

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE MONTH PERIOD AND YEAR ENDED
DECEMBER 31, 2023**



LET'S GROW TOGETHER

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

CORPORATE INFORMATION

COMPANY REGISTRATION No.	C46569 C1/GBL		
		Date of appointment	Date of resignation
DIRECTORS	Mr. Hassanein Shahreza Hiridjee	June 21, 2003	-
	Mr. Ahmud Ismael Parwiz Jugoo	April 30, 2018	-
	Mrs. Anja Blumert	August 15, 2020	-
	Mr. Afsar Azize Abdulla Ebrahim	November 16, 2020	-
	Mr. Michael Jimmy Wong Yuen Tien	December 1, 2021	-
	Mrs. Badiene Seynabou Ba	November 28, 2022	-
	Mr. Vivek Badrinath	February 18, 2024	-
ADMINISTRATOR & SECRETARY <i>(as from December 1, 2021)</i>	DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
REGISTERED OFFICE <i>(as from December 1, 2021)</i>	c/o DTOS Ltd 10 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
AUDITOR	PricewaterhouseCoopers PwC Centre Avenue de Telfair Telfair 80829 Moka Republic of Mauritius		
INVESTOR RELATIONS CONTACT	investorrelations@axian-telecom.com		

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AXIAN TELECOM**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023****DISCLAIMER****Forward-looking statements**

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

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

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

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

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

Non-IFRS financial measures

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

These include EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin (each as defined on page 42). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

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

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION

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

The Group is a leading pan-African telecommunications services provider, operating in 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 fibre).

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

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

Basis of preparation

These unaudited condensed consolidated financial statements do not constitute statutory accounts, and thus do not fully comply with International Financial Reporting Standards (“IFRS”), specifically, they do not comply with IFRS 34 “*Interim Financial Reporting*”. The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Group’s audited financial statements for the year ended December 31, 2023.

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

On April 16, 2021, the Group entered into a share purchase agreement to acquire 98.5% of the issued and outstanding shares of MIC Tanzania Public Limited Company (Now Honora Tanzania Public Limited Company and also referred to in these financial statements as “MIC Tanzania”), a public limited company incorporated under the laws of Tanzania, registered under company number 24275 (the “Acquisition”). The Acquisition completed on April 5, 2022, and the impact thereof is described in more detail in note 18.

In July 2023, the Company signed an agreement to acquire a further 40% equity interest in its joint venture business in Senegal (“Free in Senegal”). The transaction completed on October 2, 2023 resulting in the Group owning an 80% equity interest in Free in Senegal, allowing it to control and financially consolidate the operations from that date (the “Free in Senegal Acquisition”). The impact thereof is described in more detail in note 18.

These financial statements include the results of the operations of MIC Tanzania and Free in Senegal from their respective acquisition completion dates, and the statement of financial position of MIC Tanzania and Free in Senegal as at December 31, 2023; both incorporated into the consolidated numbers. These financial statements do not include the results of the operations of MIC Tanzania and Free in Senegal on a pro forma basis prior to their respective acquisition completion dates.

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION
Basis of preparation (continued)

We separately present the statements of financial position as at December 31, 2022, the statements of profit or loss for the three month periods and years ended December 31, 2022 and December 31, 2023, and the statements of other comprehensive income for the three month periods and years ended December 31, 2022 and December 31, 2023 on a combined basis, as if the Acquisition and the Free in Senegal Acquisition had occurred as at the beginning of the earliest comparative period; in this case January 1, 2022. The pro forma adjustments made to the consolidated data and the resulting pro forma numbers are described in more detail and disclosed on pages 53 to 58 of these financial statements.

Prior year restatement

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 on page 168 to 170 of our audited financial statements for the year ended December 31, 2023.

The below tables summarize the impacts of the prior year restatements:

Statement of financial position for the year ended December 31, 2022:

	As previously reported USD	Adjustment USD	As restated USD
Property, plant and equipment	670,042,389	(6,177,968)	663,864,421
Intangible assets	211,680,348	7,055,719	218,736,067
Right-of-use assets	392,172,617	8,083,243	400,255,860
Trade and other receivables	160,390,000	(5,079,491)	155,310,509
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

Statement of profit or loss and other comprehensive income for the three month period ended December 31, 2022:

	As previously reported USD	Adjustment USD	As restated USD
Reversal of impairment of non-financial assets	881,948	(4,212,101)	(3,330,153)
Income tax credit	4,307,068	1,261,976	5,569,044
Total impact on profit or loss	5,189,016	(2,950,125)	2,238,891
Profit attributable to:			
- Owners of the Company	30,643,584	(1,929,129)	28,714,455
- Non controlling interest	6,955,687	(1,020,996)	5,934,691
	37,599,271	(2,950,125)	34,649,146

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION

Prior year restatement (continued)

Statement of profit or loss and other comprehensive income for the three month period ended December 31, 2022 (continued):

	As previously reported USD	Adjustment USD	As restated USD
Exchange differences on translation of foreign subsidiaries	18,929,080	10,361	18,939,441
Total comprehensive income attributable to:			
- Owners of the Company	52,348,276	(1,919,944)	50,428,332
- Non controlling interest	8,480,523	(1,019,820)	7,460,703
	60,828,799	(2,939,764)	57,889,035

Statement of profit or loss and other comprehensive income for the year ended December 31, 2022 (continued):

	As previously reported USD	Adjustment 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)
Total impact on profit or loss	(26,907,033)	(2,950,125)	(29,857,158)
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
	84,071,087	(2,950,125)	81,120,962
Exchange differences on translation of foreign subsidiaries	(12,976,848)	10,361	(12,966,487)
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 year-on-year movements for the three month period and year ended December 31, 2023 as referenced in the Operating and Financial Review, reflect the restated amounts above.

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OPERATING AND FINANCIAL REVIEW

Highlights for the quarter and year to date

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	(Restated)	(Restated)	(Restated)	(Restated)
	USD	USD	USD	USD
Revenue	326,521,882	240,638,397	1,089,353,116	827,515,328
Operating profit	51,200,621	48,487,636	232,962,032	197,541,263
Adjusted EBITDA*	146,897,029	108,328,260	496,272,169	375,570,011
Adjusted EBITDA Margin*	45.0%	45.0%	45.6%	45.4%
			As at	As at
			December	December
			31, 2023	31, 2022
			Units'000	Units'000
Revenue generating subscribers			38,509	30,334
("RGS") [Ⓢ]				
Active data users			11,338	6,826
Active MFS users			12,649	10,287
			Units	Units
Owned Towers			3,698	3,289
Shared Towers			2,247	1,969
Tenants on Shared Towers			2,966	2,471
Tenancy Ratio			1.32x	1.25x

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

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

Operating results and market data

Revenue generating subscribers and other operational key performance indicators

Revenue generating subscribers increased by 8.2 million during the year ended December 31, 2023, resulting in 38.5 million RGS as at December 31, 2023. Active data users increased by 4.5 million in the year ended December 31, 2023 to 11.3 million Active data users, and Active MFS users increased by 2.4 million during the same period, to 12.7 million Active MFS users.

The increase in RGS for year ended December 31, 2023, of 8.2 million, includes the addition of 5.3 million RGS from the acquisition of Free in Senegal. The remaining year-on-year increase of 2.9 million RGS is primarily driven by our Madagascar and Togo operations which saw increases of 2.2 million and 0.4 million RGS in the period. Our operations in Tanzania also saw a year-on-year increase in RGS of 0.3 million for the same period.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

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

The increase in Active data users for the year ended December 31, 2023 includes 2.2 million Active data users from the acquisition of Free in Senegal. The remaining year-on-year increase of 2.2 million Active data users is primarily driven by our Tanzania operation, which saw an increase of 1.3 million in the period. Our operations in Madagascar and Togo saw year-on-year increases of 0.5 million and 0.4 million Active data users in the same period, while Active data users in Free in Senegal increased by 0.1 million in the period since the Free in Senegal Acquisition.

The increase in Active MFS users for the year ended December 31, 2023, of 2.4 million, includes the addition of 0.6 million Active MFS users from the Free in Senegal acquisition. The remaining year-on-year increase of 1.6 million Active MFS users is primarily driven by our Tanzania operation which saw an increase of 1.3 million in the period.

During the year ended December 31, 2023, we have increased the number of Owned Towers and Shared Towers by 409 and 278 respectively, mainly from increases in our Madagascar and Uganda operations which saw increases in their Owned Towers (which are also Shared Towers in those operations) of 175 and 103, respectively. We also achieved 106 net Owned Towers added in our Togo operations in the year ended December 31, 2023. Our Tenants on Shared Towers also increased by 495 in the same period as a result of net increases in our Madagascar and Uganda operations of 329 and 166, respectively. Our Tenancy Ratio increased by 0.07x, to 1.32x, during the same period.

Revenue

Revenue for the three month period ended December 31, 2023 increased year-on-year by \$85.9 million or 35.7%, to \$326.5 million in Q4 2023, compared to \$240.6 million in Q4 2022. This year-on-year increase includes \$43.3 million in revenue from Free in Senegal, which is not included in the prior period. The remaining year-on-year increase of \$42.6 million is mainly comprised of an increase in revenue related to our operations in Tanzania, Madagascar, and Togo, which increased by \$18.2 million (or 18.4%), \$16.8 million (or 21.9%), and \$6.8 million (or 11.5%), year-on-year, respectively. Revenue in our operation in Uganda also increased by \$1.5 million (or 55.5%) year-on-year, for the same period.

The aggregate year-on-year growth for the three month period ended December 31, 2023 includes negative foreign exchange translation impacts of \$6.0 million (or 1.8%), owing to a combination of a year-on-year strengthening of the US Dollar against the Malagasy Ariary and Tanzanian Shilling, partially offset by the year-on-year strengthening of the West African CFA franc against the US Dollar.

The Q4 2023 year-on-year increase in revenue in Tanzania is comprised of increases of \$9.5 million and \$8.7 million in our Mobile and fixed-line communications, and Digital and mobile financial services segments respectively. These increases are primarily driven by the year-on-year increase in activity, resulting from increases in RGS, Active data users, and Active MFS users, and from additional revenue generating activities such as device financing and increased interconnect revenues owing to the modernized network. The aggregate year-on-year growth for the same period in our Tanzania operation includes the effects of negative foreign exchange translation impacts of \$5.7 million (or 4.6%), owing to the year-on-year strengthening of the US Dollar against the Tanzanian Shilling.

The Q4 2023 year-on-year increase in revenue in Madagascar is comprised of increases of \$9.8 million, \$2.9 million, and \$4.1 million in our Mobile and fixed-line communications, Infrastructure, and Digital and mobile financial services segments respectively. The increases in our Mobile and fixed-line communications and Digital and mobile financial services segments are primarily driven by the year-on-year increase in RGS, Active data users, and active MFS users, which results in increased activity in those segments. The year-on-year increase in our Infrastructure segment is as a result of the increase in the number of Shared Towers and Tenants over the twelve month period ended December 31, 2023, which increased by 278 and 495 respectively year-on-year. The aggregate year-on-year growth for the period in our Madagascar operation includes the effects of negative foreign exchange translation impacts of \$3.1 million (or 3.2%), owing to the year-on-year strengthening of the US Dollar against the Malagasy Ariary.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)
Revenue (continued)

Our Togo operations reflects a Q4 2023 year-on-year increase in revenue of \$6.8 million (or 11.5%), which is all attributed to our Mobile and fixed-line communications segment and results from increases in RGS and Active Data users. This year-on-year increase also includes the effects of positive foreign exchange translation impacts of \$2.5 million (or 3.9%), owing to the year-on-year strengthening of the West African CFA franc against the US Dollar.

Revenue for the year ended December 31, 2023 increased year-on-year by \$261.8 million or 31.6%, to \$1,089.4 million in the year ended December 31, 2023 compared to \$827.5 million in the prior year comparative period.

Included in revenue for the year ended December 31, 2023, are amounts of \$434.6 million and \$43.2 million from MIC Tanzania and Free in Senegal respectively, whereas the prior year comparative period includes \$286.2 million of revenue in respect of MIC Tanzania and no revenue in respect of Free in Senegal.

The remaining year-on-year increase, net of the impact of MIC Tanzania and Free in Senegal, is \$70.2 million (or 13.0% when excluding MIC Tanzania and Free in Senegal), and is mainly comprised of an increase in revenue related to our operations in Madagascar, Togo, and Uganda, which increased by \$43.4 million (or 15.1%), \$17.0 million (or 7.1%), and \$8.2 million (or 113.9%), respectively. Revenue in other smaller operations increased by an aggregate of \$1.8 million year-on-year for the same period.

The year-on-year increase in revenue for the year ended December 31, 2023 is impacted by aggregate negative foreign exchange translation impacts of \$35.2 million (or 3.1%), primarily related to our Madagascar and Tanzania markets, which reflected negative foreign exchange translation impacts of \$25.4 million and \$16.9 million respectively, for the period; partially offset by a positive foreign exchange translation impact of \$7.0 million in our Togo operation, for the same period.

