

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE MONTH AND SIX MONTH PERIODS
ENDED JUNE 30, 2024**



LET'S GROW TOGETHER

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

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	Deloitte 7 th – 8 th Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
INVESTOR RELATIONS CONTACT	investorrelations@axian-telecom.com		

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

CONTENTS

CORPORATE INFORMATION	1
DISCLAIMER	3
GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION	4
OPERATING AND FINANCIAL REVIEW	6
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS	15
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME	16
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	17
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	19
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW	21
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	22
1. GENERAL INFORMATION	22
2. BASIS OF PREPARATION AND ACCOUNTING POLICIES	22
3. REVENUE	23
4. OTHER INCOME AND EXPENSES	23
5. OPERATING COSTS	24
6. FINANCE INCOME AND EXPENSE	26
7. INCOME TAX	26
8. PROPERTY, PLANT AND EQUIPMENT	28
9. INTANGIBLE ASSETS	30
10. INTEREST IN JOINT VENTURES AND ASSOCIATES	32
11. RIGHT OF USE ASSETS AND LIABILITIES	33
12. CASH AND CASH EQUIVALENTS	34
13. TRADE AND OTHER PAYABLES	34
14. BORROWINGS	35
15. CASH FLOW FROM OPERATING ACTIVITIES	39
16. NON-IFRS MEASURES	40
17. SEGMENTAL REPORTING	40
18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS	45
19. SUBSEQUENT EVENTS	50
PRO FORMA AND COMBINED FINANCIAL INFORMATION	51
DEFINITIONS	55

AXIAN TELECOM**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024****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 55). 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.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION

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

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

The ultimate holding company of the Group, as at June 30, 2024 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.

Auditor

During April 2024, in line with good corporate governance practices, the Group launched a tender process for the audit of its annual financial statements. On June 21, 2024, the Group appointed Deloitte as auditors for the purposes of the audit of the annual financial statements, beginning with the audit of the financial statements for the year ended December 31, 2024.

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.

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”).

On May 31, 2024, Axian Telecom completed the acquisition of an additional 50% of the issued share capital of Telecom Comores Holding, being the parent company of our joint operations in Comoros (together with the parent company referred to as “Telma Comoros”). Axian Telecom thereafter directly and indirectly controlled 100% of the voting rights in Telma Comoros. The operations of Telma Comoros are consolidated in these financial statements as from May 31, 2024.

The impacts of the Free in Senegal and Telma Comoros acquisitions are described in more detail in note 18.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

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

These financial statements include the results of the operations of Free in Senegal from its acquisition completion date, and the statement of financial position of Free in Senegal as at December 31, 2023 and June 30, 2024; incorporated into the consolidated numbers. These financial statements do not include the results of the operations of Free in Senegal on a pro forma basis prior to its acquisition completion date.

We separately present the statement of profit or loss for the three month and six month periods ended June 30, 2023 and the statement of other comprehensive income for the three and six month periods ended June 30, 2023 on a combined basis, as if the Free in Senegal Acquisition had occurred as at the beginning of the earliest comparative period; in this case January 1, 2023. The pro forma adjustments made to the consolidated data and the resulting pro forma numbers are described in more detail and disclosed on pages 51 to 54 of these financial statements.

Given the value of revenue, gross assets, and Adjusted EBITDA of Telma Comoros, its acquisition is not considered to be a material acquisition which requires the disclosure of pro forma numbers in the financial statements in accordance with the reporting requirements under the Notes.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
OPERATING AND FINANCIAL REVIEW
Highlights for the quarter and year to date

	3 month period ended		6 month period ended	
	June 30, 2024 USD	June 30, 2023 USD	June 30, 2024 USD	June 30, 2023 USD
Revenue	337,965,871	253,186,689	660,288,851	493,802,508
Operating profit	76,873,354	54,207,157	150,377,968	110,723,743
Adjusted EBITDA*	153,347,829	114,209,953	301,258,457	222,400,124
Adjusted EBITDA Margin*	45.4%	45.1%	45.6%	45.0%
	As at June 30, 2024		As at June 30, 2023	As at December 31, 2023
	Units'000		Units'000	Units'000
Revenue generating subscribers ("RGS")	41,347		31,675	38,509
Active data users	11,173		7,588	11,338
Active MFS users	13,950		10,884	12,649
	Units		Units	Units
Owned Towers	4,063		3,430	3,698
Shared Towers	2,382		2,063	2,247
Tenants on Shared Towers	3,115		2,718	2,966
Tenancy Ratio	1.31X		1.32x	1.32x

* 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.

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

Revenue generating subscribers increased by 2.8 million and 9.7 million during the six month and twelve month periods ended June 30, 2024, respectively, resulting in 41.3 million RGS as at June 30, 2024. Active data users decreased by 0.2 million in the six month period ended June 30, 2024, and increased by 3.6 million in the twelve month period ended June 30, 2024, to 11.2 million Active data users. Active MFS users increased by 1.3 million and 3.1 million during the six month and twelve month periods ended June 30, 2024, respectively, to 14.0 million Active MFS users.

The net movements for the twelve month period ended June 30, 2024 includes the addition of 5.3 million Revenue generating subscribers, 2.2 million Active data users, and 0.6 million Active MFS users from the acquisition of Free in Senegal. Since its acquisition, Free in Senegal reflects an increase of 0.1 million Revenue generating subscribers, and decreases of 0.6 million and 0.3 million in Active data users and Active MFS users, respectively.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

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

The net movements for the six month and twelve months period ended also June 30, 2024 include the addition of 0.3 million Revenue generating subscribers, 0.2 million Active data users, and 0.1 million Active MFS users from the acquisition of Telma Comoros.

Excluding the aggregate impacts of Free in Senegal and Telma Comoros, we reflect increases in Revenue generating subscribers, Active data users, and Active MFS users of 2.5 million, 0.2 million, and 1.2 million respectively for the six month period ended June 30, 2024, and 4.0 million, 1.7 million, and 2.7 million respectively for the twelve month period ended June 30, 2024.

Excluding Free in Senegal and Telma Comoros, the increase in RGS for the six month period ended June 30, 2024, of 2.5 million, is primarily driven by our Tanzania operation which saw an increase of 1.4 million RGS in the period. Our operations in Madagascar and Togo also saw increases in RGS of 0.8 million and 0.3 million respectively, in the same period. The increase in RGS for the twelve month period ended June 30, 2024, of 4.0 million, is primarily driven by our Madagascar and Tanzania operations which saw a increase of 2.1 million and 1.3 million RGS respectively, in the period.

Excluding Free in Senegal and Telma Comoros, the increase in Active data users for the six month and twelve month periods ended June 30, 2024 is primarily driven by our Tanzania operation, which saw increases of 0.3 million and 1.1 million for the six month and twelve month periods, respectively. Our Togo and Madagascar operations also each saw increases of 0.3 million Active data users in the twelve month period ended June 30, 2024.

Excluding Free in Senegal and Telma Comoros, the increase in Active MFS users for the six month period ended June 30, 2024 is primarily driven by our Tanzania operation which saw an increase of 0.8 million in the six month period. For the twelve month period ended June 30, 2024, we saw increases in our Active MFS users of 1.7 million, 0.7 million, and 0.3 million in our Tanzania, Madagascar, and Togo operations, respectively.

During the six month period ended June 30, 2024, we have increased the number of Owned Towers and Shared Towers by 365 and 135 respectively, which includes the addition of 146 Owned Towers from Telma Comoros. The increase in Owned Towers of 219, excluding Telma Comoros, is mainly from increases in our Tanzania operations which saw an increase of 80 Owned Towers in the period, and from our operations in Madagascar and Uganda operations which saw increases in their Owned Towers (which are also Shared Towers in those operations) of 83 and 34, respectively. We also added 18 Owned Towers (which are also Shared Towers) in our DRC operations in the six month period ended June 30, 2024.

Our Tenants on Shared Towers also increased by 149 in the same period as a result of net increases in our Madagascar, Uganda, and DRC operations of 87, 44, and 18, respectively. Our Tenancy Ratio decreased by 0.01x, to 1.31x, during the same period, mainly as a result of the construction of new sites in DRC which currently have a Tenancy Ratio of 1.0x.

Revenue

Revenue for the three month period ended June 30, 2024 increased year-on-year by \$84.8 million or 33.5%, to \$338.0 million in Q2 2024, compared to \$253.2 million in Q2 2023. The year-on-year increase includes inorganic growth of \$42.8 million and \$2.5 million from Free in Senegal and Telma Comoros respectively, which were not consolidated in the prior year period. The remaining year-on-year increase of \$39.5 million, excluding Free in Senegal and Telma Comoros, is mainly comprised of increases in revenue related to our operations in Madagascar and Tanzania, which increased by \$20.0 million (or 25.4%), and \$13.0 million (or 12.2%), year-on-year, respectively. Our operations in Togo and Uganda also achieved year-on-year increases of \$5.7 million (or 9.2%), and \$0.8 million (or 19.0%), respectively, for the same period.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue (continued)

The year-on-year increase in revenue in Madagascar is comprised of increases of \$10.6 million, \$7.6 million, and \$1.8 million in our Mobile and fixed-line communications, Digital and mobile financial services, and Infrastructure 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. This is particularly pronounced in our Digital and mobile financial services segment which saw a year-on-year increase in Active MFS users in Madagascar of 27.7%, but achieved year-on-year revenue growth of 47.4% for the quarter.

The year-on-year increase in revenue in Tanzania is comprised of increases of \$7.4 million and \$5.6 million in our Mobile and fixed-line communications, and Digital and mobile financial services segments respectively. These increases are primarily driven by the year-on-year increase in activity, resulting from year-on-year increases in RGS, Active data users, and active MFS users of 8.2%, 29.6%, and 24.8%, respectively. The aggregate year-on-year growth for the period in our Tanzania operation is partially offset by negative foreign exchange translation impacts of \$11.8 million (or 9.0%), owing to the year-on-year strengthening of the US Dollar against the Tanzanian Shilling.

Year-on-year growth in revenue for the quarter, in our Togo operation reflects growth in our Mobile and fixed-line communications segment, and is partially offset by year-on-year negative exchange rate impacts of \$0.7 million, or 1.1%.

