year (2022: USD 2,025,920). Provision for inventories of devices of **USD 143,430** (2022: USD 409,930) is included under cost of devices and equipment (Refer to Note 5). Translation difference is included in the provision for slow moving inventories recognised in the balance sheet.

The Group has not pledged any inventories.

14 LOANS RECEIVABLE

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<u>Loans to clients</u>				
Gross balance	31,683,980	16,550,549	-	-
Expected credit losses	(11,347,876)	(4,576,093)	-	-
Net balance	20,336,104	11,974,456	-	-
Loans receivable from other related parties (Note 24(a))	11,871,608	5,380,890	11,695,240	5,085,000
Loans receivable from subsidiaries (Note 24(b))	-	-	484,091,360	411,930,852
TOTAL	32,207,712	17,355,346	495,786,600	417,015,852
Non-current	11,713,729	167,508	377,962,210	333,254,563
Current	20,493,983	17,187,838	117,824,390	83,761,289
	32,207,712	17,355,346	495,786,600	417,015,852

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****14 LOANS RECEIVABLE (CONTINUED)**

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

	2023	Group
	USD	2022
		USD
At 01 January	4,576,093	348,842
Additional provision (Note 5)	11,607,044	5,044,286
Reversal of provision (Note 5)	(4,588,956)	(441,676)
Translation difference	(246,305)	(375,359)
	-----	-----
At 31 December	11,347,876	4,576,093
	=====	=====

For Group's loans receivable from other related parties, the impact of ECL is minimal since there is no history of default and no event of default is expected to occur in the forthcoming future.

For Company's loan receivable from subsidiaries and other related parties, the impact of ECL is minimal since there is no history of default and based on the cash flow forecasts, the subsidiaries have sufficient cash reserves to repay the Company in the forthcoming future.

15 CASH AND CASH EQUIVALENTS

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

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
Cash at bank	181,846,003	226,590,223	17,307,668	116,673,950
Bank overdraft	(54,021,078)	(27,728,595)	(164)	-
	-----	-----	-----	-----
	127,824,925	198,861,628	17,307,504	116,673,950
	=====	=====	=====	=====

While cash and cash equivalents is subject to the impairment requirements of IFRS 9, the identified expected credit loss was immaterial as the Group and the Company place their cash at bank with highly reputable financial institutions.

16 RESTRICTED CASH

Restricted cash comprises mainly cash held in certain bank accounts for the Group's mobile money business.

	2023	2022
	USD	USD
Debt service reserve account	2,543,038	1,976,071
Deposits for mobile-money activities	314,060,585	262,474,369
Deposits in respect of litigations	657,036	234,514
Other deposits	-	1,882,817
Fixed deposit	7,809,570	10,776,808
	-----	-----
	325,070,229	277,344,579
	=====	=====

While restricted cash is subject to the impairment requirements of IFRS 9, the identified expected credit loss was immaterial as the Group and the Company place their cash at bank with highly reputable financial institutions.

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****16 RESTRICTED CASH (CONTINUED)**

Restricted cash comprises of the following:

- Debt reserve accounts held by the bank as collateral for loans taken by Togocom.
- Deposits for mobile-money activities, which are held mainly in BFV Société Générale de Madagascar, BNI Madagascar, MCB Madagascar and BTCL corresponding to the total electronic monies "UME" allowed for circulation in respect of the activities of MVOLA and Group Togocom respectively. For Group Honora Tanzania Public Limited Company, MFS deposits bank accounts are held by the Trust, The Registered Trustees of Millicom Tanzania Mobile Solutions, as they belong to the subscribers, agents and other customers of mobile money financial services. For Maya Africa Holding Limited and its subsidiaries, the restricted cash includes cash in a trust account which constitutes a guarantee of the electronic money that circulates in the network of Mobile Cash. This cash is deposited at two Senegalese banks according to Central Bank regulation.
- Other deposits as at 31 December 2022 relate to deposits held by the Mauritius Commercial Bank (Madagascar) SA on behalf of Telecom Malagasy SA on 25 November 2022 in relation to the payment to a key supplier. The deposit was released in full during the year ended 31 December 2023.
- Togocom Group is allowed to invest part of the float of mobile money as fixed deposit.

17 SHARE CAPITAL

	Group and Company	
	2023	2022
	USD	USD
At 01 January and 31 December	1,372,564	1,372,564
	=====	=====
Authorised, issued and paid :		
1,372,564 ordinary shares of USD 1 (Par value) each	1,372,564	1,372,564
	=====	=====

Rights and restrictions attached to ordinary shares:

Voting rights

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

Rights relating to dividends

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

Rights relating to repayment of capital

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

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****18 RESERVES****(a) Legal reserves**

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

(b) Translation reserves

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

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

(c) Other reserves

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

During the year ended 31 December 2022, the NCI put option liability was initially recognised as a non current liability with a corresponding amount of USD 45,272,961 in other reserves in equity (Note 40(c)). It was initially recognised under equity attributable to owners of the Company as the risks and rewards of ownership of the NCI interest remain with the minority shareholder until such time as the option is exercised and settled.

On 20 July 2023, the Group acquired the non-controlling interest's 20% shareholding in Agou Holding SAS. This transaction resulted in the extinguishment of USD 9.8 million of the loans owing to the non-controlling interest, the extinguishment of USD 32.4 million of the NCI put option liability and extinguishment of USD 2.7 million of the NCI call option assets. The difference between the aggregate consideration of USD 32.2 million, and the net liability position settled of USD 39.4 million was recognised as a credit movement in equity, in other reserves. This credit movement amounts to USD 7.2 million. This transaction has also resulted in the reclassification of USD 10.1 million of non-controlling interest within equity, with this amount being reclassified to other reserves.

(d) Reorganisation reserves

The Company acquired Silver Links Ltd (formerly known as Telma International Carrier Services Ltd) and Towerco of Africa Ltd and its subsidiaries on 15 January 2020 and 01 October 2018 respectively. These acquisition were classified as a business combination between entities under common control as all entities involved were owned by the same ultimate shareholder before and after the acquisition. Accordingly, any difference between the purchase price of the investments and the net assets acquired has been recognised within the reorganisation reserves.

The Company acquired Axian Financial Services Ltd and its subsidiaries and Axian Support Services Ltd and its subsidiaries on 26 August 2021 and 01 March 2021 respectively. These acquisitions were classified as a business combination between entities under common control as all entities involved were owned by the same ultimate shareholder before and after the acquisition. Accordingly, any difference between the purchase price of the investments and the net assets acquired has been recognised within the reorganisation reserves.

The Company disposed Prime Africa Real Estate Ltd to the ultimate controlling party on 12 January 2023. Since there is no change in ultimate control after the disposal, the difference between the disposal proceeds and net assets disposed has been recognised within the reorganisation reserves.

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****19 NON-CONTROLLING INTERESTS**

The list of the Group's subsidiary companies as at 31 December 2023 and 2022 were as follows:

Name of Company	Country of incorporation	Principal activity	Non controlling interest	
			2023	2022
			%	%
Direct subsidiaries				
Telecom Malagasy SA	Madagascar	Telecommunications	19.2	19.2
Agou Holding	Togo	Holding company	-	20.0
Honora Holdings Ltd	Mauritius	Holding company	20.0	10.00
Maya Africa Holding Ltd	Mauritius	Holding company	20.0	-
Indirect Subsidiaries				
Togocom	Togo	Telecommunications	49.0	59.2
Togo Telecom	Togo	Telecommunications	49.0	59.2
Togo Cellulaire	Togo	Telecommunications	49.0	59.2
Towerco of Africa Uganda (formerly Ubuntu Towers Uganda Limited)	Uganda	Construction and operation of telecommunication infrastructures	10.0	10.0
Towerco of Africa Madagascar (formerly Towerco of Madagascar SA)	Madagascar	Construction and operation of telecommunication infrastructures	0.3	0.3
Towerco of Africa Tanzania Limited	Tanzania	Construction and operation of telecommunication infrastructures	20.0	-
TODRC Holding Ltd	Mauritius	Holding company	30.0	-
Towerco of Africa DRC	Democratic Republic of Congo	Construction and operation of telecommunication infrastructures	30.0	-
Mvola SA	Madagascar	Mobile banking services	19.8	19.8
Sanko (formerly Indian Ocean Risk Solutions)	Madagascar	Insurance broker	1.0	1.0
Honora Tanzania Public Limited Company (formerly MIC Tanzania Public Limited Company)	Tanzania	Telecommunications	21.6	11.3
Comete.AI	France	Business Support	27.5	-
Zanzibar Telecom Public Limited Company	Tanzania	Telecommunications	21.6	11.3
Zantel Mobile Financial Services Solutions Limited	Tanzania	Mobile banking services	21.6	11.3
Honora Tanzania Mobile Solutions Limited (formerly Millicom Tanzania Mobile Solutions Limited)	Tanzania	Mobile banking services	21.6	11.3
The registered trustees of Millicom Tanzania Mobile Solutions	Tanzania	Trust	21.6	11.3
Telesis Tanzania Limited	Tanzania	Telecommunications	21.6	11.3
Stellar IX Tanzania	Tanzania	Data Center Services	20.0	-
Saga Africa Holding Ltd	Mauritius	Holding company	20.0	-
Maya Senegal NV	Curacao	Holding company	20.0	-
Mobile Cash	Senegal	Mobile banking services	20.0	-
Saga Africa Holdings Limited SA	Senegal	Telecommunications	20.0	-

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 NON-CONTROLLING INTERESTS

The Group recognises non-controlling interests (NCI) in an acquired entity at the NCI's proportionate share of the acquired net identifiable assets.

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

(a) Telecom Malagasy SA

Summarised statement of financial position

	Group	
	2023	2022
	USD	USD
Current assets	227,125,801	127,221,455
Current liabilities	(323,911,228)	(278,309,020)
	-----	-----
Current liabilities – net	(96,785,427)	(151,087,565)
	-----	-----
Non-current assets	611,530,133	556,276,710
Non-current liabilities	(462,143,069)	(356,674,244)
	-----	-----
Non-current assets – net	149,387,064	199,602,466
	-----	-----
Assets – net	52,601,637	48,514,901
	=====	=====
Non-controlling interests	10,099,514	9,314,863
	=====	=====

Summarised statement of profit or loss and other comprehensive income

Revenue	262,600,729	237,402,306
Total comprehensive income for the year	7,212,351	(11,719,002)
	-----	-----
Total comprehensive income for the year attributable to non-controlling interests	1,384,771	(2,250,048)
	-----	-----
Profit/(loss) to non-controlling interest	1,566,105	(928,330)
	-----	-----
Dividends paid to non-controlling interest	600,118	197,278
	-----	-----

Summarised cash flows

Net cash from operating activities	132,376,491	125,274,115
Net cash used in investing activities	(75,354,152)	(58,580,317)
Net cash used in financing activities	(41,396,572)	(65,869,685)
	-----	-----
Net increase in cash and cash equivalents	15,625,767	824,113
	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 NON-CONTROLLING INTERESTS

(b) Agou Holding

The summarised financial information of Agou Holding include the financial results and financial position of the Togocom Group.

		Group
	2023	2022
	USD	USD
Summarised statement of financial position		
Current assets	175,378,681	135,997,642
Current liabilities	(323,703,863)	(251,681,541)
	-----	-----
Current liabilities – net	(148,325,182)	(115,683,899)
	-----	-----
Non-current assets	393,549,365	385,606,157
Non-current liabilities	(94,680,674)	(146,734,932)
	-----	-----
Non-current assets – net	298,868,691	238,871,225
	-----	-----
Assets – net	150,543,509	123,187,326
	=====	=====
Non-controlling interest	90,645,468	91,554,528
	=====	=====
Summarised statement of profit or loss and other comprehensive income		
Revenue	256,617,789	239,663,232
Total comprehensive income for the year	40,753,794	36,906,628
	-----	-----
Total comprehensive income for the year attributable to non-controlling interests	22,614,317	26,361,324
	-----	-----
Profit to non-controlling interest	22,122,250	27,387,829
	-----	-----
Dividends paid to non-controlling interest	13,415,611	11,371,522
	-----	-----
Summarised cash flows		
Net cash from operating activities	108,650,295	80,676,656
Net cash used in investing activities	(57,949,801)	(33,764,805)
Net cash used in financing activities	(51,235,769)	(78,473,427)
	-----	-----
Net decrease in cash and cash equivalents	(535,275)	(31,561,576)
	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 NON-CONTROLLING INTERESTS (CONTINUED)

(c) *Honora Holdings Ltd***Summarised statement of financial position**

	2023	Group
	USD	2022
		USD
Current assets	32,526,833	32,541,670
Current liabilities	(17,117,851)	(554,065)
	-----	-----
Current assets – net	15,408,982	31,987,605
	-----	-----
Non-current assets	69,189,263	69,189,263
Non-current liabilities	(116,847,529)	(107,916,794)
	-----	-----
Non-current liabilities – net	(47,658,266)	(38,727,531)
	-----	-----
Liabilities – net	(32,249,284)	(6,739,926)
	=====	=====
Non-controlling interest	(3,224,644)	(673,718)
	=====	=====

Summarised statement of profit or loss and other comprehensive income

Revenue	-	-
Total comprehensive income for the year	(25,509,360)	(6,437,319)
	-----	-----
Total comprehensive income for the year attributable to non-controlling interests	(2,550,936)	(643,732)
	-----	-----
Loss to non-controlling interest	(2,550,936)	(643,732)
	-----	-----

Summarised cash flows

Net cash used in from operating activities	(21,946)	(8,609)
	-----	-----
Net decrease in cash and cash equivalents	(21,946)	(8,609)
	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 NON-CONTROLLING INTERESTS (CONTINUED)

(d) Axian Financial Services Ltd and its subsidiaries**Summarised statement of financial position**

	2023	Group
	USD	2022
		USD
Current assets	147,314,433	107,513,701
Current liabilities	(124,724,115)	(98,270,795)
Current assets – net	22,590,318	9,242,906
Non-current assets	29,580,352	21,310,563
Non-current liabilities	(2,389,654)	(1,629,342)
Non-current assets – net	27,190,698	19,681,221
Assets – net	49,781,016	28,924,127
Non-controlling interest	6,424,889	4,233,212

Summarised statement of profit or loss and other comprehensive income

Revenue	71,451,667	58,785,091
Total comprehensive income for the year	21,573,705	2,683,034
Total comprehensive income for the year attributable to non-controlling interests	2,908,497	1,416,548
Profit to non-controlling interest	3,059,702	1,864,503
Dividends paid to non-controlling interest	716,821	185,778

Summarised cash flows

Net cash from operating activities	17,993,884	4,246,898
Net cash from investing activities	359,714	7,908,238
Net cash used in financing activities	(1,829,956)	(3,203,815)
Net increase in cash and cash equivalents	16,523,642	8,951,321

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 NON-CONTROLLING INTERESTS (CONTINUED)

(e) *Towerco of Africa Ltd and its subsidiaries***Summarised statement of financial position**

	2023	Group
	USD	2022
		USD
Current assets	85,732,872	33,849,504
Current liabilities	(212,418,412)	(99,839,365)
Current liabilities – net	(126,685,540)	(65,989,861)
Non-current assets	240,141,353	195,096,755
Non-current liabilities	(75,809,051)	(104,124,855)
Non-current assets – net	164,332,302	90,971,900
Assets – net	37,646,762	24,982,039
Non-controlling interest	(795,842)	(605,274)

Summarised statement of profit or loss and other comprehensive income

Revenue	119,360,549	86,184,065
Total comprehensive income for the year	12,275,639	(519,326)
Total comprehensive income for the year attributable to non-controlling interests	(579,645)	(458,517)
Loss attributable to the non-controlling	(589,830)	(469,665)
Dividends paid to non-controlling interest	-	-

Summarised cash flows

Net cash from operating activities	41,707,484	69,356,351
Net cash used in investing activities	(36,208,507)	(96,825,930)
Net cash from financing activities	2,445,950	22,396,905
Net increase/(decrease) in cash and cash equivalents	7,944,927	(5,072,674)

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 NON-CONTROLLING INTERESTS (CONTINUED)

*(f) MIC Tanzania Public Limited Company and its subsidiaries***Summarised statement of financial position**

	2023	Group Restated 2022
	USD	USD
Current assets	294,445,682	241,932,402
Current liabilities	(536,722,866)	(622,548,099)
	-----	-----
Current liabilities – net	(242,277,184)	(380,615,697)
	-----	-----
Non-current assets	710,323,725	573,341,493
Non-current liabilities	(633,544,696)	(481,823,250)
	-----	-----
Non-current assets – net	76,779,029	91,518,243
	-----	-----
Liabilities – net	(165,498,155)	(289,097,454)
	=====	=====
Non-controlling interest	(9,277,679)	(4,876,177)
	=====	=====

Summarised statement of profit or loss and other comprehensive income

Revenue	434,560,179	286,245,122
Total comprehensive income for the year	(38,779,747)	(12,712,128)
	-----	-----
Total comprehensive income for the year attributable to non-controlling interest	(4,401,501)	(1,442,827)
	-----	-----
Loss to non-controlling interest	(6,370,465)	(2,044,359)
	-----	-----
Dividends paid to non-controlling interest	-	-
	-----	-----

Summarised cash flows

Net cash from operating activities	69,446,840	55,984,091
Net cash used in investing activities	(115,745,696)	(40,326,890)
Net cash from/ (used) in financing activities	35,195,288	(8,493,536)
	-----	-----
Net (decrease)/ increase in cash and cash equivalents	(11,103,568)	7,163,665
	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 NON-CONTROLLING INTERESTS (CONTINUED)

*(g) Maya Africa Holding Ltd and its subsidiaries***Summarised statement of financial position**

	2023 USD	Group 2022 USD
Current assets	86,110,428	-
Current liabilities	(149,024,194)	-
	-----	-----
Current liabilities – net	(62,913,766)	-
	-----	-----
Non-current assets	387,713,065	-
Non-current liabilities	(341,659,860)	-
	-----	-----
Non-current assets – net	46,053,205	-
	-----	-----
Liabilities – net	(16,860,561)	-
	=====	=====
Non-controlling interest	(3,345,811)	-
	=====	=====

Summarised statement of profit or loss and other comprehensive income

Revenue	43,253,833	-
Total comprehensive income for the year	(9,147,138)	-
	-----	-----
Total comprehensive income for the year attributable to non-controlling interest	(1,830,081)	-
	-----	-----
Loss to non-controlling interest	(1,830,081)	-
	-----	-----
Dividends paid to non-controlling interest	-	-
	-----	-----

Summarised cash flows

Net cash from operating activities	30,055,847	-
Net cash used in investing activities	(22,840,507)	-
Net cash used in financing activities	(2,745,515)	-
	-----	-----
Net increase in cash and cash equivalents	4,469,825	-
	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 NON-CONTROLLING INTERESTS (CONTINUED)

(h) Stellar IX Tanzania**Summarised statement of financial position**

	2023 USD	Group 2022 USD
Current assets	9,743	-
Current liabilities	(17,584)	-
	-----	-----
Current liabilities – net	(7,841)	-
	-----	-----
Non-current assets	5,590	-
Non-current liabilities	-	-
	-----	-----
Non-current assets – net	5,590	-
	-----	-----
Liabilities – net	(2,251)	-
	=====	=====
Non-controlling interest	(450)	-
	=====	=====

Summarised statement of profit or loss and other comprehensive income

Revenue	-	-
Total comprehensive income for the year	(11,979)	-
	-----	-----
Total comprehensive income for the year attributable to non-controlling interest	(2,304)	-
	-----	-----
Loss to non-controlling interest	(2,396)	-
	-----	-----
Dividends paid to non-controlling interest	-	-
	-----	-----

Summarised cash flows

Net cash from operating activities	6,064	-
Net cash used in investing activities	(5,591)	-
	-----	-----
Net increase in cash and cash equivalents	473	-
	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

20 BORROWINGS

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Non-current:				
Bank loans (a)	152,935,670	112,285,116	56,372,345	-
Listed bonds (b)	414,356,520	411,774,204	414,356,520	411,774,204
Loans payable to related parties (Note 24(e))	164,206,251	150,684,170	139,918,098	130,685,539
	731,498,441	674,743,490	610,646,963	542,459,743
Current :				
Bank loans (a)	118,377,222	37,913,908	17,581,289	-
Listed bonds (b)	11,594,467	12,713,368	11,594,467	12,713,368
Loans payable to related parties (Note 24(e))	-	4,915,000	14,640,804	19,055,976
	129,971,689	55,542,276	43,816,560	31,769,344
Total borrowings	861,470,130	730,285,766	654,463,523	574,229,087

(a) Bank loans

Group

The bank loans at the Group level are made up of the following. Subsidiaries may each have several facilities, resulting in a range of interest rates and maturity dates.