Year-on-year revenue growth in our Madagascar and Tanzania operations, for the year ended December 31, 2023 is driven by the same factors as for the quarter ended December 31, 2023, and results mainly from an increase in the number of RGS, Active Date Users, and Active MFS users, as well as additional revenue streams and increased interconnect revenue.

The year-on-year increase in revenue in our Uganda operations for the three month period and year ended December 31, 2023 are driven by increases in the number of Shared Towers and Tenants on Shared Towers which increased by 103 (or 33.9%) and 166 (or 49.1%) respectively, in the twelve month period ended December 31, 2023; resulting in a year-on-year increase in the Tenancy Ratio of 0.13x (from 1.11x at December 31, 2022, to 1.24x at December 31, 2023).

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

Revenue by segment is presented below:

For the three month period ended:

	December 31, 2023 USD	December 31, 2022 USD	Movement USD	Movement %
Mobile and fixed-line communications	255,106,494	185,793,127	69,313,367	37.3%
Infrastructure	13,319,320	9,456,272	3,863,048	40.9%
Digital and mobile financial services	58,024,770	45,249,902	12,774,868	28.2%
Other	71,298	139,096	(67,798)	(48.7%)
	326,521,882	240,638,397	85,883,485	35.7%

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue (continued)

Revenue by segment is presented below:

For the year ended:

	December 31, 2023 USD	December 31, 2022 USD	Movement USD	Movement %
Mobile and fixed-line communications	839,683,685	661,598,509	178,085,176	26.9%
Infrastructure	44,790,815	25,408,378	19,382,437	76.3%
Digital and mobile financial services	204,298,365	139,687,904	64,610,461	46.3%
Other	580,251	820,537	(240,286)	(29.3%)
	1,089,353,116	827,515,328	261,837,788	31.6%

Operating costs

Operating costs for the three month period ended December 31, 2023 increased year-on-year by \$84.1 million (or 42.4%), to \$282.4 million in Q4 2023 compared to \$198.3 million in Q4 2022. The year-on-year increase includes operating costs of \$39.0 million related to Free in Senegal. The remaining year-on-year increase of \$45.1 million (excluding Free in Senegal) is primarily comprised of a year-on-year increase in depreciation and amortization of \$23.0m, an aggregate year-on-year increase in impairment losses and write-off of financial assets of \$2.6 million, a year-on-year increase in professional fees of \$4.5 million, a year-on-year increase in staff costs of \$4.1 million, a year-on-year increase in technology operating costs of \$3.6 million, year-on-year increases in commissions to sales agents and government and regulatory costs of \$3.8 million and \$2.8 million respectively, a year-on-year increase in advertising and distribution costs of \$2.1 million, and a year-on-year increase in the cost of devices and equipment of \$0.9 million. The aggregate year on-year-increases for the period are partially offset by a year-on-year decrease in other operating costs of \$3.1 million, a year on-year decrease in the cost of interconnection and roaming of \$0.8 million, and a year-on-year decrease of \$0.4 million in impairment of non-financial assets.

Operating costs for the year ended December 31, 2023 increased year-on-year by \$233.3 million (or 36.2%), to \$878.9 million in the year ended December 31, 2023 compared to \$645.6 million in the prior year comparative period. Included in operating costs for the year ended December 31, 2023, are amounts of \$369.8 million and \$39.0 million from MIC Tanzania and Free in Senegal, respectively, whereas the prior year comparative period includes only \$247.2 million of operating costs in respect of MIC Tanzania; this represents a year-on-year increase of \$161.7 million resulting from the change in scope.

The remaining year-on-year increase of \$71.7 million (or 18.0%), excluding the impact of the MIC Tanzania and Free in Senegal change of scope, is primarily comprised of a year-on-year increase in staff costs of \$16.3 million, a year-on-year increase in depreciation and amortization of \$9.9m, a year-on-year increase in technology operating costs of \$14.5 million, a year-on-year increase in the aggregate cost of write-off of financial assets and net impairment losses on financial and contract assets of \$7.7 million, a year-on-year increase in the impairment of non-financial assets of \$6.2 million, a year-on-year increase in the cost of devices and equipment of \$4.2 million, a year-on-year increase in other operating expenses of \$2.5 million, and year-on-year increases in government and regulatory costs, advertising and distribution costs, and commissions to sales agents of \$3.2 million, \$2.4 million, and \$5.2 million respectively. The aggregate year-on-year increases for the period are partially offset by a year-on-year decrease in interconnection and roaming costs of \$2.4 million.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs (continued)

The year-on-year increase in depreciation and amortization for the three month period ended December 31, 2023, is primarily related to depreciation of property, plant and equipment and reflects accelerated depreciation on assets which have been earmarked for replacement in 2024 as part of our network modernization program, as well as a reclassification between depreciation of property, plant and equipment and amortization of intangible assets, owing to the reclassification between these two asset classes in Q4 2023. Depreciation on right-of use assets also increased year-on-year for both the three month period and year ended December 31, 2023, on account of higher lease values. The year-on-year increase in impairment of non-financial assets for the year ended December 31, 2023 reflects the impairment of property, plant and equipment as a result of assets replaced as part of our network modernization program.

The year-on-year increase for the three month period and the year ended December 31, 2023 in respect of staff costs is primarily driven by a general increase in staff numbers (including additional staff at group-level positions), and an increase in average wages from annual uplifts, and increased welfare benefits, such as medical insurance.

The year-on-year increase in technology operating costs for the three month period and year ended December 31, 2023, is primarily driven by an increase in energy costs owing to an increased number of Owned Towers and Shared Towers, mainly in our Infrastructure segment in Madagascar and Uganda. Excluding the impact of MIC Tanzania and Free in Senegal, energy costs have increased by \$1.5 million and \$8.4 million year-on-year for the three month period and year ended December 31, 2023, respectively.

Excluding MIC Tanzania and Free in Senegal, we also had year-on-year increases in aggregate maintenance and maintenance material costs of \$2.8 million and \$7.0 million for the three month period and year ended December 31, 2023, respectively, primarily related to network maintenance in our Togo and Madagascar operations. These aggregate year-on-year increases are partially offset by decreases in aggregate technical professional fees and short term lease costs, which decreased by an aggregate of \$2.4 million and \$1.5 million for the three month period and year ended December 31, 2023, respectively, excluding MIC Tanzania and Free in Senegal.

The year-on-year increases in government and regulatory costs, advertising and distribution costs, and the cost of commissions to sales agents for the three month period and the year ended December 31, 2023, are primarily driven by increased activity in our Mobile and fixed-line communications and Digital and mobile financial services segments respectively, as reflected by the increase in revenue in those segments.

The year-on-year increase in the cost of devices and equipment for the year ended December 31, 2023, is primarily driven by the increased sales of devices in our Tanzania and Madagascar operations, and increased sales of fiber installations and associated equipment, primarily in our Togo operations.

The year-on-year increase in aggregate costs related to the net impairment of financial and contract assets and write-off of financial assets, for the three month period and year ended December 31, 2023, mainly results from higher levels of provisions for trade receivables and increased credit loss provisions in respect of nano loan customers and device finance customers which have increased year-on-year, as the value of nano loans granted has increased year-on-year.

The year-on-year increase in non-technical professional fees for the three month period ended December 31, 2023, is driven by advisory costs in respect of potential acquisitions. The cost of non-technical professional fees increased by \$0.1 million year-on-year excluding MIC Tanzania and Free in Senegal; the impact of the increase in Q4 2023 is mostly offset by the impact of acquisition costs in respect of the acquisition of MIC Tanzania which were incurred in the prior year comparative period, but not repeated in the current year period.

AXIAN TELECOM

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Other operating income, and non-operating income and expenses

Other operating income was \$7.1 million and \$22.6 million for the three month period and year ended December 31, 2023, respectively, compared to \$6.1 million and \$15.6 million for the three month period and year ended December 31, 2022, respectively. Income from the release of government grants increased by \$0.7 million and \$3.0 million year-on-year increases respectively, for the three month period and year ended December 31, 2023, as we have met the obligations under the government grants. Other income for year ended December 31, 2023 also includes income from dividends received from an associate entity of \$2.9 million (for which the carrying value of the investment in associate was nil at the time of receipt), resulting in a year-on-year increase in dividend income of \$2.3 million for the period. The three month period and year ended December 31, 2023, both include \$0.5 million of other income from Free in Senegal.

Non-operating expenses amount to \$16.7 million in year ended December 31, 2023, compared to \$6.3 million in the prior year comparative period. The prior year comparative periods include a write-off of a related party loan receivable following a net settlement clean-up exercise in Q2 2022, which was not repeated in the current year periods. Non-operating expenses for the current year period represent a one-off cost following the finalization 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.

Non-operating income amounts to \$5.6 million and \$6.5 million for the three month period and year ended December 31, 2023, respectively, compared to \$1.3 million and \$1.8 million in the prior year comparative periods. The year-on-year increase for both the three month period and year ended December 31, 2023 primarily relates to income recognized on the modification or termination of leases of \$5.2 million and \$5.3 million respectively. This income arises when the carrying value of a lease liability is decreased by an amount which exceeds the carrying value of the associated right-of-use asset at the time of modification or termination.

Net finance costs

Our net finance costs for the three month period and year ended December 31, 2023 were \$35.0 million and \$156.3 million respectively, compared to \$23.9 million and \$97.6 million in the prior year comparative periods; representing year-on-year increases of \$11.2 million and \$58.7 million for the three month period and year ended, respectively. The year-on-year increases for the three month period and year ended December 31, 2023 include \$8.5 million of net finance costs from Free in Senegal which are primarily comprised of interest on lease liabilities of \$7.6 million and interest on bank loans of \$0.9 million.

The year-on-year increase in net finance costs for Q4 2023 of \$2.6 million (excluding Free in Senegal) is primarily driven by a year-on-year decrease in net income related to the fair valuation of derivatives of \$14.2 million, an aggregate year on-year increase in interest expense related to bank loans, shareholder loans, and bank overdrafts of \$3.0 million, and a year-on-year increase in interest expense related to decommissioning provisions of \$1.6 million owing to a reversal in the prior year which was not repeated in the current year period.

This net increase finance costs is partially offset by a year-on-year decrease in interest on lease liabilities of \$9.7 million (owing to one-off lease remeasurements), a year-on-year decrease in net foreign exchange losses of \$3.3 million, and a year-on-year increase of \$3.5 million in aggregate interest income and other finance income.

The year-on-year increase in net finance costs of \$50.2 million (excluding Free in Senegal) for the year ended December 31, 2023 includes a year-on-year net unfavorable impact in foreign exchange of \$26.9 million, which reflects a net foreign exchange loss in the current year period of \$47.8 million (excluding Free in Senegal), compared to a net foreign exchange loss of \$20.9 million in the prior year comparative period.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Net finance costs (continued)

We also had a year-on-year increase of \$16.8 million in the year ended December 31, 2023 relating to aggregate interest expense for leases and decommissioning provisions, owing to a higher value of lease liabilities and a higher asset base, a year-on-year decrease in net income related to the fair valuation of derivatives of \$11.2 million, and a net year-on-year increase in aggregate interest expense for the Notes, bank loans, shareholder loans, and bank overdrafts of \$5.8 million (owing primarily to the issue of the Notes part-way through Q1 2022).

The aggregate year-on-year increase in finance costs for the year ended December 31, 2023 is partially offset by a year-on-year increase in interest earned on bank deposits of \$4.6 million, and an aggregate favorable year-on-year impact from other finance income and other finance costs of \$6.1 million.

The year-on-year increase in foreign exchange losses for the year ended December 31, 2023 primarily results from the devaluation of the Tanzanian Shilling and the Malagasy Ariary against the US Dollar and the Euro, during the period; resulting in foreign exchange losses in respect of foreign denominated borrowings, shareholder loans, and some supplier balances in our Tanzania and Madagascar markets.

Share of profit in joint ventures and associates

Our share of profit in joint ventures and associates increased year-on-year by \$3.6 million for the three month period ended December 31, 2023, and by \$6.0 million for the year ended December 31, 2023.

The year-on-year increase for the three month period ended December 31, 2023 mainly results from increased profits from Telecom Reunion Mayotte and BNI Madagascar of \$1.1 million and \$0.9 million respectively, from a nil profit or loss recognized in respect of Maya Africa Holdings Ltd in the current year, compared to losses of \$0.6 million in the prior year comparative period, and from a profit of \$0.7 million recognized in respect of Telecom Comores Holding Limited in the current year, compared to a loss of \$0.3 million in the prior year comparative period.

The year-on-year increase for the year ended December 31, 2023 mainly results from increased profits from Telecom Reunion Mayotte and BNI Madagascar of \$1.2 million and \$3.6 million respectively, and from a profit of \$1.0 million recognized in respect of Telecom Comores Holding Limited in the current year, compared to a loss of \$0.1 million in the prior year comparative period.

Income tax

Income tax charge increased by \$7.6 million and by \$3.6 million year-on-year for the three month period and the year ended December 31, 2023, respectively.