Revenue for the six month period ended June 30, 2024 increased year-on-year by \$166.5 million or 33.7%, to \$660.3 million in the six month period to June 30, 2024 compared to \$493.8 million in the prior year comparative period. Included in revenue for the six month period ended June 30, 2024, are amounts of \$85.9 million and \$2.5 million for Free in Senegal and Telma Comoros, respectively, which reflect inorganic growth from these acquisitions. The remaining year-on-year increase, net of the impact of Free in Senegal and Telma Comoros, is \$78.1 million (or 15.8% on a like-for-like basis), and is mainly comprised of an increase in revenue related to our operations in Madagascar, Tanzania, and Togo, which increased by \$33.6 million (or 22.2%), \$26.3 million (or 12.7%), and by \$12.4 million (or 10.0%) year-on-year, respectively.

The year-on-year increase in revenue for the six month period ended June 30, 2024 is impacted by aggregate negative foreign exchange translation impacts of \$25.7 million (or 3.7%), primarily related to our Tanzania and Madagascar markets, which reflected negative foreign exchange translation impacts of \$21.6 million (or 8.5%) and \$4.0 million (or 2.1%), respectively, for the period.

The year-on-year increase in revenue in our Uganda operations for the three month and six month period ended June 30, 2024 are driven by increases in the number of Shared Towers and Tenants on Shared Towers which increased by 102 (or 30.1%) and 117 (or 27.1%) respectively, in the twelve month period ended June 30, 2024. The Tenancy Ratio decreased by 0.03x in the same period (from 1.27x at June 30, 2023, to 1.24x at June 30, 2024), owing to the construction of new Owned Towers which are yet to be collocated.

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
OPERATING AND FINANCIAL REVIEW (CONTINUED)
Revenue (continued)

Revenue by segment is presented below:

For the three month period ended:

	June 30, 2024 USD	June 30, 2023 USD	Movement USD	Movement %
Mobile and fixed-line communications	263,296,690	194,049,534	69,247,156	35.7%
Infrastructure	12,770,567	10,393,698	2,376,869	22.9%
Digital and mobile financial services	61,800,930	48,380,218	13,420,712	27.7%
Other	97,684	363,239	(265,555)	(73.1%)
	337,965,871	253,186,689	84,779,182	33.5%

For the six month period ended:

	June 30, 2024 USD	June 30, 2023 USD	Movement USD	Movement %
Mobile and fixed-line communications	514,170,639	379,893,778	134,276,861	35.3%
Infrastructure	28,202,062	19,995,915	8,206,147	41.0%
Digital and mobile financial services	117,745,424	93,322,151	24,423,273	26.2%
Other	170,726	590,664	(419,938)	(71.1%)
	660,288,851	493,802,508	166,486,343	33.7%

Operating costs

Total operating costs increased by \$60.6 million year-on-year for the three month period ended June 30, 2024, to \$266.1 million in Q2 2024 compared to \$205.5 million in Q2 2023. The year-on-year increase includes amounts of \$40.3 million and \$2.4 million related to Free in Senegal and Telma Comoros respectively, without which the like-for-like year on year increase is \$17.9 million, or 8.7%.

The year-on-year increase of \$17.9 million is primarily comprised of a year-on-year increase in depreciation and amortization of \$7.8 million, a year-on-year increase in staff costs of \$5.4 million, a year-on-year increase in commission to sales agents of \$3.8 million, a year-on-year increase in professional fees of \$1.9 million, and a year-on-year increase in provisions for accounts receivable and loans of \$1.1 million. The aggregate year on-year-increase for the period is partially offset by year-on-year decreases in impairment of non-financial assets, and costs of devices and equipment of \$1.2 million and \$1.0 million, respectively.

Operating costs for the six month period ended June 30, 2024 increased year-on-year by \$126.0 million (or 32.1%), to \$519.0 million in the current year compared to \$393.0 million in the prior year. The year-on-year increase includes amounts of \$78.4 million and \$2.4 million related to Free in Senegal and Telma Comoros respectively, without which the like-for-like year on year increase is \$45.2 million, or 11.5%.

The remaining year-on-year increase of \$45.2 million, is primarily comprised of a year-on-year increase in depreciation and amortization of \$19.0 million, a year-on-year increase in staff costs of \$10.8 million, a year-on-year increase in commission to sales agents of \$7.6 million, a year-on-year increases in other operating costs of \$4.0 million, a year-on-year increase in provisions for accounts receivable and loans of \$3.2 million, and year-on-year increases in each of professional fees and government regulatory costs of \$1.9 million. The aggregate year on-year-increase for the period is partially offset by year-on-year decreases in impairment of non-financial assets, and costs of interconnection and roaming of \$1.7 million and \$0.9 million, respectively.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs (continued)

The year-on-year increase in depreciation and amortization for the three month and six month periods ended June 30, 2024 (excluding Free in Senegal and Telma Comoros), is primarily related to the depreciation of property, plant and equipment resulting from network investments in Tanzania, Togo, and Madagascar in the last 12 months, and thus in a higher asset base. We also have an impact from accelerated depreciation of assets we expect to decommission in a shorter period as we complete the network modernizations. We also reflect year-on-year increases in the amortization of intangible assets for both periods, primarily due to increased intangible asset values on account of the Free in Senegal acquisition. Depreciation of right-of use assets has decreased year-on-year for both the three month and the six month periods ended June 30, 2024. While we have a higher lease liability and right-of-use asset values in our operations, these increases represent the impact of longer lease periods compared to the prior year, on account of lease contract renewals in 2023; thus decreasing the annual rate of depreciation.

The year-on-year increase (excluding Free in Senegal and Telma Comoros) for the three month and six month periods ended June 30, 2024 in respect of staff costs is primarily driven by a general increase in staff numbers, particularly at the group level, and an increase in average wages and welfare benefits, such as medical insurance, in our operating entities.

The year-on-year increase (excluding Free in Senegal and Telma Comoros) for the three month and six month periods ended June 30, 2024 in respect of commissions to sales agents is primarily driven by increased sales, which drive our increased revenues in the same periods; and reflect lower year-on-year percentage increases than revenue.

The year-on-year increases (excluding Free in Senegal and Telma Comoros) in the impairment of financial and contract assets for the same periods, mainly result from credit loss provisions in respect of nanoloan customers and device finance customers which have increased year-on-year, as the value of nanoloans granted has increased year-on-year. This impact is partially offset by year-on-year decreases in respect of the write-off of financial assets, which have decreased by \$0.5 million and \$1.5 million year-on-year for the three month and six month periods ended June 30, 2024, respectively; as our increased provisions cover a greater proportion of our write-off losses when write-offs occur.

The year-on-year increases in government and regulatory costs for the three month and six month period ended June 30, 2024 is primarily driven by increased activity in our Mobile and fixed-line communications and Digital and mobile financial services segments, as reflected by the increase in revenue in those segments. Our year-on-year increases in professional fees for the same periods primarily reflect increased advisory costs in respect of commercial and M&A activity.

The year-on-year decrease in impairment of non-financial assets for the three month and six month periods ended June 30, 2024, reflects the maturity of our network modernization programs, as we have less assets being replaced, and thus impaired in anticipation or when replaced. The year-on-year decrease in interconnection and roaming costs for the same periods is primarily driven by our increased network coverage in our Tanzania and Togo markets, which results in less requirement for interconnections.

Other operating income, and non-operating income and expenses

Other operating income was \$5.0 million and \$9.0 million for the three month and six month periods ended June 30, 2024, respectively, compared to \$6.5 million and \$9.9 million for the three month and six month periods ended June 30, 2023, respectively. The year-on-year decreases of \$1.5 million and \$0.9 million respectively, for the three month and six month periods ended June 30, 2024 are primarily related to a dividend received from an associate entity of \$2.8 million in the prior year periods (for which the value of investment in associate was nil at the time of receipt), partially offset by the impact of reversals during the current year periods, of long-standing provisions which are no longer deemed necessary.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

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

Net non-operating income increased year on year by \$0.1 million and by \$0.4 million for the three month and six month periods ended June 30, 2024, respectively. The year on year increases for both periods primarily reflect the current period impact of a \$0.9 million positive fair valuation of our previously held interest in Telma Comoros, which is required as per IFRS 3 - *Business combinations*, partially offset by losses of \$0.4 million in respect of modification of lease contracts.

Net finance costs

Our net finance costs for the three month and six month periods ended June 30, 2024 were \$49.9 million and \$88.0 million respectively, compared to \$47.4 million and \$72.4 million in the prior year comparative periods; representing year-on-year increases of \$2.5 million and \$15.6 million for the three month period and six month periods respectively.

The year-on-year increases for the three month and six month periods ended June 30, 2024 include net finance cost of \$9.3 million and \$18.9 million, respectively, owing to the inclusion of the aggregate results of Free in Senegal and Telma Comoros, which, if excluded, result in year-on-year decreases in net finance costs of \$6.8 million and \$3.3 million for the three month and six month periods, respectively.

The year-on-year decrease in net finance costs for Q2 2024 of \$6.8 million, is primarily driven by a year-on-year net favorable impact in foreign exchange losses of \$12.2 million, which reflects a net foreign exchange loss in the current year period of \$11.3 million compared to a net foreign exchange loss of \$23.5 million in the prior year comparative period, on a like-for-like basis. The year-on-year positive impact from net foreign exchange losses is partially offset by a year-on-year increase of \$2.5 million in respect of interest expense for bank loans on account of additional facilities drawn down in the current year, as well as a year-on-year decrease of \$1.7 million in respect of net gains from the fair valuation of call option and other derivatives.

The year-on-year decrease in net finance costs for the six month period ended June 30, 2024 of \$3.3 million, is primarily driven by a year-on-year net favorable impact in foreign exchange losses of \$10.7 million, which reflects a net foreign exchange loss in the current year period of \$11.8 million compared to a net foreign exchange loss of \$22.5 million in the prior year comparative period, on a like-for-like basis. The year-on-year positive impact from net foreign exchange losses is partially offset by a year-on-year increase of \$3.9 million in respect of interest expense for bank loans on account of additional facilities drawn down in the current year, as well as an aggregate year-on-year increase of \$3.9 million in respect of finance costs for shareholder loans, bank overdrafts, and lease liabilities; in all cases as a result of larger underlying balances.