Country	Company	Interest Rate	Maturity	2023 USD	2022 USD
Madagascar	Telecom Malagasy S.A.	6.6% to 9.0% per annum	Between 5 to 8 years	37,276,590	38,745,710
Madagascar	Towerco of Africa S.A.	7.0% to 9.0% per annum	Between 4 to 8 years	16,609,823	21,806,166
Madagascar	Stellar-IX SA	9.5% per annum	7 years	6,592,682	-
Togo	Togo Cellulaire S.A.	Between 6.50% to 7.15% per annum	Between 5 to 6 years	23,407,998	37,126,450
Togo	Togo Telecom S.A.	6.75% to 8.5% per annum	Between 8 to 10 years	25,660,083	32,832,093
Uganda	Towerco of Africa Uganda Limited	Refer to Note below **	7 years	24,352,950	19,688,605
Tanzania	Honora Tanzania Public Limited Company	Quarterly commissions between 0.25% to 0.35% ***	1.5 year	26,758,467	-
Senegal	Maya Africa Holding Ltd	5.0% to 6.9% per annum	Between 3.5 to 6 years	36,700,665	-

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****20 BORROWINGS (CONTINUED)****(a) Bank loans (continued)**

Country	Company	Interest Rate	Maturity	2023 USD	2022 USD
Mauritius	Axian Telecom	SOFR and a margin of 0.9% per annum	7 years	73,953,634	-
				-----	-----
	Loans payable within one year			271,312,892 (118,377,222)	150,199,024 (37,913,908)
				-----	-----
	Loans payable after one year			152,935,670	112,285,116
				=====	=====

** Loan UGX 36.8 bn 3-month average 182 days Treasury Bill rates + margin of 4.25%
(Equating to 15.7% as at 31 December 2023).

** USD 9 mn 3-month SOFR + margin of 5%

*** The letter of credit facilities contracted by Honora Tanzania Public Limited Company do not accrue contractual interests but attract quarterly commissions between 0.25% to 0.35% of the facility amounts.

The bank loans of the Group companies are repayable monthly, quarterly, semi-annually, or annually at fixed or variable interest rates varying between 5.0% and 15.7%.

Company

Country	Company	Interest Rate	Maturity	2023 USD	2022 USD
Mauritius	Axian Telecom	SOFR and a margin of 0.9% per annum	7 years	73,953,634	-
				-----	-----
	Loans payable within one year			73,953,634 (17,581,289)	- -
				-----	-----
	Loans payable after one year			56,372,345	-
				=====	=====

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****20 BORROWINGS (CONTINUED)****(a) Bank loans (continued)****Madagascar****1 Telecom Malagasy S.A.**

The following table summarises the terms of the loans which Telecom Malagasy S.A. has contracted with the banks:

Bank names	Contract years*	Currency	Initial principal amounts
Bank of Africa ('BOA')	Between 2017 and 2019	MGA	32,000,000,000
Banque Malgache de L'Océan Indien ('BMOI')	Between 2020 and 2023	MGA	55,000,000,000
BFV Société Générale ('BFV')	Between 2018 to 2021	MGA	55,000,000,000
BFV Société Générale ('BFV')	2021	USD	12,000,000
BNI Madagascar ('BNI')	Between 2015 to 2019	MGA	84,700,000,000

*Contract years refer to the year when the contract was signed, and the facilities became available to draw down.

The loans bear interest at rates between 6.6% to 9.0% per annum, on a fixed or variable basis, with maturity periods varying between 5 to 8 years. Interest and loan principal are repayable monthly or quarterly. The purpose of these loans is mainly to finance network expansion and for general corporate purposes. The loans are pledged against the technical supplies and equipment of Telecom Malagasy S.A. up to the value of their outstanding amount. During the year ended 31 December 2023, Telecom Malagasy S.A. drew down additional loans amounting to MGA 35.0 billion (approximately USD 7.9 million) and made aggregate repayments amounting to MGA 38.2 billion (approximately USD 8.6 million).

2 Towerco of Africa S.A.

The following table summarises the loans which Towerco of Africa S.A. has contracted with the banks:

Bank names	Contract years*	Currency	Initial principal amounts
Bank of Africa ("BOA")	2020	MGA	25,000,000,000
BFV Société Générale ('BFV')	Between 2015 to 2021	MGA	36,540,070,000
Banque Malgache de L'Océan Indien ('BMOI')	Between 2015 to 2022	MGA	40,925,000,000
BNI Madagascar ('BNI')	Between 2016 to 2022	MGA	30,246,315,657

*Contract years refer to the year when the contract was signed, and the facilities became available to draw down.

The loans bear interest at rates between 7.0% to 9.0% per annum on a fixed or variable basis, with maturity period varying between 4 to 8 years. Interest and loan principal are repayable monthly. The purpose of these loans is mainly to finance network expansion and for general corporate purposes. The loans are pledged against the equipment of Towerco of Africa S.A. up to the value of their outstanding amount. During the year ended 31 December 2023, Towerco of Africa S.A. has not drawn down any additional amounts and has made aggregate repayments amounting to MGA 21.7 billion (approximately USD 4.9 million).

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****20 BORROWINGS (CONTINUED)****(a) Bank loans (continued)****3 Stellar-IX S.A.**

The following table summarises the loan which Stellar-IX S.A. has contracted with Société Générale Madagasikara:

Bank names	Contract year*	Currency	Initial principal amounts
BFV Société Générale de Madagascar	2023	MGA	30,000,000,000

*Contract year refers to the year when the contract was signed, and the facility became available to draw down.

The loan bears an interest rate of 9.5% per annum on a fixed basis, with maturity period of 7 years. Interest and loan principal are repayable monthly, with principal repayment beginning as from May 2025. The purpose of this loan is mainly to finance capital expenditure. The loan is pledged against equipment up to a value of MGA 30.0 billion. During the year ended 31 December 2023, Stellar-IX S.A. drew down a loan amounting to MGA 30.0 billion (approximately USD 6.7 million) and did not make any capital repayments.

Togo:**1. Togo Cellulaire S.A.**

The following table summarises the loans which Togo Cellulaire S.A. has contracted with the banks:

Bank Names	Contract years*	Currency	Initial principal amounts
Bank of Africa ("BOA")	2019	XOF	16,150,000,000
Banque Togolaise pour le Commerce et l'Industrie ('BTCI')	2019	XOF	13,000,000,000
Orabank ('ORB')	2021	XOF	14,188,906,413

*Contract years refer to the year when the contract was signed, and the facilities became available to draw down.

The loans bear an interest at a rate of of between 6.50% to 7.15% per annum on a fixed basis, with maturity period varying between 5 to 6 years. Interest and loan principal are repayable on monthly or quarterly basis. The purpose of these loans was mainly to finance the purchase of Togo Cellulaire S.A.'s 4G licence, to refinance existing debt, and for general corporate purposes. The loans are pledged against a letter of guarantee from the Togolese State, or they are pledged against the escrow and current accounts of Togo Cellulaire S.A. or via a promissory note with progressive constitution of monthly provision by the Bank of Africa or the Orabank respectively. Togo Cellulaire S.A. has not drawn down additional loans in the year ended 31 December 2023 and made aggregate repayments amounting to FCFA 8.8 billion (approximately USD 14.5 million) in the same period.

2. Togo Telecom S.A.

The following table summarises the loans which Togo Telecom S.A. has contracted with the banks:

Bank names	Contract years*	Currency	Initial principal amounts
Société de Gestion et d'Intermédiation ('SGI')	2015	FCFA	35,000,000,000
Union Togolaise de Banque ('UTB')	2018	FCFA	10,043,949,471

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****20 BORROWINGS (CONTINUED)****(a) Bank loans (continued)****Togo (continued):****2. Togo Telecom S.A. (continued)**

*Contract years refer to the year when the contract was signed, and the facilities became available to draw down.

The loans bear interest at rates between 6.75% to 8.5% per annum on a fixed basis, with maturity periods varying between 8 to 10 years. Interest and loan principal are repayable semi-annually. The purpose of these loans was mainly to refinance various existing debt. The loans are pledged against a combination of a letter of guarantee from the Togolese State, a pledge against bank accounts of Togo Telecom S.A., and building of Togo Telecom S.A.'s which is provided as security. Togo Telecom S.A. has not drawn down any additional loan amounts during the year ended 31 December 2023 and made aggregate repayments amounting to FCFA 5.0 billion (approximately USD 8.2 million) in the same period.

Uganda:**Towerco of Africa Uganda Limited**

The following table summarises the loans which Towerco of Africa Uganda Limited has contracted with Stanbic Bank Uganda Limited:

Bank names	Contract years*	Currency	Initial principal amounts
Stanbic Bank Uganda Limited	2022	UGX	38,600,000,000
Stanbic Bank Uganda Limited	2022	USD	9,000,000

*Contract years refer to the year when the contracts were signed and the facilities became available to draw down.

The loans bear interest at a rate of (i) 3-month average 182 days Ugandan Treasury Bill and a margin of 4.25% per annum (equating to 15.7% as at 31 December 2023) and (ii) 3-month SOFR and a margin of 5% (equating to 10.3% as at 31 December 2023). The loans have a maturity period of 7 years, and interest and principal are repayable on a quarterly basis. The purpose of these loans is mainly for the construction of telecom towers and financing of other capital expenditures. The loans are pledged against Towerco of Africa Uganda Limited's assets, up to the value of their outstanding amount. During the year ended 31 December 2023, Towerco of Africa Uganda Limited drew down additional loans amounting to UGX 18.2 billion (approximately USD 4.9 million) and did not make any principal repayments.

On 30 December 2023, Towerco of Africa Uganda Limited has signed a common terms agreement with the European Investment Bank ("EIB"), Oesterreichische Entwicklungsbank AG ("OeEB"), Belgian Investment Company For Developing Countries NV/SA ("BIO") for the provision of an equivalent USD 40.0 million in total loan commitments. As at 31 December 2023, Towerco of Africa Uganda Limited has not drawn any amounts against this facility.

Tanzania:**Honora Tanzania Public Limited Company**

The following table summarises the letter of credit facilities which Honora Tanzania Public Limited Company has contracted with the banks:

Bank Names	Contract years*	Currency	Facility limit
CRDB Bank Plc	2022	EUR	32,000,000
National Bank of Commerce (NBC) Limited Tanzania	2023	TZS	47,600,000,000

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****20 BORROWINGS (CONTINUED)****(a) Bank loans (continued)****Tanzania (continued)****Honora Tanzania Public Limited Company (continued)**

*Contract years refer to the year when the contract was signed, and the facilities became available to draw down.

The letter of credit (LC) facilities contracted by Honora Tanzania Public Limited Company do not accrue contractual interests but attract quarterly commissions between 0.25% to 0.35% of the facility amounts. Each LC facilities have initial availability periods of 9 months, and are repayable on semi-annual basis with deferred payment terms of between 18 and 24 months. The LC facilities may be drawn upon, up to their facility limits and may be re-drawn following any repayments, within the availability period. The purpose of these LC facilities was mainly to finance the purchase of capital expenditures, supply importation and local services. The LC facilities are secured by an all-assets debenture over the assets of Honora Tanzania Public Limited Company.

During the year ended 31 December 2023, Honora Tanzania Public Limited Company has drawn down a total of EUR 39.7 million against the CRDB Bank Plc's LC facility (approximately USD 43.0 million) and made repayments of EUR 25.2 million (approximately USD 27.2 million).

During the year ended 31 December 2023, Honora Tanzania Public Limited Company has utilized TZS 30.7 billion against the NBC Bank Ltd's facility (approximately USD 12.7 million) and made repayments of TZS 6.9 billion (approximately USD 2.8 million).

Senegal**Maya Africa Holding Limited**

The following table summarises the terms of the loans which Maya Africa Holding Limited has contracted with the banks:

Bank names	Contract years*	Currency	Facility amount	Carrying Amount of Facility upon Acquisition by Group
Orabank Sénégal	2022	XOF	8,000,000,000	6,905,795,110
Société Générale Sénégal	2022	XOF	5,250,000,000	4,532,063,883
CBAO Groupe Attijariwafa bank	2022	XOF	6,750,000,000	5,826,939,278
BICIS	2022	XOF	5,000,000,000	4,316,251,317
Agence pour le Dev. de l'Entreprenariat Rapide	2021	XOF	160,000,000	160,000,000

*Contract years refer to the year when the contract was signed, and the facilities became available to draw down.

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****20 BORROWINGS (CONTINUED)****(b) Bank loans (continued)****Senegal (continued)****Maya Africa Holding Limited (continued)**

The loans bear interest at rates between 5.0% to 6.9% per annum, on a fixed basis, with maturity periods varying between 3.5 to 6 years. Interest and loan principal are repayable monthly or semi-annually. The purpose of these loans is mainly to finance capital expenditure. The loans are pledged against shares and Maya Africa Holding Limited's bank accounts, up to the value of their outstanding amount. Between the period from acquisition (Note 26) and 31 December 2023, Maya Africa Holding Limited did not draw down any additional amounts against these facilities and did not make any repayments.

Mauritius**Axian Telecom**

The following table summarises the terms of the loan which Axian Telecom has contracted with JP Morgan Chase Bank N.A.:

Bank names	Contract years*	Currency	Facility amount
JP Morgan Chase Bank N.A. (Facility A)	2023	USD	101,955,751
JP Morgan Chase Bank N.A. (Facility B)	2023	USD	56,268,900

*Contract years refer to the year when the contract was signed, and the facilities became available to draw down.

During 2023, Axian Telecom entered into a Term Facilities Agreement with JPMorgan Chase Bank N.A. (lender), for which supplier credit guarantees are offered by EKN (Exportkreditnämnden-The Swedish Export Credit Agency). The Term Facilities Agreement comprises of two facilities:

- Facility A amounts to a total commitment of USD 102.0 million and is repayable in 12 equal 6-monthly instalments beginning on 02 November 2023.
- Facility B amounts to a total commitment of USD 56.3 million and is repayable in 12 equal 6-monthly instalments beginning on 30 April 2025.

The facilities bear interest at the secured overnight financing rate (SOFR), plus a margin of 0.9% per annum and interests are payable quarterly in arrears. The facilities are also subject to a premium on each initial drawdown 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 of the purchase of capital expenditure 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.

During the year ended 31 December 2023, Axian Telecom drew down an amount of USD 88.5 million against Facility A and made repayments of USD 8.5 million. Axian Telecom also incurred a deferred capitalised cost of USD 6.9 million.

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****20 BORROWINGS (CONTINUED)****(a) Bank loans (continued)****Mauritius (continued)****Axian Telecom (continued)**

On 14 October 2023, Axian Telecom entered into a credit facility agreement with The Standard Bank, Rand Merchant Bank, Standard Chartered Bank, and The Mauritius Commercial Bank, to avail a term loan facility of up to USD 150.0 million. This facility may be drawn upon immediately following realization of the remaining conditions precedent. As at 31 December 2023, Axian Telecom has not drawn any amounts against this facility.

(b) Listed bonds

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. The listed bonds classified as non-current liability is net of the capital raising fee. The interest payable on the bonds has been classified as current liability.

The listed bonds classified as non-current liability is net of the capital raising fee. The interest payable on the bonds has been classified as current liability.

The following subsidiaries of Axian Telecom has stood as guarantor on a joint and several basis:

1. Telecom Malagasy SA
2. Towerco of Africa Ltd
3. Towerco of Africa S.A.
4. Axian Financial Services Ltd
5. Axian Support Services Ltd
6. Silver Links Ltd
7. Discovery Place Ltd
8. Stellar-IX Data Centres Ltd
9. Meta Market Ltd
10. Honora Holdings Ltd
11. Honora Tanzania Public Limited Company

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

21 TRADE AND OTHER PAYABLES

Non-current:

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Deferred revenue	15,602,785	18,478,298	-	-
Other payables	57,075,528	41,784,379	-	-
Amount payable to entities under common control (Note 24 (h))	520	1,111	-	-
Trade payables	-	47,223	-	-
Payable to authorities	844,338	814,637	-	-
	73,523,171	61,125,648	-	-

Current:

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Deferred revenue	41,664,914	33,537,855	-	-
Trade payables	289,127,414	183,166,245	-	-
Other payables	202,101,725	118,890,397	1,567,290	240,631
Payable to authorities	92,564,260	84,053,393	-	-
Amount payable to entities under common control (Note 24 (h))	5,882,376	4,392,908	1,215,693	1,013,256
Amount payable to subsidiaries (Note 24(i))	-	-	28,537,496	18,786,473
MFS deposit	317,402,602	266,545,706	-	-
	948,743,291	690,586,504	31,320,479	20,040,360
Total trade and other payables	1,022,266,462	751,712,152	31,320,479	20,040,360

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

- Other payables include contracts with key suppliers and the amount due bears interest between 11% and 16% with a payment term of 3 years.
- For terms and conditions in respect of amount payable to entities under common control, refer to Note 24(h).
- Trade payables include purchases with key suppliers which are financed by letters of credit, bearing interest of 5.50% and payment term of 2 years. There are also purchases made on credit which are non-interest bearing and payment term of 2 years.

Deferred revenue	Group 2023 USD	2022 USD
Non-current		
Deferred revenue	15,602,785	18,478,298
Current		
Deferred revenue	41,664,914	33,537,855
Total	57,267,699	52,016,153

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

21 TRADE AND OTHER PAYABLES (CONTINUED)

Deferred revenue (continued)

The deferred revenue relates to advance payments received on the sale of bandwidth, capacity, prepaid airtime and fixed residential and business services. It is non-interest bearing and the payment terms and contract duration vary from contract to contract. The deferred revenue is split between current and non-current.