The year-on-year increase of \$7.6 million for Q4 2023, is comprised of year-on-year decreases in deferred income tax credits of \$10.2 million, and a year-on-year increase in withholding taxes of \$1.2 million, and is partially offset by a year-on-year decrease in actual income tax expense of \$3.9 million.

The year-on-year increase of \$3.6 million for the year ended December 31, 2023, is comprised of year-on-year increases in actual income tax expense of \$6.7 million, and by a year-on-year increase in withholding taxes of \$1.5 million, and is partially offset by a year-on-year increase in deferred income tax credits of \$4.6 million.

The year-on-year increase in actual income tax for the year ended December 31, 2023, is primarily driven by the year-on-year increase in operating and taxable profits in our Madagascar, Tanzania, and Togo operations, which are reflected by the increased year-on-year EBITDA for the same periods. The year-on-year increases also include the impact of the restructuring in Tanzania, as assets are transferred from Zanzibar Telecom Public Limited Company ("Zantel"), to MIC Tanzania.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Income tax (continued)

The year-on-year increase in deferred income tax credits for the year ended December 31, 2023, is primarily driven by an increase in deferred tax assets related to unrealized foreign exchange losses in our Madagascar and Tanzania operations, which will be deductible once realized, and by deferred tax assets recognized in respect of IFRS 16 lease liabilities. This aggregate increase in deferred tax assets is partially offset by the deferred tax liability impact of the restructuring in Tanzania, as asset tax base costs are transferred from Zantel to MIC Tanzania and are compared against revised carrying values.

The withholding tax expense is primarily related to infrastructure revenue contracts in Silver Links Limited which are subject to withholding taxes when customers pay, and to interest payments made to Axian Telecom by its subsidiaries in respect of related party loans, which are subject to withholding taxes when the borrowers pay. Such withholding taxes are not set off against future tax liabilities and are thus recognized as a tax expense in the period in which they are withheld (i.e. when the borrowers or customers pay).

Profit for the period

Our profit for the period decreased by \$8.0 million year-on-year for the three month period ended December 31, 2023 and by \$26.6 million year-on-year for the year ended December 31, 2023. The year-on-year decrease for both periods includes a net loss from Free in Senegal of \$3.7 million.

The remaining year-on-year decrease of \$4.3 million (excluding Free in Senegal), for the three month period ended December 31, 2023, is primarily driven by year-on-year decrease in operating profits of \$2.1 million, a year-on-year increases in net finance costs of \$2.7 million, and by a year-on-year increase in tax expense of \$7.6 million. This aggregate impact is partially offset by a year-on-year increase of \$4.4 million in respect of net non-operating income, and by a year-on-year increase of \$3.6 million relating to share of profits from associates and joint ventures.

The remaining year-on-year decrease of \$22.9 million (excluding Free in Senegal), for the year ended December 31, 2023, is primarily driven by year-on-year increases in net finance costs; which more than offset the year-on-year increase in operating profits for the period; by a year-on-year increase in net non-operating expenses of \$5.7 million, and by a year-on-year increase in tax expense of \$3.6 million. This aggregate impact is partially offset by a year-on-year increase of \$6.0 million relating to share of profits from associates and joint ventures.

Adjusted EBITDA

Our Adjusted EBITDA for the three month period ended December 31, 2023 increased year-on-year by \$38.6 million (or 35.6%), to \$146.9 million in the three month period ended December 31, 2023, compared to \$108.3 million in the prior year comparative period; and includes Adjusted EBITDA of \$15.4 million from Free in Senegal.

Our Adjusted EBITDA for the year ended December 31, 2023 increased year-on-year by \$120.7 million (or 32.1%), to \$496.3 million in the year ended December 31, 2023, compared to \$375.6 million in the prior year comparative period; and includes year-on-year additional Adjusted EBITDA from MIC Tanzania \$83.4 million, and Adjusted EBITDA of \$15.4 million from Free in Senegal.

Our Adjusted EBITDA margins remained stable year-on-year at 45.0% for the three month period ended December 31, 2023, and increased year-on-year to 45.6% for the year ended December 31, 2023, compared to 45.4% in the prior year comparative period.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Adjusted EBITDA (continued)

The year-on-year increase in Adjusted EBITDA for both periods (excluding Free in Senegal) reflects the year-on-year increase in operating profits (excluding non-cash operating costs such as depreciation and amortization), driven primarily by increased revenue for both periods; as discussed above. The year-on-year increases in revenue are partially offset by year-on-year increases in operating costs (excluding non-cash operating costs), resulting primarily from costs associated with operational growth such as staff costs, technology operation costs, government and regulatory costs, advertising and distribution costs, and commission to sales agents.

Statements of cash flow and liquidity

The Group had cash and cash equivalents (net of bank overdrafts) of \$127.8 million as at December 31, 2023 (December 31, 2022: \$198.9 million), of which a total of \$39.0 million (December 31, 2022: \$132.8 million) was held in either USD or Euro.

Net cash generated from operating activities

Net cash generated from operating activities increased by \$19.2 million year-on-year for the three month period ended December 31, 2023. The year-on-year decrease in operating profits was driven mostly by non-cash operating expenses and thus the Group reflected a year-on-year increase of \$40.5 million in cash generated from operations before working capital changes, after adjusting for these non-cash operating expenses. Cash inflows from interest received also increased year-on-year by \$1.6 million and cash outflows from interest paid on loans and on the Notes decreased by \$0.2 million in the same period. We also reflect a year-on-year positive cash flow impact of \$0.2 million in respect of aggregate working capital and litigation claims, which reflected an aggregate cash inflow in Q4 2023 of \$10.5 million compared to an aggregate cash inflow of \$10.3 million in the prior year comparative period. This positive aggregate operating cash flow impact for the period, of \$42.5 million, is partially offset by a year-on-year increases in interest paid in respect of leases of \$19.5 million, and in respect of taxes paid of \$3.8 million.

Net cash generated from operating activities increased by \$88.4 million year-on-year for the year ended December 31, 2023, primarily as a result of increased operating profits, resulting in a year-on-year increase of \$119.2 million in cash generated from operations before working capital changes. We also had a positive cash flow impact of \$8.2 million in respect of aggregate working capital and litigation payments, which reflected a net cash inflow in the current year period of \$17.0 million compared to a net cash inflow of \$8.8 million in the prior year comparative period, a year-on-year increase in interest received in respect of invested balances of \$4.5 million, and a year on-year-decrease in tax paid of \$9.2 million. The positive aggregate cash impact of operating profits, working capital changes, interest receipts, and tax payments, is partially offset by a year-on-year increase in aggregate interest paid of \$52.8 million, mainly related to increased lease liabilities balances, and to the Notes.

Net cash used in investing activities

Net cash outflows used in investing activities increased by \$103.9 million year-on-year for the three month period ended December 31, 2023, primarily due to a year-on-year increase in aggregate cash outflows for the purchase of property, plant and equipment and intangible assets of \$58.6 million, and the non-recurring cash outflows in respect of the Free in Senegal Acquisition of \$47.7 million in Q4 2023. We also reflected a year-on-year decrease in aggregate dividends received from associates and joint ventures of \$3.2 million for the period.

This aggregate negative cash flow impact is partially offset by and a year-on-year increase in cash inflows in respect of government grants received of \$7.7 million and a year-on-year decrease in cash outflows from the granting of loans to related parties, of \$5.0 million.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Net cash used in investing activities (continued)

Net cash outflows used in investing activities increased by \$74.0 million year-on-year for the year ended December 31, 2023, primarily due to a year-on-year increase in aggregate cash outflows from the purchase of property, plant and equipment and intangible assets of \$84.4 million, and a year-on-year increase in cash outflows of \$22.5 million for the purchase of the minority interest in Agou Holding SAS in Q3 2023. We also reflected a year-on-year decrease in aggregate dividends received from associates and joint ventures of \$2.8 million for the year.

This aggregate negative cash flow impact is partially offset by and a year-on-year increase in cash inflows in respect of government grants received of \$12.7 million and a year-on-year decrease in cash outflows utilized in the purchase of subsidiaries, of \$30.1 million. Cash utilized in the acquisition of subsidiaries in the prior year period reflects a cash outflow of \$77.8 million related to the purchase of MIC Tanzania, while the cash outflows in the current year of \$47.7, are related to the Free in Senegal Acquisition in Q4 2023.

The increased cash outflows from the purchase of property, plant and equipment and intangible assets in both periods mainly result from our network improvement plans in Togo, Madagascar and Tanzania (including a part payment for new spectrum in Tanzania), as well as reflecting increased tower construction activity in Uganda and Madagascar, when compared to the prior year comparative periods. The increased year-on-year cash outflow for Q4 2023 also represents the timing of cash payments to our vendors for these capital expenditure items.

Net cash used in or generated from financing activities

We had net cash inflows from financing activities of \$39.2 million for the three month period ended December 31, 2023, compared with net cash outflows of \$41.0 million in the prior year comparative period; a year on year net cash inflow impact of \$80.2 million. This year-on-year decrease in net cash outflows is primarily related to a year-on-year net positive cash flow impact from receipt and repayment of borrowings (including the payment of loan costs), of \$68.5 million, a year-on-year decrease in cash outflows from the payment of principal on lease liabilities of \$9.4 million (primarily representing the split of lease payments between interest and principal), and a year-on-year decrease in cash outflows for the repayment of non-controlling interest loans of \$4.9 million. This positive year-on-year cash flow impact is partially offset by a year-on-year increase in cash outflows for dividends paid of \$2.2 million.

We had net cash outflows from financing activities of \$17.7 million for the year ended December 31, 2023, compared with net cash inflows of \$144.4 million in the prior year comparative period; a year-on-year net cash outflow impact of \$162.1 million. This year-on-year net cash outflow impact is primarily related to a year-on-year net cash outflow impact from receipt and repayment of borrowings (including the payment of loan costs), of \$109.4 million, primarily as a result of the issue of the Notes in the prior year comparative period, partially offset by the net cash inflow in respect of new loans drawn down in the current year. We also reflect a year-on-year increase in cash outflows for dividends paid of \$39.1 million, and a year-on-year increase in cash outflows related to payment of principal on lease liabilities of \$12.8 million.

Additional borrowings for the three month period ended December 31, 2023 are primarily comprised of the \$88.5 million drawn down against Facility A of the loan with JP Morgan Chase Bank N.A., and additional the utilizations of the letter of credit agreements entered into by MIC Tanzania, in order to fund capital expenditure.

Additional borrowings for the year ended December 31, 2023 are also comprised of the utilization of letter of credit agreements entered into by MIC Tanzania during the period. These letters of credit generally have a maturity of one year, but can be extended to one and a half years.

During the year ended December 31, 2023, we also drew down on additional facilities in Telecom Malagasy S.A. (primarily to replace existing facilities which have been repaid), and in Towerco of Africa Uganda (primarily to fund capital expenditure for new Shared Towers). Refer to Note 14 for more information.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
For the three month period and year ended December 31, 2023

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	(Restated)	USD	(Restated)
		USD		USD
Revenue (Note 3)	326,521,882	240,638,397	1,089,353,116	827,515,328
Cost of devices and equipment (Note 5)	(8,482,360)	(6,949,944)	(29,717,416)	(17,586,473)
Cost of interconnection and roaming (Note 5)	(10,237,824)	(7,832,652)	(31,496,332)	(27,049,175)
Government and regulatory costs (Note 5)	(21,916,928)	(14,357,831)	(66,142,813)	(50,130,980)
Advertising and distribution costs (Note 5)	(7,051,416)	(4,066,431)	(17,546,525)	(11,917,037)
Commission to sales agents (Note 5)	(45,488,312)	(36,544,594)	(156,711,125)	(120,607,162)
Net impairment on financial and contract assets (Note 5)	(4,796,254)	2,792,840	(9,482,535)	(1,907,867)
Technology operation costs (Note 5)	(30,558,177)	(23,244,037)	(96,690,866)	(68,862,094)
Staff costs (Note 5)	(38,848,604)	(29,562,760)	(111,975,294)	(83,925,466)
Other operating expenses (Note 5)	(17,421,188)	(17,347,741)	(74,529,985)	(61,392,475)
Derecognition of financial assets (Note 5)	1,600,787	(3,522,597)	(2,645,900)	(3,522,597)
Professional fees, non-technical (Note 5)	(9,392,881)	(3,315,462)	(26,974,694)	(21,637,089)
Depreciation and amortization (Note 5)	(87,173,938)	(53,666,584)	(250,485,536)	(178,487,301)
Impairment of non-financial assets (Note 5)	(3,257,579)	(3,330,153)	(5,163,753)	(1,194,601)
Other income (Note 4)	7,088,337	6,130,968	22,556,614	15,580,035
Net fair value gains on financial assets at fair value through profit	615,076	2,666,217	615,076	2,666,217
OPERATING PROFIT	51,200,621	48,487,636	232,962,032	197,541,263
Finance income (Note 6)	15,824,079	18,152,786	52,060,083	47,843,557
Finance costs (Note 6)	(50,833,748)	(41,996,714)	(208,326,273)	(145,480,371)
Non-operating income (Note 4)	5,645,542	1,304,706	6,498,394	1,823,707
Non-operating expenses (Note 4)	(367,827)	(434,531)	(16,746,316)	(6,309,388)
Share of profit in joint ventures and associates	7,204,355	3,566,219	20,371,643	14,364,751
PROFIT BEFORE INCOME TAX	28,673,022	29,080,102	86,819,563	109,783,519
Income tax (expense)/credit (Note 7)	(1,983,356)	5,569,044	(32,264,031)	(28,662,557)
PROFIT FOR THE PERIOD	26,689,666	34,649,146	54,555,532	81,120,962
Profit for the period attributable to:				
- Owners of the Company	25,189,183	28,714,455	39,151,183	55,954,716
- Non-controlling interest	1,500,483	5,934,691	15,404,349	25,166,246
	26,689,666	34,649,146	54,555,532	81,120,962