The year-on-year decrease in net foreign exchange losses for the three month and six month periods ended June 30, 2024 primarily result from our Mobile and fixed line operation in Madagascar which reflects net foreign exchange losses of \$5.3 million for the six month period ended June 30, 2023, compared to net foreign exchange gains of \$6.8 million in the current year period; a favorable year-on-year impact of \$12.1 million. Despite the larger devaluation of the Tanzanian Shilling against the US Dollar in Q2 2024 when compared to Q2 2023, foreign exchange losses in our Tanzania operations have only increased by \$1.0 million year-on-year owing to a year-on-year decrease in USD denominated loans in those operations.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Share of profit in joint ventures and associates

Our share of profit in joint ventures and associates decreased year-on-year by \$1.0 million for the three month period ended June 30, 2024, and increased year-on-year by \$2.2 million for the six month period ended June 30, 2024.

The year-on-year decrease for the three month period ended June 30, 2024 results from decreased profits from Telecom Reunion Mayotte, and BNI Madagascar of \$0.2 million and \$0.4 million respectively, and an increase in losses from Indian Ocean Financial Holdings Limited of \$0.4 million.

The year-on-year increase for the six month period ended June 30, 2024 mainly results from increased profits from BNI Madagascar and Telecom Reunion Mayotte of \$1.4 million and \$0.8 million, respectively.

Income tax

Income tax charge decreased by \$11.7 million and by \$11.2 million year-on-year for the three month and six month periods ended June 30, 2024, respectively.

The year-on-year decrease of \$11.7 million for Q2 2024, is comprised of net year-on-year deferred tax credit movements of \$10.9 million and a year-on-year decrease of \$0.9 million in withholding tax expense. Current income tax expense increased by \$0.1 million year-on-year for the same period.

The year-on-year decrease of \$11.2 million for the six month period ended June 30, 2024, is comprised of net year-on-year deferred tax credit movements of \$15.0 million and a year-on-year decrease of \$0.8 million in withholding tax expense. Current income tax expense increased by \$4.6 million year-on-year for the same period.

The year-on-year increase in current income tax expense for the six month period ended June 30, 2024, is primarily driven by the year-on-year increase in operating and taxable profits, which are reflected by the increased year-on-year Adjusted EBITDA for the same periods. The current income tax expense for the three month period ended June 30, 2023 also includes a one-off cost reflecting the impact of the restructuring in Tanzania, as assets were transferred from Zantel to MIC Tanzania; thus resulting in a less pronounced year-on-year increase for the three month period ended June 30, 2024.

The net year-on-year increase deferred income tax credit movements for both the three month and six month periods ended June 30, 2024, is primarily driven by the deferred tax assets recognized in respect of unrealized foreign exchange losses in our Tanzania operations, partially offset by increased deferred tax liabilities related to fixed assets for which we utilize capital allowances over a shorter period than their depreciable lives.

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. Following a technical tax assessment in Q2 2024, it was noted that a portion of the withholding taxes is likely to be set off against future tax liabilities, and we have thus recognized withholding tax payments as withholding tax assets rather than expensing them, resulting in a year-on-year decrease in withholding tax expense. Such withholding tax assets are periodically assessed for recoverability, and irrecoverable portions will be expensed.

Profit for the period

Our profit for the period increased by \$30.9 million year-on-year for the three month period ended June 30, 2024 and by \$37.7 million year-on-year for the six month period ended June 30, 2024. Our profit for the three month period ended June 30, 2024, includes aggregate losses from Free in Senegal and Telma Comoros of \$6.4 million, while our profit for the six month period ended June 30, 2024 includes aggregate losses from Free in Senegal and Telma Comoros of \$10.5 million.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Profit for the period (continued)

The year-on-year increases in profits for the three month and six month periods ended June 30, 2024, result mainly from higher operating profits, which increased by \$22.7 million and \$39.7 million for the three month and six month period respectively. The year-on-year increases in operating profits are partially offset by year-on-year increases in net finance costs for both periods and increased by reduced income tax expenses in both periods.

Adjusted EBITDA

Our Adjusted EBITDA for the three month period ended June 30, 2024 increased year-on-year by \$39.1 million (or 34.2%), to \$153.3 million in the three month period ended June 30, 2024, compared to \$114.2 million in the prior year comparative period. Our Adjusted EBITDA for Q2 2024 includes Adjusted EBITDA from Free in Senegal and Telma Comoros of \$14.9 million and \$1.9 million respectively, without which we reflect a year-on-year growth of \$22.3 million, or 19.5%.

Our Adjusted EBITDA for the six month period ended June 30, 2024 increased year-on-year by \$78.9 million (or 35.5%), to \$301.3 million in the six month period ended June 30, 2024, compared to \$222.4 million in the prior year comparative period. Our Adjusted EBITDA for H1 2024 includes Adjusted EBITDA from Free in Senegal and Telma Comoros of \$31.5 million and \$1.9 million respectively, without which we reflect a year-on-year growth of \$45.5 million, or 20.5%.

The year-on-year increase in Adjusted EBITDA for both periods reflects the year-on-year increase in operating profits (excluding non-cash operating costs such as depreciation and amortization), driven primarily by increased revenue for both periods; as discussed above. The year-on-year increases in revenue is partially offset by year-on-year increases in operating costs, resulting primarily from increased staff costs, commission to sales agents, and provisions for financial and contract assets.

Statements of cash flow and liquidity

The Group had cash and cash equivalents (net of bank overdrafts) of \$121.5 million as at June 30, 2024 (December 31, 2023: \$127.8 million), of which a total of \$47.1 million (December 31, 2023: \$39.0 million) was held in either USD or Euro.

Net cash generated from operating activities

Net cash generated from operating activities increased by \$83.3 million year-on-year for the three month period ended June 30, 2024. The year-on-year increase is primarily as a result of a year-on-year increase in operating profits, as adjusted for non-cash items, as reflected by the year-on-year increase in Adjusted EBITDA for the period. This year-on-year increase in Adjusted EBITDA resulted in a year-on-year increase of \$57.2 million in cash generated from operations before working capital changes. We also reflected a positive cash flow impact of \$39.9 million in respect of working capital which reflected a net cash inflow in the current year period of \$8.5 million compared to a net cash outflow of \$31.4 million in the prior year comparative period. This positive aggregate cash flow impact from operating activities is partially offset by a year-on-year increase in aggregate interest paid in respect of borrowings and leases of \$9.1 million, and by a year-on-year increase in tax paid of \$5.9 million.

Net cash generated from operating activities increased by \$123.7 million year-on-year for the six month period ended June 30, 2024, primarily as a result of increased operating profits, resulting in a year-on-year increase of \$96.9 million in cash generated from operations before working capital changes. We also reflected a positive cash flow impact of \$64.1 million in respect of working capital which reflected a net cash inflow in the current year period of \$28.8 million compared to a net cash outflow of \$35.3 million in the prior year comparative period. This positive aggregate cash flow impact from operating activities is partially offset by a year-on-year increase in aggregate interest paid in respect of borrowings and leases of \$26.4 million, and by a year-on-year increase in tax paid of \$11.2 million.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Statements of cash flow and liquidity (continued)

Net cash used in investing activities

Net cash outflows used in investing activities increased by \$46.5 million year-on-year for the three month period ended June 30, 2024, primarily due to a year-on-year increase in aggregate cash outflows for the purchase of property, plant and equipment and intangible assets of \$47.2 million. We also reflected year-on-year decreases of \$3.7 million and \$3.4 million in respect of dividends received and net deposits matured or refunded, respectively. This aggregate negative cash flow impact is partially offset by a year-on-year increase of \$4.9 million in respect of government grants received and year-on-year increase in cash inflows for the purchase of subsidiaries of \$2.7 million, reflecting the first payment for the purchase of Telma Comoros, net of cash acquired.

Net cash outflows used in investing activities increased by \$73.3 million year-on-year for the six month period ended June 30, 2024, primarily due to a year-on-year increase in aggregate cash outflows for the purchase of property, plant and equipment and intangible assets of \$77.1 million. We also reflected a year-on-year decrease of \$3.5 million in respect of dividends received. This aggregate negative cash flow impact is partially offset by a year-on-year increase of \$4.9 million in respect of government grants received, and a year-on-year increase in cash inflows for the purchase of subsidiaries of \$2.7 million, reflecting the first payment for the purchase of Telma Comoros, net of cash acquired.

The cash outflows from the purchase of property, plant and equipment and intangible assets in both periods mainly result from our network improvement plans in Togo, Madagascar, Senegal, and Tanzania (including a part payment for new license in Senegal), as well as reflecting increased tower construction activity in Uganda, Madagascar, and Tanzania when compared to the prior year comparative periods. The cash outflows for the six month period ended June 30, 2024 also include the settlement of creditors for capital expenditure, which reflected net settlements of \$41.8 million in the current year period.

Net cash used in financing activities

We had net cash outflows from financing activities of \$17.3 million for the three month period ended June 30, 2024, compared with net cash outflows of \$49.2 million in the prior year comparative period; a year on year net positive cash outflow impact of \$31.9 million. This year-on-year net cash inflow impact is primarily related to net receipts and repayment of borrowings (including the payment of loan costs), which reflected net cash inflows of \$25.6 million in the current year period, compared to net cash outflows of \$10.8 million in the prior year comparative period; a year-on-year positive cash flow impact of \$36.3 million. This positive cash flow impact is partially offset by a year-on-year increase of \$5.1 million for the payment of lease liabilities.

We had net cash outflows from financing activities of \$37.5 million for the six month period ended June 30, 2024, compared with net cash outflows of \$51.6 million in the prior year comparative period; a year on year net positive cash outflow impact of \$14.1 million. This year-on-year net cash outflow impact is primarily related to net receipts and repayment of borrowings (including the payment of loan costs), which reflected net cash inflows of \$20.3 million in the current year period, compared to net cash inflows of \$8.1 million in the prior year comparative period; a year-on-year positive cash flow impact of \$12.1 million. We also reflected a year-on-year decrease of \$1.3 million in cash outflows for the payment of lease liabilities.