(i) Revenue recognised in relation to deferred revenue

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

	2023	2022
	USD	USD
<i>Revenue recognised in relation to deferred revenue during the year:</i>		
Mobile services only	28,772,055	15,619,137
Fixed services (Residential and business)	-	1,345,956
Operator infrastructure services	5,153,346	5,484,015
Hosting and Rental Sites	77,836	-
	-----	-----
	34,003,237	22,449,108
	=====	=====

(ii) Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from sale of bandwidth, capacity, prepaid airtime and fixed residential and business services:

	2023	2022
	USD	USD
Aggregate amount of the transaction price allocated to sale of bandwidth, airtime and fixed services that are partially unsatisfied as at 31 December	57,267,699	52,016,153
	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

21 TRADE AND OTHER PAYABLES (CONTINUED)

(ii) Unsatisfied long-term contracts (continued)

Management expects that 72.75% of the transaction price allocated to unsatisfied performance obligations as of 31 December 2023 amounting to USD 41,664,914 (2022: 64.47% amounting to USD 33,537,855) will be recognised as revenue during the next reporting period. The remaining amount will be recognised as follows:

	2023 USD	2022 USD
2024	-	5,317,133
2025	5,560,743	5,370,267
2026	4,126,287	3,745,124
2027	1,922,125	1,050,177
2028	973,117	819,221
2029	721,157	508,425
2030	597,244	412,992
2031	508,338	328,221
2032	395,214	926,738
2033	798,560	-
	-----	-----
	15,602,785	18,478,298
	=====	=====

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

(iii) Reconciliation of opening balance to closing balance

	2023 USD	2022 USD
At 01 January	52,016,153	43,440,625
Acquisition through business combination	5,931,956	19,167,566
Amount included in deferred revenue that was recognised as revenue during the year *	(813,283,826)	(644,855,323)
Cash received in advance of performance and not recognised as revenue during the year	812,678,929	638,490,059
Interest expense on unwinding of discounted deferred revenue	(1,319,462)	1,342,852
Discounting adjustment to reflect present value	2,069,623	(1,723,086)
Translation difference	(825,674)	(3,846,540)
	-----	-----
At 31 December	57,267,699	52,016,153
	=====	=====

* It also includes carried forward deferred revenue that has been recognised as revenue in the current reporting year.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

22 GOVERNMENT GRANTS

This item is analysed as follows:

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
At 01 January	18,198,686	26,397,173	-	-
Acquisition through business combination (Note 26)	-	1,132,297	-	-
Grants received	15,955,444	3,330,309	-	-
Recycled to profit or loss (Note 30)	(13,196,448)	(10,229,546)	-	-
Translation difference	(211,598)	(2,431,547)	-	-
	-----	-----	-----	-----
At 31 December	20,746,084	18,198,686	-	-
	=====	=====	=====	=====
Non-current	9,180,531	18,198,686	-	-
Current	11,565,553	-	-	-
	-----	-----	-----	-----
	20,746,084	18,198,686	-	-
	=====	=====	=====	=====

The grants receivable as at 31 December 2023 relate to:

- On 1 December 2023, a grant of TZS 22,886,069,000 was received from the Government of Tanzania through its UCSAF Fund for the development of telecommunication services in underserved areas.
- On 6 June 2023, Telecom Malagasy SA ("Telma") and the Ministry of Digital Development, Digital Transformation, Posts and Telecommunications ("MNDPT") agreed 50 locations to be delivered with telecommunications coverage by Telma in certain pre-agreed, remote areas of Madagascar with low or no return on investment whereby MNDPT would pay Telma EUR 120,000 per location for a total of EUR 6,000,000 for the development of the sites. These funds were received by Telma in August 2023. The grant is being recycled to profit or loss based on the costs incurred.
- In the year ended 31 December 2022, the Group signed an agreement with the Uganda Communications Commissions (UCC) to finance up to 39% of the Capex towards the construction of 25 sites in the rural areas aimed at improving telecommunications access in the rural areas under the Rural Communications Development Fund grant (RCDF). In return the Group is required to market the sites to the mobile network operators (MNOs) at a discounted use fee in line with the funding provided by the grant. The grant is intended to extend network coverage to at least 25 of the 30 sub countries enlisted by Uganda Communications Commission as underserved areas. Henceforth the subsidy will only be available to cater for passive infrastructure that will be attractive enough to MNOs. The grant is disbursed based on site completion milestones. The Group received UGX 1.3 billion and UGX 1.8 billion during the years ended 31 December 2022 and 2023 respectively. The grant is recognised as deferred income and is to be amortized over 10 years from the completion date of the applicable sites. The construction of the 25 sites is in progress and is expected to be completed within 2024.
- Grants on equipment in line with the agreements for the privatisation of Telecom Malagasy SA for MGA 25,925,333,000. The Government of Madagascar undertook to provide the company, prior to June 2007, with grants for equipment for an amount of USD 15 million, to support the company in the realisation of its business plan. Accordingly, an amount equivalent to USD 7 million was approved in the 2008 budget to distribute the aforementioned grants;

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****22 GOVERNMENT GRANTS (CONTINUED)**

- Grants for equipment received under the Partnership Agreement entered into the Ministry of Communications and New Technologies with Telecom Malagasy SA for the "Projet de developpement des Regions, Districts et Communes" for MGA 18,481,061,370.
- A grant of MGA 60,525,870,828 was received from the "Ministere des Postes, des Telecommunications et des Nouvelles Technologies" for the development of telecommunications services in rural areas.
- A grant for equipment received following the amendment to the partnership agreement with the "Ministère chargé des Télécommunications et des Nouvelles Technologies" for the development of the telecommunications sector in the regions for a total amount of MGA 142,308,009,638.
- The World Bank has awarded grants to Towerco of Madagascar SA for the development of telecommunication in rural areas under PICOM Zone 1A and PICOM 3 in Madagascar. These grants have been amortised over the useful life of the assets acquired by these grants, which vary between 10 and 20 years.

23 PROVISIONS

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
Provision for dismantling costs (i)	34,300,210	29,194,785	-	-
Provision for litigations (ii)	12,561,102	15,501,870	-	-
Provision for short term risks on operating activities (iii)	2,521,550	3,639,939	-	-
Other provisions (iv)	9,412,382	-	-	-
	58,795,244	48,336,594	-	-
Non-current	45,623,573	45,853,429	-	-
Current	13,171,671	2,483,165	-	-
	58,795,244	48,336,594	-	-

(i) Provision for dismantling costs

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

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
At 01 January	29,194,785	23,710,204	-	-
Acquisition through business combination (Note 26)	4,138,812	2,284,286	-	-
Additional provision	1,040,499	6,457,573	-	-
Reversal of provision	(1,732,406)	-	-	-
Interest expense (Note 6)	2,073,358	(302,152)	-	-
Translation difference	(414,838)	(2,955,126)	-	-
At 31 December	34,300,210	29,194,785	-	-

The provision for dismantling costs recognised under property, plant and equipment amount to USD 531,305 (Refer to Note 10). The excess between the decrease in liability following the downward remeasurement of the liability and the value of the property, property, plant and equipment amounts to USD 160,602 and is accounted in profit or loss under non operating income (Refer to Note 38).

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****23 PROVISIONS (CONTINUED)****(ii) Provision for litigations**

The provision for litigations relate to legal fees and costs of settlement that are expected to be incurred in respect of outstanding legal cases against the Group.

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
At 01 January	15,501,870	10,292,942	-	-
Acquisition through business combination (Note 26)	94,889	8,790,881	-	-
Additional provision (Note 5)	806,725	4,854,783	-	-
Reversal of provision (Note 5)	(3,785,989)	(501,851)	-	-
Reclassification from other payables	-	28,554	-	-
Payments during the year	(121,886)	(6,982,017)	-	-
Revaluation	289,720	-	-	-
Translation difference	(224,227)	(981,422)	-	-
	=====	=====	=====	=====
At 31 December	12,561,102	15,501,870	-	-
	=====	=====	=====	=====

(iii) Provision for short-term risks on operating activities

The provision for short-term risks on operating activities relates to probable loss arising in the normal course of conducting its daily operations.

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
At 01 January	3,639,939	3,890,539	-	-
Additional provision	1,709,639	2,089,885	-	-
Reversal of provision	(2,930,685)	(2,115,667)	-	-
Translation difference	102,657	(224,818)	-	-
	=====	=====	=====	=====
At 31 December	2,521,550	3,639,939	-	-
	=====	=====	=====	=====

(iv) Other provisions

The other provisions relate to ongoing tax cases in the appeal mechanism in Tanzania in relation to dispute on applicability of withholding tax on IRU payments and dispute on chargeability of alternative minimum tax between 2011 and 2014.

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
At 01 January	-	-	-	-
Transfer from trade and other payables	9,786,185	-	-	-
Translation difference	(373,803)	-	-	-
	=====	=====	=====	=====
At 31 December	9,412,382	-	-	-
	=====	=====	=====	=====

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****24 RELATED PARTY TRANSACTIONS**

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

(a) Loans receivable from other related parties

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
<i>1. Axian Support Services Madagascar – entity under common control</i>				
At 01 January	-	170,000	-	-
Repayment during the year	-	(170,000)	-	-
	-----	-----	-----	-----
At 31 December	-	-	-	-
	=====	=====	=====	=====

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

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
<i>2. Axian Group Ltd – entity under common control</i>				
At 01 January	-	-	-	-
Transfer from current trade and other receivables	-	14,991,523	-	-
Loan receivable written off	-	(5,867,712)	-	-
Balance netted off	-	(8,407,424)	-	-
Translation difference	-	(716,387)	-	-
	-----	-----	-----	-----
At 31 December	-	-	-	-
	=====	=====	=====	=====

The loan receivable from entity under common control was unsecured, interest-free and repayable on demand. During the year ended 31 December 2021, the debt owed by Axian Group Ltd to Axian Support Services Ltd was re-assigned to Axian Telecom, such that Axian Group Ltd no longer owed Axian Support Services Ltd but rather owed Axian Telecom. The debt was netted off against the consideration amount payable by Axian Telecom on acquisition of shares in Axian Financial Services Ltd from Axian Group Ltd. During the year ended 31 December 2022, an amount of USD 8,407,424 was netted off against the payables of Axian Financial Services Ltd.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Loans receivable from other related parties (continued)

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>3. Nea Madagascar – other related party</i>				
At 01 January	295,890	340,326	-	-
Transfer from non-current trade and other receivables	-	248,146	-	-
Repayment during the year	(196,782)	(248,994)	-	-
Translation difference	558	(43,588)	-	-
	-----	-----	-----	-----
At 31 December	99,666	295,890	-	-
	=====	=====	=====	=====

The loan receivable from other related party is unsecured, interest-free and repayable on demand. A portion of the loan amounting to **MGA 453,533,753** (2022: MGA 747,318,000) bears interest at a rate of **8.5%** (2022: 8.5%) per annum and is repayable after more than one year. The interest receivable has been disclosed separately within 'Amount receivable from other related parties' with an interest income of **USD 13,304** (2022: USD 17,318).

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>4. First Immo – entity under common control</i>				
At 01 January	-	114,700	-	-
Repayment during the year	-	(114,700)	-	-
	-----	-----	-----	-----
At 31 December	-	-	-	-
	=====	=====	=====	=====

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

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>5. Prime Africa Real Estate Ltd - Entity under common control</i>				
At 01 January	-	-	-	-
Loan advanced during the year	10,000	-	10,000	-
Interest income	490	-	490	-
	-----	-----	-----	-----
At 31 December	10,490	-	10,490	-
	=====	=====	=====	=====

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

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Loans receivable from other related parties (continued)

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>6. Next Telco Ltd – Non-controlling interest of Honora Holdings Ltd</i>				
At 01 January	5,085,000	-	5,085,000	-
Loan reassigned during the year	11,684,750	10,170,000	11,684,750	10,170,000
Vendor loan net off	(4,915,000)	-	(4,915,000)	-
Impairment loss (Note 5)	(170,000)	-	(170,000)	-
Repayment during the year	-	(5,085,000)	-	(5,085,000)
At 31 December	11,684,750	5,085,000	11,684,750	5,085,000

The loan receivable from Next Telco Ltd is composed of two facilities, facility A (USD 5,085,000) and facility B (USD 5,085,000), which are unsecured. Facility A has been paid in full during the year ended 31 December 2022. No interest was payable on the outstanding principal balance until its repayment date. Interest shall only be accrued on any outstanding principal after the repayment dates at the rate of 8% per annum whereby interest will be paid annually.

The loan receivable at 31 December 2022 was set off against the vendor loan during the year ended 31 December 2023.

Upon exercise of the share option by Next Telco Ltd on 31 December 2023 whereby Next Telco Ltd acquired a further 10% stake in Honora Holdings Ltd from Axian Telecom, the loan payable by Honora Holdings Ltd to Axian Telecom has been reassigned to Next Telco Ltd, implying that the loan is now payable by Next Telco Ltd to Axian Telecom as at 31 December 2023. The loan is repayable on or around 15 February 2027.

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>7. emediaplace Ltd - Entity under common control</i>				
At 01 January	-	-	-	-
Disposal of subsidiary*	76,702	-	-	-
At 31 December	76,702	-	-	-

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

*This includes loan receivable by Silver Links Ltd from emediaplace Ltd, which was disposed on 14 December 2023.

Total (Note 14)	11,871,608	5,380,890	11,695,240	5,085,000
Non-current	11,713,729	167,508	11,684,750	-
Current	157,879	5,213,382	10,490	5,085,000
	11,871,608	5,380,890	11,695,240	5,085,000

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
(b) Loans receivable from subsidiaries (Note 14)				
<i>1. Agou Holding</i>				
At 01 January	-	-	77,950,952	37,237,482
Advance during the year	-	-	-	39,458,168
Interest income	-	-	4,719,631	4,024,283
Withholding tax	-	-	(170,708)	-
Interest received	-	-	(1,613,708)	-
Unrealised exchange gain/(loss)	-	-	2,759,317	(2,768,981)
Repayment during the year	-	-	(7,354,122)	-
	-----	-----	-----	-----
At 31 December	-	-	76,291,362	77,950,952
	=====	=====	=====	=====

The first loan is unsecured, bears interest at a rate of 5% per annum and is repayable not before November 2024. The second loan is unsecured, bears interest at a rate of 9.075% per annum and is repayable annually until 30 September 2026.

2. Towerco of Africa

At 01 January	-	-	16,475,295	6,539,890
Advance during the year	-	-	8,109,299	9,067,262
Interest income	-	-	1,442,990	868,143
	-----	-----	-----	-----
At 31 December	-	-	26,027,584	16,475,295
	=====	=====	=====	=====

The loan is unsecured, bears interest at a rate of 7% - 8% per annum and repayable on demand.

*3. Honora Tanzania Public Limited**Company*

At 01 January	-	-	206,973,778	-
Advance during the year	-	-	60,966,183	208,000,000
Repayment during the year	-	-	(28,500,000)	(7,000,000)
Withholding tax	-	-	(1,752,885)	(1,314,716)
Interest received	-	-	(17,445,555)	(5,858,666)
Interest income	-	-	17,528,863	13,147,160
	-----	-----	-----	-----
At 31 December	-	-	237,770,384	206,973,778
	=====	=====	=====	=====

The first loan is unsecured, bears interest at a rate of 8% per annum and is repayable by 15 February 2027. The second loan is unsecured, bears interest at a rate of 9.30% per annum and is repayable by 01 November 2030.

4. Honora Holdings Ltd

At 01 January	-	-	97,125,116	-
Advance during the year	-	-	-	91,530,000
Interest income	-	-	8,037,662	5,595,116
Loan reassigned	-	-	(11,684,750)	-
	-----	-----	-----	-----
At 31 December	-	-	93,478,028	97,125,116
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loans receivable from subsidiaries (Note 14) (continued)

4. Honora Holdings Ltd (continued)

The loans are unsecured, bear interest at a rate of 8% per annum and is repayable by 15 February 2027.

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>5. Axian Financial Services Ltd</i>				
At 01 January	-	-	11,617,367	-
Advance during the year	-	-	296,532	338,533
Loan reassignment	-	-	-	14,275,136
Repayment during the year	-	-	(1,068,634)	(3,000,000)
Interest income	-	-	19,292	12,303
Interest received	-	-	(31,366)	-
Unrealised exchange loss	-	-	(10,999)	(8,605)
	-----	-----	-----	-----
At 31 December	-	-	10,822,192	11,617,367
	=====	=====	=====	=====

The loan is unsecured, interest free and repayable on demand. During the year ended 31 December 2022, Axian Telecom has assigned a loan receivable of USD 14,275,136 to Axian Financial Services Ltd such that Axian Group Ltd will no longer owe any amount to Axian Telecom, but rather the debt is owned by Axian Group Ltd to Axian Financial Services Ltd and hence Axian Telecom has a loan receivable from Axian Financial Services Ltd.

6. Meta Market Ltd

At 01 January	-	-	1,483,828	-
Advance during the year	-	-	1,270,000	1,461,721
Interest income	-	-	107,416	12,541
Unrealised exchange gain	-	-	7,590	9,566
	-----	-----	-----	-----
At 31 December	-	-	2,868,834	1,483,828
	=====	=====	=====	=====

The loan is unsecured, bears interest at the rate of 8% (2022: 5%) per annum and repayable on demand.

7. Axian Telecom Middle East Management and Technical Services Ltd

At 01 January	-	-	304,516	-
Advance during the year	-	-	4,246,085	302,499
Interest income	-	-	116,094	2,017
	-----	-----	-----	-----
At 31 December	-	-	4,666,695	304,516
	=====	=====	=====	=====

The loan is unsecured, bears interest at the rate of 8% (2022: 5%) per annum and repayable on demand.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loans receivable from subsidiaries (Note 14) (continued)

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>8. Telecom Malagasy SA</i>				
At 01 January	-	-	-	-
Advance during the year	-	-	22,295,966	-
Interest income	-	-	334,523	-
	-----	-----	-----	-----
At 31 December	-	-	22,630,489	-
	=====	=====	=====	=====

The loan is unsecured, bears interest at the rate of 9.30% per annum and repayable by the termination date of 01 November 2030.

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>9. TODRC Holding Ltd</i>				
At 01 January	-	-	-	-
Advance during the year	-	-	4,194,071	-
Repayment during the year	-	-	(3,200,000)	-
Interest income	-	-	44,518	-
	-----	-----	-----	-----
At 31 December	-	-	1,038,589	-
	=====	=====	=====	=====

The loan is unsecured, bears interest at the rate of 8% per annum and repayable on demand.

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>10. Stellar IX Data Centre Ltd</i>				
At 01 January	-	-	-	-
Advance during the year	-	-	10,253,631	-
Repayment during the year	-	-	(2,500,000)	-
Interest income	-	-	473,234	-
Interest received	-	-	(38,000)	-
Interest receivable written off	-	-	(34,329)	-
Unrealised exchange gain	-	-	118,620	-
	-----	-----	-----	-----
At 31 December	-	-	8,273,156	-
	=====	=====	=====	=====

The loan is unsecured, bears interest at the rate of 8% per annum and repayable on demand.

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>11. Discovery Place Ltd</i>				
At 01 January	-	-	-	-
Advance during the year	-	-	30,000	-
Interest income	-	-	1,310	-
	-----	-----	-----	-----
At 31 December	-	-	31,310	-
	=====	=====	=====	=====

The loan is unsecured, bears interest at the rate of 8% per annum and repayable on demand.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loans receivable from subsidiaries (Note 14) (continued)

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>12. Axian Telecom Kenya Ltd</i>				
At 01 January	-	-	-	-
Advance during the year	-	-	25,649	-
Interest income	-	-	573	-
	-----	-----	-----	-----
At 31 December	-	-	26,222	-
	=====	=====	=====	=====

The loan is unsecured, bears interest at the rate of 8% per annum and repayable 2 years after disbursement.

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>13. Saga Africa Holding Ltd</i>				
At 01 January	-	-	-	-
Advance during the year	-	-	164,205	-
Interest income	-	-	364	-
Unrealised exchange gain	-	-	1,946	-
	-----	-----	-----	-----
At 31 December	-	-	166,515	-
	=====	=====	=====	=====

The loan is unsecured, bears interest at the rate of 8% per annum and repayable on demand.