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
For the three month and year ended December 31, 2023

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	(Restated)	USD	(Restated)
		USD		USD
PROFIT FOR THE PERIOD	26,689,666	34,649,146	54,555,532	81,120,962
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	(1,613,761)	18,939,441	17,241,460	(12,966,487)
Exchange differences on translation of foreign joint ventures	2,102,825	1,125,829	1,426,283	(1,494,415)
Total items that may be reclassified to profit or loss, net of tax	489,064	20,065,270	18,667,743	(14,460,902)
<i>Items that will not be reclassified to profit or loss</i>				
Net gain on equity instruments designated at fair value through other comprehensive income	270,045	3,155,480	270,045	3,155,480
Remeasurements of retirement benefit obligations	(13,804)	19,139	(13,804)	19,139
Total Items not reclassified to profit or loss, net of tax	256,241	3,174,619	256,241	3,174,619
Other comprehensive income/(loss) for the period, net of tax	745,305	23,239,889	18,923,984	(11,286,283)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	27,434,971	57,889,035	73,479,516	69,834,679
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
- Owners of the Company	26,630,902	50,428,332	56,047,275	46,851,931
- Non - controlling interest	804,069	7,460,703	17,432,241	22,982,748
	27,434,971	57,889,035	73,479,516	69,834,679

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	December 31, 2023 USD	December 31, 2022 (Restated) USD
ASSETS		
Non-current assets		
Property, plant and equipment (Note 8)	967,943,066	663,864,421
Intangible assets (Note 9)	287,289,719	218,736,067
Interests in joint ventures and associates (Note 10)	73,213,174	61,522,220
Deferred tax assets	51,934,575	35,165,682
Trade and other receivables	29,805,761	35,138,045
Deposits receivable	4,258,973	2,168,923
Loans receivable	11,713,729	167,508
Right-of-use assets (Note 11)	642,375,938	400,255,860
Goodwill	249,468,397	196,215,765
Financial assets at fair value through profit or loss	11,004,179	9,912,153
Financial assets at fair value through other comprehensive income (FVOCI)	17,490,668	18,590,788
Embedded derivative assets	1,000,000	6,422,975
Treasury bonds	1,402,023	1,803,607
	2,348,900,202	1,649,964,014
Current assets		
Inventories	27,517,337	23,227,898
Loan receivables	20,493,983	17,187,838
Trade and other receivables	270,893,325	155,310,509
Income tax receivable (Note 7)	13,619,187	9,841,120
Cash and cash equivalents (Note 12)	181,846,003	226,590,223
Restricted cash	325,070,229	277,344,579
	839,440,064	709,502,167
Total assets	3,188,340,266	2,359,466,181

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at December 31, 2023

	December 31, 2023 USD	December 31, 2022 (Restated) USD
EQUITY AND LIABILITIES		
Equity and reserves		
Stated capital	1,372,564	1,372,564
Reorganization reserves	76,538,841	76,511,569
Other reserves	(18,861,385)	(36,397,142)
Legal reserves	6,503,426	3,025,353
Translation reserves	(4,340,978)	(20,507,236)
Retained earnings	153,593,943	137,416,590
Equity attributable to owners of the Company	214,806,411	161,421,698
Non-controlling interest	90,525,447	98,947,434
Total equity	305,331,858	260,369,132
LIABILITIES		
Non-current liabilities		
Borrowings (Note 14)	317,141,921	262,969,286
Bond borrowings (Note 14)	414,356,520	411,774,204
Trade and other payables (Note 13)	73,523,171	61,125,648
Government grants	9,180,531	18,198,686
Provisions	45,623,573	45,853,429
Lease liability (Note 11)	774,517,716	388,579,581
NCI put option liability	-	36,951,071
Deposits payable	7,918,759	7,652,013
Deferred tax liability	21,969,859	15,346,968
Retirement benefit obligations	6,644,439	2,352,140
	1,670,876,489	1,250,803,026
Current liabilities		
Trade and other payables (Note 13)	948,743,291	690,586,504
Client savings accounts	3,142,045	1,330,778
Borrowings (Note 14)	118,377,222	42,828,908
Bond borrowings (Note 14)	11,594,467	12,713,368
Provisions	13,171,671	2,483,165
Lease liability (Note 11)	36,386,565	41,295,551
Bank overdraft (Note 12)	54,021,078	27,728,595
Government grants	11,565,553	-
Dividend payable	5,783,890	21,695,814
Income tax payable (Note 7)	8,981,915	7,631,340
Swap Derivative Liability	364,222	-
	1,212,131,919	848,294,023
Total liabilities	2,883,008,408	2,099,097,049
Total equity and liabilities	3,188,340,266	2,359,466,181

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital USD	Retained Earnings USD	Other reserves* USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2022	1,372,564	83,706,080	74,764,084	159,842,728	91,152,614	250,995,342
Comprehensive income/(loss):						
Profit for the period	-	55,954,716	-	55,954,716	25,166,246	81,120,962
Other comprehensive loss for the period, net of tax	-	-	(9,102,785)	(9,102,785)	(2,183,498)	(11,286,283)
Total comprehensive income/(loss) for the period	-	55,954,716	(9,102,785)	46,851,931	22,982,748	69,834,679
Transactions with owners in their capacity as owners:						
Acquisition through business combination (Note 18)	-	-	-	-	(3,433,350)	(3,433,350)
Dividend paid	-	-	-	-	(11,754,578)	(11,754,578)
Transfer to legal reserve	-	(2,244,206)	2,244,206	-	-	-
Recognition of NCI put option for Agou Shares	-	-	(45,272,961)	(45,272,961)	-	(45,272,961)
Total transactions with owners	-	(2,244,206)	(43,028,755)	(45,272,961)	(15,187,928)	(60,460,889)
At December 31, 2022 (Restated)	1,372,564	137,416,590	22,632,544	161,421,698	98,947,434	260,369,132

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

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Stated Capital USD	Retained Earnings USD	Other reserves* USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2023 (Restated)	1,372,564	137,416,590	22,632,544	161,421,698	98,947,434	260,369,132
Comprehensive income:						
Profit for the period	-	39,151,183	-	39,151,183	15,404,349	54,555,532
Other comprehensive income for the period, net of tax	-	504,243	16,391,849	16,896,092	2,027,892	18,923,984
Total comprehensive income for the period	-	39,655,426	16,391,849	56,047,275	17,432,241	73,479,516
Transactions with owners in their capacity as owners:						
Acquisition through business combination	-	-	-	-	(1,404,853)	(1,404,853)
Issue of shares	-	-	-	-	390,940	390,940
Purchase of minority interest [‡]	-	-	17,310,166	17,310,166	(10,107,765)	7,202,401
Transfer to legal reserves	-	(3,478,073)	3,478,073	-	-	-
Dividend declared	-	(20,000,000)	-	(20,000,000)	(14,732,550)	(34,732,550)
Disposal of subsidiary	-	-	27,272	27,272	-	27,272
Total transactions with owners	-	(23,478,073)	20,815,511	(2,662,562)	(25,854,228)	(28,516,790)
At December 31, 2023	1,372,564	153,593,943	59,839,904	214,806,411	90,525,447	305,331,858

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

[‡] 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 39.5 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
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the three month period and year ended December 31, 2023

	3 month period ended		Year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	USD	USD	USD	USD
Cash flows from operating activities				
Cash flows from operations (Note 15)	146,895,959	106,175,568	487,720,238	360,355,796
Interest paid on lease liabilities	(23,080,890)	(3,641,028)	(67,416,905)	(28,891,851)
Interest paid on loans, bonds and other borrowings	(2,964,534)	(3,186,245)	(46,484,325)	(32,218,862)
Interest received	3,358,058	1,792,735	12,144,886	7,586,471
Tax paid	(29,961,488)	(26,183,171)	(43,965,046)	(53,248,957)
Net cash generated from operating activities	94,247,105	74,957,859	341,998,848	253,582,597
Cash flows from investing activities				
Acquisition of financial assets at fair value through profit or loss	(1,050,684)	(1,036,744)	(1,250,684)	(1,436,744)
Proceeds from disposal of financial assets at fair value through profit or loss	824,059	-	824,059	-
Proceeds from disposal of property, plant and equipment	(123,139)	305,262	177,827	413,979
Proceeds from disposal of intangible assets	-	184,973	6,758	184,973
Purchase of property, plant and equipment	(90,655,605)	(19,552,786)	(309,711,385)	(225,349,941)
Purchase of minority interest	-	-	(22,459,407)	-
Loan from minority interest	-	5,085,000	-	5,085,000
Buy-back of shares by joint ventures	-	1,993,678	-	1,993,678
Acquisition of investment in subsidiaries (net of cash acquired) (Note 18)	(47,664,119)	-	(47,659,964)	(77,793,423)
Proceeds from disposal of subsidiary, net of cash disposed	(83,914)	-	(86,621)	-
Purchase of intangible assets	(14,311,263)	(26,778,396)	(43,545,419)	(43,507,569)
Dividend received from investment in joint ventures	-	2,602,464	12,945,792	15,157,492
Loan granted to related parties	-	-	(10,000)	-
Repayment made by related parties	15,499	(4,969,418)	196,782	533,694
Net deposits (paid)/refunded	(101,709)	54,640	173,822	481,773
Corporate bonds (deposited)/matured	(837)	(2,451)	456,117	443,686
Grants received	8,910,016	1,243,644	15,955,444	3,330,309
Dividend received	-	557,836	125,520	581,692
Net cash used in investing activities	(144,241,696)	(40,312,298)	(393,861,359)	(319,881,401)
Cash flows from financing activities				
Proceeds from issue of shares	94,407	-	390,940	-
Additional borrowings	107,334,448	5,571,881	164,555,230	463,355,178
Repayment of borrowings	(36,911,299)	(10,414,516)	(84,273,556)	(269,076,785)
Repayment of principal on lease liabilities	(10,232,294)	(19,589,753)	(39,285,872)	(26,493,552)
Dividend paid	(13,754,859)	(11,617,826)	(50,883,772)	(11,822,484)
Payment of bond transaction costs	-	-	-	(11,525,796)
Payment of loan transaction costs	(6,666,360)	-	(6,932,386)	-
Loan to non-controlling interest	-	(4,915,000)	-	-
Premium on settlement of swap derivative liability	(634,305)	-	(1,308,395)	-
Net cash flow generated from/(used in) financing activities	39,229,738	(40,965,214)	(17,737,811)	144,436,561
Net (decrease)/increase in cash and cash equivalents	(10,764,853)	(6,319,653)	(69,600,322)	78,137,757
Effect of exchange rate on cash and cash equivalents	1,097,679	(1,297,994)	(1,436,381)	8,771,883
Cash and cash equivalents at beginning of the period	137,492,099	206,479,275	198,861,628	111,951,988
Cash and cash equivalents at end of the period (Note 12)	127,824,925	198,861,628	127,824,925	198,861,628

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Group is a leading pan-African telecommunications services provider, operating in 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 fibre).

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements do not constitute statutory accounts, and thus do not fully comply with International Financial Reporting Standards (“IFRS”), specifically, they do not comply with IFRS 34 “*Interim Financial Reporting*”. The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Group’s audited financial statements for the year ended December 31, 2023.