Refer to note 14 for more information regarding facilities and borrowings drawn down and repaid during the six month period ended June 30, 2024.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
For the three month and six month periods ended June 30, 2024

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
Revenue (Note 3)	337,965,871	253,186,689	660,288,851	493,802,508
Cost of devices and equipment (Note 5)	(7,917,444)	(8,327,602)	(15,010,462)	(14,205,775)
Cost of interconnection and roaming (Note 5)	(9,790,579)	(7,351,974)	(19,119,200)	(14,629,327)
Government and regulatory costs (Note 5)	(21,062,708)	(15,351,704)	(41,814,133)	(29,595,567)
Advertising and distribution costs (Note 5)	(4,982,157)	(4,017,515)	(8,789,500)	(7,132,434)
Commission to sales agents (Note 5)	(46,132,520)	(37,987,298)	(89,303,868)	(73,050,396)
Net impairment of impairment on financial and contract assets (Note 5)	(2,280,843)	(865,385)	(6,622,921)	(2,612,962)
Technology operation costs (Note 5)	(26,411,371)	(23,274,265)	(51,988,760)	(44,434,907)
Staff costs (Note 5)	(37,734,338)	(25,264,717)	(72,524,279)	(48,960,106)
Other operating expenses (Note 5)	(24,967,128)	(19,911,451)	(48,841,951)	(36,841,579)
Write-off of financial assets (Note 5)	(799,899)	(1,306,418)	(932,393)	(2,421,633)
Professional fees, non-technical (Note 5)	(6,960,111)	(4,521,656)	(13,530,429)	(10,427,479)
Depreciation and amortization (Note 5)	(77,001,249)	(56,134,411)	(151,004,257)	(107,555,932)
(Impairment)/reversal of impairment of non-financial assets (Note 5)	(33,047)	(1,140,558)	525,556	(1,112,232)
Other income (Note 4)	4,980,695	6,475,422	9,045,532	9,901,564
Net gain on financial assets at fair value through profit or loss (Note 5)	182	-	182	-
OPERATING PROFIT	76,873,354	54,207,157	150,377,968	110,723,743
Finance income (Note 6)	4,637,386	14,133,714	26,946,734	26,969,137
Finance costs (Note 6)	(54,557,386)	(61,560,518)	(114,924,736)	(99,353,463)
Non-operating income (Note 4)	708,500	253,865	1,337,629	510,449
Non-operating expenses (Note 4)	(436,153)	-	(436,153)	-
Share of profit in joint ventures and associates	4,495,476	5,499,099	9,564,236	7,443,224
PROFIT BEFORE INCOME TAX	31,721,177	12,533,317	72,865,678	46,293,090
Income tax expense (Note 7)	(6,694,431)	(18,443,978)	(18,649,755)	(29,794,714)
PROFIT/(LOSS) FOR THE PERIOD	25,026,746	(5,910,661)	54,215,923	16,498,376
Profit/(loss) for the period attributable to:				
- Owners of the Company	18,943,103	(6,449,384)	41,404,288	10,047,390
- Non-controlling interest	6,083,643	538,723	12,811,635	6,450,986
	25,026,746	(5,910,661)	54,215,923	16,498,376

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
For the three month and six month periods ended June 30, 2024

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
PROFIT/(LOSS) FOR THE PERIOD	25,026,746	(5,910,661)	54,215,923	16,498,376
OTHER COMPREHENSIVE (LOSS)/INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	(5,011,971)	8,490,413	(9,662,640)	16,485,229
Exchange differences on translation of foreign joint ventures	(1,077,031)	(231,744)	(1,308,042)	614,162
Total items that may be reclassified to profit or loss, net of tax	(6,089,002)	8,258,669	(10,970,682)	17,099,391
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of retirement benefit obligations	-	850	-	-
Total Items not reclassified to profit or loss, net of tax	-	850	-	-
Other comprehensive (loss)/income for the period, net of tax	(6,089,002)	8,259,519	(10,970,682)	17,099,391
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	18,937,744	2,348,858	43,245,241	33,597,767
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
- Owners of the Company	12,929,089	1,295,395	28,773,746	25,606,064
- Non - controlling interest	6,008,655	1,053,463	14,471,495	7,991,703
	18,937,744	2,348,858	43,245,241	33,597,767

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	June 30, 2024 USD	December 31, 2023 USD
ASSETS		
Non-current assets		
Property, plant and equipment (Note 8)	1,026,391,737	967,943,066
Intangible assets (Note 9)	308,627,738	287,289,719
Interests in joint ventures and associates (Note 10)	64,038,642	73,213,174
Deferred tax assets	61,102,458	51,934,575
Trade and other receivables	16,960,585	29,805,761
Deposits receivable	4,290,634	4,258,973
Loans receivable	12,143,273	11,713,729
Right-of-use assets (Note 11)	613,031,927	642,375,938
Goodwill	243,585,390	249,468,397
Financial assets at fair value through profit or loss	11,269,436	11,004,179
Financial assets at fair value through OCI	16,873,547	17,490,668
Embedded derivative assets	3,500,000	1,000,000
Treasury bonds	1,202,037	1,402,023
	2,383,017,404	2,348,900,202
Current assets		
Inventories	23,978,262	27,517,337
Loan receivables	27,193,136	20,493,983
Trade and other receivables	256,112,645	270,893,325
Income tax receivable (Note 7)	22,977,961	13,619,187
Cash and cash equivalents (Note 12)	185,334,051	181,846,003
Restricted cash	355,118,953	325,070,229
	870,715,008	839,440,064
Total assets	3,253,732,412	3,188,340,266

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2024

	June 30, 2024 USD	December 31, 2023 USD
EQUITY AND LIABILITIES		
Equity and reserves		
Stated capital	1,372,564	1,372,564
Reorganization reserves	76,538,841	76,538,841
Other reserves	9,042,690	(18,861,385)
Legal reserves	6,503,426	6,503,426
Translation reserves	(16,971,714)	(4,340,978)
Retained earnings	117,094,194	153,593,943
Equity attributable to owners of the Company	193,580,001	214,806,411
Non-controlling interest	84,366,450	90,525,447
Total equity	277,946,451	305,331,858
LIABILITIES		
Non-current liabilities		
Borrowings (Note 14)	393,520,737	317,141,921
Bond borrowings (Note 14)	415,132,079	414,356,520
Trade and other payables (Note 13)	63,181,258	73,523,171
Government grants	20,034,249	9,180,531
Provisions	48,303,861	45,623,573
Lease liability (Note 11)	757,764,999	774,517,716
Deposits payable	7,814,492	7,918,759
Deferred tax liability	20,185,701	21,969,859
Retirement benefit obligations	6,715,483	6,644,439
	1,732,652,859	1,670,876,489
Current liabilities		
Trade and other payables (Note 13)	972,294,599	948,743,291
Client savings accounts	3,858,077	3,142,045
Borrowings (Note 14)	72,506,371	118,377,222
Bond borrowings (Note 14)	11,551,450	11,594,467
Provisions	11,473,971	13,171,671
Lease liability (Note 11)	31,329,418	36,386,565
Bank overdraft (Note 12)	63,805,266	54,021,078
Government grants	1,119,108	11,565,553
Dividend payable	46,504,428	5,783,890
Income tax payable (Note 7)	28,031,782	8,981,915
Deposits payable	7,510	-
Swap Derivative Liability	651,122	364,222
	1,243,133,102	1,212,131,919
Total liabilities	2,975,785,961	2,883,008,408
Total equity and liabilities	3,253,732,412	3,188,340,266

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital USD	Retained Earnings USD	Other reserves ¹ USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2023	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 year, net of tax	-	504,243	16,391,849	16,896,092	2,027,892	18,923,984
Total comprehensive income for the year	-	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 (Note 18)	-	-	-	-	(1,404,853)	(1,404,853)
Issue of shares	-	-	-	-	390,940	390,940
Purchase of minority interest ²	-	-	17,310,166	17,310,166	(10,107,765)	7,202,401
Transfer to legal reserve	-	(3,478,073)	3,478,073	-	-	-
Dividend paid	-	(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

¹ 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.

² 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 AND SIX MONTH PERIODS ENDED JUNE 30, 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Stated Capital USD	Retained Earnings USD	Other reserves ¹ USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2024	1,372,564	153,593,943	59,839,904	214,806,411	90,525,447	305,331,858
Comprehensive income:						
Profit for the period	-	41,404,288	-	41,404,288	12,811,635	54,215,923
Other comprehensive (loss)/income for the period, net of tax	-	-	(12,630,542)	(12,630,542)	1,659,860	(10,970,682)
Total comprehensive income/(loss) for the period	-	41,404,288	(12,630,542)	28,773,746	14,471,495	43,245,241
Transactions with owners in their capacity as owners:						
Transfer to other reserves	-	(27,903,881)	27,903,881	-	-	-
Issue of shares to NCI	-	-	-	-	75,182	75,182
Dividend declared	-	(50,000,156)	-	(50,000,156)	(20,705,674)	(70,705,830)
Total transactions with owners	-	(77,904,037)	27,903,881	(50,000,156)	(20,630,492)	(70,630,648)
At June 30, 2024	1,372,564	117,094,194	75,113,243	193,580,001	84,366,450	277,946,451

¹ Other reserves are comprised of reorganization reserves, legal reserves, translation reserves (in respect of the translation of foreign currency subsidiaries and joint ventures), and other equity reserves.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
For the three month and six month periods ended June 30, 2024