Total (Note 14)	-	-	484,091,360	411,930,852
	=====	=====	=====	=====
Non-current	-	-	366,277,460	333,254,563
Current	-	-	117,813,900	78,676,289
	-----	-----	-----	-----
	-	-	484,091,360	411,930,852
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Amount receivable from other related parties (Note 12)

Group

Name of related entity	Relationship	Nature of transactions	Outstanding	2023	Outstanding	2022
			balance	Transactions	balance	Transactions
			USD	during the year	USD	during the year
				USD		USD
Axian Support Services Madagascar	Entity under common control	General Management and administration fees and sale of services	321,661	130,560	611,069	749,551
Nea Madagascar	Other related party	Sales of services and interest income	170,697	387,787	112,962	359,324
First Immo	Entity under common control	Trademark fees and sales of services	76,870	135,391	78,727	289,809
Jovena Madagascar	Other related party	Sales of services	74,846	162,753	182,438	259,345
Société de Gestion et Exploitation de Madagascar	Entity under common control	Sales of services	41,469	35,019	25,610	36,950
Telco OI	Joint venture	Sales of services	113,558	1,106,138	103,478	587,007
We Light Madagascar	Other related party	Sales of services	63,155	91,230	101,011	131,313
Telecom Comores SA	Joint venture	Trademark and royalty fees, sale of bandwidth and other services rendered	7,113,980	3,788,063	6,696,070	2,966,423
Axian Group Ltd	Entity under common control	Amount advanced	16,229	188,431	-	-
Axian Energy	Other related party	Acquisition of shares	25,138	48,403	587	80
BNI Madagascar	Associate	Sales of services	358,805	576,389	154,631	478,590
CGHV	Other related party	Sales of services	-	-	-	143
Fondation Axian	Other related party	Sales of services	428,621	533,755	10,439	8,363
Green Energy Solutions	Other related party	Expenses paid on behalf	42,426	44,757	19,407	14,984

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Amount receivable from other related parties (Note 12) (continued)

Group (continued)

Name of related entity	Relationship	Nature of transactions	Outstanding	2023	Outstanding	2022
			balance	Transactions	balance	Transactions
			USD	during the year	USD	during the year
Saga Africa Holdings Ltd SA	Joint venture	Sales of services	-	-	159,175	1,680,387
Maya Africa Holdings Ltd	Joint venture	Sales of services	-	423,261	92,994	469,889
Telecom Comores Holding Ltd	Joint venture	Expenses paid on behalf	52,995	-	51,186	-
Fondation H	Other related party	Sales of services	3,458	9,231	4,965	7,551
MOCO	Other related party	Sales of services	176	180	65	968
CGHV VOLOBE	Other related party	Sales of services	107	125	47	-
We Light Mali	Other related party	Sales of services	-	98	1,304	8,552
FREE TELECOM	Other related party	Sales of services	-	-	15,910	7,859
West Indian Ocean Cable Company	Other related party	Sales of services	-	-	165	-
Madaplace	Entity under common control	Sales of Services	3,519	-	-	-
Prime Africa Real Estate Ltd	Entity under common control	Advances and expenses paid on behalf	26,342	-	-	-
Mr. Hassanein Shahreza Hiridjee	Shareholder	Disposal of shares and expenses paid on behalf	10,001	-	-	-

The amount receivable from other related parties is unsecured, interest free and repayable on demand.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Amount receivable from other related parties (Note 12) (continued)

Group (continued)

Name of related entity	Relationship	Nature of transactions	Outstanding	2023	Outstanding	2022
			balance	Transactions	balance	Transactions
			USD	during the year	USD	during the year
				USD		USD
Next Telco Ltd	Minority shareholder of					
emediaplace Ltd	Honora Holdings Ltd and					
Nea Senegal	Stellar-IX Tanzania Limited	Acquisition/disposal of shares	3,718	-	-	-
Rawson Investment Ltd	Entity under common control	Expenses paid on behalf	56,223	-	-	-
Nea Togo	Other related party	Rechargeable income	2,742	2,743	-	-
	Non-controlling interest	Acquisition/disposal of shares	96,030	-	-	-
	Other related party	Sales of services	-	550	-	-
			-----	-----	-----	-----
			9,102,766	7,664,864	8,422,240	8,057,088
			=====	=====	=====	=====

The amount receivable from other related parties is unsecured, interest free and repayable on demand.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Amount receivable from other related entities (Note 12) (continued)

Company		Nature of transactions	Outstanding balance USD	2023 Transactions during the year USD	Outstanding balance USD	2022 Transactions during the year USD
Name of related entity	Relationship					
Maya Africa Holdings Ltd	Associates	Management fees	-	-	92,993	469,889
Telecom Comores Holdings Ltd	Associates	Payment of expenses on behalf	52,995	-	51,186	-
Telecom Comores SA	Company under common control	Trademark and licence fees due	265,848	265,848	215,905	215,905
Next Telco Ltd	Minority shareholder of Honora Holdings Ltd and Stellar-IX Tanzania Limited	Acquisition/disposal of shares	10	-	-	-
Prime Africa Real Estate Ltd	Entity under common control	Advances and expenses paid on behalf	26,342	-	-	-
Mr. Hassanein Shahreza Hiridjee	Shareholder	Disposal of shares and expenses paid on behalf	10,001	-	-	-
			-----	-----	-----	-----
			355,196	265,848	360,084	685,794
			=====	=====	=====	=====

The amount receivable from other related entities is unsecured, interest free and repayable on demand.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Amount receivable from subsidiaries (Note 12)

Company			Outstanding balance USD	2023 Transactions during the year USD	Outstanding balance USD	2022 Transactions during the year USD
Name of related entity	Relationship	Nature of transactions				
MVOLA	Subsidiary	Trademark and royalties fees	2,465,914	2,599,976	1,927,159	2,028,589
MVOLA	Subsidiary	Technical assistance fees	8,045,229	15,664,656	3,108,163	13,564,490
Towerco of Madagascar SA	Subsidiary	Technical assistance fees	1,361,876	4,654,879	2,043,003	3,293,003
Togocom	Subsidiary	Technical assistance fees	7,855,719	2,581,454	6,945,189	(4,626,384)
		Payment of expenses on behalf				
Togocom	Subsidiary		2,527,577	2,527,577	-	-
Telecom Malagasy SA	Subsidiary	Trademark and royalties fees	15,866,527	8,171,984	9,133,597	7,442,417
Telecom Malagasy SA	Subsidiary	IT support fees	32,253	-	-	-
		Payment of expenses on behalf				
Agou Holding	Subsidiary		9,825,122	-	22,147	-
		Intercompany amount receivable				
Honora Holding Ltd	Subsidiary		653,120	-	461,346	-
		Payment of expenses on behalf				
TODRC Holding Ltd	Subsidiary		26,342	-	26,342	-
		Payment of expenses on behalf				
Discovery Place Ltd	Subsidiary		11,495	-	11,495	-
		Payment of expenses on behalf				
Meta Market Ltd	Subsidiary		5,011,495	-	5,011,495	-
Stellar IX SA	Subsidiary	Technical assistance fees	1,362,428	673,105	657,958	657,958
Axian Telecom Côte D'Ivoire	Subsidiary	Payment of expenses on behalf	3,238,167	-	753,882	-

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****24 RELATED PARTY TRANSACTIONS (CONTINUED)****(d) Amount receivable from subsidiaries (Note 12) (continued)**

Company (continued)				2023		2022
Name of related entity	Relationship	Nature of transactions	Outstanding balance USD	Transactions during the year USD	Outstanding balance USD	Transactions during the year USD
Millicom International Cellular Tanzania Public Limited Company	Subsidiary	Payment of expenses on behalf	304,540	-	304,540	-
Axian Telecom Middle East Management and Technical Services Ltd	Subsidiary	Procurement fees	2,618,000	2,618,000	2,618,000	2,618,000
Ubuntu Towers Uganda Limited	Subsidiary	Technical assistance fees	218,862	149,661	69,201	69,201
		Intercompany amount receivable	1	-	1	-
Towerco of Africa Ltd	Subsidiary	Payment of expenses on behalf	133,223	-	-	-
Towerco of Africa DRC	Subsidiary	Payment of expenses on behalf	64,912	-	-	-
Axian Telecom Kenya Ltd	Subsidiary	Payment of expenses on behalf	10,000	-	-	-
Stellar IX Data Centre Ltd	Subsidiary	Payment of expenses on behalf	92,993	-	-	-
Maya Africa Holding Ltd	Subsidiary	Advances and expenses paid on behalf	-	-	26,342	-
Prime Africa Real Estate Ltd	Former subsidiary		-	-	-	-
			61,725,795	39,641,292	33,119,860	25,047,274

The amount receivable from subsidiaries is unsecured, interest free and repayable on demand, except the amount receivable from Axian Telecom Côte D'Ivoire and Honora Holdings Ltd which bear interest of 8% per annum.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Loans payable to related parties

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>1. Hassanein Hiridjee - shareholder</i>				
At 01 January	130,543,543	126,742,085	130,543,543	126,742,085
Interest expense (Note 6)	7,853,891	5,960,247	7,853,891	5,960,247
Translation difference	1,378,668	(2,158,789)	1,378,668	(2,158,789)
	-----	-----	-----	-----
At 31 December	139,776,102	130,543,543	139,776,102	130,543,543
	=====	=====	=====	=====

The loan from the shareholder was unsecured, bears interest at the rate of 8% per annum and was repayable on demand. The Group's and the Company's obligations towards its shareholder have been subordinated to its obligations in respect of the Notes and the Revolving Credit facility pursuant to the terms of subordination deeds entered into between, amongst others, the Shareholder and the Company. The loan shall be repayable immediately following demand by the Shareholder, provided that no such demand shall be made until on or after the date falling 6 months after the Senior Discharge date, the date on which the Company has discharged all present and future obligations and liabilities at any time due, owing or incurred by the Company under (i) the indenture dated 16 February 2022 pursuant to which the Company issued USD 420,000,000 7.375% Senior Notes due 2027 and (ii) the USD 42,000,000 revolving credit facility agreement dated 16 February 2022. Given that the senior Notes would be repaid by 2027, the loan from shareholder would be settled after 2027.

2. Axian Support Services Ltd - subsidiary

At 01 January	-	-	-	44,600,455
Repayment during the year	-	-	-	(44,600,455)
	-----	-----	-----	-----
At 31 December	-	-	-	-
	=====	=====	=====	=====

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

As per the directors' resolution dated 26 August 2021, the debt amount of USD 44,600,455 due by Axian Group Ltd to Axian Support Services Ltd was reassigned to the Company. The loan was repaid during the year ended 31 December 2022.

3. Axian Group Ltd - entity under common control

At 01 January	-	382,263	-	-
Repayment during the year	-	(377,180)	-	-
Interest expense (Note 6)	-	3,441	-	-
Translation difference	-	(8,524)	-	-
	-----	-----	-----	-----
At 31 December	-	-	-	-
	=====	=====	=====	=====

The loan from entity under common control was unsecured and was repayable on demand. The loan was fully repaid during the year ended 31 December 2022.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Loans payable to related parties (continued)

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>4. Illiad - Entity with joint control</i>				
At 01 January/31 December	141,996	141,996	141,996	141,996
Relate to interest payable on loan. The amount is unsecured, interest-free and repayable on demand.				
<i>5. Silver Links Ltd - subsidiary</i>				
At 01 January	-	-	-	40,072,954
Repayment during the year	-	-	-	(39,267,396)
Translation difference	-	-	-	(805,558)
	-----	-----	-----	-----
	-	-	-	-
	=====	=====	=====	=====

The loan from the subsidiary was unsecured, interest-free and repayable on demand. As per the directors' resolution dated 26 August 2021, the debt of EUR 35,331,502 (equivalent to USD 41,745,755) due by Axian Group Ltd to Silver Links Ltd (formerly known as Telma International Carrier Services Ltd) was reassigned to the Company during the year ended 31 December 2021. The loan was repaid during the year ended 31 December 2022.

6. ECP Africa Fund IV LLC – Minority interest

At 01 January	1,740,114	1,758,689	-	-
Repayment during the year	(1,808,175)	-	-	-
Interest expense (Note 6)	47,935	81,534	-	-
Translation difference	20,126	(100,109)	-	-
	-----	-----	-----	-----
	-	1,740,114	-	-
	=====	=====	=====	=====

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

7. ECP Africa Fund IV A LLC – Minority interest

At 01 January	7,466,839	7,546,544	-	-
Repayment during the year	(7,758,887)	-	-	-
Interest expense (Note 6)	205,692	349,861	-	-
Translation difference	86,356	(429,566)	-	-
	-----	-----	-----	-----
	-	7,466,839	-	-
	=====	=====	=====	=====

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

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Loans payable to related parties (continued)

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
<i>8. Global Crossing Ltd - subsidiary</i>				
At 01 January	-	-	14,140,976	-
Loan reassignment	-	-	-	14,275,136
Translation difference	-	-	499,828	(134,160)
	-----	-----	-----	-----
	-	-	14,640,804	14,140,976
	=====	=====	=====	=====

The loan is unsecured, interest-free and is repayable on demand. During the year ended 31 December 2022, the debt owed by Axian Group Ltd to Global Crossing was re-assigned to Axian Telecom such that Axian Group Ltd no longer owed Global Crossing but rather owed Axian Telecom and hence resulting in Axian Telecom having a loan payable to Global Crossing.

*9. Next Telco Ltd – Non controlling interest of
Honora Holdings Ltd*

At 01 January	15,706,678	-	4,915,000	-
Addition during the year	-	15,085,000	(4,915,000)	4,915,000
Loan reassigned	11,684,751	-	-	-
Interest expense (Note 6)	893,073	621,678	-	-
Vendor loan net off	(4,915,000)	-	-	-
	-----	-----	-----	-----
	23,369,502	15,706,678	-	4,915,000
	=====	=====	=====	=====

The loan amounting to USD 23,369,502 is unsecured and bears interest at a rate of 8% per annum. All interest compounded shall be paid not less than one business day prior to the maturity date and all remaining balance to be repaid fully on the maturity date (15 February 2027). The loan amounting to USD 4,915,000 is unsecured, interest-free and is repayable when Next Telco Ltd shall exercise the option, falling due within 18 months from April 2022. Next Telco Ltd exercised the option during the year ended 31 December 2023.

*10. Rawsons Investments Limited – Non
controlling interest of TODRC Holding Ltd*

At 01 January				
Addition during the year	900,459	-	-	-
Interest expense (Note 6)	18,192	-	-	-
	-----	-----	-----	-----
	918,651	-	-	-
	=====	=====	=====	=====

The loan from minority shareholder of TODRC Holding Ltd is unsecured, bears interest at the rate of 8% per annum and is repayable in 2028.

Total	164,206,251	155,599,170	154,558,902	149,741,515
	=====	=====	=====	=====
Current (Note 20)	-	4,915,000	14,640,804	19,055,976
Non-current (Note 20)	164,206,251	150,684,170	139,918,098	130,685,539
	-----	-----	-----	-----
	164,206,251	155,599,170	154,558,902	149,741,515
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Bank loan – BNI Madagascar

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
Bank loan	16,526,801	19,442,941	-	-
	-----	-----	-----	-----
	16,526,801	19,442,941	-	-
	=====	=====	=====	=====

On 26 August 2021, the Group has acquired Axian Financial Services Ltd and its subsidiaries. The Group has thus a direct interest of 10% and an indirect interest of 21.2% in BNI Madagascar. The terms of the loan are disclosed in note 20(a).

(g) Amount payable to shareholder (Note 21)

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
At 01 January	-	92,778	-	-
Repayment	-	(92,778)	-	-
	-----	-----	-----	-----
At 31 December	-	-	-	-
	=====	=====	=====	=====

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

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(h) Amount payable to entities under common control (Note 21)

Group			2023	2022		
Name of related entity	Relationship	Nature of transactions	Outstanding balance USD	Transactions during the year USD	Outstanding balance USD	Transactions during the year USD
Axian Support Services						
Madagascar	Entity under common control	Purchase of goods and services	893,999	3,050,863	527,210	1,322,098
Nea Madagascar	Other related party	Purchase of goods and services	455,306	478,545	632,929	340,268
First Immo	Entity under common control	Purchase of goods and services	509,554	3,692,093	488,008	3,427,360
Jovena Madagascar	Other related party	Purchase of goods and services	407,815	1,250,746	280,672	811,072
Société de Gestion et						
Exploitation de Madagascar	Entity under common control	Purchase of goods and services	502,093	177,814	527,688	123,958
Telco OI	Joint venture	Purchase of goods	5,313	47,851	5,354	12,296
Telecom Comores SA	Joint venture	Purchase of services	7,928	75,040	63,311	58,574
		Treasury fees, amount advanced and payment of expenses on behalf of the				
Axian Group Ltd	Entity under common control	Company.	1,923,898	598,448	1,734,395	2,239,876
Fondation Axian	Other related party	Sponsoring	-	12,052	-	2,904
		Payment of expenses on behalf of the				
Saga Africa Holdings Ltd SA	Joint venture	Company	-	-	134,452	-
Edmonton International Ltd	Other related party	Interest expenses	-	-	-	12,441
We Light Madagascar	Other related party	Purchase of goods and services	6,590	-	-	-
Axian Energy	Entity under common control	Technical assistance expenses	-	135,983	-	-
NJJ North Atlantic SAS	Other related party	Management fees	-	400,000	-	-
Teyliom Telecom	Other related party	Management fees	-	275,000	-	-
We Light Mali	Other related party	Purchase of goods and services	-	55	-	-

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(h) Amount payable to entities under common control (Note 21) (continued)

Group				2023		2022
Name of related entity	Relationship	Nature of transactions	Outstanding balance USD	Transactions during the year USD	Outstanding balance USD	Transactions during the year USD
Next Telco Ltd	Other related party	Purchase of goods and services	1,170,400	1,170,400	-	-
			-----	-----	-----	-----
			5,882,896	11,364,890	4,394,019	8,350,847
			=====	=====	=====	=====
Non-current			520		1,111	
Current			5,882,376		4,392,908	
			-----		-----	
			5,882,896		4,394,019	
			=====		=====	

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

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

h) Amount payable to entities under common control (Note 21) (continued)

Company			2023	2022		
Name of related entity	Relationship	Nature of transactions	Outstanding balance USD	Transactions during the year USD	Outstanding balance USD	Transactions during the year USD
Saga Africa Holdings Limited SA	Company under common control	Rechargeable expenses	-	-	134,453	335,954
Axian Support Services Madagascar	Company under common control	Rechargeable expenses	375,693	2,515,684	248,803	1,393,023
Axian Group Ltd	Company under common control	Treasury fees	840,000	210,000	630,000	840,000
			----- 1,215,693	----- 2,725,684	----- 1,013,256	----- 2,568,977

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

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Amount payable to subsidiaries (Note 21)

Company			Outstanding balance USD	2023 Transactions during the year USD	Outstanding balance USD	2022 Transactions during the year USD
Name of related entity	Relationship	Nature of transactions				
Telecom Malagasy SA	Subsidiary	Intercompany amount payable	370,327	-	4,597,320	-
TODRC Holding Ltd	Subsidiary	Intercompany amount payable	1	-	1	-
Honora Holdings Ltd	Subsidiary	Intercompany amount payable	301,837	-	301,837	-
Prime Africa Real Estate Ltd	Former Subsidiary	Intercompany amount payable	-	-	1	-
Saga Africa Holdings Limited SA	Subsidiary	Intercompany amount payable	86,846	-	-	-
PULSE	Subsidiary	Technical assistance expenses	117,423	514,685	198,056	677,435
Axian Support Services Ltd	Subsidiary	Intercompany amount payable	7,427,515	-	12,158,436	-
Axian Support Services Ltd	Subsidiary	General management expenses	840,000	840,000	840,000	840,000
Axian Telecom Côte D'Ivoire	Subsidiary	Intercompany amount payable	1,802	-	1,802	-
Discovery Place Ltd	Subsidiary	Intercompany amount payable	100	-	100	-
Meta Market Ltd	Subsidiary	Intercompany amount payable	100	-	100	-
Towerco of Africa Ltd	Subsidiary	Intercompany amount payable	1,187	-	1,187	-

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Amount payable to subsidiaries (Note 21) (continued)

Company (Continued)			2023		2022	
Name of related entity	Relationship	Nature of transactions	Outstanding balance	Transactions during the year	Outstanding balance	Transactions during the year
Silver Links Ltd	Subsidiary	Satellite and Optical Fibre Bandwidth Charges	292,423	286,092	1	-
Honora Tanzania Public Limited Company (formerly known as "Millicom International Cellular Tanzania Public Limited Company")	Subsidiary	Rechargeable expenses	863,181	622,728	245,802	245,802
Stellar IX	Subsidiary	IT support expenses	262,284	262,283	431,830	431,830
Axian Telecom Middle East Management and Technical Services Ltd	Subsidiary	Technical assistance expenses	17,971,740	17,961,740	10,000	-
Axian Telecom Kenya Ltd	Subsidiary	Intercompany amount payable	730	-	-	-
			-----	-----	-----	-----
			28,537,496	20,487,528	18,786,473	2,195,067
			=====	=====	=====	=====

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

Dividends payable to shareholder and receivable from related parties are set out in notes 37 and 41 respectively.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(j) Key management compensation

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

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
Short term benefits	4,721,722	4,944,769	1,027,609	1,781,237
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(k) Fees to management entity