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

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

The financial statements were approved by the board of directors on April 22, 2024.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
3. REVENUE

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	USD	USD	USD
Mobile services	191,722,975	147,048,565	639,022,039	511,417,651
Fixed services	21,378,619	16,706,941	72,865,040	63,583,262
Interconnection/Roaming/MVNO	16,499,038	7,684,250	46,607,405	33,804,841
Customer Equipment and Infrastructure	5,807,820	2,459,127	17,755,055	8,237,928
Operator Infrastructure services	8,810,333	7,323,013	30,337,752	26,856,265
Commissions received on electronic money activities	63,305,186	46,750,883	220,971,482	145,350,278
Content and value added services	6,532,153	3,044,788	16,761,230	9,795,876
Other revenue	2,206,809	2,142,749	4,753,221	5,267,761
Hosting and rental of sites	8,486,983	5,649,935	34,958,394	18,553,973
Trademark and license fees	137,555	400,590	386,167	606,671
Administration and general management fees	-	68,910	314,400	589,245
Digital solutions and other support services	1,634,411	1,358,646	4,620,931	3,451,577
	326,521,882	240,638,397	1,089,353,116	827,515,328

4. OTHER INCOME AND EXPENSES

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	USD	USD	USD
Other income				
Gain on disposal of property, plant, and equipment	(160,721)	174,719	-	184,973
Dividend Income	(1,787)	557,836	2,912,236	581,692
Reversal of provision for risks and charges	-	(91,171)	-	25,782
Release of government grant	3,448,540	2,775,063	13,196,448	10,229,546
Insurance claims received	42,551	-	199,018	-
Amount payable waived	-	399,376	34,952	399,376
Reversal of provision for dismantling costs	-	1,486,479	-	1,486,479
Other income	3,759,754	828,666	6,213,960	2,672,187
	7,088,337	6,130,968	22,556,614	15,580,035

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
4. OTHER INCOME AND EXPENSES (CONTINUED)

	3 month period ended		Year ended	
	December		December	
	December 31,	31,	December 31,	31,
	2023	2022	2023	2022
	USD	USD	USD	USD
Non-operating income				
Amortization of deferred gain on sale of PPE	238,941	253,037	990,836	772,038
Gain on lease modification and termination of contract	5,245,999	1,051,669	5,346,956	1,051,669
Gain on remeasurement of provision for dismantling costs	160,602	-	160,602	-
	5,645,542	1,304,706	6,498,394	1,823,707
Non-operating expenses				
Loss on Disposal of subsidiary	(367,827)	-	(367,827)	-
Loan receivable written off*	-	(441,676)	-	(6,309,388)
Loss on lease modification	-	7,145	-	-
Post-acquisition M&A settlement**	-	-	(16,378,489)	-
	(367,827)	(434,531)	(16,746,316)	(6,309,388)

*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. The remaining amount of USD 441,676 relates to loans to clients written off. These write-offs are one-off expenses and are not expected to recur for forthcoming financial periods.

**Post-acquisition M&A settlement represents 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.

5. OPERATING COSTS

	3 month period ended		Year ended	
	December		December	
	December 31,	31,	December 31,	31,
	2023	2022	2023	2022
	USD	(Restated) USD	USD	(Restated) USD
Cost of equipment, devices	6,584,092	5,609,059	22,720,265	12,987,443
Provision/(reversal of provision) for device inventories	4,596	(82,140)	143,430	409,930
Prepaid cards and accessories	1,893,672	1,423,025	6,853,721	4,189,100
Cost of devices and equipment	8,482,360	6,949,944	29,717,416	17,586,473
Interconnection fees	9,988,750	7,587,707	30,161,158	25,960,062
Roaming fees	249,074	244,945	1,335,174	1,089,113
Cost of interconnection and roaming	10,237,824	7,832,652	31,496,332	27,049,175

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. OPERATING COSTS (CONTINUED)

	3 month period ended December 31, December 31, 2023 USD		Year ended December 31, December 31, 2023 USD	
		(Restated) USD		(Restated) USD
Telecom operator and regulatory fees	12,758,939	8,525,031	39,099,678	28,069,563
Frequency fees	5,677,127	2,822,359	14,443,100	10,603,804
Excise Duty	3,480,862	3,010,441	12,600,035	11,457,613
Government and regulatory costs	21,916,928	14,357,831	66,142,813	50,130,980
Advertising and distribution costs	7,051,416	4,066,431	17,546,525	11,917,037
Commission to sales agents	45,488,312	36,544,594	156,711,125	120,607,162
Impairment of financial assets	311,139	74,905	331,653	272,320
Impairment of loans to clients	4,227,343	4,602,610	7,018,088	4,602,610
Loss allowance on trade receivables	257,772	(7,470,355)	2,132,794	(2,967,063)
Net impairment on financial and contract assets	4,796,254	(2,792,840)	9,482,535	1,907,867
Transmission fees	2,344,241	2,412,955	9,370,520	9,701,562
Content and value-added service (VAS) charges	1,686,259	1,137,587	6,509,600	2,701,108
Backbone charges	54,638	-	54,638	-
Satellite and bandwidth charges	608,680	(794,060)	1,915,670	1,456,979
Site energy	9,109,091	6,940,663	31,037,599	21,358,545
Site and network repairs and maintenance	7,983,799	4,367,958	15,446,361	10,711,418
Professional fees, technical	1,824,847	2,144,813	8,629,261	5,799,204
Rental expenses for short term and low value leases, technical sites	143,274	968,980	586,462	1,255,136
Maintenance of Materials, software and Network	6,803,348	6,065,141	23,140,755	15,878,142
Technology operation costs	30,558,177	23,244,037	96,690,866	68,862,094
Payroll and social charges	34,292,921	27,976,571	102,069,054	79,425,676
Travel expenses	2,329,120	1,390,132	7,456,813	4,157,500
Training	596,710	73,319	782,487	147,194
Provision for retirement benefit obligations	1,629,853	122,738	1,666,940	195,096
Staff costs	38,848,604	29,562,760	111,975,294	83,925,466
Derecognition of financial assets	(1,600,787)	3,522,597	2,645,900	3,522,597
Professional fees, non-technical	9,392,881	3,315,462	26,974,694	21,637,089
Depreciation of property, plant & equipment	50,314,215	23,880,203	147,515,786	117,014,286
Amortization of intangible assets	13,296,468	13,976,293	36,988,458	23,441,117
Depreciation of rights of use assets	23,563,255	15,810,088	65,981,292	38,031,898
Depreciation and amortization	87,173,938	53,666,584	250,485,536	178,487,301
Impairment of property, plant and equipment, and intangible assets	2,716,207	5,478,584	6,326,207	4,212,101
Reversal of impairment of interest in joint ventures	-	-	(54,029)	-
Reversal of provision for depreciation on advances to suppliers	(15,386)	(1,050,556)	(15,386)	(991,580)
Impairment/(reversal of impairment) on inventory	556,758	(1,097,875)	(1,093,039)	(2,025,920)

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. OPERATING COSTS (CONTINUED)

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	(Restated)	USD	(Restated)
	USD	USD	USD	USD
Impairment of non-financial assets	3,257,579	3,330,153	5,163,753	1,194,601
Other operating expenses*	17,421,188	17,347,741	74,529,985	61,392,475
Net gain on financial assets at fair value through profit or loss	(615,076)	(2,666,217)	(615,076)	(2,666,217)
Total operating costs	282,409,598	198,281,729	878,947,698	645,554,100

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

6. FINANCE INCOME AND EXPENSE

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	USD	USD	USD
Finance income				
Foreign exchange gain	10,234,492	1,635,599	29,234,429	24,355,912
Interest income	2,988,296	2,049,658	12,372,901	7,740,891
(Loss)/gain on fair valuation of derivatives	221,183	14,645,970	5,551,885	14,645,970
Other finance income/(reversal of other finance income)	2,380,108	(178,441)	4,900,868	1,100,784
	15,824,079	18,152,786	52,060,083	47,843,557
Finance costs				
Foreign exchange loss	(14,845,119)	(9,384,218)	(77,284,659)	(45,286,324)
Interest on bank loans	(4,982,463)	(3,393,472)	(13,809,552)	(14,051,803)
Interest on listed bonds	(8,182,675)	(8,154,562)	(32,438,415)	(28,200,868)
Interest on loan and amount payable to related parties	(3,591,151)	(1,457,312)	(9,018,783)	(7,029,198)
Interest on bank overdraft	(469,579)	(274,427)	(2,002,536)	(1,172,484)
Interest on lease liabilities	(17,240,982)	(19,391,905)	(63,070,818)	(41,089,046)
(Interest expense)/reversal of interest expense on provision for dismantling costs	(890,967)	696,431	(2,073,358)	302,152
Withholding tax on financing	-	458,000	-	-
Loss on fair valuation of derivatives	(371,036)	(600,000)	(4,674,949)	(2,600,000)
Other interest charges	(259,776)	(495,249)	(3,953,203)	(6,352,800)
	(50,833,748)	(41,996,714)	(208,326,273)	(145,480,371)
Net finance costs	(35,009,669)	(23,843,928)	(156,266,190)	(97,636,814)

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7. INCOME TAX

a) Income tax expense

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	(Restated)	USD	(Restated)
		USD		USD
Actual income tax	(254,518)	3,642,766	44,078,755	37,351,020
Withholding tax	1,291,584	80,172	3,355,495	1,898,543
Deferred tax credit	946,290	(9,291,982)	(15,170,219)	(10,587,006)
	1,983,356	(5,569,044)	32,264,031	28,662,557

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.

b) Net tax liability/(receivable)

	December 31,	December 31,
	2023	2022
	USD	(Restated)
		USD
At January, 1	(2,209,780)	9,709,590
Acquisition through business combination (Note 18)	(294,657)	6,338,613
Disposal of subsidiary	(23,102)	-
Charge during the period/year	44,078,755	37,351,020
Tax paid	(43,965,046)	(53,248,957)
Withholding tax suffered	(2,390,844)	(2,021,280)
Translation difference	167,402	(338,766)
At December 31	(4,637,272)	(2,209,780)
<i>Analyzed as follows:</i>		
Income tax receivable	(13,619,187)	(9,841,120)
Income tax payable	8,981,915	7,631,340
	(4,637,272)	(2,209,780)

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8. PROPERTY, PLANT AND EQUIPMENT

	Materials USD	Land and Building USD	Technical Equipment USD	Others ¹ USD	Assets in Progress USD	Total USD
Cost						
At January 1, 2022	78,890,635	250,168,432	1,263,561,353	23,163,005	52,280,575	1,668,064,000
Reclassification adjustments*	(23,660,770)	17,217,548	3,370,383	-	1,094,334	(1,978,505)
Acquisition through business combinations (Note 18)	4,442,521	5,726,220	95,777,519	-	15,321,492	121,267,752
Additions	523,871	20,144,488	5,013,138	1,197,132	187,898,927	214,777,556
Transfers	4,637,394	19,705,258	121,756,128	623,624	(146,722,404)	-
Disposals and scrap	(3,450,062)	(1,221,686)	(53,370,951)	(5,495,564)	-	(63,538,263)
Transfer to right of use asset	(388,530)	-	-	(4,227,268)	-	(4,615,798)
Provision for dismantling	-	7,598,663	345,389	-	-	7,944,052
Transfer to inventories	-	-	-	-	(1,811,025)	(1,811,025)
Translation difference	(4,696,096)	(30,224,230)	(99,584,338)	(1,437,450)	(3,963,292)	(139,905,406)
At December 31, 2022 (Restated)	56,298,963	289,114,693	1,336,868,621	13,823,479	104,098,607	1,800,204,363
Reclassification adjustments [‡]	392,642	(109,319)	(1,021,302)	635,345	-	(102,634)
Acquisition through business combinations (Note 18)	-	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	-	(1,038,956)	507,651	-	-	(531,305)
Transfer to inventories	-	-	(107,558)	-	-	(107,558)
Translation difference	1,012,359	(3,938,332)	12,064,774	(87,920)	(758,386)	8,292,495
At December 31, 2023	68,850,237	364,815,053	1,664,801,930	22,996,601	149,122,134	2,270,585,955

* 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. 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.

[‡] 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. 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.

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8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Materials USD	Land and Building USD	Technical Equipment USD	Others ¹ USD	Assets in Progress USD	Total USD
Accumulated depreciation						
At January 1, 2022	(72,053,095)	(93,272,230)	(988,854,117)	(18,095,502)	-	(1,172,274,944)
Reclassification adjustments [#]	23,548,004	(23,889,486)	341,482	-	-	-
Charge for the year	(4,025,965)	(22,988,828)	(87,379,199)	(2,620,294)	-	(117,014,286)
Impairment ^Ω	-	-	(4,212,101)	-	-	(4,212,101)
Disposals and scrap	3,437,826	1,195,402	53,364,336	4,663,967	-	62,661,531
Transfer to right of use asset	188,288	-	-	1,282,248	-	1,470,536
Translation difference	4,166,379	10,189,627	76,736,794	1,936,522	-	93,029,322
At December 31, 2022 (Restated)	(44,738,563)	(128,765,515)	(950,002,805)	(12,833,059)	-	(1,136,339,942)
Reclassification adjustments ^α	(182,731)	(26,892)	912,022	(635,345)	-	67,054
Charge for the year	(5,616,587)	(27,501,767)	(112,116,064)	(2,281,368)	-	(147,515,786)
Impairment ^Ω	(243,218)	(269,718)	(5,806,074)	-	-	(6,319,010)
Disposals and scrap	1,374,174	661,483	3,027,507	839,692	-	5,902,856
Translation difference	(1,398,829)	959,429	(18,256,646)	257,985	-	(18,438,061)
At December 31, 2023	(50,805,754)	(154,942,980)	(1,082,242,060)	(14,652,095)	-	(1,302,642,889)
Net book value						
At December 31, 2023	18,044,483	209,872,073	582,559,870	8,344,506	149,122,134	967,943,066
At December 31, 2022 (Restated)	11,560,400	160,349,178	386,865,816	990,420	104,098,607	663,864,421

[#] 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.

^Ω 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 for the year ended 31 December 2023).