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
Cash flows from operating activities				
Cash flows from operations (Note 15)	151,051,222	53,957,869	320,487,767	159,506,004
Interest paid on lease liabilities	(23,292,817)	(15,631,632)	(44,698,751)	(22,575,748)
Interest paid on loans, bonds and other borrowings	(5,682,741)	(4,289,438)	(27,235,542)	(22,912,853)
Interest received	3,289,507	2,107,877	6,193,466	5,863,290
Tax paid	(13,793,615)	(7,866,158)	(21,858,125)	(10,725,881)
Net cash generated from operating activities	111,571,556	28,278,518	232,888,815	109,154,812
Cash flows from investing activities				
Acquisition of financial assets at fair value through profit or loss	(100,000)	-	(300,000)	-
Proceeds from disposal of property, plant and equipment	481,624	69,536	967,735	75,819
Purchase of property, plant and equipment	(85,242,063)	(50,284,720)	(197,424,187)	(118,795,104)
Acquisition of investment in subsidiaries (net of cash acquired) (Note 18)	2,654,403	4,155	2,654,403	4,155
Disposal of subsidiary, net of cash disposed	-	-	-	(2,707)
Purchase of intangible assets	(15,766,581)	(3,460,141)	(20,800,774)	(22,313,320)
Dividend received from investment in joint ventures	9,173,666	12,945,792	9,409,401	12,945,792
Loan granted to related parties	-	(20,000)	(227,989)	(20,000)
Repayment made by related parties	12,453	101,156	29,776	144,172
Net deposits refunded/(deposited)	113,677	3,450,016	(85,578)	248,056
Corporate bonds matured	-	2,202	155,171	301,438
Grants received	5,426,400	484,099	5,426,400	484,099
Dividend received	25,852	25,069	25,852	25,069
Net cash used in investing activities	(83,220,569)	(36,682,836)	(200,169,790)	(126,902,531)
Cash flows from financing activities				
Proceeds from issue of shares/from NCI Investment	-	99,564	75,182	99,564
Additional borrowings	93,303,874	7,935,136	107,812,725	35,870,471
Repayment of borrowings	(65,670,690)	(18,681,604)	(85,509,076)	(27,477,553)
Repayment of principal on lease liabilities	(11,929,222)	(6,770,919)	(26,690,368)	(27,986,196)
Dividend paid	(30,755,803)	(31,394,725)	(30,755,803)	(31,404,528)
Payment of loan transaction costs	(2,056,387)	(28,626)	(2,056,387)	(266,026)
Premium on settlement of swap derivative liability	(210,399)	(391,700)	(334,613)	(391,700)
Net cash flow used in financing activities	(17,318,627)	(49,232,874)	(37,458,340)	(51,555,968)
Net increase/(decrease) in cash and cash equivalents	11,032,360	(57,637,192)	(4,739,315)	(69,303,687)
Effect of exchange rate on cash and cash equivalents	(1,277,379)	17,183,759	(1,556,825)	18,608,474
Cash and cash equivalents at beginning of the period	111,773,804	188,619,848	127,824,925	198,861,628
Cash and cash equivalents at end of the period (Note 12)	121,528,785	148,166,415	121,528,785	148,166,415

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

The ultimate holding company of the Group, as at June 30, 2024 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 August 26, 2024.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
3. REVENUE

	3 month period ended		6 month period ended	
	June 30, 2024 USD	June 30, 2023 USD	June 30, 2024 USD	June 30, 2023 USD
Mobile services	201,407,713	148,007,484	393,229,802	291,461,817
Fixed services	21,906,647	15,742,374	42,829,773	32,849,319
Interconnection/Roaming/MVNO	13,316,755	11,078,684	26,596,866	20,656,930
Customer Equipment and Infrastructure	5,266,248	4,438,056	9,406,537	7,845,694
Operator Infrastructure services	8,130,341	7,107,513	16,221,150	14,217,608
Commissions received on electronic money activities	68,307,969	52,602,942	131,070,968	99,453,558
Content and value-added services	7,498,353	3,579,454	13,869,233	6,764,834
Other revenue	1,863,343	498,503	2,527,488	1,770,749
Hosting and rental of sites	9,910,621	9,312,045	19,562,006	16,728,582
Trademark and license fees	148,797	29,856	269,165	153,900
Administration and general management fees	-	300,795	-	465,857
Digital solutions and other support services	209,084	488,983	4,705,863	1,433,660
	337,965,871	253,186,689	660,288,851	493,802,508

4. OTHER INCOME AND EXPENSES

	3 month period ended		6 month period ended	
	June 30, 2024 USD	June 30, 2023 USD	June 30, 2024 USD	June 30, 2023 USD
Other income				
(Loss)/gain on disposal of property, plant, and equipment	(65,860)	(4,520)	160,263	-
Dividend Income	25,852	2,813,572	25,852	2,813,572
Provision for risks and charges	-	(8,843)	-	-
Release of government grant	2,376,069	2,587,909	4,714,004	4,967,819
Waiver of claims obtained	25,941	-	46,662	-
Trade payables (reinstated)/waived	-	(308)	-	34,952
Other income	2,618,693	1,087,612	4,098,751	2,085,221
	4,980,695	6,475,422	9,045,532	9,901,564

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. OTHER INCOME AND EXPENSES (CONTINUED)

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
Non-operating income				
Amortization of deferred gain on sale of PPE	230,942	253,865	467,269	510,449
Other payable waived	1,194	-	1,194	-
Loss on lease modification and termination of contract	(392,802)	-	-	-
Gain on remeasurement of provision for dismantling costs	4,185	-	4,185	-
Gain on fair value of previously held interest	864,981	-	864,981	-
	708,500	253,865	1,337,629	510,449

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
Non-operating expenses				
Loss on lease modification	(436,153)	-	(436,153)	-
	(436,153)	-	(436,153)	-

5. OPERATING COSTS

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
Cost of equipment, devices	5,517,057	6,506,881	10,811,608	10,851,613
(Reversal of provision)/provision for device inventories	(73,095)	101,709	(14,070)	104,749
Prepaid cards and accessories	2,473,482	1,719,012	4,212,924	3,249,413
Cost of devices and equipment	7,917,444	8,327,602	15,010,462	14,205,775
Interconnection fees	9,591,238	7,002,096	18,448,994	13,884,037
Roaming fees	199,341	349,878	670,206	745,290
Cost of interconnection and roaming	9,790,579	7,351,974	19,119,200	14,629,327
Telecom operator and regulatory fees	11,606,046	9,351,016	23,324,099	17,713,915
Frequency fees	5,795,124	2,997,332	11,624,239	6,050,320
Excise Duty	3,661,538	3,003,356	6,865,795	5,831,332
Government and regulatory costs	21,062,708	15,351,704	41,814,133	29,595,567
Advertising and distribution costs	4,982,157	4,017,515	8,789,500	7,132,434
Commission to sales agents	46,132,520	37,987,298	89,303,868	73,050,396
Reversal of impairment of financial assets	(97,815)	-	(169,181)	-
Impairment of loans to clients	2,059,254	568,317	5,098,489	2,042,057
Loss allowance on trade receivables	319,404	297,068	1,693,613	570,905
Net impairment on financial and contract assets	2,280,843	865,385	6,622,921	2,612,962

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
5. OPERATING COSTS (CONTINUED)

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
Transmission fees	4,439,779	2,742,485	8,783,594	5,610,935
Content and value-added service (VAS) charges	1,730,408	1,147,234	3,482,837	2,047,655
Backbone credits	(56,727)	-	-	-
Satellite and bandwidth charges	896,362	433,412	1,432,067	830,302
Site energy	8,963,206	7,689,380	18,103,990	15,011,925
Site and network repairs and maintenance	4,663,356	2,617,706	6,997,462	4,903,268
Professional fees, technical	406,615	2,370,470	2,535,846	4,614,330
Rental expenses for short term and low value leases, technical sites	1,165,058	33,200	1,549,773	213,070
Maintenance of Materials, software and Network	4,203,314	6,240,378	9,103,191	11,203,422
Technology operation costs	26,411,371	23,274,265	51,988,760	44,434,907
Payroll and social charges	34,685,115	24,282,355	67,036,760	45,963,895
Travel expenses	2,633,621	869,749	4,659,703	2,745,501
Training	341,041	48,943	532,916	122,141
Provision for retirement benefit obligations	74,561	63,670	294,900	128,569
Staff costs	37,734,338	25,264,717	72,524,279	48,960,106
Write-off of financial assets	799,899	1,306,418	932,393	2,421,633
Professional fees, non-technical	6,960,111	4,521,656	13,530,429	10,427,479
Depreciation of property, plant & equipment	47,261,621	33,461,611	91,630,825	64,016,787
Amortization of intangible assets	12,534,581	7,735,026	25,437,233	15,136,105
Depreciation of rights of use assets	17,205,047	14,937,774	33,936,199	28,403,040
Depreciation and amortization	77,001,249	56,134,411	151,004,257	107,555,932
Impairment of property, plant and equipment, and intangible assets	-	3,610,000	-	3,610,000
Reversal of impairment of interest in joint ventures	-	(402)	-	(54,029)
Impairment/(reversal of impairment) of inventory	33,047	(2,469,040)	(525,556)	(2,443,739)
Impairment/(reversal of impairment) of non-financial assets	33,047	1,140,558	(525,556)	1,112,232
Other operating expenses*	24,967,128	19,911,451	48,841,951	36,841,579
Net gain on financial assets at fair value through profit or loss	(182)	-	(182)	-
Total operating costs	266,073,212	205,454,954	518,956,415	392,980,329

*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.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
6. FINANCE INCOME AND EXPENSE

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
Finance income				
Foreign exchange (loss)/gain	(324,657)	5,577,176	17,228,111	13,297,455
Interest income	3,664,837	2,916,583	6,891,233	6,672,109
Gain on fair valuation of derivatives	1,200,000	5,330,702	2,500,000	5,530,702
Other finance income	97,206	309,253	327,390	1,468,871
	4,637,386	14,133,714	26,946,734	26,969,137
Finance costs				
Foreign exchange loss	(10,994,807)	(29,074,322)	(29,045,429)	(35,772,263)
Interest on bank loans	(5,835,084)	(2,899,584)	(11,086,123)	(5,975,842)
Interest on listed bonds	(8,108,786)	(8,078,183)	(16,220,042)	(16,073,095)
Interest on loan and amount payable to related parties	(2,892,700)	(1,840,485)	(5,777,273)	(3,651,734)
Interest on bank overdraft	(835,847)	(522,899)	(1,504,545)	(936,663)
Interest on lease liabilities	(23,943,594)	(14,745,398)	(47,389,973)	(29,420,561)
Interest expense on provision for dismantling costs	(568,387)	(531,655)	(1,121,367)	(1,080,863)
Loss on fair valuation of derivatives	(474,900)	(2,924,262)	(636,655)	(4,118,239)
Other interest charges	(903,281)	(943,730)	(2,143,329)	(2,324,203)
	(54,557,386)	(61,560,518)	(114,924,736)	(99,353,463)
Net finance costs	(49,920,000)	(47,426,804)	(87,978,002)	(72,384,326)