		Group		Company
	2023 USD	2022 USD	2023 USD	2022 USD
<u>Ocorian Corporate Services (Mauritius) Limited (Previous administrator up until 30 November 2021)</u>				
Fees accrued as at year end	-	2,875	-	875
	=====	=====	=====	=====
<u>DTOS Ltd</u>				
Fees paid during the year	82,685	57,022	5,185	4,800
	=====	=====	=====	=====
Fees incurred during the year	61,428	58,317	4,826	5,175
	=====	=====	=====	=====
Fees accrued as at year end	11,675	9,738	500	775
	=====	=====	=====	=====
Fees prepaid as at year end	40,336	-	4,583	-
	=====	=====	=====	=====
<u>MAURITIUS INTERNATIONAL TRUST COMPANY LIMITED (Administrator of emediaplace Ltd)</u>				
Fees paid during the year	4,598	3,556	-	-
	=====	=====	=====	=====
Fees incurred during the year	4,447	3,556	-	-
	=====	=====	=====	=====
Fees accrued as at year end	-	-	-	-
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

25 LEASE LIABILITY

(i) Amounts recognised in the statement of financial position

		Restated		
	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
<i>Right-of-use assets</i>				
At 01 January	400,255,860	44,007,136	-	-
Acquisition through business combinations (Note 26)	179,746,735	363,617,784	-	-
Additions during the year	59,048,605	27,754,222	-	-
Termination/Modification of leases during the year (Note 38)	(12,093,722)	(3,347,314)	-	-
Remeasurements	103,310,862	10,253,748	-	-
Transfer from property, plant and equipment (Note 8)	-	3,145,262	-	-
Depreciation charge for the year (Note 5)	(65,981,292)	(38,031,898)	-	-
Translation difference	(21,911,110)	(7,143,080)	-	-
At 31 December	642,375,938	400,255,860	-	-

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

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
Land and buildings	43,312,242	47,578,748	-	-
Technical equipment	17,254,769	2,883,373	-	-
Site leases	557,948,704	334,033,478	-	-
Network sites	5,296,931	4,547,678	-	-
Offices and services centres	5,648,610	4,127,815	-	-
Motor vehicles	12,914,682	7,084,768	-	-
At 31 December	642,375,938	400,255,860	-	-

<i>Lease liability</i>				
At 01 January	429,875,132	51,253,868	-	-
Acquisition through business combinations (Note 26)	298,494,678	363,617,784	-	-
Additions during the year	59,048,605	27,754,223	-	-
Termination/Modification of leases during the year (Note 38)	(17,440,678)	(4,398,983)	-	-
Remeasurements	103,310,862	10,253,748	-	-
Transfer from borrowings	-	3,225,922	-	-
Interest expense (Note 6)	63,070,818	41,089,046	-	-
Principal paid on lease liabilities	(39,285,872)	(26,493,552)	-	-
Interest paid on lease liabilities	(67,416,905)	(28,891,851)	-	-
Other finance costs	143,637	-	-	-
Translation difference	(18,895,996)	(7,535,073)	-	-
At 31 December	810,904,281	429,875,132	-	-

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

25 LEASE LIABILITY (CONTINUED)

	2023 USD	Restated Group 2022 USD	2023 USD	Company 2022 USD
Current	36,386,565	41,295,551	-	-
Non current	774,517,716	388,579,581	-	-
	810,904,281	429,875,132	-	-

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

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Depreciation of right-of-use assets (Note 5)	65,981,292	38,031,898	-	-
Interest expense (Note 6)	63,070,818	41,089,046	-	-
Total rental charges	129,052,110	79,120,944	-	-

26 ACQUISITIONS THROUGH BUSINESS COMBINATIONS

2023

The Group and the Company acquired the following entities during the year ended 31 December 2023:

Sen Connect SA

On 10 April 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 consideration of USD 1.

The Group previously held a minority stake in Sen Connect SA of 40%, through its investment in its former Mauritian 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 consolidated statement of profit or loss prior to the disposal of the previously held interest. The total consideration was settled in cash on completion.

Maya Africa Holding Ltd and its subsidiaries

On 2 October 2023, Axian Telecom has acquired a further 40% equity interest in its former associate, Maya Africa Holding Ltd and its subsidiaries, for a total consideration of EUR 50 million. Following the transfer of shares, Axian Telecom now holds 80% shareholding in Maya Africa Holding Ltd, allowing it to control and financially consolidate the operations of Maya Africa Holding Ltd and its subsidiaries from that date.

The assets and liabilities of the acquired Companies at the date of acquisition are reflected in the table below at their fair values at the date of acquisition, determined as required by IFRS 3 – Business combinations.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

26 ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

	2023 Fair values USD Maya Africa Holding Ltd and its subsidiaries	2023 Fair values USD Sen Connect	2023 USD Total
ASSETS			
Property, plant and equipment (Note 8)	98,556,695	4,378,279	102,934,974
Right-of-use assets (Note 25(i))	179,746,735	-	179,746,735
Intangible assets (Note 9)	80,203,756	745,360	80,949,116
Financial assets at fair value through profit or loss	14,112	-	14,112
Deposits receivable (Note 36)	1,983,538	26,983	2,010,521
Inventories	2,544,721	-	2,544,721
Trade and other receivables	48,874,905	6,719,838	55,594,743
Current tax asset (Note 7(d))	311,304	-	311,304
Cash and cash equivalents	10,806,381	4,156	10,810,537
Restricted cash	8,331,432	-	8,331,432
Total assets	431,373,579	11,874,616	443,248,195
	=====	=====	=====
LIABILITIES			
Borrowings	35,069,178	-	35,069,178
Lease liability (Note 25)	298,494,678	-	298,494,678
Provisions (Note 23)	4,233,701	-	4,233,701
Trade and other payables	86,881,245	14,248,826	101,130,071
Bank overdraft	5,549,247	-	5,549,247
Current tax liability (Note 7(d))	7,025	9,622	16,647
Deferred tax liability (Note 7(b)ii)	5,788,241	330,505	6,118,746
Retirement benefit obligations (Note 35)	2,374,528	-	2,374,528
Total liabilities	438,397,843	14,588,953	452,986,796
	=====	=====	=====
Cost of investment	52,921,253	1	52,921,254
Add: Non-controlling interest share of net assets at date of acquisition	(1,404,853)	-	(1,404,853)
Add: Net liability at date of acquisition	7,024,264	2,714,337	9,738,601
Goodwill	58,540,664	2,714,338	61,255,002
	=====	=====	=====

The retranslated goodwill for Maya Africa Holding Ltd and its subsidiaries and Sen Connect amounted to USD 61,264,124 and USD 2,757,157 respectively as at 31 December 2023 (Note 33)

	Maya Africa Holding Ltd and its subsidiaries USD	Sen Connect USD
Revenue - post acquisition	43,197,121	950,958
Net profit/(loss) – post acquisition	(2,935,186)	(450,348)

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****26 ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)****2023 (continued)****Maya Africa Holding Ltd and its subsidiaries**

If the acquisition had occurred on 1 January 2023, consolidated revenue and profit for the year ended 31 December 2023 would have been USD 1,219,280,502 and USD 48,509,630 respectively. These amounts have been calculated using the subsidiary's results.

Sen Connect

If the acquisition had occurred on 1 January 2023, revenue and profit for the year ended 31 December 2023 would have been USD 1,089,775,364 and USD 54,953,283 respectively. These amounts have been calculated using the subsidiary's results.

	2023	2023	2023
	USD	USD	Total
	Maya Africa Holding Ltd and its subsidiaries	Sen Connect	USD
<i>Cash outflow from acquisition of subsidiaries</i>			
Purchase consideration	52,921,253	1	52,921,254
Cash and cash equivalents	(10,806,381)	(4,156)	(10,810,537)
Bank overdraft	5,549,247	-	5,549,247
	-----	-----	-----
Acquisition of subsidiaries, net of cash	47,664,119	(4,155)	47,659,964
	=====	=====	=====

The goodwill arising on these acquisitions, is attributable to the acquired customer base and economies of scale expected from combining the operations of the Group.

2022

The Group and the Company acquired the following entities during the year ended 31 December 2022:

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

The assets and liabilities of Honora Tanzania and its subsidiaries at the date of acquisition are reflected in the table below at their fair values at the date of acquisition, determined as required by IFRS 3 – Business combinations.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

26 ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

	Fair values Honora Tanzania Public Limited Company and its subsidiaries USD
ASSETS	
Property, plant and equipment (Note 8)	121,267,752
Right of use assets (Note 25(i))	363,617,784
Intangible assets (Note 9)	92,495,063
Financial assets at fair value through OCI (Note 42)	15,510,333
Deposits receivable (Note 36)	850,115
Inventories	1,721,230
Trade and other receivables	48,987,597
Current tax asset (Note 7(d))	1,421,587
Restricted cash	137,486,426
Cash and cash equivalents	23,604,840

Total assets	806,962,727

LIABILITIES	
Borrowings	335,149,397
Provisions (Note 23)	11,075,167
Lease liability (Note 25(i))	363,617,784
Deferred tax liability (Note 7(b))	25,031,678
Trade and other payables	292,086,260
Government Grant (Note 22)	1,132,297
Current tax liability (Note 7(d))	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)
Add: Net 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
	=====

The retranslated goodwill for Honora Tanzania Public Limited Company and its subsidiaries amounted to USD 137,303,407 as at 31 December 2023.

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

	Honora Tanzania Public Limited Company and its subsidiaries USD
Revenue - post acquisition	286,245,122
Net loss – post acquisition	(9,016,421)

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****26 ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)**

If the acquisition had occurred on 1 January 2022, consolidated revenue and profit for the year ended 31 December 2022 would have been USD 914,922,665 and USD 106,758,864 respectively. These amounts have been calculated using the subsidiary's results.

**Honora Tanzania
Public Limited
Company and
its subsidiaries
USD**

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

Cash outflow/(inflow) from acquisition of subsidiaries

Purchase consideration	101,398,263
Cash and cash equivalents acquired	(23,604,840)

Cash outflow from acquisition, net of cash acquired	77,793,423
	=====

The goodwill associated with the acquisition of Honora Tanzania is mainly attributable to restructuring opportunities which allow for a more efficient operating model and the opportunity to grow market share through network modernization and an increased service portfolio; mainly through offering newer technologies and increasing network speed, coverage and reliability.

27 PARENT AND ULTIMATE PARENT

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

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Company	
	2023	Restated	2023	2022
	USD	2022	USD	USD
		USD		
Cash flows from operating activities:				
Profit before income tax	86,819,563	109,783,519	38,251,494	78,013,829
Adjustments :				
Depreciation of right-of-use assets (Note 5)	65,981,292	38,031,898	-	-
Depreciation of property, plant and equipment (Note 5)	147,515,786	117,014,286	-	-
Amortisation of intangible assets (Note 5)	36,988,458	23,441,117	-	-
Loss on disposal of property, plant and equipment (Note 5)	357,001	462,753	-	-
Gain on disposal of intangible assets (Note 30)	-	(184,973)	-	-
Share of profit in associates and joint ventures (Note 11)	(20,371,643)	(14,364,751)	-	-
(Reversal of)/Provision on litigations (Note 23 (ii))	(2,979,264)	4,352,932	-	-
Reversal of provision for dismantling costs (Note 30)	-	(1,486,479)	-	-
Reversal of provision for short term risks on operating activities (Note 30)	-	(25,782)	-	-
Reversal of impairment in joint ventures	(54,029)	-	-	-
Finance cost on lease liability (Note 6)	63,070,818	41,089,046	-	-
Gain on remeasurement of provision for dismantling cost (Note 38)	(160,602)	-	-	-
Interest expense/(interest reversal) on provision for dismantling costs (Note 6)	2,073,358	(302,152)	-	-
Interest on loans payable to shareholders and minority interest (Note 6)	9,018,783	7,013,320	7,853,891	5,960,247
Interest on bonds (Note 6)	32,438,415	28,200,868	32,438,415	28,200,868
Interest expense on bank loan (Note 6)	13,809,552	14,051,803	912,543	-
Interest on bank overdraft (Note 6)	2,002,536	1,172,484	-	-
Interest on late payment of trade payables (Note 6)	388,774	420,078	-	-
Interest on loans payable to entities under common control (Note 6)	-	3,441	-	-
Interest on amount payable to entities under common control (Note 6)	-	12,437	-	-
Interest expense on unwinding of put option liability (Note 6)	697,729	601,105	-	-
Net (gain)/loss on fair value of derivatives (Note 6)	(300,000)	2,600,000	(300,000)	2,600,000
Finance costs on IRU (Note 6)	1,523,617	1,342,237	-	-
Other finance costs (Note 6)	1,343,084	3,989,380	-	-
Interest income on loans and amount receivable (Note 6)	(4,783,284)	(2,152,578)	(36,391,048)	(23,703,096)
Interest income on bank account and restricted cash (Note 6)	(7,589,617)	(5,588,313)	-	(411,877)
Loss/(gain) on fair value of NCI call option derivative asset (Note 6)	2,987,867	(5,722,975)	-	-
Gain on fair value of NCI put option liability (Note 6)	(5,251,885)	(8,922,995)	-	-
Other finance income (Note 6)	(4,900,868)	(1,100,784)	-	-
Dividend income (Notes 30 & 41)	(2,912,236)	(581,692)	(42,824,512)	(94,410,276)

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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

	Group		Company	
	2023	Restated	2023	2022
	USD	2022	USD	USD
		USD		
Cash flows from operating activities:				
(continued)				
Impairment of other financial assets (Note 5)	331,653	272,320	170,000	-
Loan receivable written off (Note 38)	-	6,309,388	-	-
Interest receivable written off (Note 38)	-	-	34,329	-
Bad debts written off (Note 5)	2,645,900	3,522,597	-	-
Loss on fair value of swap derivative liability (Note 6)	1,687,082	-	-	-
Post-acquisition M&A settlement (Note 38)	16,378,489	-	-	-
Loss on disposal of subsidiary (Note 38)	367,827	-	-	-
Amount payable waived (Note 30)	(34,952)	(399,376)	-	-
Impairment of property, plant and equipment (Note 5)	6,319,010	4,212,101	-	-
Impairment of intangible assets (Note 5)	7,197	-	-	-
Impairment of loans receivable (Note 5)	7,018,088	4,602,610	-	-
Loss allowance/(Reversal of loss allowance) on trade receivables (Note 5)	2,132,794	(2,967,063)	-	-
Reversal of impairment of inventory (Note 5)	(1,093,039)	(2,025,920)	-	-
Reversal of impairment on advances to suppliers of fixed assets (Note 5)	(15,386)	(991,580)	-	-
Net gain on financial assets at fair value through profit or loss (Note 5)	(615,076)	(2,666,217)	-	(141,500)
Release of government grants (Note 30)	(13,196,448)	(10,229,546)	-	-
Provision for retirement benefit obligations (Note 5)	1,666,940	195,096	2,483	354
Net amortisation of deferred gain on sale of tower infrastructure (Note 38)	(990,836)	(772,038)	-	-
Gain on lease modification and termination of contract (Note 38)	(5,346,956)	(1,051,669)	-	-
Net unrealised foreign exchange losses/(gains)	35,651,259	-	(1,392,363)	7,087,817
Provisions for inventories of devices (Note 5)	143,430	409,930	-	-
	470,770,181	351,569,863	(1,244,768)	3,196,366
Changes in working capital :				
Increase in inventories	(993,165)	(1,035,133)	-	-
(Increase)/Decrease in trade and other receivables	(63,549,177)	5,827,666	(30,515,270)	(4,075,096)
Increase in loan to clients	(15,810,515)	(12,902,027)	-	-
Increase in trade and other payables	95,558,972	23,141,017	11,280,131	1,318,155
Decrease in provisions	(121,886)	(6,982,017)	-	-
Increase in deposits from customers	1,865,828	736,427	-	-
	487,720,238	360,355,796	(20,479,907)	439,425

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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

(i) Net debt reconciliation

Group

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

	2023				2022	
	USD				USD	
Net debt	127,824,925				198,861,628	
Cash and cash equivalents (Note 15)						
Borrowings (Note 20)	(435,519,143)				(305,798,194)	
Borrowings – Listed bonds (Note 20)	(425,950,987)				(424,487,572)	
Lease liability (restated) (Note 25)	(810,904,281)				(429,875,132)	
Net debt	(1,544,549,486)				(961,299,270)	
	=====				=====	
	Liabilities from financing activities				Other assets	
	Borrowings	Borrowings –	Leases	Sub total	Cash/bank	Total
	USD	Listed bonds	USD	USD	overdraft	USD
	USD	USD	USD	USD	USD	USD
Net debt as at 01 January 2022	(346,478,536)	-	(51,253,868)	(397,732,404)	111,951,988	(285,780,416)
Net cash flows:						
Principal received	(43,355,178)	(420,000,000)	-	(463,355,178)	-	(463,355,178)
Principal paid	269,076,785	-	26,493,552	295,570,337	-	295,570,337
Payment of bond transaction costs	-	11,525,796	-	11,525,796	-	11,525,796
Interest paid on borrowings and lease liability	15,558,878	15,487,500	28,891,851	59,938,229	-	59,938,229
Interest paid on bank overdraft	-	-	-	-	(1,172,484)	(1,172,484)
Other financing cash flows (ii) (restated)	-	-	-	-	157,103,664	157,103,664
Acquisition through business combination (Note 26)	(335,149,397)	-	(363,617,784)	(698,767,181)	(77,793,423)	(776,560,604)
New leases (Note 25)	-	-	(27,754,223)	(27,754,223)	-	(27,754,223)
Other changes (i) (restated)	113,551,339	(31,500,868)	(50,169,730)	31,880,741	-	31,880,741
Foreign exchange adjustments	20,997,915	-	7,535,070	28,532,985	8,771,883	37,304,868
Net debt as at 31 December 2022	(305,798,194)	(424,487,572)	(429,875,132)	(1,160,160,898)	198,861,628	(961,299,270)
	=====	=====	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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

(ii) Net debt reconciliation (continued)

Group (continued)

	Liabilities from financing activities				Other assets	
	Borrowings	Borrowings –	Leases	Sub total	Cash/bank	Total
	USD	Listed bonds	USD	USD	overdraft	USD
	USD	USD	USD	USD	USD	USD
Net debt as at 01 January 2023	(305,798,194)	(424,487,572)	(429,875,132)	(1,160,160,898)	198,861,628	(961,299,270)
Net cash flows:						
Principal received	(164,555,230)	-	-	(164,555,230)	-	(164,555,230)
Principal paid	84,273,556	-	39,285,872	123,559,428	-	123,559,428
Payment of transaction costs	6,932,386	-	-	6,932,386	-	6,932,386
Interest paid on borrowings and lease liability	13,031,583	30,975,000	67,416,905	111,423,488	-	111,423,488
Interest paid on bank overdraft	-	-	-	-	(2,002,536)	(2,002,536)
Other financing cash flows (ii)	-	-	-	-	(19,937,822)	(19,937,822)
Acquisition through business combination (Note 26)	(35,069,178)	-	(298,494,678)	(333,563,856)	(47,659,964)	(381,223,820)
New leases (Note 25)	-	-	(59,048,605)	(59,048,605)	-	(59,048,605)
Other changes (i)	(29,841,484)	(32,438,415)	(149,084,639)	(211,364,538)	-	(211,364,538)
Effect of changes in exchange rates	(4,492,582)	-	18,895,996	14,403,414	(1,436,381)	12,967,033
Net debt as at 31 December 2023	(435,519,143)	(425,950,987)	(810,904,281)	(1,672,374,411)	127,824,925	(1,544,549,486)

(i) Other changes include non-cash movements, including accrued interest expense on borrowings and lease liabilities which will be presented as operating cash flows in the statement of cash flows when paid, transfer from other borrowings to lease liabilities, the recognition of the embedded derivative, transfer from trade and other payables to borrowings, debt reassignment, gain on modification and termination of lease contracts, termination of contracts and remeasurements on leases incurred during the year ended 31 December 2023 and 31 December 2022.