^α 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. 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.

¹ As at 31 December 2023 and 2022, the category 'Others' comprises IT equipment, furniture and fixtures, and motor vehicles.

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9. INTANGIBLE ASSETS

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others ¹ USD	Customer related assets USD	Brand USD	Total USD
Cost										
At January 1, 2022	29,139,938	175,883,926	13,128,923	1,978,604	14,239,753	515,800	7,360,718	-	-	242,247,662
Acquisition through business combinations (Note 18)	-	11,987,708	-	15,417,917	-	-	-	49,040,544	16,048,894	92,495,063
Additions	220,062	42,197,534	16,475,448	278,249	-	821,148	261,843	-	-	60,254,284
Capitalized installation cost	-	3,217,919	(7,824,238)	-	-	-	4,606,319	-	-	-
Transfers	1,196,960	-	(1,196,960)	-	-	-	-	-	-	-
Transfer from prepayment	-	-	236,140	5,085,348	-	-	-	-	-	5,321,488
Transfer to PPE and Depreciation [#]	-	(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 December 31, 2022 (Restated)	28,819,123	220,497,869	20,185,043	26,730,469	13,417,653	1,303,820	10,693,666	49,040,544	16,048,894	386,737,081
Reclassification adjustments [‡]	14,004,188	(2,586,230)	-	(1,551)	-	(9,856)	(10,943,913)	-	-	462,638
Reclassification to PPE [*]	696,065	41,914	-	-	-	-	-	-	-	737,979
Acquisition through business combinations (Note 18)	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 to profit and loss	6,434,657	473,826	(13,555,249)	-	-	6,646,766	-	-	-	-
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	255,614	(785,822)	(3,659,559)	(3,651,970)
At December 31, 2023	52,344,018	272,905,757	27,134,382	25,489,293	13,668,517	23,056,592	5,367	62,107,832	15,777,134	492,488,892

[‡] 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 have 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.

^{*} Togocom and its subsidiaries have 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.

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9. INTANGIBLE ASSETS (CONTINUED)

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

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

[‡] Togocom and its subsidiaries have 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.

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10. INTEREST IN JOINT VENTURES AND ASSOCIATES

	December 31, 2023 USD	December 31, 2022 USD
At January, 1	61,522,220	68,846,258
Buy-back of shares by joint ventures	-	(1,993,678)
Share of profit in joint ventures and associates	20,371,643	14,364,751
Share of translation reserves	1,426,283	(1,494,415)
Reversal of impairment loss	54,029	-
Dividend received	(10,161,001)	(15,157,492)
Translation difference	-	(3,043,204)
At December 31	73,213,174	61,522,220

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

Name of Company	Country of Incorporation /place of activity	Class of shares held	% Holding		Direct/ Indirect	Relationship	Activities
			Dec 31, 2023	Dec 31, 2022			
Telecom Comores Holding Ltd	Mauritius	Ordinary	15%	15%	Direct	Joint venture	Investment holding
Telecom Comores Holding Ltd	Mauritius	Ordinary	43.3%	43.3%	Direct & Indirect	Joint venture	Investment holding
Maya Africa Holding Ltd	Mauritius	Ordinary	80%	N/A	Direct	Former Joint venture	Investment holding
Telecom Reunion Mayotte	France	Ordinary	50%	50%	Indirect	Joint venture	Telecommunications
Société d'Exploration et de Promotion Iliad Axian	Reunion	Ordinary	50%	50%	Indirect	Joint venture	Real estate
BNI Madagascar	Madagascar	Ordinary	31.2%	31.2%	Direct & Indirect	Associate	Banking
Indian Ocean Financial Holdings Limited	Mauritius	Ordinary	41.6%	41.6%	Indirect	Associate	Investment holding

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 derecognized as an investment in joint venture during the year ended 31 December 2023.

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.

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10. INTEREST IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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.

11. RIGHT OF USE ASSETS AND LIABILITIES

	December 31, 2023 USD	December 31, 2022 (Restated) USD
<i>Right of use assets</i>		
At January, 1	400,255,860	44,007,136
Additions during the year	59,048,605	27,754,222
Acquisition through business combination (Note 18)	179,746,735	363,617,784
Transfer from PPE	-	3,145,262
Disposals, termination, and modifications during the year	(12,093,722)	(3,347,314)
Remeasurements	103,310,862	10,253,748
Amortization charge during the year	(65,981,292)	(38,031,898)
Translation difference	(21,911,110)	(7,143,080)
At December 31	642,375,938	400,255,860
<i>Lease liabilities</i>		
At January, 1	429,875,132	51,253,868
Additions during the year	59,048,605	27,754,222
Acquisition through business combination (Note 18)	298,494,678	363,617,784
Disposals, termination, and modifications during the year	(17,440,678)	(4,398,983)
Remeasurements	103,310,862	10,253,748
Transfer from borrowings	-	3,225,922
Interest expense for the year	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)
Translation difference	(18,895,996)	(7,535,073)
Other finance costs	143,637	-
At December 31	810,904,281	429,875,132
<i>Of which non-current</i>	774,517,716	388,579,581
<i>Of which current</i>	36,386,565	41,295,551

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12. CASH AND CASH EQUIVALENTS

	December 31, 2023 USD	December 31, 2022 USD
Cash at bank	181,846,003	226,590,223
Bank overdraft	(54,021,078)	(27,728,595)
	<u>127,824,925</u>	<u>198,861,628</u>

While cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified expected credit loss was immaterial as the Group places its cash at banks with highly reputable financial institutions.

13. TRADE AND OTHER PAYABLES

	December 31, 2023 USD	December 31, 2022 USD
<i>Non-current</i>		
Trade payables	-	47,223
Deferred revenue	15,602,785	18,478,298
Amounts payable to entities under common control*	520	1,111
Other payables	57,075,528	41,784,379
VAT payable	844,338	814,637
	<u>73,523,171</u>	<u>61,125,648</u>
<i>Current</i>		
Trade payables	289,127,414	183,166,245
Other payables	202,101,725	118,890,397
Deferred revenue	41,664,914	33,537,855
VAT payable	92,564,260	84,053,393
Mobile financial services creditors	317,402,602	266,545,706
Amounts payable to entities under common control*	5,882,376	4,392,908
	<u>948,743,291</u>	<u>690,586,504</u>
Total trade and other payables	<u>1,022,266,462</u>	<u>751,712,152</u>

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

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14. BORROWINGS

	December 31, 2023 USD	December 31, 2022 USD
Non-current		
Bank loans (a)	152,935,670	112,285,116
Listed bonds	414,356,520	411,774,204
Loans payable to related parties	164,206,251	150,684,170
	731,498,441	674,743,490
Current		
Bank loans	118,377,222	37,913,908
Listed bonds	11,594,467	12,713,368
Loans payable to related parties	-	4,915,000
	129,971,689	55,542,276
Total borrowings	861,470,130	730,285,766
(a) Bank loans		
Bank of Africa ("BOA")	10,461,050	18,281,826
Banque Malgache de L'Océan Indien ("BMOI")	14,628,477	9,300,751
BFV Société Générale de Madagascar ("BFV")	26,342,155	25,244,514
BNI Banque de l'Industrie ("BNI")	12,186,936	16,526,801
Société de Gestion et d'Intermédiation ("SGI")	11,081,935	17,820,193
Banque Togolaise pour le Commerce et l'Industrie ("BTCI")	4,170,074	8,573,158
Union Togolaise de Banque ("UTB")	13,965,460	14,495,305
Orabank ("ORB")	16,098,403	19,537,636
Stanbic Bank Uganda ("SBU")	24,352,950	19,688,605
CRDB Bank ("CRDB")	17,299,140	-
National Bank of Commerce ("NBC")	9,459,327	-
Syndicated loan from 4 banks of Senegal	36,430,572	-
Agence pour le Développement de L'Entrepreneuriat Rapide	270,093	-
JP Morgan Chase Bank	73,953,632	-
Accrued interest	612,688	730,235
Total bank loans	271,312,892	150,199,024
Loans payable within one year	118,377,222	37,913,908
Loans payable after one year	152,935,670	112,285,116

Axian Telecom Notes

On 16 February 2022, the Company, as Issuer, completed the offering of USD 420,000,000 in aggregate principal amount of its 7.375% Senior Notes due 2027 (the "Notes"), under an indenture dated February 16, 2022. Interest on the Notes will be paid semi-annually in arrears on 16 February and 16 August of each year, commencing on 16 August 2022. Interest on the Notes accrues at a rate of 7.375% per annum. The Notes will mature on 16 February 2027. The Notes are subject to customary restrictive covenants which limits the ability of the Issuer and the guarantors to take on additional debt.

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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS (CONTINUED)

Bank loans

The bank loans of the Group companies are repayable monthly, quarterly, semi-annually, or annually at fixed or variable interest rates varying between 6.6% and 15.7%.

1. Telecom Malagasy S.A.

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 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).

3. Stellar-IX S.A.

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.

4. Togo Cellulaire S.A.

The loans bear an interest at a rate 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.

5. Togo Telecom S.A.

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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS (CONTINUED)

5. Togo Telecom S.A. (Continued)

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.

6. Towerco of Africa Uganda Limited

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 also 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.

7. Honora Tanzania Public Limited Company ("Honora Tanzania Plc")

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).

8. Maya Africa Holding Limited

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 18) and 31 December 2023, Maya Africa Holding Limited did not draw down any additional amounts against these facilities and did not make any repayments.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS (CONTINUED)

9. Axian Telecom - Term facilities agreement

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

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

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

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

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

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.

On 14 October 2023, Axian Telecom also 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.

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

	Carrying value USD	Total cash flows USD	Repayable on Demand USD	Cash flows within 1 year USD	Cash flows between 1 and 2 years USD	Cash flows between 3 and 4 years USD	Cash flows after 5 years USD
Borrowings	435,519,143	566,442,332	1,400,591	136,157,844	62,855,521	355,944,298	10,084,078
Listed bonds	425,950,987	528,412,500	-	30,975,000	30,975,000	466,462,500	-

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. CASH FLOW FROM OPERATING ACTIVITIES

	3 month period ended		Year ended	
	December 31, 2023 USD	December 31, 2022 USD	December 31, 2023 USD	December 31, 2022 USD
Cash flows from operating activities:				
Profit before income tax	28,673,022	29,080,102	86,819,563	109,783,519
<i>Adjustments:</i>				
Amortization of right-of-use assets	23,563,255	15,810,088	65,981,292	38,031,898
Depreciation of property, plant and equipment	50,314,215	23,880,203	147,515,786	117,014,286
Amortization of intangible assets	13,296,468	13,976,293	36,988,458	23,441,117
Loss on disposal of property, plant and equipment	517,722	473,007	357,001	462,753
Gain on disposal of intangible assets	-	(184,973)	-	(184,973)
Loss on disposal of subsidiary	367,827	-	367,827	-
Release of deferred profits on sale of property, plant and equipment	(238,944)	(253,037)	(990,836)	(772,038)
Reversal of provision on dismantling costs	-	(1,486,479)	-	(1,486,479)
(Reversal)/additional provision on litigations	(472,641)	4,469,885	(2,979,264)	4,352,932
Reversal of provision for short term risks on operating activities	-	(25,782)	-	(25,782)
Release of government grants	(3,448,540)	(2,775,063)	(13,196,448)	(10,229,546)
Share of profit in associates and joint ventures	(7,204,355)	(3,566,219)	(20,371,643)	(14,364,751)
Interest expense on lease liability	17,240,982	19,391,905	63,070,818	41,089,046
Net interest expense/(reversal of interest expense) on provision for dismantling costs	890,967	(696,431)	2,073,358	(302,152)
Gain on remeasurement of provision for dismantling costs	(160,602)	-	(160,602)	-
Other finance costs (excluding realized foreign exchange)	15,949,701	13,317,022	96,873,749	56,807,153
Finance income	(5,368,404)	(1,871,217)	(17,273,769)	(8,841,675)
Dividend reversal/(income)	1,787	(557,836)	(2,912,236)	(581,692)
Loss/(gain) on fair valuation of derivatives	149,853	(14,045,970)	(876,936)	(12,045,970)
(Reversal of write-off)/write-off of financial assets	(1,616,173)	2,972,693	2,630,514	8,840,405
Waiver of financial liabilities	-	(399,376)	(34,952)	(399,376)
Provision/(reversal of provision) for impairment of receivables	257,772	(3,805,798)	2,132,794	(2,967,063)
Impairment of loans receivable and other financial assets	4,538,482	1,012,959	7,349,741	4,874,930
Provision/(reversal of provision) for slow moving inventories	700,188	(687,945)	(949,609)	(1,615,990)
Provision for retirement benefits obligation	1,629,853	122,739	1,666,940	195,096
Gain on lease modification	(5,245,999)	(1,058,814)	(5,346,956)	(1,051,669)
Reversal of impairment of investment in joint ventures	-	-	(54,029)	-
Net gain on financial assets at fair value through profit or loss	(615,076)	(2,666,217)	(615,076)	(2,666,217)
Provision for impairment of property, plant and equipment and intangible assets	2,716,207	5,478,584	6,326,207	4,212,101
Post-acquisition M&A settlement	-	-	16,378,489	-
Cash generated from operating activities before working capital changes	136,437,567	95,904,323	470,770,181	351,569,863
Changes in working capital:				
Decrease/(increase) in inventories	829,098	1,740,756	(993,165)	(1,035,133)
(Increase)/decrease in trade and other receivables	(14,710,036)	48,258,694	(63,549,177)	5,827,666
Increase/(decrease) in trade and other payables	28,628,794	(32,393,212)	95,558,972	23,141,017
Increase in loans to customers	(4,802,689)	(2,215,202)	(15,810,515)	(12,902,027)
Increase in deposits from customers	635,111	248,141	1,865,828	736,427
Settlement of Litigations	(121,886)	(5,367,932)	(121,886)	(6,982,017)
Net cash generated from operating activities	146,895,959	106,175,568	487,720,238	360,355,796