7. INCOME TAX
a) Income tax expense

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
Actual income tax	15,600,253	15,533,255	31,096,870	26,458,406
Withholding tax	42,293	954,123	707,849	1,490,064
Deferred tax (credit)/charge	(8,948,115)	1,956,600	(13,154,964)	1,846,244
	6,694,431	18,443,978	18,649,755	29,794,714

As at June 30, 2024, 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.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
7. INCOME TAX (CONTINUED)

The Madagascar, Togo, Comoros, Uganda, Kenya, Senegal and Tanzania subsidiaries are subject to income tax on their income at 20% (Madagascar), 27% (Togo), 35% (Comoros) and 30% (Uganda, Kenya, Senegal and Tanzania) respectively (2023: 20%, 27% and 30% (for Uganda, Kenya, Senegal and Tanzania)). Therefore, the income tax rate for the Group is in the range of 15% - 35% (2023: 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)

	June 30, 2024 USD	December 31, 2023 USD
At January, 1	(4,637,272)	(2,209,780)
Acquisition through business combination (Note 18)	92,367	(294,657)
Disposal of subsidiary	-	(23,102)
Charge during the period/year	31,096,870	44,078,755
Tax paid	(21,858,125)	(43,965,046)
Withholding tax suffered	-	(2,390,844)
Accrual of interest on tax balances	(1,014)	-
Translation difference	360,995	167,402
At June 30/December 31	5,053,821	(4,637,272)

Analyzed as follows:

Income tax receivable	(22,977,961)	(13,619,187)
Income tax payable	28,031,782	8,981,915
	5,053,821	(4,637,272)

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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, 2023	56,298,963	289,114,693	1,336,868,621	13,823,479	104,098,607	1,800,204,363
Reclassification adjustments ²	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
Reclassification adjustments ³	-	-	-	(27,758)	7,398,334	7,370,576
Acquisition through business combinations (Note 18)	736,318	12,958,321	7,507,230	123,679	2,614,031	23,939,579
Additions	2,650,119	17,970,149	(261,181)	382,618	117,344,888	138,086,593
Transfers	3,639,367	6,676,448	85,530,245	1,277,409	(97,123,469)	-
Transfer to intangible assets ⁴	1,760	-	(5,002,603)	-	-	(5,000,843)
Disposals and scrap	(4,272)	(324,712)	(693,493)	(975,733)	(437,564)	(2,435,774)
Provision for dismantling	-	665,839	-	-	-	665,839
Translation difference	(2,421,270)	2,043,488	(37,632,798)	72,661	(2,942,860)	(40,880,779)
At June 30, 2024	73,452,259	404,804,586	1,714,249,330	23,849,477	175,975,494	2,392,331,146

¹ The category 'Others' comprises IT equipment, furniture and fixtures, and motor vehicles.

² Telecom Malagasy has made a reclassification between cost and depreciation in the presentation of its property, plant, and equipment for the year ended December 31, 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 December 31, 2023.

³ Togocom and its subsidiaries and Stellar IX made a reclassification from advance payments (in trade and other receivables) to work in progress during the period ended June 30, 2024.

⁴ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, 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 period ended June 30, 2024.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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, 2023	(44,738,563)	(128,765,515)	(950,002,805)	(12,833,059)	-	(1,136,339,942)
Reclassification adjustments ⁵	(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	(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)
Reclassification adjustments ⁶	4,817	-	(4,817)	-	(2,426,649)	(2,426,649)
Charge for the period	(3,490,590)	(15,510,900)	(71,423,998)	(1,205,337)	-	(91,630,825)
Disposals and scrap	3,848	31,176	671,499	963,579	-	1,670,102
Transfer to intangible assets ⁷	-	-	127,386	-	-	127,386
Translation difference	1,846,885	(346,900)	27,657,080	(207,381)	13,782	28,963,466
At June 30, 2024	(52,440,794)	(170,769,604)	(1,125,214,910)	(15,101,234)	(2,412,867)	(1,365,939,409)
Net book value						
At June 30, 2024	21,011,465	234,034,982	589,034,420	8,748,243	173,562,627	1,026,391,737
At December 31, 2023	18,044,483	209,872,073	582,559,870	8,344,506	149,122,134	967,943,066

⁵ Telecom Malagasy has made a reclassification between cost and depreciation in the presentation of its property, plant, and equipment for the year ended December 31, 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 December 31, 2023.

⁶ Togocom and its subsidiaries and Stellar IX made a reclassification from advance payments (in trade and other receivables) to work in progress during the period ended June 30, 2024.

⁷ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, 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 period ended June 30, 2024.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. INTANGIBLE ASSETS

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Customer related assets USD	Brand USD	Total USD
Cost										
At January 1, 2023	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 ¹	14,004,188	(2,586,230)	-	(1,551)	-	(9,856)	(10,943,913)	-	-	462,638
Reclassification to PPE ²	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
Reclassification adjustments ³	-	-	-	(748,695)	-	1,671,133	-	-	-	922,438
Reclassification from PPE ⁴	-	-	(7,978)	5,008,821	-	-	-	-	-	5,000,843
Acquisition through business combinations (Note 18)	9,102,376	-	-	-	-	-	-	4,254,949	1,079,152	14,436,477
Additions	310,043	28,188,779	6,625,651	548,446	-	92,094	-	-	-	35,765,013
Transfer to Profit and Loss	1,397,764	-	(2,593,583)	-	-	1,195,819	-	-	-	-
Disposals and scrap	(44,808)	-	-	-	-	-	-	-	-	(44,808)
Translation difference	(974,331)	(8,957,049)	(2,452)	(1,023,095)	-	(677,670)	(117)	(2,130,153)	(659,283)	(14,424,150)
At June 30, 2024	62,135,062	292,137,487	31,156,020	29,274,770	13,668,517	25,337,968	5,250	64,232,628	16,197,003	534,144,705

¹ 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 asset during the year ended December 31, 2023.

² 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 December 31, 2023.

³ Maya Africa Holding Ltd and its subsidiaries and Honora Tanzania Public Limited Company has made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the period ended June 30, 2024.

⁴ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, 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 period ended June 30, 2024.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. INTANGIBLE ASSETS (CONTINUED)

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Customer related assets USD	Brand USD	Total USD
Accumulated amortization										
At January 1, 2023	(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 ⁵	(9,057,441)	1,401,871	-	(266)	-	9,856	7,183,342	-	-	(462,638)
Reclassification to PPE ⁶	(696,065)	(6,334)	-	-	-	-	-	-	-	(702,399)
Amortization charge for the year	(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)
Reclassification adjustments ⁷	-	-	-	(882,226)	-	(40,212)	-	-	-	(922,438)
Reclassification from PPE ⁸	-	-	-	(127,386)	-	-	-	-	-	(127,386)
Amortization charge for the period	(2,538,010)	(8,587,870)	-	(1,422,437)	(450,263)	(2,672,167)	-	(6,076,062)	(3,690,424)	(25,437,233)
Disposals and scrap	3,008	-	-	-	-	-	-	-	-	3,008
Translation difference	680,328	4,154,781	-	199,355	-	49,573	117	824,100	258,001	6,166,255
At June 30, 2024	(41,514,957)	(134,193,613)	-	(8,162,231)	(3,110,301)	(3,642,178)	(5,250)	(26,848,584)	(8,039,853)	(225,516,967)
Net book value										
At June 30, 2024	20,620,105	157,943,874	31,156,020	21,112,539	10,558,216	21,695,790	-	37,384,044	8,157,150	308,627,738
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

⁵ 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 asset during the year ended December 31, 2023.

⁶ 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 December 31, 2023.

⁷ Maya Africa Holding Ltd and its subsidiaries and Honora Tanzania Public Limited Company has made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the period ended June 30, 2024.

⁸ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, 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 period ended June 30, 2024.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. INTEREST IN JOINT VENTURES AND ASSOCIATES

	June 30, 2024 USD	December 31, 2023 USD
At January, 1	73,213,174	61,522,220
Share of profit in joint ventures and associates	9,564,236	20,371,643
Share of translation reserves	-	1,426,283
Reversal of impairment loss	-	54,029
Dividend received	(9,409,401)	(10,161,001)
Fair value adjustment	864,982	-
Transfer to investment in Subsidiary	(8,886,307)	-
Translation difference	(1,308,042)	-
At June 30/December 31	64,038,642	73,213,174

Details pertaining to the investment in joint ventures and associates at June 30, 2024 and December 31, 2023 are as follows:

Name of Company	Country of Incorporation /place of activity	Class of shares held	% Holding		Direct/ Indirect	Relationship	Activities
			Jun 30, 2024	Dec 31, 2023			
Telecom Comores Holding Ltd	Mauritius	Ordinary	-	15%	Direct	Subsidiary	Investment holding
Telecom Comores Holding Ltd	Mauritius	Ordinary	100%	43.3%	Direct & Indirect	Subsidiary	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

On May 31, 2024, Axian Telecom completed the acquisition of an additional 50% of the issued share capital of Telecom Comores Holding, being the parent company of our joint operations in Comoros (together with the parent company referred to as "Telma Comoros"). Axian Telecom thereafter directly and indirectly controlled 100% of the voting rights in Telma Comoros. The operations of Telma Comoros are consolidated in these financial statements as from May 31, 2024.