(ii) Other financing cash flows pertain to all net cash flows from operating activities, investing activities and financing activities generated during the year under review, excluding the net cash outflow from acquisition through business combination and interest paid on bank overdraft.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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

(ii) Non-cash transactions:

Group

The principal non-cash transactions during the year ended 31 December 2023 are as follows:

1. Acquisition of right-of-use assets amounting to USD 59,048,605 (2022: USD 27,754,223 (Note 25)).

Company

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

Net debt	2023 USD	2022 USD
Cash and cash equivalents (Note 15)	17,307,504	116,673,950
Intercompany borrowings (Note 20)	(154,558,902)	(149,741,515)
Listed bonds (Note 20)	(425,950,987)	(424,487,572)
Bank loans (Note 20)	(73,953,634)	-
Net debt	(637,156,019)	(457,555,137)

	Intercompany Borrowings	Borrowings – Listed bonds USD	Other assets Cash/bank overdraft USD	Bank loans USD	Total USD
Net debt as at 01 January 2022	(211,557,490)	-	36,466,010	-	(175,091,480)
Net cash flows:					
Principal received	(4,915,000)	(420,000,000)	-	-	(424,915,000)
Principal paid	83,867,851	-	-	-	83,867,851
Payment of bond transaction costs	-	11,525,796	-	-	11,525,796
Interest paid on borrowings	-	15,487,500	-	-	15,487,500
Other financing cash flows (ii)	-	-	82,552,310	-	82,552,310
Other changes (i)	(19,429,824)	(31,500,868)	-	-	(50,930,692)
Effect of changes in exchange rates	2,292,948	-	(2,344,370)	-	(51,422)
Net debt as at 31 December 2022	(149,741,515)	(424,487,572)	116,673,950	-	(457,555,137)
Net cash flows:					
Principal received	-	-	-	(81,604,608)	(81,604,608)
Principal paid	-	-	-	8,496,313	8,496,313
Interest paid on borrowings	-	30,975,000	-	67,205	31,042,205
Other financing cash flows (ii)	-	-	(99,653,604)	-	(99,653,604)
Other changes (i)	(2,938,891)	(32,438,415)	-	(912,544)	(36,289,850)
Effect of changes in exchange rates	(1,878,496)	-	287,158	-	(1,591,338)
Net debt as at 31 December 2023	(154,558,902)	(425,950,987)	17,307,504	(73,953,634)	(637,156,019)

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

(ii) Other financing cash flows pertain to all net cash flows from operating activities, investing activities and financing activities generated during the year under review.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

29 REVENUE

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Mobile services only	639,022,039	511,417,651	-	-
Fixed services (Residential and business)	72,865,040	63,583,262	-	-
Content and VAS	16,761,230	9,795,876	-	-
Interconnection/Roaming/MVNO	46,607,405	33,804,841	-	-
Sale of customer equipment and infrastructure	17,755,055	8,237,928	-	-
Operator infrastructure services	30,337,752	26,856,265	-	-
Commissions received on electronic money activities	220,971,482	145,350,278	-	-
Hosting and rental sites	34,958,394	18,553,973	-	-
Other services	4,753,221	5,267,761	-	-
Trademark and licence fees	386,167	606,671	11,037,808	9,686,911
Management fees	314,400	589,245	755,561	469,889
Other revenue	4,620,931	3,451,577	24,074,248	15,844,770
	1,089,353,116	827,515,328	35,867,617	26,001,570
	=====	=====	=====	=====
Revenue recognised at a point in time	238,976,537	153,588,205	-	-
Revenue recognised over time	850,376,579	673,927,123	35,867,617	26,001,570
	1,089,353,116	827,515,328	35,867,617	26,001,570
	=====	=====	=====	=====

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

- Mobile services: revenue from mobile services include revenues from incoming and outgoing calls (voice, mobile internet, mixed plans, prepaid and postpaid);
- Fixed services: fixed services aggregate the income from fixed network solution services to businesses and individuals;
- Revenue from interconnection, roaming and MVNO: revenue comprise of operator billing on interconnections, call termination, international or national roaming and any other form of wholesale traffic resale (MVNO) to other telecommunications service providers;
- Customer Equipment and Infrastructure: revenue comprise of sale of equipment such as terminals, routers, solar kits, infrastructure and sale of other telecom & IT equipment to other telecommunications professionals;
- Operator Infrastructure services: Revenue from operator infrastructure services include income from backbone connectivity rental in any contractual form with Synchronous Transport Module ("STM") or without (dark fiber) capacity offered. The services also comprise of rental of technical sites and accommodation of data processing equipment in technical rooms;

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

29 REVENUE (CONTINUED)

- Content and Value-Added Services (VAS): Revenue derived from content and VAS include the sale of content such as graphic products, ringtones, games, news, information and entertainment services like TV content;
- Commissions received on electronic money activities: revenue comprise of commissions received in particular on mobile banking activities whereby the entities receive commissions on transaction as an agent (and not a reseller). The commissions are received on all of its cash transactions. They are calculated based on the official rates decided by management and displayed on the website of these entities. The revenues are net of value added taxes;
- Other revenue: It includes revenue from feasibility studies and work plan done for clients and sales of sundry items;
- Hosting and rental of sites: Revenue from hosting and rental sites relates to operator hosting services on the Radio Access Network ("RAN") access site, including both rental and any other ancillary services;
- Trademark and licences: Trademark fees are derived from the use of the trademark and IP rights which are registered in Mauritius. A trademark fee is received based on the agreements between the parties;
- Management fees: The Group provides assistance to customers in the management of their business and their corporate strategy. The Group is actively involved in the operational management of those companies where it provides training and administrative assistance to its personnel;
- Other services: The Company provides digital solutions services, including IT services, and other assistance and support services to companies.

30 OTHER INCOME

Other income - General	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Gain on disposal of intangible assets	-	184,973	-	-
Dividend income (Note 41)	2,912,236	581,692	42,824,512	94,410,276
Rechargeable income	130,146	-	-	-
Reversal of provision for risks and charges	-	25,782	-	-
Reversal of provision for dismantling costs	-	1,486,479	-	-
Release of government grant (Note 22)	13,196,448	10,229,546	-	-
Insurance claims received	199,018	-	-	-
Other income	6,083,814	2,672,187	-	58,784
	22,521,662	15,180,659	42,824,512	94,469,060

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

30 OTHER INCOME (CONTINUED)

Other income – Financial	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Trade payables waived	-	-	-	-
Amount payable waived	34,952	399,376	-	-
	34,952	399,376	-	-
	22,556,614	15,580,035	42,824,512	94,469,060

31 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Funds	5,282,009	6,086,726	-	-
Equity securities	2,746,189	1,479,188	-	-
	8,028,198	7,565,914	-	-
Fair value adjustments (ii)	2,975,981	2,346,239	-	-
	11,004,179	9,912,153	-	-
	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Mutual funds (Note 3(d))	978,588	908,248	-	-
Equity securities (Note 3(d))	3,010,520	1,479,188	-	-
Venture capital funds (Note 3(d))	7,015,071	7,524,717	-	-
At 31 December	11,004,179	9,912,153	-	-

(i) Funds

The Group investments in mutual funds are listed below:

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Mutual funds	282,009	1,086,726	-	-
Venture capital funds	5,000,000	5,000,000	-	-
	5,282,009	6,086,726	-	-

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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

The Group holds investments in mutual funds. The fair value of the investment in mutual funds is determined by reference to the quoted price on active markets as at 31 December 2023 and 2022.

The Group also holds investments in a venture capital fund, RMAXCOINV. C.V, a limited liability partnership incorporated under the laws of the Netherlands. As at 31 December 2023, the fair value of the Group's investments is based on the Group's share of the fair value of the investee company, MaxAB B.V. The fair value of MaxAB B.V, was determined by the most recent equity transaction.

The Group's investment in equity instruments is provided below:

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
Sonatel Group	32,929	31,770	-	-
Ecobank Transnational Inc.	11,064	10,675	-	-
Djamo Inc.	299,999	299,999	-	-
Simplemarket Inc.	100,000	100,000	-	-
Workpay Technologies	150,000	150,000	-	-
Medicaïm SAS	125,552	125,552	-	-
Cassbana	200,000	200,000	-	-
Jetstream	100,000	100,000	-	-
Zazuu HQ Ltd	61,189	61,189	-	-
Waspito Inc.	200,000	200,000	-	-
Chari Co	200,003	200,003	-	-
Traction Apps Inc	200,000	-	-	-
Isupply Investments B.V	100,000	-	-	-
FFC DMRX Inc	50,000	-	-	-
Bosta Inc	300,000	-	-	-
RevFin Services Private Limited	500,000	-	-	-
Bfree Africa Inc	100,000	-	-	-
Pula Advisors AG	685	-	-	-
Lipa Later Group Inc.	-	-	-	-
GIM UEMO	14,768	-	-	-
	-----	-----	-----	-----
	2,746,189	1,479,188	-	-
	=====	=====	=====	=====

The movement in the fair value is as follows:

	2023	Group	2023	Company
	USD	2022	USD	2022
		USD		USD
At 01 January	(2,346,239)	330,903	-	141,500
Credit to profit or loss (Note 5)	(615,076)	(2,666,217)	-	(141,500)
Translation difference	(14,666)	(10,925)	-	-
	-----	-----	-----	-----
	(2,975,981)	(2,346,239)	-	-
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

32 TREASURY BONDS

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
At 01 January	1,803,607	2,392,521	-	-
Matured	(456,117)	(443,686)	-	-
Translation difference	54,533	(145,228)	-	-
	-----	-----	-----	-----
At 31 December	1,402,023	1,803,607	-	-
	=====	=====	=====	=====
Current	-	-	-	-
Non-current	1,402,023	1,803,607	-	-
	-----	-----	-----	-----
	1,402,023	1,803,607	-	-
	=====	=====	=====	=====

Treasury bonds represent government bonds that bear interest rate of 6.5% (2022: 6.5%) per annum and the treasury bonds will mature from July to August 2026 (2022: July to August 2026).

33 GOODWILL

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
At 01 January	196,215,765	49,759,990	-	-
Acquisition through business combinations (Note 26)	61,255,002	149,288,305	-	-
Disposal of subsidiaries	(470,939)	-	-	-
Translation difference	(7,531,431)	(2,832,530)	-	-
	-----	-----	-----	-----
At 31 December	249,468,397	196,215,765	-	-
	=====	=====	=====	=====

The goodwill arose as part of the acquisition through business combinations during the year 2019 to 2023. The goodwill has been generated on acquisition of the following companies:

	2023 USD	2022 USD
Honora Tanzania Public Limited Company and its subsidiaries*	137,303,407	149,288,305
Togocom Group*	47,964,041	46,276,853
Emediaplace Ltd	-	177,461
Madaplace Ltd	-	293,478
Ubuntu Towers Uganda Limited	179,668	179,668
Maya Africa Holding Ltd and its subsidiaries	61,264,124	-
Sen Connect	2,757,157	-
	-----	-----
	249,468,397	196,215,765
	=====	=====

*The movement relates to translation difference on retranslation of goodwill at year end.

The goodwill of Togocom Group, Honora Tanzania Public Limited Company (Honora Group) and Maya Africa Holding Ltd (Maya Africa Group) and its subsidiaries, being material to the Group, have been tested for impairment at 31 December 2023. Togocom Group, Honora Group and Maya Africa Group have been considered as one CGU in the calculation of their recoverable amount.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

33 GOODWILL (CONTINUED)

Key assumptions used in the impairment tests for goodwill are gross margin, terminal growth rate and pre tax discount rate. The assumptions used for 2023 and 2022 are as follows:

	Gross margin	Terminal growth rate	Discount rate
Togocom Group			
2023	72.1%-73.1%	2.3%	17.7%
2022	73%-73.9%	1.65%	15.7%
Honora Tanzania Public Limited Company and its subsidiaries			
2023	58.3%-60.6%	1.8%	19.8%
2022	60.4%-61.3%	3.3%	17.8%
Maya Africa Holding Ltd and its subsidiaries			
2023	60.25%-63.11%	5.3%	13.1%

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

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

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

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

Togocom Group

Percentage (%) rise in discount rate (pp)	Increase by 21.7pp
Gross margin (excluding depreciation and amortisation)	Decrease on average by -19.5pp over 5 years
Decrease in terminal growth rate	Decrease to less than 0%

Honora Tanzania Public Limited Company and its subsidiaries

Percentage (%) rise in discount rate (pp)	Increase by 4.4pp
Gross margin (excluding depreciation and amortisation)	Decrease on average by -3.3pp over 5 years
Decrease in terminal growth rate	Decrease to less than 0%

Maya Africa Holding Ltd and its subsidiaries

Percentage (%) rise in discount rate (pp)	Increase by 0.9pp
Gross margin (excluding depreciation and amortisation)	Decrease on average by -1.4pp over 5 years
Decrease in terminal growth rate	Decrease by more than 0.9%

34 DEPOSITS PAYABLE

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
At 01 January	7,652,013	6,073,969	-	-
Transfer from trade and other payables	-	2,973,111	-	-
Release of deposits	207,266	(488,891)	-	-
Additions, net of repayment	(108,235)	(408,131)	-	-
Translation difference	167,715	(498,045)	-	-
At 31 December	7,918,759	7,652,013	-	-
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

34 DEPOSITS PAYABLE (CONTINUED)

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

35 RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded defined benefit pension in for the Togocom Group and Maya Group and a defined contribution scheme for entities in Mauritius. Hence, only the Togocom Group and Maya Group contributes to an unfunded pension plan.

The defined benefit pension in Maya Group is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The most recent actuarial valuation of the present value of the defined benefit obligations were carried out at 31 Decembber 2023 by Actu Conseil.

The other subsidiaries which have employees, are incorporated in Madagascar, Uganda and Tanzania. However, there is no legal obligation in Madagascar, Uganda or Tanzania, to contribute to a pension plan and therefore the subsidiaries in these jurisdictions, have not recognised a provision for retirement benefit. The Defined Benefit Scheme in Togo is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The most recent actuarial valuation of the present value of the retirement benefit were carried out at 31 December 2023 by Actuarial Consultant, Bocke Arnauld F.V.M, for subsidiaries incorporated in Togo.

For the pension schemes in Mauritius, a provision is made for retirement benefit obligation in respect of residual gratuities. The most recent actuarial valuation of the present value of the retirement benefit were carried out at 31 December 2023 by Aon Solutions Ltd.

The present value of the retirement benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

	2023	Group	2023	Company
	USD	2022	USD	2022
	USD	USD	USD	USD

(i) The amount recognized in the statement of financial position is as follows:

Present value of unfunded obligations	6,644,439	2,352,140	4,579	1,195
	=====	=====	=====	=====

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

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

At 01 January	2,352,140	2,308,036	1,195	656
Acquisition through business combinations (Note 26)	2,374,528	-	-	-
Charge to profit or loss	1,666,939	195,096	2,483	354
Charge/ (credit) to other comprehensive income	16,089	(22,516)	866	221
Translation difference	234,743	(128,476)	35	(36)
	-----	-----	-----	-----
At 31 December	6,644,439	2,352,140	4,579	1,195
	=====	=====	=====	=====

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

35 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
(iii) The movement in the defined benefit obligation is as follows:				
At 01 January	2,352,140	2,308,036	1,195	656
Acquisition through business combination	2,374,528	-	-	-
Current service cost	1,819,593	212,553	2,392	1,062
Past service cost	-	(18,075)	-	(730)
Interest expense	1,936	1,194	91	22
Liability experience loss/(gain)	24,472	(19,435)	1,504	376
Liability gain due to change in financial assumptions	(8,383)	(3,081)	(638)	(155)
Over-provision in previous year	(154,590)	(576)	-	-
Translation difference	234,743	(128,476)	35	(36)
At 31 December	6,644,439	2,352,140	4,579	1,195

(iv) The movement in the fair value of plan assets is as follows:

At 01 January	-	-	-	-
Interest income	-	45	-	-
Return on plan assets excluding interest income	-	(45)	-	-
At 31 December	-	-	-	-

(v) The amounts recognized in profit or loss are as follows:

Current service cost	1,819,593	212,553	2,392	1,062
Past service cost	-	(18,075)	-	(730)
Net interest on net defined benefit liability	1,936	1,194	91	22
Over-provision in previous year	(154,590)	(576)	-	-
	1,666,939	195,096	2,483	354

(vi) The amounts recognized in other comprehensive income are as follows:

Liability experience loss/(gain)	24,472	(19,435)	1,504	376
Liability gain due to change in final assumptions	(8,383)	(3,081)	(638)	(155)
Actuarial losses/(gains)	16,089	(22,516)	866	221

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****35 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)**

(vii) The allocation of the plan assets at the end of period for each category, are as follows:

	Group Senegal	Group Togo		Group and Company Mauritius	
	2023	2023	2022	2023	2022
	%	%	%	%	%
Cash and other	N/A	N/A	N/A	100	100
	=====	=====	=====	=====	=====

(viii) Principal actuarial assumptions at end of period:

<u>Group</u>	Togo		Senegal	
	2023	2022	2023	2022
Discount rate	6.0%	6.0%	6.0%	N/A
Future salary increases	N/A	N/A	3.0%	N/A
Labour turnover	0.0%	0.0%	1.8%	N/A
Average retirement age	60 years	60 years	60 years	N/A
<u>Company and Group</u>			Mauritius	
			2023	2022
Discount rate			5.5%	6.7%
Future salary increases			6.7%	7.3%
Labour turnover			0.0%	0.0%
Average retirement age			65 years	65 years

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

	Togo		Mauritius	
	2023		2023	
<u>Group</u>	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	382,441	(336,064)	23,599	17,608
<u>Company</u>				
Discount rate (1% movement)	N/A	N/A	1,777	1,276
			Senegal	
			2023	
<u>Group</u>			Increase	Decrease
Discount rate (1% movement)			(300,783)	349,563

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

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

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

35 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Salary risk

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

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

(xiii) The Group and the Company is not expected to contribute in its retirement benefits plan for the year ending 31 December 2023.

(xiv) The weighted average duration of the retirement benefit obligation for the Group and the Company is 20 years and 31 years respectively at the reporting date.

36 DEPOSITS RECEIVABLE

	2023	Group		Company
	USD	2022	2023	2022
		USD	USD	USD
At 01 January	2,388,938	2,628,252	-	-
Addition	745,578	362,206	-	-
Repayment	(820,369)	(1,252,110)	-	-
Acquisition through business combination (Note 26)	2,010,521	850,115	-	-
Translation difference	136,058	(199,525)	-	-
At 31 December	4,460,726	2,388,938	-	-

	2023	Group		Company
	USD	2022	2023	2022
		USD	USD	USD
Non current	4,258,973	2,168,923	-	-
Current	201,753	220,015	-	-
At 31 December	4,460,726	2,388,938	-	-

37 DIVIDEND PAYABLE

	2023	Group		Company
	USD	2022	2023	2022
		USD	USD	USD
At 01 January	21,695,814	21,690,698	21,686,273	21,686,273
Dividend declared during the year	34,732,550	11,754,578	20,000,000	-
Dividend paid	(50,883,772)	(11,822,484)	(41,785,341)	-
Translation difference	239,298	73,022	99,068	-
At 31 December	5,783,890	21,695,814	-	21,686,273

The dividend for the Group is payable to the non-controlling interests, the Malagasy and Togo state.

The Company has declared a dividend per share of USD 14.57 for the year ended 31 December 2023 (2022: Nil) which was fully paid at year end.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

38 NON-OPERATING INCOME AND EXPENSES

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Non-operating income				
Net amortisation of deferred gain on sale of tower infrastructure	990,836	772,038	-	-
Gain on lease modification and termination of contract (Note 25)	5,346,956	1,051,669	-	-
Gain on remeasurement of provision for dismantling costs (Note 23 (i))	160,602	-	-	-
	6,498,394	1,823,707	-	-
Non-operating expenses				
Loan receivable written off*	-	(6,309,388)	-	-
Other non-operating expense**	(16,378,489)	-	-	-
Interest receivable written off	-	-	(34,329)	-
Loss on disposal of subsidiary (Note 47)	(367,827)	-	-	-
	(16,746,316)	(6,309,388)	(34,329)	-

*During the year ended 31 December 2022, the loan receivable from Axian Group Ltd amounting to USD 5,867,712 was written off following management's decision (Note 24 (a)). The remaining amount of USD 441,676 relates to loan to clients written off.