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. NON-IFRS MEASURES

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

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	(Restated) USD	USD	(Restated) USD
Profit for the period	26,689,666	34,649,146	54,555,532	81,120,962
<i>Adjustments:</i>				
Income tax expense/(credit)	1,983,356	(5,569,044)	32,264,031	28,662,557
Finance income	(15,824,079)	(18,152,786)	(52,060,083)	(47,843,557)
Finance costs	50,833,748	41,996,714	208,326,273	145,480,371
Depreciation of property, plant and equipment	50,314,215	23,880,203	147,515,786	117,014,286
Amortization of right of use assets	23,563,255	15,810,088	65,981,292	38,031,898
Amortization of intangible assets	13,296,468	13,976,293	36,988,458	23,441,117
EBITDA	150,856,629	106,590,614	493,571,289	385,907,634
Share of net profit in joint ventures and associates	(7,204,355)	(3,566,219)	(20,371,643)	(14,364,751)
Loss on disposal of subsidiary	367,827	-	367,827	-
Impairment of property, plant and equipment and intangible assets	2,716,207	5,478,584	6,326,207	4,212,101
Loss/(gain) on disposal of property, plant and equipment and intangible assets	160,721	(174,719)	-	(184,973)
Other non-operating expense*	-	-	16,378,489	-
Adjusted EBITDA	146,897,029	108,328,260	496,272,169	375,570,011

* Other non-operating expenses represent a one-off cost following the finalization of the purchase price of a historical acquisition.

17. SEGMENTAL REPORTING

Business Segments

For the twelve month period ended December 31, 2023, and for the year ended December 31, 2022, internal reports reviewed by the Chief Operating Decision Makers (i.e the Directors) in order to allocate resources to the segments and to assess their performance, are comprised of the following segments: mobile and fixed line communications, infrastructure, digital and mobile financial services, and other (which includes holding companies and their associated income and costs). The following disclosures are made with respect to segmental reporting, including a reconciliation of profit before tax for the period to Adjusted EBITDA for each segment.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the three month period ended December 31, 2023:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	255,106,494	13,319,320	58,024,770	71,298	326,521,882
Profit/(loss) for the period before tax	26,762,748	(15,754,607)	28,025,913	(10,361,032)	28,673,022
<i>Adjustments:</i>					
Finance income	(4,289,572)	(960,069)	(2,575,117)	(7,999,321)	(15,824,079)
Finance costs	31,030,588	4,693,310	(40,489)	15,150,339	50,833,748
Depreciation of property, plant and equipment	41,498,922	8,735,293	65,236	14,764	50,314,215
Amortization of right of use assets	22,247,763	1,036,024	205,713	73,755	23,563,255
Amortization of intangible assets	12,885,982	294,768	73,854	41,864	13,296,468
EBITDA	130,136,431	(1,955,281)	25,755,110	(3,079,631)	150,856,629
Share of net profit in joint ventures and associates	-	-	-	(7,204,355)	(7,204,355)
Impairment of property, plant and equipment and intangible assets	2,716,207	-	-	-	2,716,207
Loss/(gain) on disposal of property, plant and equipment and intangible assets	236,414	(75,693)	-	-	160,721
Loss on disposal of subsidiary	-	-	-	367,827	367,827
Adjusted EBITDA	133,089,052	(2,030,974)	25,755,110	(9,916,159)	146,897,029

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the three month period ended December 31, 2022 (Restated):

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	185,793,127	9,456,272	45,249,902	139,096	240,638,397
Profit/(loss) for the period before tax	20,781,125	(9,113,999)	10,340,303	7,072,673	29,080,102
<i>Adjustments:</i>					
Finance income	9,261,276	933,806	(1,641,701)	(26,706,167)	(18,152,786)
Finance costs	22,347,872	1,979,733	1,566,310	16,102,799	41,996,714
Depreciation of property, plant and equipment	18,100,388	5,722,892	34,412	22,511	23,880,203
Amortization of right of use assets	12,979,465	886,441	1,885,395	58,787	15,810,088
Amortization of intangible assets	13,587,011	277,188	22,723	89,371	13,976,293
EBITDA	97,057,137	686,061	12,207,442	(3,360,026)	106,590,614
Share of net profit in joint ventures and associates	-	-	-	(3,566,219)	(3,566,219)
Impairment of property, plant and equipment and intangible assets	5,478,584	-	-	-	5,478,584
Gain on disposal of property, plant and equipment and intangible assets	(174,719)	-	-	-	(174,719)
Adjusted EBITDA	102,361,002	686,061	12,207,442	(6,926,245)	108,328,260

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the year ended December 31, 2023:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	839,683,685	44,790,815	204,298,365	580,251	1,089,353,116
Profit/(loss) for the period before tax	103,210,476	(40,301,856)	92,827,555	(68,916,612)	86,819,563
<i>Adjustments:</i>					
Finance income	(9,280,055)	(1,658,215)	(7,943,764)	(33,178,049)	(52,060,083)
Finance costs	128,252,183	12,344,595	1,145,926	66,583,569	208,326,273
Depreciation of property, plant and equipment	117,713,336	29,497,770	263,636	41,044	147,515,786
Amortization of right of use assets	62,364,058	2,216,704	1,152,331	248,199	65,981,292
Amortization of intangible assets	35,443,247	1,246,187	124,323	174,701	36,988,458
EBITDA	437,703,245	3,345,185	87,570,007	(35,047,148)	493,571,289
Share of net profit in joint ventures and associates	-	-	-	(20,371,643)	(20,371,643)
Impairment of property, plant and equipment and intangible assets	6,326,207	-	-	-	6,326,207
Loss on disposal of subsidiary	-	-	-	367,827	367,827
Other non-operating expense*	-	-	-	16,378,489	16,378,489
Adjusted EBITDA	444,029,452	3,345,185	87,570,007	(38,672,475)	496,272,169

* Other non-operating expenses represent a one-off cost following the finalization of the purchase price of a historical acquisition.

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
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)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the year ended December 31, 2022 (Restated):

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	661,598,509	25,408,378	139,687,904	820,537	827,515,328
Profit/(loss) for the period before tax	162,561,598	(34,875,909)	36,326,011	(54,228,181)	109,783,519
<i>Adjustments:</i>					
Finance income	(3,105,947)	(3,200,630)	(6,008,340)	(35,528,640)	(47,843,557)
Finance costs	64,793,358	10,694,663	2,299,739	67,692,611	145,480,371
Depreciation of property, plant and equipment	91,451,882	25,318,250	217,346	26,808	117,014,286
Amortization of right of use assets	33,537,601	2,062,056	2,373,454	58,787	38,031,898
Amortization of intangible assets	22,123,296	1,126,969	101,481	89,371	23,441,117
EBITDA	371,361,788	1,125,399	35,309,691	(21,889,244)	385,907,634
Share of net profit in joint ventures and associates	-	-	-	(14,364,751)	(14,364,751)
Impairment of property, plant and equipment and intangible assets	4,212,101	-	-	-	4,212,101
Gain on disposal of property, plant and equipment and intangible assets	(184,973)	-	-	-	(184,973)
Adjusted EBITDA	375,388,916	1,125,399	35,309,691	(36,253,995)	375,570,011

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

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

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

Sen Connect S.A.

On April 10, 2023, the Group acquired 100% of the share capital of Sen Connect SA, a company providing data center services in Senegal. The Group acquired the shares through its subsidiary Stellar IX Data Centers Limited for a consideration of USD 1.

The Group previously held a minority stake in Sen Connect SA of 40%, through its investment in its 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 statement of consolidated statement of profit or loss prior to the disposal of the previously held interest. The total consideration was settled in cash on completion.

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

	Fair values Sen Connect S.A. USD
ASSETS	
Property, plant and equipment	4,378,279
Intangible assets	745,360
Deposits receivable	26,983
Trade and other receivables	6,719,838
Cash and cash equivalents	4,156
Total assets	11,874,616
LIABILITIES	
Deferred tax liability	330,505
Trade and other payables	14,248,826
Income tax liability	9,622
Total liabilities	14,588,953
Cost of investment	1
Fair value of previously held interest	-
Net liabilities at date of acquisition	2,714,337
Goodwill	2,714,338

The goodwill arising from this acquisition, is attributable to the acquired customer base and economies of scale expected from combining the operations of the Group.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Sen Connect S.A. (continued)

	Fair values Sen Connect S.A. USD
Revenue - post acquisition	950,958
Net profit - post acquisition	(450,348)
The cash flows associated with the business acquisitions are as follows:	
<i>Cash inflow from acquisition of subsidiaries</i>	
Purchase consideration	1
Cash and cash equivalents acquired	(4,156)
Cash outflow from acquisition, net of cash acquired	(4,155)

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.

Maya Africa Holding Limited and its subsidiaries

On 2 October 2023, Axian Telecom 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.

The assets and liabilities of Maya Africa Holding at the date of acquisition are reflected in the table below at their draft fair values at the date of acquisition.

	Fair values Maya Africa Holding Limited USD
ASSETS	
Property, plant and equipment	98,556,695
Intangible assets	63,708,207
Customer-related intangible	13,107,751
Brand intangible	3,387,798
Right-of-use assets	179,746,735
Financial assets at fair value through profit or loss	14,112
Long-term deposits	1,983,538
Inventories	2,544,721
Trade and other receivables	48,874,905
Cash and cash equivalents	10,806,381
Restricted cash	8,331,432
Income tax receivables	311,304
Total assets	431,373,579

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Maya Africa Holding Limited (Continued)

	Fair values Maya Africa Holding Limited USD
LIABILITIES	
Borrowings	35,069,178
Provisions	4,233,701
Lease liability	298,494,678
Retirement benefit obligations	2,374,528
Contract liabilities	2,394,424
Deferred tax liability	5,788,241
Trade and other payables	80,949,288
Deferred income	3,537,533
Bank overdraft	5,549,247
Income tax liability	7,025
Total liabilities	438,397,843
Cost of investment	52,921,253
Fair value of previously held interest	(1,404,853)
Net liabilities at date of acquisition	7,024,264
Goodwill	58,540,664

The goodwill arising from this acquisition is attributable to the acquired customer base and economies of scale expected from combining the operations of the Group.

	Fair values Maya Africa Holding Limited USD
Revenue - post acquisition	43,197,121
Net profit - post acquisition	(2,935,186)
The cash flows associated with the business acquisitions are as follows:	
<i>Cash outflow from acquisition of subsidiaries</i>	
Purchase consideration	52,921,253
Cash and cash equivalents acquired	(10,806,381)
Bank overdraft acquired	5,549,247
Cash inflow from acquisition, net of cash acquired	47,664,119

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.

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

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

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

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

	Fair values MIC Tanzania Public Limited Company and its subsidiaries USD
ASSETS	
Property, plant and equipment	121,267,752
Intangible assets	92,495,063
Right of use assets	363,617,784
Financial assets at fair value through OCI	15,510,333
Deposits receivable	850,115
Inventories	1,721,230
Trade and other receivables	48,987,597
Income tax receivable	1,421,587
Restricted cash	137,486,426
Cash and cash equivalents	23,604,840
Total assets	806,962,727
LIABILITIES	
Borrowings	335,149,397
Provisions	11,075,167
Lease liability	363,617,784
Deferred tax liability	25,031,678
Trade and other payables	293,218,557
Income tax liability	7,760,200
Total liabilities	1,035,852,783
Cost of investment	101,398,263
Add: Non-controlling interest share of net liabilities at date of acquisition	(3,433,350)
Less: Net (assets)/liabilities at date of acquisition	228,890,056
Less: Net loans payable to sellers transferred to purchasers*	(145,357,664)
Less: Net trade payable to sellers transferred to purchasers*	(32,209,000)
Goodwill	149,288,305

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

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

	Fair values MIC Tanzania Public Limited Company and its subsidiaries USD
Revenue - post acquisition (to December 31, 2022)	286,245,122
Net profit - post acquisition (to December 31, 2022)	(9,016,421)
The cash flows associated with the business acquisitions are as follows:	
<i>Cash outflow/(inflow) from acquisition of subsidiaries</i>	
Purchase consideration	101,398,263
Cash and cash equivalents acquired	(23,604,840)
Cash outflow from acquisition, net of cash acquired	77,793,423

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.