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

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

BNI Madagascar operates in the banking sector and Indian Ocean Financial Holdings Limited is an investment holding company, which in turn holds BNI Madagascar.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. RIGHT OF USE ASSETS AND LIABILITIES

	June 30, 2024 USD	December 31, 2023 USD
<i>Right of use assets</i>		
At January, 1	642,375,938	400,255,860
Additions during the period/year	25,684,882	59,048,605
Acquisition through business combination (Note 18)	1,818,742	179,746,735
Disposals, termination, and modifications during the period/year	(1,481,629)	(12,093,722)
Remeasurements	(1,543,333)	103,310,862
Amortization charge during the period/year	(33,936,199)	(65,981,292)
Translation difference	(19,886,474)	(21,911,110)
At June 30/December 31	613,031,927	642,375,938
<i>Lease liabilities</i>		
At January, 1	810,904,281	429,875,132
Additions during the period/year	28,608,199	59,048,605
Acquisition through business combination (Note 18)	1,818,742	298,494,678
Disposals, termination, and modifications during the period/year	(1,880,679)	(17,440,678)
Remeasurements	(708,130)	103,310,862
Interest expense for the period/year	47,389,973	63,070,818
Principal paid on lease liabilities	(26,690,368)	(39,285,872)
Interest paid on lease liabilities	(44,698,751)	(67,416,905)
Translation difference	(25,648,850)	(18,895,996)
Other finance costs	-	143,637
At June 30/December 31	789,094,417	810,904,281
<i>Of which non-current</i>	757,764,999	774,517,716
<i>Of which current</i>	31,329,418	36,386,565

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
12. CASH AND CASH EQUIVALENTS

	June 30, 2024 USD	December 31, 2023 USD
Cash at bank	185,334,051	181,846,003
Bank overdraft	(63,805,266)	(54,021,078)
	<u>121,528,785</u>	<u>127,824,925</u>

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

13. TRADE AND OTHER PAYABLES

	June 30, 2024 USD	December 31, 2023 USD
<i>Non-current</i>		
Trade payables	44,225,309	-
Deferred revenue	14,548,757	15,602,785
Amounts payable to entities under common control*	548	520
Other payables	4,406,644	57,075,528
VAT payable	-	844,338
	<u>63,181,258</u>	<u>73,523,171</u>
<i>Current</i>		
Trade payables	397,031,689	289,127,414
Other payables	72,079,171	202,101,725
Deferred revenue	39,955,396	41,664,914
VAT payable	104,876,424	92,564,260
Mobile financial services creditors	352,043,745	317,402,602
Amounts payable to entities under common control*	6,308,174	5,882,376
	<u>972,294,599</u>	<u>948,743,291</u>
Total trade and other payables	<u>1,035,475,857</u>	<u>1,022,266,462</u>

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
14. BORROWINGS

	June 30, 2024 USD	December 31, 2023 USD
Non-current		
Bank loans (a)	224,651,489	152,935,670
Listed bonds	415,132,079	414,356,520
Loans payable to related parties	168,574,615	164,206,251
Other Borrowings	294,633	-
	808,652,816	731,498,441
Current		
Bank loans (a)	72,506,371	118,377,222
Listed bonds	11,551,450	11,594,467
	84,057,821	129,971,689
Total borrowings	892,710,637	861,470,130
(a) Bank loans		
Bank of Africa ("BOA")	6,468,007	10,461,050
Banque Malgache de L'Océan Indien ("BMOI")	13,142,239	14,628,477
BFV Société Générale de Madagascar ("BFV")	22,607,167	26,342,155
BNI Banque de l'Industrie ("BNI")	10,623,168	12,186,936
Société de Gestion et d'Intermédiation ("SGI")	-	11,081,935
Banque Togolaise pour le Commerce et l'Industrie ("BTCI")	-	4,170,074
Union Togolaise de Banque ("UTB")	-	13,965,460
Orabank ("ORB")	-	16,098,403
Stanbic Bank Uganda ("SBU")	30,919,082	24,352,950
CRDB Bank Plc ("CRDB")	13,428,471	17,299,140
NMB Bank Plc	6,010,306	-
National Bank of Commerce (Tanzania) ("NBC")	1,105,586	9,459,327
Syndicated loan from 4 banks of Senegal		
- Société Générale de Banques au Sénégal	6,970,502	7,653,186
- Banque Internationale pour le commerce et l'industrie du Sénégal	6,638,577	7,288,749
- CBAO Groupe Attijariwafa bank	8,962,079	9,839,811
- Orabank Sénégal	10,621,207	11,648,826
Agence pour le Développement de L'Entreprenariat Rapide	261,135	270,093
International Finance Corporation ('IFC')	22,601,901	-
Ecobank Togo SA	19,050,729	-
Société Générale Bénin SA	19,050,729	-
JP Morgan Chase Bank	98,696,975	73,953,632
Accrued interest	-	612,688
Total bank loans	297,157,860	271,312,892
Loans payable within one year	68,516,618	118,377,222
Loans payable after one year	228,641,242	152,935,670

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS (CONTINUED)

Axian Telecom Notes

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

Bank loans

The bank loans of the Group companies are repayable monthly, quarterly, semi-annually, or annually at fixed or variable interest rates varying between 6.6% and 15.7%. With the exception of the bank loans described below, all utilized principal values and terms of bank loans remain the same as those described in the audited consolidated financial statements of Axian Telecom for the year ended December 31, 2023.

1. Telecom Malagasy S.A.

During the period ended June 30, 2024, Telecom Malagasy S.A. has not drawn down any additional amount and made aggregate payments amounting to MGA 24.8 billion (approximately USD 5.5 million).

2. Towerco of Africa S.A.

During the period ended June 30, 2024, Towerco of Africa S.A. has not drawn down any additional amount and has made aggregate payments amounting to MGA 11.8 billion (approximately USD 2.6 million).

3. Telecom Comores Holding Ltd (as acquired during the period)

On October 21, 2019, Telecom Comores Holding Ltd entered into a facility agreement with the International Finance Corporation (IFC) for an amount of EUR 13.0 million (approximately USD 14.1 million) for the implementation of various projects and investment in capex. The facility has a duration of 7 years, bears interest at a variable rate of 6 months Euribor plus a margin of 5.40% per annum, and repayments are made on a semi-annual basis beginning in December 2020.

At the date of acquisition, Telecom Comores Holding Ltd had an outstanding principal amount against this facility of EUR 6.1 million (approximately USD 6.7 million). During the period from the date of acquisition until June 30, 2024, Telecom Comores Holding Ltd made aggregate repayments of EUR 2.5 million (approximately USD 2.7 million) against the outstanding principal and drew down no additional amounts.

4. Togo Cellulaire S.A.

Togo Cellulaire S.A. has fully repaid their loan principal amounting to XOF 13.9 billion (approximately USD 22.8 million) during the six month period ended June 30, 2024, and thus no longer has any third-party loans payable as at June 30, 2024.

5. Togo Telecom S.A.

Togo Telecom S.A. has fully repaid their loan principal amounting to XOF 14.8 billion (approximately USD 24.4 million) during the six month period ended June 30, 2024, and thus no longer has any third-party loans payable as at June 30, 2024.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS (CONTINUED)

Bank loans (continued)

6. Togocom S.A.

On February 08, 2024, Togocom S.A. entered into a common terms agreement for a syndicated loan facility with 3 lenders; Ecobank Togo SA, International Finance Corporation (IFC) and Société Générale Bénin SA, for the refinancing of existing debts. The final principal repayment is due on December 15, 2031. The terms and conditions of the facilities are detailed in the table below:

Bank Names	Repayment Terms	Currency	Initial principal amounts	Interest rates
Ecobank Togo SA	Principal repayments will start as from June 15, 2026, on a semi-annual basis representing 8.33% of the principal amount.	XOF	12,000,000,000	7%
Société Générale Bénin SA		XOF	12,000,000,000	7%
International Finance Corporation (IFC)		EUR	18,000,000	6 months Euribor plus a margin of 5.5%

During the period to June 30, 2024, Togocom S.A drew down an amount of XOF 12.0 billion (USD 19.7 million) against the Ecobank Togo SA facility, an amount of XOF 12.0 billion (USD 19.7 million) against the Société Générale Bénin SA facility, and an amount of EUR 18.0 million (USD 19.4 million) against the IFC facility.

7. Towerco of Africa Uganda Limited

During the period ended June 30, 2024, Towerco of Africa Uganda Limited drew down an additional amount of UGX 26.1 billion (approximately USD 6.9 million) from the Stanbic Bank Uganda Limited's facility and made aggregate repayments amounting to UGX 3.2 billion (approximately USD 0.8 million) in the same period.

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

During the period ended June 30, 2024, Honora Tanzania Plc has not drawn down any additional amount against the CRDB Bank Plc's LC facility and made aggregate payments of EUR 11.5 million (approximately USD 12.4 million).

During the period ended June 30, 2024, Honora Tanzania Public Limited Company has utilized TZS 10.0 billion against the NBC Bank Ltd.'s facility (approximately USD 3.9 million) and made payments of TZS 7.4 billion (approximately USD 2.9 million).

Honora Tanzania Plc entered a letter of credit (LC) facility on June 30, 2023, with the NMB Bank Plc (NMB). The facility does not accrue contractual interests but instead attracts quarterly commission, calculated as 0.35% of the facility amount, and attracts arrangement fees of 0.25% for every portion utilized. The LC facility has an initial availability period of 270 days and is repayable on semi-annual basis with deferred payment terms. The purpose of the LC facility was mainly to finance the purchase and import of capital expenditure. The LC facilities are secured by an all-assets debenture over the assets of Honora Tanzania Public Limited Company.

During the period ended June 30, 2024, Honora Tanzania Public Limited Company has utilized EUR 5.6 million against the NBCs facility (approximately USD 6.0 million) and did not make any repayments.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS (CONTINUED)

9. Maya Africa Holding Limited

During the period ended June 30, 2024, Maya Africa Holding Limited has not drawn down any additional amount against its facilities and made payments of EUR 2.8 million (approximately USD 3.0 million).

10. Axian Telecom - Term facilities agreement

During the period ended June 30, 2024, Axian Telecom drew down an amount of USD 12.9 million against Facility A and an amount of USD 19.0 million against Facility B. Axian Telecom also made a repayment of USD 8.4 million against the capital portion of the Facility A.