These write offs are one-off expenses and are not expected to recur for forthcoming financial periods.

**Non-operating expenses represent a one-off cost following the finalisation of the purchase price of a historical business acquisition, which was subject to final assessment based on balances existing on the date of completion. As the final price was determined after the remeasurement period allowed by IFRS 3 (Business combinations), the impact of the increased price is reflected in profit or loss.

39 DEPOSITS FROM CUSTOMERS

	2023 USD	2022 USD
At 01 January	1,330,778	695,993
Deposits during the year	21,008,802	20,980,943
Refunds during the year	(19,142,975)	(20,244,516)
Interest received during the year	13,458	26,584
Translation reserve	(68,018)	(128,226)
At 31 December	3,142,045	1,330,778

Deposits during the year include electronic money collected by subsidiary Mvola from the public as from 16 December on which interest is paid at the rate of 2% p.a.

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

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

39 DEPOSITS FROM CUSTOMERS (CONITNUED)

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

As at 31 December 2023, Mvola S.A. has collected an amount of USD 21,008,802 (2022: USD 20,980,943). As the savings collected is governed by the Banking Act, these savings were integrated into the mandatory reserves during the related incorporation cycle, that is, during the period from 02 February to 01 March 2022.

40 DERIVATIVE FINANCIAL INSTRUMENTS

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
Non Current assets :				
Call options in the Notes (a)	1,000,000	700,000	1,000,000	700,000
NCI call option (b)	-	5,722,975	-	-
	-----	-----	-----	-----
Embedded derivative assets	1,000,000	6,422,975	1,000,000	700,000
	=====	=====	=====	=====
Non current liabilities:				
NCI Put option (c)	-	36,951,071	-	-
	-----	-----	-----	-----
Embedded derivative liabilities	-	36,951,071	-	-
	=====	=====	=====	=====
Current liabilities:				
Swap derivative liability (d)	364,222	-	-	-
	-----	-----	-----	-----
Embedded derivative liabilities	364,222	-	-	-
	=====	=====	=====	=====

a) Call options in Bond Notes

On 16 February 2022, Axian Telecom, 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 16 February 2022.

The Notes have a tenor of five years bearing interests at a fixed rate of 7.375% per annum and are payable semi-annually in arrears on 16th February and 16th August of each year, commencing on 16th August 2022. The Notes will mature on 16 February 2027.

The proceeds raised from the issuance of the Bond Notes was used to finance the acquisition of MIC Tanzania on 05 April 2022.

The Notes have early redemption features whereby the Company has the right to redeem the Notes prior to maturity date at a pre-defined penalty redemption price depending on the call date (the "Call option") and the holders hold the right to request an early settlement of the Notes under certain circumstances.

The Call option in the Notes has been measured at fair value through profit or loss. The instrument is measured at fair value and the resulting gains or losses is recognised in profit or loss.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

40 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The underlying contractual notional amount for the Call options in the Notes is as follows, as of 31 December, of each of the following years:

	2023 USD	2022 USD
Assets :		
Call options in the Notes (a)	420,000,000	420,000,000
	=====	=====

The change in fair value of the Call options in the Notes has been recorded in profit or loss as follows;

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
At 01 January	700,000	-	700,000	-
Additions	-	3,300,000	-	3,300,000
Net gain/(loss) on fair value of derivatives (Note 6)	300,000	(2,600,000)	300,000	(2,600,000)
	-----	-----	-----	-----
At 31 December	1,000,000	700,000	1,000,000	700,000
	=====	=====	=====	=====

b) NCI Call Option

The NCI call option asset represents the right of the Group to repurchase the non-controlling interest in a subsidiary of the Group, at a price which is based on the last twelve-month EBITDA of the subsidiary at the time of exercise.

The NCI call option represents a derivative instrument, the value of which changes in response to the value of the underlying shares. The NCI call is initially accounted at fair value and subsequently measured at fair value at every balance sheet date, with fair valuation movements being recognised in profit or loss.

On 20 July 2023, the Group acquired the non-controlling interest's 20% shareholding in Agou Holding SAS. This transaction resulted in the extinguishment of USD 2.7 million of the NCI call option asset.

	Group 2023 USD	2022 USD
At 01 January	5,722,975	-
(Loss)/Gain on fair value of NCI call option derivative asset (Note 6)	(2,987,867)	5,722,975
Acquisition of non-controlling interest	(2,735,108)	-
	-----	-----
At 31 December	-	5,722,975
	=====	=====

c) NCI Put Option

The NCI put option liability represents the right of the non-controlling interest in one of the subsidiaries to request the repurchase of their non-controlling interest at a price which is based on the last twelve-month EBITDA of the subsidiary at the time of exercise.

The NCI put option has been accounted for at the present value of the future liability which would occur on the date of settlement. The liability is initially recognised with a corresponding movement in other reserves in equity and thereafter unwound to maturity using the initial discount rate. The liability is also subsequently remeasured at fair value at every balance sheet date, with fair valuation movements being recognised in the statement of profit or loss.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

40 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

c) NCI Put Option (continued)

	Group 2023	2022
	USD	USD
Put option liability	(36,951,071)	(45,272,961)
Unwinding of put option liability (Note 6)	(697,729)	(601,105)
Gain on fair value of put option liability (Note 6)	5,251,885	8,922,995
Acquisition of non-controlling interest	32,396,915	-
	-----	-----
	-	(36,951,071)
	=====	=====

The Group has adopted a market approach in its valuation of the subsidiary and thus its valuation of the NCI put and call options. The market approach utilises three key inputs:

1. The last twelve-month EBITDA for the last twelve months to the valuation date and as projected for the next twelve-months after the valuation date,
2. The EBITDA multiple used to derive the equity value of the subsidiary and obtained by comparison to the valuation multiples if similar, but listed, entities as at the valuation date, and
3. A 3 Year Equity Volatility ratio derived from the movements in equity values of similar, but listed, entities over the 3-year period prior to the valuation date. This input impacts only the value of the call options.

On 20 July 2023, the Group acquired the non-controlling interest's 20% shareholding in Agou Holding SAS. This transaction resulted in the extinguishment of USD 9.8 million of the loans owing to the non-controlling interest, the extinguishment of USD 32.4 million of the NCI put option liability and extinguishment of USD 2.7 million of the NCI call option assets. The difference between the aggregate consideration of USD 32.2 million, and the net liability position settled of USD 39.4 million was recognised as a credit movement in equity, in other reserves. This credit movement amounts to USD 7.2 million. This transaction has also resulted in the reclassification of USD 10.1 million of non-controlling interest within equity, with this amount being reclassified to other reserves.

d) Swap Derivative Liability

	Group 2023	2022
	USD	USD
At 01 January	-	-
Contract proceeds on the spot (in USD)	9,173,081	-
Net loss on fair value of swap liability (Note 6)	1,687,082	-
Contracts agreed on forward rates	(522,308)	-
	-----	-----
Contracts to be settled on agreed forward rates	10,337,855	-
Contracts proceeds to be received on settlement (in TZS)	(9,557,805)	-
Translation difference	(415,828)	-
	-----	-----
At 31 December	364,222	-
	=====	=====

During the year ended 31 December, Honora Tanzania Public Limited Company entered into a currency swap contract in order to manage its exposure to currency risk arising from fluctuations in the exchange rate between the Tanzanian Shilling and the United States Dollar (USD). The swap derivative contract has been fair valued by comparing the future cashflows at the pre-agreed exchange rate and the current market rate. Subsequent valuations involve recalculating the cashflows using the current market rate. The difference between the pre-agreed rate and the market rate represents the fair value adjustment recognised in profit or loss. Since only the market rate is an observable input, the Group has classified the swap derivative liability under level 2 of the fair value hierarchy.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

41 DIVIDEND RECEIVABLE

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
At 01 January	-	-	30,156,085	53,418,814
Dividend income* (Note 30)	2,912,236	581,692	42,824,512	94,410,276
Dividend received	(2,912,236)	(581,692)	(45,975,460)	(113,250,276)
Withholding tax	-	-	(253,895)	-
Translation difference	-	-	200,680	(4,422,729)
At 31 December	-	-	26,951,922	30,156,085

*This include dividend income from the former joint venture amounting to USD 2,784,791.

42 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group owns 6.44% of the issued equity shares of West Indian Ocean Cable Company Limited (WIOCC), a special purpose vehicle whose purpose is to invest as a member of a consortium in the Eastern African Submarine System (EASSy), a submarine fibre optic cable system on the eastern seaboard of Africa. WIOCC has subsequently expanded its operations to include data centre activities which complement the existing activities.

These investments have been classified as fair value through other comprehensive income (FVOCI) as the equity investments are not held for trading and which has been irrevocably elected at initial recognition to be recognised in this category. These are strategic investments, and the Group considers this classification to be more relevant.

The table below shows the movement in the year:

	2023 USD	Group 2022 USD	2023 USD	Company 2022 USD
At 01 January	18,590,788	-	-	-
Acquisition through business combination (Note 26)	-	15,510,333	-	-
Fair value gain	270,045	3,155,480	-	-
Translation difference	(1,370,165)	(75,025)	-	-
At 31 December	17,490,668	18,590,788	-	-

The fair value of the equity investment has been determined using the EBITDA multiples approach. The Group has classified its investment in West Indian Ocean Cable Company Limited under Level 3 of the fair value hierarchy.

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****43 EVENTS OCCURRING AFTER THE REPORTING PERIOD****Technical Services Agreement between Axian Telecom and TowerCo of Africa Uganda Limited (formerly known as Ubuntu Towers Uganda Limited)**

On 30 January 2024, the Company entered into a technical services agreement with TowerCo of Africa Uganda Limited for the provision of technical services for an initial period of 5 years.

Credit facility agreement between Axian Telecom and British International Investment PLC

On 01 February 2024, the Company entered into a credit facility agreement with British International Investment PLC, to avail a term loan facility of up to US\$30,000,000.

The interest rate is the 3-month CME Term SOFR ("reference rate") plus the margin of 4% and is subject to a margin ratchet in certain circumstances which will result in an adjusted margin.

These loans may be drawn upon immediately following realization of the remaining conditions precedent.

Credit facility agreement between Togocom and International Finance Corporation ("IFC")

On 08 February 2024, Togocom has signed a common terms agreement with the International Finance Corporation ("IFC") for the provision of an equivalent USD 60.8 million in total loan commitments. These loans may be drawn upon immediately following realization of the remaining conditions precedent.

Proceeds loan agreement between Axian Telecom and TowerCo of Africa Tanzania

On 01 March 2024, the Company entered into a proceeds loan agreement with TowerCo of Africa Tanzania for an amount of up to USD 30,000,000 for financing the roll out of 200 telecommunications towers in Tanzania.

The Proceeds loan will bear interest at a rate equal to 10.5% per annum. The loan will be payable in equal installments as from 30 April 2027 up until 31 January 2034.

Dividend declaration

On 21 February 2024, the Company declared a dividend of USD 50,000,000 to the existing shareholder of the Company.

Setting up of TMoney SA

On 23 February 2024, TMoney SA was set up in Togo and Axian Financial Services Ltd subscribed for 100,000 shares of CFA 10,000 each in the share capital of Tmoney SA, representing 100% of its shareholding.

Setting up of TowerCo of Senegal

On 08 February 2024, TowerCo of Senegal was set up in Senegal and TowerCo of Africa Ltd subscribed for 800 shares of CFA 10,000 each in the share capital of TowerCo of Senegal, representing 80% of its shareholding.

The above events do not have any impact on the financial statements as at 31 December 2023.

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

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

44 PRIOR PERIOD ERRORS

The Group has restated the comparative numbers for the year ended 31 December 2022 due to the identification of prior period errors pertaining to the misclassification and misstatement of financial information within its subsidiaries. The errors do not have a cash impact and are described in more detail below:

Classification of property, plant and equipment as intangible assets

It was noted that some assets classified as property, plant and equipment as at 31 December 2022, should have been classified as intangible assets. These assets met the criteria for recognition as intangible assets as outlined in IAS 38 "Intangible Assets," due to their non-physical and non-monetary nature. As a result, the statement of financial position as at 31 December 2022 did not correctly represent the nature and use of the assets within the Group's operations. A restatement adjustment of **USD 1,978,505** was made, increasing the carrying value of intangible assets and decreasing the carrying value of property, plant and equipment as at 31 December 2022.

Impairment of property, plant and equipment

As part of our ongoing infrastructure improvement programmes, the Group replaced several outdated pieces of equipment during the year ended 31 December 2022, and held the decommissioned equipment for inspection and subsequent disposal, which occurred during the year ended 31 December 2023. In line with the requirements of IAS 36 "Impairment of Assets," the Group should have assessed the carrying value of these assets for impairment at the time that they were decommissioned, in order to recognise the potential decrease in the expected future economic benefits of the assets. Consequently, the consolidated financial statements have been restated to include an impairment loss of **USD 4,212,101** for the year ended 31 December 2022, accurately reflecting the decrease in the recoverable amounts of the associated assets.

Classification of capacity agreement

Upon detailed review of a data capacity agreement, which was initially accounted for in prepayments in non-current assets, it was noted that the Group has had sufficient control over the underlying capacity since the agreement's inception. The capacity agreement therefore meets the requirements for classification as an intangible asset and should have been recognised as such, in line with IAS 38 "Intangible Assets" at 31 December 2022. The error was corrected by reclassifying the carrying value of **USD 5,085,348** from prepayments (in non-current assets) to intangible assets in the statement of financial position for the year ended 31 December 2022, ensuring that the consolidated financial statements accurately reflect the company's rights and obligations pertaining to the capacity agreement.

Foreign exchange impact of foreign currency leases

Upon review of our lease agreements in 2023, it was found that one agreement contained foreign currency components which were incorrectly treated as being denominated in a local currency, leading to a misapplication of IAS 21 "The Effects of Changes in Foreign Exchange Rates". The nature of the billing currency also required the re-calculation of a more suitable discount rate to be used in discounting the future lease payments. Management re-assessed the carrying value of the component of the contract which is billed in foreign currency and this resulted in remeasurement of, and increase in, the value of lease liabilities and right-of-use assets associated with the contract of **USD 8,083,243** as at 31 December 2022.

The restatement of the above items in the financial statements is as per the below table which also reflects the deferred tax implications of the associated restatements.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

44 PRIOR PERIOD ERRORS (CONTINUED)

(a) Statement of financial position

	As previously stated USD	Adjustments USD	As restated USD
Property, plant and equipment	670,042,389	(6,177,968)	663,864,421
Right-of-use assets	392,172,617	8,083,243	400,255,860
Intangible assets	211,680,348	7,055,719	218,736,067
Trade and other receivables	160,169,985	(5,079,491)	155,090,494
Translation reserves	20,516,421	(9,185)	20,507,236
Retained earnings	(139,345,719)	1,929,129	(137,416,590)
Non-controlling interests	(99,967,254)	1,019,820	(98,947,434)
Lease liabilities	(380,496,338)	(8,083,243)	(388,579,581)
Deferred tax liability	(16,608,944)	1,261,976	(15,346,968)

(b) Statement of profit or loss

	As previously stated USD	Adjustments USD	As restated USD
Reversal of impairment of non financial assets	3,017,500	(4,212,101)	(1,194,601)
Income tax expense	(29,924,533)	1,261,976	(28,662,557)
	<u>(26,907,033)</u>	<u>(2,950,125)</u>	<u>(29,857,158)</u>
Profit attributable to:			
- Owners of the Company	57,883,845	(1,929,129)	55,954,716
- Non controlling interest	26,187,242	(1,020,996)	25,166,246
	<u>84,071,087</u>	<u>(2,950,125)</u>	<u>81,120,962</u>

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

44 PRIOR PERIOD ERRORS (CONTINUED)

(c) Statement of comprehensive income

	As previously stated USD	Adjustments USD	As restated USD
Exchange differences on translation of foreign subsidiaries	(12,976,848)	10,361	(12,966,487)
	=====	=====	=====
Other comprehensive income attributable to:			
- Owners of the Company	(9,111,970)	9,185	(9,102,785)
- Non controlling interest	(2,184,674)	1,176	(2,183,498)
	-----	-----	-----
	(11,296,644)	10,361	(11,286,283)
	=====	=====	=====
Total comprehensive income attributable to:			
- Owners of the Company	48,771,875	(1,919,944)	46,851,931
- Non controlling interest	24,002,568	(1,019,820)	22,982,748
	-----	-----	-----
	72,774,443	(2,939,764)	69,834,679
	=====	=====	=====

The above restatements relate to non-cash items such as tax accruals, reclassifications, and the measurement of lease assets and liabilities, as well as the associated profit or loss, foreign currency translation reserve, and non-controlling interest impacts. The adjustments therefore have no impact on the constituent lines of the consolidated statement of cash flows for the year ended 31 December 2022. The restatements also do not have any impact on the net cash flows from operating activities (Note 28).

The above restatements do not have any impact on the statement of financial position, the statement of profit or loss and other comprehensive income and the statement of cash flows for the Company.

There is no impact on the consolidated statements of financial position of the Group as at 01 January 2022, as the above restatements relate to the subsidiary, Honora Tanzania Public Limited Company and its subsidiaries, which were acquired on 05 April 2022.

45 COMMITMENTS

Capital commitments

Capital expenditure contracted for at the end of the reporting year but not recognised as liabilities are as follows:

	2023 USD	Group 2022 USD
Property, plant and equipment	94,850,754	149,538,180
Intangible assets	3,478,420	6,170,398
	-----	-----
	98,329,174	155,708,578
	=====	=====

The above commitments include capital expenditure commitments relating to the ongoing implementation of bandwidth capacity via submarine cable systems, network equipments, acquisition and installation of telecom sites.

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****46 CONTINGENT LIABILITIES**Litigation and claims

At 31 December 2023, Honora Tanzania Public Limited Company ("Honora TZ"), one of the subsidiaries of Axian Telecom, has contingent liabilities in respect of legal claims arising in the ordinary course of business. The nature of the litigations includes labour, land cases and commercial cases. Based on the assessment of the directors and Honora TZ's legal counsel, a provision has been made where it is probable that liability will crystallise as disclosed in Note 23(ii). The directors have assessed that loss from other litigation cases amounting to USD 1,648,128 (equivalent to TZS 4,145,865) is possible.

	2023	2022
	USD	USD
Commercial	823,421	3,004,010
Land	67,195	143,470
Labour	513,292	1,233,465
Execution	-	4,460
Intellectual property rights	-	85,782
Levy	16,410	-
Others	227,810	-
	-----	-----
	1,648,128	4,471,187
	=====	=====

At 31 December 2023, one of the subsidiaries of Axian Telecom is a defendant in a number of legal suits. In the opinion of the directors of the subsidiary, after taking appropriate legal advice, the outcome of the actions will not give rise to any significant loss.

Taxation

The normal procedure for agreeing final income tax liabilities involves Honora Tanzania Public Limited Company and its subsidiaries filing final income tax returns to Tanzania Revenue Authority ("TRA") followed by TRA performing its own review of the Honora Tanzania Public Limited Company and its subsidiaries tax returns and issuing notice of final income tax assessment. The final income tax assessment as may be determined by TRA after its review and possible site visits may differ from the self-assessments done by the Honora Tanzania Public Limited Company and its subsidiaries and the process to object and appeal against the TRA assessments is stipulated in the tax laws. It is common that the timeframe from submission of final tax self-assessment returns and for TRA performing its reviews and issuing of notice of final tax assessment may be several months or years.

During the year ended 31 December 2023, TRA concluded its tax audit for the income year 2020 and 2021 on Corporate Tax and other taxes (VAT, withholding taxes and PAYE) which resulted in a contingent tax liability of USD 5,511,235.21 (equivalent to TZS 12.9 billion). Similarly, the TRA, concluded its 2019 tax audit on corporate tax and other taxes with a contingent tax liability of USD 1,044,108.38 (equivalent to TZS 2.4 billion) relating to excise duty on interconnection revenue. The Group objected to the liabilities in full where TRA is set to determine whether the objections have merit or not.