AXIAN TELECOM

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. SUBSEQUENT EVENTS

Credit facility agreement between Axian Telecom and British International Investment PLC

On February 1, 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. These loans may be drawn upon immediately following realization of the remaining conditions precedent.

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.

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.

Dividend declaration

On 21 February 2024, the Company declared a dividend of USD 50,000,000 to the existing shareholders of the Company.

Setting up of TMoney SA

On February 23, 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 February 8, 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 December 31, 2023.

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

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

PRO FORMA AND COMBINED FINANCIAL INFORMATION

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

In July 2023, the Company signed an agreement to acquire a further 40% equity interest in its joint venture business in Senegal (“Free in Senegal”). The transaction completed on October 2, 2023 resulting in the Group owning an 80% equity interest in Free in Senegal, allowing it to control and financially consolidate the operations from that date (the “Free in Senegal Acquisition”). The impact thereof is described in more detail in note 18.

These financial statements include the results of the operations of MIC Tanzania and Free in Senegal from their respective acquisition completion dates, and the statement of financial position of MIC Tanzania and Free in Senegal as at December 31, 2023; both incorporated into the consolidated numbers. These financial statements do not include the results of the operations of MIC Tanzania and Free in Senegal on a pro forma basis prior to their respective acquisition completion dates. In order to provide useful information to the users of the financial statements, we present the following combined and pro forma information:

The combined statements of profit or loss and the statements of comprehensive income beginning from the earliest comparative period, in this case January 1, 2022.

The combined statement of financial position for as at December 31, 2022, as if Free in Senegal had been acquired as at that date.

We present the combined results by incorporating the financial performance of MIC Tanzania and Free in Senegal into the numbers presented in the statements of profit or loss and statements of other comprehensive income, from January 1, 2022, and incorporating the financial position of Free in Senegal into the numbers presented in the statement of financial position as at December 31, 2022.

Pro forma adjustments

The pro forma combined statements of profit or loss include pro forma adjustments in respect of transactions with Free in Senegal which would have been removed upon consolidation, had the entity been a part of the Group from the earliest comparative period. The results for the respective periods are thereafter combined, and no further adjustments are made.

The pro forma combined statement of financial position as at December 31, 2022 reflects the transaction as if it had occurred on that date and reflects the purchase price adjustments in respect of the fair valuation of assets and liabilities and the consideration for the transaction.

The financial information of MIC Tanzania is translated to USD using an average exchange rate of TZS2,419.42/USD1 for the year ended December 31, 2023. The average exchange rate used for the year ended December 31, 2022 is TZS2,328.81/USD1. The local currency numbers of Maya Holding Limited have been translated at average exchange rate of FCFA606.75/USD1 and EUR0.9250/USD1 for the year ended December 31, 2023 (for the year ended December 31, 2022: FCFA595.06/USD1 and EUR0.9074/USD1).

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results

Condensed combined statements of profit or loss for the three month period and year ended December 31, 2023

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	USD	USD	USD
Revenue	326,521,882	277,200,694	1,219,280,502	1,079,064,482
Cost of devices and equipment	(8,482,360)	(7,406,556)	(31,578,050)	(20,425,857)
Cost of interconnection and roaming	(10,237,824)	(13,738,686)	(41,296,333)	(47,958,480)
Government and regulatory costs	(21,916,928)	(16,853,031)	(80,721,994)	(72,044,376)
Advertising and distribution costs	(7,051,416)	(4,414,472)	(20,358,964)	(15,662,649)
Commission to sales agents	(45,488,312)	(40,812,340)	(171,681,993)	(158,108,855)
Net impairment losses/(reversal of impairment losses) on financial and contract assets	(4,796,254)	2,297,956	(10,960,488)	(4,274,867)
Technology operation costs	(30,558,177)	(25,092,644)	(103,471,862)	(83,281,807)
Staff costs	(38,848,604)	(34,399,973)	(127,570,917)	(109,660,602)
Write-off of financial assets	1,600,787	(3,522,597)	(2,645,900)	(3,522,597)
Professional fees	(9,392,881)	(4,568,922)	(29,371,900)	(28,258,255)
Depreciation and amortization	(87,173,938)	(62,501,066)	(283,362,652)	(240,335,482)
Impairment of non-financial assets	(3,257,579)	(3,330,152)	(5,163,752)	(1,194,600)
Other operating expenses	(17,421,188)	(20,251,562)	(85,892,281)	(77,240,230)
Other income	7,088,337	6,203,118	20,060,545	15,700,842
Net gain on financial assets at fair value through profit or loss	615,076	2,666,217	615,076	2,666,217
OPERATING PROFIT	51,200,621	51,475,984	245,879,037	235,462,884
Finance income	15,824,079	18,526,316	52,315,804	48,245,411
Finance costs	(50,833,748)	(48,119,003)	(231,050,320)	(190,458,358)
Non-operating income	5,645,542	1,304,706	10,017,401	2,507,576
Non-operating expenses	(367,827)	(434,531)	(16,746,316)	(6,294,524)
Share of profit in joint ventures and associates	7,204,355	3,566,219	20,371,643	14,364,752
PROFIT BEFORE INCOME TAX	28,673,022	26,319,691	80,787,249	103,827,741
Income tax (expense)/credit	(1,983,356)	5,487,977	(32,277,619)	9,506,629
PROFIT FOR THE PERIOD	26,689,666	31,807,668	48,509,630	113,334,370
Profit for the period attributable to:				
- Owners of the Company	25,189,183	26,441,273	34,314,461	88,676,468
- Non-controlling interest	1,500,483	5,366,395	14,195,169	24,657,902
	26,689,666	31,807,668	48,509,630	113,334,370

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,419.42/USD1 for the year ended December 31, 2023 (for the year ended December 31, 2022: TZS2,328.81/USD1). The local currency numbers of Maya Holding Limited have been translated at average exchange rate of FCFA606.75/USD1 and EUR0.9250/USD1 for the year ended December 31, 2023 (for the year ended December 31, 2022: FCFA595.06/USD1 and EUR0.9074/USD1).

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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)
Combined financial results (continued)
Condensed combined statements of other comprehensive income for the three month period and year ended December 31, 2023

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	USD	USD	USD
PROFIT FOR THE PERIOD	26,689,666	31,807,668	48,509,630	113,334,370
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	(1,613,761)	19,086,620	12,901,227	(20,472,810)
Exchange differences on translation of foreign joint ventures	2,102,825	1,125,829	1,426,283	(1,494,415)
<i>Items that will not be re-classified to profit or loss</i>				
Net gain on equity instruments designated at fair value	270,045	3,155,480	270,045	3,155,480
Remeasurements of retirement benefit obligations	(13,804)	19,139	(13,804)	19,139
Other comprehensive income/(loss) for the period, net of tax	745,305	23,387,068	14,583,751	(18,792,606)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	27,434,971	55,194,736	63,093,381	94,541,764
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
- Owners of the Company	26,630,902	48,272,893	47,738,367	73,348,389
- Non - controlling interest	804,069	6,921,843	15,355,014	21,193,375
	27,434,971	55,194,736	63,093,381	94,541,764

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,419.42/USD1 for the year ended December 31, 2023 (for the year ended December 31, 2022: TZS2,328.81/USD1). The local currency numbers of Maya Holding Limited have been translated at average exchange rate of FCFA606.75/USD1 and EUR0.9250/USD1 for the year ended December 31, 2023 (for the year ended December 31, 2022: FCFA595.06/USD1 and EUR0.9074/USD1).

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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results (continued)

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

	3 month period ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	USD	(Restated)	USD	(Restated)
		USD		USD
Profit for the period	26,689,666	31,807,668	48,509,630	113,334,370
<i>Adjustments:</i>				
Income tax expense/(credit)	1,983,356	(5,487,977)	32,277,619	(9,506,629)
Finance income	(15,824,079)	(18,526,316)	(52,315,804)	(48,245,411)
Finance costs	50,833,748	48,119,003	231,050,320	190,458,358
Depreciation of property, plant and equipment	50,314,215	25,738,727	159,059,014	143,186,653
Amortization of right of use assets	23,563,255	18,865,361	76,199,784	58,341,660
Amortization of intangible assets	13,296,468	17,896,978	48,103,854	38,807,169
EBITDA	150,856,629	118,413,444	542,884,417	486,376,170
Share of net profit in joint ventures and associates	(7,204,355)	(3,566,219)	(20,371,643)	(14,364,752)
Loss on disposal of subsidiary	367,827	-	367,827	-
Impairment of property, plant and equipment and intangible assets	2,716,207	5,478,584	6,326,207	4,212,101
Loss/(gain) on disposal of property, plant and equipment and intangible assets	160,721	(246,870)	(292,434)	(335,945)
Other non-operating expense/(income)	-	-	16,378,489	(14,864)
Adjusted EBITDA	146,897,029	120,078,939	545,292,863	475,872,710

Note: The local currency numbers of MIC Tanzania have been translated at average exchange rate of TZS2,419.42/USD1 for the year ended December 31, 2023 (for the year ended December 31, 2022: TZS2,328.81/USD1). The local currency numbers of Maya Holding Limited have been translated at average exchange rate of FCFA606.75/USD1 and EUR0.9250/USD1 for the year ended December 31, 2023 (for the year ended December 31, 2022: FCFA595.06/USD1 and EUR0.9074/USD1).

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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Pro forma financial position

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

	Axian Telecom USD	Maya Africa Holding Limited USD	Acquisition Adjustments USD	Total USD
ASSETS				
Non-current assets				
Property, plant and equipment	663,864,421	101,833,247	2,500,165	768,197,833
Intangible assets	218,736,067	78,516,187	1,522,653	298,774,907
Interests in joint ventures and associates	61,522,220	-	-	61,522,220
Deferred tax assets	35,165,682	-	-	35,165,682
Trade and other receivables	35,138,045	-	-	35,138,045
Deposits receivable	2,168,923	1,976,323	-	4,145,246
Loans receivable	167,508	-	-	167,508
Right-of-use assets	400,255,860	169,965,902	(32,440)	570,189,322
Goodwill	196,215,765	-	49,617,729	245,833,494
Financial assets at fair value through profit or loss	9,912,153	14,249	-	9,926,402
Financial assets at fair value through other comprehensive income (FVOCI)	18,590,788	-	-	18,590,788
Embedded derivative assets	6,422,975	-	-	6,422,975
Treasury bonds	1,803,607	-	-	1,803,607
	1,649,964,014	352,305,908	53,608,107	2,055,878,029
Current assets	-			
Inventories	23,227,898	2,332,758	-	25,560,656
Loan receivables	17,187,838	-	-	17,187,838
Trade and other receivables	155,310,509	45,332,863	-	200,643,372
Income tax receivable	9,841,120	-	-	9,841,120
Cash and cash equivalents	226,590,223	18,825,049	(47,664,119)	197,751,153
Restricted cash	277,344,579	7,875,149	-	285,219,728
	709,502,167	74,365,819	(47,664,119)	736,203,867
	-			
Total assets	2,359,466,181	426,671,727	5,943,988	2,792,081,896

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 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Pro forma financial position (continued)

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

	Axian Telecom USD	Maya Africa Holding Limited USD	Acquisition Adjustments USD	Total USD
LIABILITIES				
Non-current liabilities				
Borrowings	262,969,286	35,166,215	-	298,135,501
Borrowings Bonds	411,774,204	-	-	411,774,204
Trade and other payables	61,125,648	2,356,295	-	63,481,943
Government grants	18,198,686	-	-	18,198,686
Provisions	45,853,429	-	(1,827,290)	44,026,139
Lease liability	388,579,581	257,049,123	(102,077)	645,526,627
Put option liability	36,951,071	-	-	36,951,071
Deposits payable	7,652,013	-	-	7,652,013
Deferred tax liability	15,346,968	-	5,788,241	21,135,209
Retirement benefit obligations	2,352,140	2,038,374	-	4,390,514
	1,250,803,026	296,610,007	3,858,874	1,551,271,907
Current liabilities	-			
Trade and other payables	690,586,504	88,359,978	-	778,946,482
Clients savings account	1,330,778	-	-	1,330,778
Borrowings	42,828,908	5,812,561	-	48,641,469
Borrowings - Bonds	12,713,368	-	-	12,713,368
Provisions	2,483,165	6,119,936	-	8,603,101
Lease liability	41,295,551	36,503,418	-	77,798,969
Bank overdraft	27,728,595	3,224,950	-	30,953,545
Dividend payable	21,695,814	-	-	21,695,814
Income tax payable	7,631,340	571,655	-	8,202,995
	848,294,023	140,592,498	-	988,886,521
	-			
Total Liabilities	2,099,097,049	437,202,505	3,858,874	2,540,158,428
	-			
Total Equity	260,369,132	(10,530,777)	2,085,113	251,923,468

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

DEFINITIONS

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

These include EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin (each as defined below). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. We do not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS.

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

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

Adjusted EBITDA: We define "Adjusted EBITDA":

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

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

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

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

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

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

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

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

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

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