The TRA also started a comprehensive audit for the tax year 2022 covering Corporate Tax, VAT, Excise Duty, Payroll taxes, Stamp Duty and Withholding Taxes. This audit is ongoing and have not been concluded by end of period and TRA have not assessed any of the taxes.

As of 31 December 2023, there were no potential tax risks/contingent liabilities for Honora Tanzania Public Limited Company and its subsidiaries.

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

47 DISPOSAL OF SUBSIDIARY

On 12 January 2023 and 14 December 2023, the Group has disposed its 100% stake in Prime Africa Real Estate Ltd and Emediaplace Ltd and its subsidiary Madaplace SA to the ultimate controlling party and to Axian Group Ltd for a consideration of USD 1 and EUR 100 respectively.

	2023 USD Prime Africa Real Estate Ltd	2023 USD emediaplace Ltd	2023 USD Madaplace SA	2023 USD Total
ASSETS				
Goodwill	-	177,461	293,478	470,939
Investment in subsidiary	-	2,889	-	2,889
Trade and other receivables	1,401	9,652	6,968	18,021
Loan receivables	-	30,438	-	30,438
Current tax asset	-	-	6,927	6,927
Cash and cash equivalents	3,670	13,786	71,025	88,481
Total assets	5,071	234,226	378,398	617,695
LIABILITIES				
Trade and other payables	31,380	80,053	29,543	140,976
Loan payables	-	76,702	27,573	104,275
Current tax liability	-	-	30,029	30,029
Bank overdraft	962	785	-	1,747
Total liabilities	32,342	157,540	87,145	277,027
Proceeds	1	111	1	113
Total identifiable net liabilities/(assets) disposed of	27,271	(76,686)	(291,253)	(340,668)
Gain/(loss) on disposal of subsidiary	27,272	(76,575)	(291,252)	(340,555)

The gain on disposal of Prime Africa Real Estate Ltd of USD 27,272 has been recognised in reorganisation reserves.

The loss on disposal of emediaplace Ltd and its subsidiary Madaplace SA amounting to USD 367,827 has been recognised in non-operating expense (Note 38).

AXIAN TELECOM**NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****47 DISPOSAL OF SUBSIDIARY (CONTINUED)****(i) Net cash outflow on disposal of subsidiary**

	2023 USD Prime Africa Real Estate Ltd	2023 USD emediaplace Ltd	2023 USD Madaplace SA	2023 USD Total
Cash consideration received	1	111	1	113
Cash and bank balances, net of bank overdraft	(2,708)	(13,001)	(71,025)	(86,734)
Net cash outflow on disposal of subsidiary	(2,707)	(12,890)	(71,024)	(86,621)

48 SEGMENT REPORTING**Primary segment – Business**

Internal reports reviewed by the Chief Operating Decision Makers (i.e the Directors) in order to allocate resources to the segments and to assess their performance, comprise of mobile and fixed line communications, infrastructure and digital and mobile financial services, amongst other for the year ended 31 December 2023. The following disclosures are made with respect to segment reporting:

	Mobile and fixed line communications	Infrastructure	Digital and mobile financial services	Other	Total
<u>For the year ended 31 December 2023</u>	USD	USD	USD	USD	USD
Segment revenue	839,683,685	44,790,815	204,298,365	580,251	1,089,353,116
Segment other income	17,643,420	1,395,424	592,670	2,925,100	22,556,614
Segment operating expenses	(641,460,849)	(75,965,767)	(118,879,313)	(42,641,769)	(878,947,698)
Segment result before finance charges	215,866,256	(29,779,528)	86,011,722	(39,136,418)	232,962,032
Segment finance income	9,280,055	1,658,215	7,943,764	33,178,049	52,060,083
Segment finance cost	(128,252,183)	(12,344,595)	(1,145,926)	(66,583,569)	(208,326,273)
Non-operating expense	-	-	-	(16,746,316)	(16,746,316)
Non-operating income	6,316,347	164,051	17,996	-	6,498,394
Segment share of profit in associates and joint ventures	-	-	-	20,371,643	20,371,643
Segment income tax expense	(12,101,676)	(4,169,964)	(12,506,336)	(3,486,055)	(32,264,031)
Profit/(loss) for the year	91,108,799	(44,471,821)	80,321,220	(72,402,666)	54,555,532
Within operating expenses:					
Segment impairment	(7,565,332)	88,245	(7,053,230)	(115,971)	(14,646,288)
Segment depreciation and amortisation	(215,520,641)	(32,960,661)	(1,540,290)	(463,944)	(250,485,536)
Segment assets	2,353,984,585	278,205,289	359,558,380	196,592,012	3,188,340,266
Segment liabilities	(1,729,586,231)	(158,181,644)	(307,422,663)	(687,817,870)	(2,883,008,408)

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023 (CONTINUED)

48 SEGMENT REPORTING (CONTINUED)

	Mobile and fixed line communications	Infrastructure	Digital and mobile financial services	Other	Total
<u>For the year ended 31 December 2022 (Restated)*</u>	USD	USD	USD	USD	USD
Segment revenue	661,598,509	25,408,378	139,687,904	820,537	827,515,328
Segment other income	12,802,753	1,126,631	1,018,876	631,775	15,580,035
Segment operating expenses	(450,939,194)	(54,953,649)	(107,647,694)	(32,013,563)	(645,554,100)
Segment result before finance charges	223,462,068	(28,418,640)	33,059,086	(30,561,251)	197,541,263
Segment finance income	3,105,947	3,200,630	6,008,340	35,528,640	47,843,557
Segment finance cost	(64,793,358)	(10,694,663)	(2,299,739)	(67,692,611)	(145,480,371)
Non-operating expense	-	-	(441,676)	(5,867,712)	(6,309,388)
Non-operating income	786,942	1,036,765	-	-	1,823,707
Segment share of profit in associates and joint ventures	-	-	-	14,364,751	14,364,751
Segment income tax expense	(13,177,533)	(4,018,360)	(5,476,069)	(5,990,595)	(28,662,557)
Profit/(loss) for the year	149,384,066	(38,894,268)	30,849,942	(60,218,778)	81,120,962
Within operating expenses:					
Segment impairment	1,801,214	(152,714)	(4,750,968)	-	(3,102,468)
Segment depreciation and amortisation	(147,112,779)	(28,507,275)	(2,692,281)	(174,966)	(178,487,301)
Segment assets	1,621,709,228	224,881,431	304,595,012	208,280,510	2,359,466,181
Segment liabilities	(1,076,902,946)	(122,680,329)	(256,797,566)	(642,716,208)	(2,099,097,049)

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 SEGMENT REPORTING (CONTINUED)

Secondary segment – Geographical

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

	Mauritius	Madagascar	Togo	Uganda	Tanzania	Senegal	Other	Total
<u>For the year ended 31 December 2023</u>	USD	USD	USD	USD	USD	USD	USD	USD
Segment revenue	580,896	331,291,464	256,616,945	15,343,338	434,560,719	44,148,079	6,811,675	1,089,353,116
Segment other income	2,925,100	16,604,977	730,136	-	1,755,845	540,556	-	22,556,614
Segment operating expenses	(35,753,339)	(214,603,802)	(185,718,355)	(12,582,755)	(376,378,273)	(39,786,394)	(14,124,780)	(878,947,698)
Segment result before finance charges	(32,247,343)	133,292,639	71,628,726	2,760,583	59,938,291	4,902,241	(7,313,105)	232,962,032
Segment finance income	27,897,933	14,405,626	7,108,725	95,556	1,221,177	60,850	1,270,216	52,060,083
Segment finance cost	(62,596,018)	(25,625,644)	(9,788,504)	(4,553,708)	(96,532,347)	(8,316,590)	(913,462)	(208,326,273)
Non-operating expense	(16,746,316)	-	-	-	-	-	-	(16,746,316)
Non-operating income	-	182,047	2,144,943	-	4,171,404	-	-	6,498,394
Segment share of profit in associates and joint ventures	20,371,643	-	-	-	-	-	-	20,371,643
Segment income tax (expense)/credit	(3,341,479)	(10,625,190)	(23,824,861)	-	5,887,146	62,849	(422,496)	(32,264,031)
(Loss)/profit for the year	(66,661,580)	111,629,478	47,269,029	(1,697,569)	(25,314,329)	(3,290,650)	(7,378,847)	54,555,532
Within operating expenses:								
Segment impairment	(122,555)	(6,661,992)	(4,051,462)	-	(3,581,102)	(229,177)	-	(14,646,288)
Segment depreciation and amortisation	(182,749)	(63,249,113)	(47,254,355)	(4,289,025)	(123,598,801)	(10,646,034)	(1,265,459)	(250,485,536)
Segment assets	181,653,536	642,371,275	563,868,317	53,346,914	1,206,859,947	483,184,630	57,055,647	3,188,340,266
Segment liabilities	(685,277,375)	(434,808,274)	(319,345,759)	(42,094,467)	(901,700,675)	(487,140,869)	(12,640,989)	(2,883,008,408)

AXIAN TELECOM

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

48 SEGMENT REPORTING (CONTINUED)

Secondary segment – Geographical

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

	Mauritius	Tanzania	Madagascar	Togo	Uganda	Other	Total
<u>For the year ended 31 December 2022 (Restated)</u>	USD	USD	USD	USD	USD	USD	USD
Segment revenue	6,572,534	286,245,121	287,862,083	239,663,233	7,172,357	-	827,515,328
Segment other income	631,374	2,154,402	12,434,206	359,652	-	401	15,580,035
Segment operating expenses	(35,615,154)	(250,705,893)	(185,395,028)	(164,207,932)	(7,635,036)	(1,995,057)	(645,554,100)
Segment result before finance charges	(28,411,246)	37,693,630	114,901,261	75,814,953	(462,679)	(1,994,656)	197,541,263
Segment finance income	23,510,917	641,132	6,925,326	16,333,462	432,720	-	47,843,557
Segment finance cost	(66,925,515)	(38,273,069)	(25,989,187)	(10,640,208)	(3,645,024)	(7,368)	(145,480,371)
Non-operating expense	(5,867,712)	-	(441,676)	-	-	-	(6,309,388)
Non-operating income	-	786,942	1,036,765	-	-	-	1,823,707
Segment share of profit in associates and joint ventures	14,364,751	-	-	-	-	-	14,364,751
Segment income tax (expense)/credit	(6,951,296)	10,626,132	(9,767,278)	(22,560,095)	-	(10,020)	(28,662,557)
(Loss)/profit for the year	(70,280,101)	11,474,767	86,665,211	58,948,112	(3,674,983)	(2,012,044)	81,120,962
Within operating expenses:							
Segment impairment	-	(6,427,734)	(2,140,336)	5,465,602	-	-	(3,102,468)
Segment depreciation and amortisation	(1,036,099)	(67,977,994)	(58,594,837)	(48,717,175)	(2,081,331)	(79,865)	(178,487,301)
Segment assets	233,847,039	1,034,529,843	528,036,857	519,963,595	42,180,291	908,556	2,359,466,181
Segment liabilities	(600,680,940)	(728,677,470)	(387,768,515)	(347,623,708)	(33,617,985)	(728,431)	(2,099,097,049)

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 SEGMENT REPORTING (CONTINUED)

Disaggregation of revenue from contracts with customers

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

	Segment revenue USD	Inter-segment revenue USD	Revenue from contracts with external customers USD	Timing of revenue recognition		Total
				At a point in time USD	Over time USD	USD
<u>For the year ended 31 December 2023</u>						
Mobile services only:						
- Madagascar	168,458,852	(354,199)	168,104,653	-	168,104,653	168,104,653
- Togo	192,067,315	-	192,067,315	-	192,067,315	192,067,315
- Tanzania	246,762,903	-	246,762,903	-	246,762,903	246,762,903
- Senegal	32,087,168	-	32,087,168	-	32,087,168	32,087,168
Fixed services (Residential and Business)						
- Madagascar	42,102,194	(44,091)	42,058,103	-	42,058,103	42,058,103
- Togo	17,060,049	-	17,060,049	-	17,060,049	17,060,049
- Tanzania	10,429,601	-	10,429,601	-	10,429,601	10,429,601
- Senegal	3,317,287	-	3,317,287	-	3,317,287	3,317,287
Content and Value-added services (VAS)						
- Tanzania	14,185,542	-	14,185,542	-	14,185,542	14,185,542
- Senegal	2,575,688	-	2,575,688	-	2,575,688	2,575,688
- United Arab Emirates	1,564,732	(1,564,732)	-	-	-	-
Interconnection, roaming and MVNO:						
- Madagascar	10,958,679	-	10,958,679	-	10,958,679	10,958,679
- Togo	11,817,231	(843)	11,816,388	-	11,816,388	11,816,388
- Tanzania	19,096,273	-	19,096,273	-	19,096,273	19,096,273
- Senegal	4,736,238	(173)	4,736,065	-	4,736,065	4,736,065
Customer Equipment and Infrastructure:						
- Madagascar	8,764,930	(948,652)	7,816,278	7,816,278	-	7,816,278
- Togo	1,691,629	-	1,691,629	1,691,629	-	1,691,629
- Tanzania	7,939,722	-	7,939,722	7,939,722	-	7,939,722
- Senegal	307,426	-	307,426	307,426	-	307,426
Operator infrastructure Services:						
- Madagascar	27,508,395	(18,084,590)	9,423,805	-	9,423,805	9,423,805
- Togo	14,352,274	-	14,352,274	-	14,352,274	14,352,274
- Tanzania	1,024,541	(1,024,541)	-	-	-	-
- United Arab Emirates	40,070,174	(33,508,501)	6,561,673	-	6,561,673	6,561,673

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****48 SEGMENT REPORTING (CONTINUED)**

	Segment revenue USD	Inter-segment revenue USD	Revenue from contracts with external customers USD	Timing of revenue recognition		
				At a point in time USD	Over time USD	Total USD
For the year ended 31 December 2023						
(continued)						
Commissions received on electronic money activities:						
- Madagascar	68,949,748	(1,902,530)	67,047,218	67,047,218	-	67,047,218
- Togo	19,389,512	-	19,389,512	19,389,512	-	19,389,512
- Tanzania	134,373,637	-	134,373,637	134,373,637	-	134,373,637
- Senegal	161,115	-	161,115	161,115	-	161,115
Hosting and Rental sites:						
- Madagascar	89,429,011	(71,853,734)	17,575,277	-	17,575,277	17,575,277
- Togo	238,972	-	238,972	-	238,972	238,972
- Uganda	15,238,415	-	15,238,415	-	15,238,415	15,238,415
- Tanzania	954,772	-	954,772	-	954,772	954,772
- Senegal	1,452,912	(501,954)	950,958	-	950,958	950,958
Other Services:						
- Mauritius	647	-	647	-	647	647
- Madagascar	10,986,562	(6,233,988)	4,752,574	-	4,752,574	4,752,574
Trademark and licence fees:						
- Mauritius	11,187,808	(10,921,960)	265,848	-	265,848	265,848
- Madagascar	482,542	(362,223)	120,319	-	120,319	120,319
Management fees:						
- Mauritius	19,605,798	(19,291,398)	314,400	-	314,400	314,400
- United Arab Emirates	21,729,532	(21,729,532)	-	-	-	-
Other revenue:						
- Mauritius	36,344,205	(36,344,205)	-	-	-	-
- Madagascar	23,853,490	(20,418,927)	3,434,563	-	3,434,563	3,434,563
- Togo	807	-	807	-	807	807
- Uganda	104,922	-	104,922	-	104,922	104,922
- Tanzania	818,268	-	818,268	-	818,268	818,268
- Senegal	68,908	(56,537)	12,371	-	12,371	12,371
- United Arab Emirates	21,197,422	(20,947,422)	250,000	250,000	-	250,000
	<u>1,355,447,848</u>	<u>(266,094,732)</u>	<u>1,089,353,116</u>	<u>238,976,537</u>	<u>850,376,579</u>	<u>1,089,353,116</u>

AXIAN TELECOM**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****48 SEGMENT REPORTING (CONTINUED)**Disaggregation of revenue from contracts with customers

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

	Segment revenue	Inter-segment revenue	Revenue from contracts with external customers	Timing of revenue recognition		Total
				At a point in time	Over time	
<u>For the year ended 31 December 2022</u>	USD	USD	USD	USD	USD	USD
Mobile services only:						
- Madagascar	153,829,268	-	153,829,268	-	153,829,268	153,829,268
- Togo	186,363,674	-	186,363,674	-	186,363,674	186,363,674
- Tanzania	171,224,709	-	171,224,709	-	171,224,709	171,224,709
Fixed services (Residential and Business)						
- Madagascar	39,261,778	-	39,261,778	-	39,261,778	39,261,778
- Togo	17,322,703	-	17,322,703	-	17,322,703	17,322,703
- Tanzania	6,998,781	-	6,998,781	-	6,998,781	6,998,781
Content and Value-added services (VAS)						
- Mauritius	3,524,726	(3,524,726)	-	-	-	-
- Tanzania	9,795,876	-	9,795,876	-	9,795,876	9,795,876
Interconnection, roaming and MVNO:						
- Madagascar	8,234,687	-	8,234,687	-	8,234,687	8,234,687
- Togo	12,553,822	-	12,553,822	-	12,553,822	12,553,822
- Tanzania	13,016,332	-	13,016,332	-	13,016,332	13,016,332
Customer Equipment and Infrastructure:						
- Madagascar	5,621,003	422	5,621,425	5,621,425	-	5,621,425
- Togo	1,518,013	-	1,518,013	1,518,013	-	1,518,013
- Tanzania	1,098,490	-	1,098,490	1,098,490	-	1,098,490
Operator infrastructure Services:						
- Mauritius	40,449,720	(34,709,533)	5,740,187	-	5,740,187	5,740,187
- Madagascar	22,729,403	(16,835,748)	5,893,655	-	5,893,655	5,893,655
- Togo	14,394,855	-	14,394,855	-	14,394,855	14,394,855
- Tanzania	827,569	-	827,569	-	827,569	827,569
Commissions received on electronic money activities:						
- Madagascar	57,871,156	(2,140,733)	55,730,423	55,730,423	-	55,730,423
- Togo	7,429,976	-	7,429,976	7,429,976	-	7,429,976
- Tanzania	82,189,878	-	82,189,878	82,189,878	-	82,189,878

AXIAN TELECOM

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 SEGMENT REPORTING (CONTINUED)

				Timing of revenue recognition		
	Segment revenue USD	Inter -segment revenue USD	Revenue from contracts with external customers USD	At a point in time USD	Over time USD	Total USD
<u>For the year ended 31 December 2022 (continued)</u>						
Hosting and Rental sites:						
- Madagascar	71,504,474	(60,689,964)	10,814,510	-	10,814,510	10,814,510
- Togo	79,365	-	79,365	-	79,365	79,365
- Uganda	7,172,357	-	7,172,357	-	7,172,357	7,172,357
- Tanzania	487,742	-	487,742	-	487,742	487,742
Other Services:						
- Mauritius	11,810	-	11,810	-	11,810	11,810
- Madagascar	9,656,277	(4,400,327)	5,255,950	-	5,255,950	5,255,950
Trademark and licence fees:						
- Mauritius	9,686,911	(9,471,006)	215,905	-	215,905	215,905
- Madagascar	813,051	(422,285)	390,766	-	390,766	390,766
Management fees-Subsidiaries:						
- Mauritius	19,167,898	(18,578,653)	589,245	-	589,245	589,245
Other revenue:						
- Mauritius	22,093,425	(22,078,037)	15,388	-	15,388	15,388
- Madagascar	17,637,875	(14,808,255)	2,829,620	-	2,829,620	2,829,620
- Togo	825	-	825	-	825	825
- Tanzania	605,744	-	605,744	-	605,744	605,744
- United Arab Emirates	5,647,058	(5,647,058)	-	-	-	-
	1,020,821,231	(193,305,903)	827,515,328	153,588,205	673,927,123	827,515,328