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

	Carrying value USD	Total cash flows USD	Cash flows within 1 year USD	Cash flows between 1 and 2 years USD	Cash flows between 3 and 4 years USD	Cash flows after 5 years USD
Borrowings	466,027,108	613,904,004	79,474,675	113,300,794	381,100,873	40,027,662
Listed bonds	426,683,529	512,925,000	30,975,000	30,975,000	450,975,000	-

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. CASH FLOW FROM OPERATING ACTIVITIES

	3 month period ended		6 month period ended	
	June 30, 2024 USD	June 30, 2023 USD	June 30, 2024 USD	June 30, 2023 USD
Cash flows from operating activities:				
Profit before income tax	31,721,177	12,533,317	72,865,678	46,293,090
<i>Adjustments:</i>				
Amortization of right-of-use assets	17,205,047	14,937,774	33,936,199	28,403,040
Depreciation of property, plant and equipment	47,261,621	33,461,611	91,630,825	64,016,787
Amortization of intangible assets	12,534,581	7,735,026	25,437,233	15,136,105
Loss/(gain) on disposal of property, plant and equipment	65,860	27,865	(160,263)	23,345
Gain on disposal of intangible assets	(41,800)	-	-	-
Gain on fair value of previously held interest	(864,982)	-	(864,982)	-
Release of deferred profits on sale of property, plant and equipment	(230,942)	(253,865)	(467,269)	(510,449)
Provision on litigations	26,648	489,480	52,410	480,637
Write-back of government grants	(2,376,069)	(2,587,909)	(4,714,004)	(4,967,819)
Share of profit in associates and joint ventures	(4,495,476)	(5,499,099)	(9,564,236)	(7,443,224)
Interest expense on lease liability	23,943,594	14,745,398	47,389,973	29,420,561
Net interest expense on provision for dismantling costs	568,387	531,655	1,121,367	1,080,863
Gain on remeasurement of provision for dismantling costs	(4,185)	-	(4,185)	-
Other interest expense (excluding realized foreign exchange)	17,766,854	14,284,881	36,423,354	28,961,537
Finance income	(3,762,043)	(3,225,836)	(7,218,623)	(8,140,980)
Dividend income	(25,852)	(2,813,572)	(25,852)	(2,813,572)
Gain on fair valuation of derivatives	(725,100)	(2,406,440)	(1,863,345)	(1,412,463)
Write-off of financial assets	799,899	1,306,418	932,393	2,421,633
Reinstatement/(waiver) of financial liabilities	-	308	-	(34,952)
Loan payable waived	(1,194)	-	(1,194)	-
Provision for impairment of receivables	319,404	297,068	1,693,613	570,905
Impairment of loans receivable and other financial assets	1,961,439	568,317	4,929,308	2,042,057
Reversal of provision for slow moving inventories	(40,048)	(2,469,040)	(539,626)	(2,443,739)
Provision for retirement benefits obligation	74,561	63,670	294,900	128,569
Loss on lease modification	828,955	-	436,153	-
Reversal of impairment of investment in joint ventures	-	(403)	-	(54,030)
Reversal of provision for impairment of financial assets at fair value through profit or loss	(182)	-	(182)	-
Provision for impairment of property, plant and equipment and intangible assets	-	3,610,000	-	3,610,000
Cash generated from operating activities before working capital changes	142,510,154	85,336,624	291,719,645	194,767,901
Changes in working capital:				
(Increase)/decrease in inventories	(1,920,786)	(783,115)	809,917	(441,033)
Decrease/(increase) in trade and other receivables	12,272,543	(16,718,770)	10,778,236	(42,499,331)
Increase/(decrease) in trade and other payables	3,927,173	(11,968,341)	27,880,214	13,012,921
Increase in loans to customers	(6,142,021)	(2,004,731)	(11,368,259)	(5,741,651)
Increase in deposits from customers	404,159	96,202	668,014	407,197
Net cash generated from operating activities	151,051,222	53,957,869	320,487,767	159,506,004

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
16. NON-IFRS MEASURES

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

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
Profit/(loss) for the period	25,026,746	(5,910,661)	54,215,923	16,498,376
<i>Adjustments:</i>				
Income tax expense	6,694,431	18,443,978	18,649,755	29,794,714
Finance income	(4,637,386)	(14,133,714)	(26,946,734)	(26,969,137)
Finance costs	54,557,386	61,560,518	114,924,736	99,353,463
Depreciation of property, plant and equipment	47,261,621	33,461,611	91,630,825	64,016,787
Amortization of right of use assets	17,205,047	14,937,774	33,936,199	28,403,040
Amortization of intangible assets	12,534,581	7,735,026	25,437,233	15,136,105
EBITDA	158,642,426	116,094,532	311,847,937	226,233,348
Share of net profit in joint ventures and associates	(4,495,476)	(5,499,099)	(9,564,236)	(7,443,224)
Gain on fair value of previously held interest	(864,981)	-	(864,981)	-
Impairment of property, plant and equipment and intangible assets	-	3,610,000	-	3,610,000
Loss/(gain) on disposal of property, plant and equipment and intangible assets	65,860	4,520	(160,263)	-
Adjusted EBITDA	153,347,829	114,209,953	301,258,457	222,400,124

17. SEGMENTAL REPORTING
Business Segments

For the six month period ended June 30, 2024, and for the year ended December 31, 2023, 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.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the three month period ended June 30, 2024:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	263,296,690	12,770,567	61,800,930	97,684	337,965,871
Profit/(loss) for the period before tax	34,356,802	(12,224,430)	33,167,776	(23,578,971)	31,721,177
<i>Adjustments:</i>					
Finance income	3,407,841	(366,872)	(2,898,506)	(4,779,849)	(4,637,386)
Finance costs	34,249,530	2,965,523	324,422	17,017,911	54,557,386
Depreciation of property, plant and equipment	38,154,325	9,017,156	96,618	(6,478)	47,261,621
Amortization of right of use assets	16,013,236	721,570	350,184	120,057	17,205,047
Amortization of intangible assets	12,049,962	418,918	(295)	65,996	12,534,581
EBITDA	138,231,696	531,865	31,040,199	(11,161,334)	158,642,426
Share of net profit in joint ventures and associates	-	-	-	(4,495,476)	(4,495,476)
Loss on disposal of property, plant and equipment and intangible assets	-	-	65,860	-	65,860
Gain on fair value of previously held interest	-	-	-	(864,981)	(864,981)
Adjusted EBITDA	138,231,696	531,865	31,106,059	(16,521,791)	153,347,829

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

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

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the six month period ended June 30, 2024:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	514,170,639	28,202,062	117,745,424	170,726	660,288,851
Profit/(loss) for the period before tax	73,902,364	(16,471,230)	61,970,154	(46,535,610)	72,865,678
<i>Adjustments:</i>					
Finance income	(8,975,259)	(3,155,881)	(6,253,395)	(8,562,199)	(26,946,734)
Finance costs	74,435,509	5,724,553	1,049,246	33,715,428	114,924,736
Depreciation of property, plant and equipment	74,034,383	17,415,763	170,731	9,948	91,630,825
Amortization of right of use assets	31,738,686	1,362,952	617,809	216,752	33,936,199
Amortization of intangible assets	24,545,905	769,927	13,540	107,861	25,437,233
EBITDA	269,681,588	5,646,084	57,568,085	(21,047,820)	311,847,937
Share of net profit in joint ventures and associates	-	-	-	(9,564,236)	(9,564,236)
Loss/(gain) on disposal of property, plant and equipment and intangible assets	5,310	262	(165,835)	-	(160,263)
Gain on fair value of previously held interest	-	-	-	(864,981)	(864,981)
Adjusted EBITDA	269,686,898	5,646,346	57,402,250	(31,477,037)	301,258,457
	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Segment assets	2,381,327,662	284,258,681	395,691,009	192,455,060	3,253,732,412
Segment liabilities	(1,720,519,402)	(151,771,969)	(341,947,942)	(761,546,648)	(2,975,785,961)

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

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

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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
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 S.A., 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 S.A. 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 SA USD
ASSETS	
Property, plant and equipment	4,378,279
Intangible assets	745,360
Deposits receivable	26,983
Trade and other receivables	6,719,839
Cash and cash equivalents	4,156
Total assets	11,874,617
LIABILITIES	
Deferred tax liability	330,505
Trade and other payables	14,248,827
Income tax liability	9,622
Total liabilities	14,588,954
Cost of investment	1
Fair value of previously held interest	-
Net 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.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Sen Connect SA (continued)

	Fair values Sen Connect SA USD
Revenue - post acquisition to December 31, 2023	950,958
Net profit - post acquisition to December 31, 2023	(450,348)
The cash flows associated with the business acquisitions are as follows:	
<i>Cash outflow/(inflow) from acquisition of subsidiaries</i>	
Purchase consideration	1
Cash and cash equivalents acquired	(4,156)
Cash inflow from acquisition, net of cash acquired	(4,155)

Maya Africa Holding Limited and its subsidiaries

On October 2, 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.

	Fair values Maya Africa Holding Limited and its subsidiaries 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

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

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 and its subsidiaries 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.

	Maya Africa Holding Limited and its subsidiaries 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

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)
Telecom Comores Holding Limited and its subsidiaries

On May 31, 2024, Axian Telecom completed the acquisition of an additional 50% of the issued share capital of Telecom Comores Holding, being the parent company of our joint operations in Comoros (together with the parent company referred to as "Telma Comoros"). Axian Telecom thereafter directly and indirectly controlled 100% of the voting rights in Telma Comoros, allowing it to control and financially consolidate the operations of Telma Comoros. The operations of Telma Comoros are consolidated in these financial statements as from May 31, 2024.

The assets and liabilities of Telma Comoros 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. These values are reflected in the table below at their draft fair values at the date of acquisition. We have not yet completed the IFRS 3 – Business combinations valuation, and these numbers may be subject to change.

	Fair values Telecom Comores Holding Limited and its subsidiaries USD
ASSETS	
Property, plant and equipment	21,325,548
Intangible assets	9,102,376
Customer-related intangible	4,254,949
Brand intangible	1,079,152
Right-of-use assets	1,818,742
Fixed assets: Works in progress	2,614,031
Deposits and bonds receivables	96,371
Financial assets at fair value through profit or loss	22
Inventories	278,425
Trade and other receivables	2,987,952
Income tax receivables	88,671
Cash and cash equivalents	8,088,841
Total assets	51,735,080

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Telecom Comores Holding Limited and its subsidiaries (Continued)

	Fair values Telecom Comores Holding Limited and its subsidiaries USD
LIABILITIES	
Borrowings	6,821,693
Provisions	3,311
Lease liability	1,818,742
Retirement benefit obligations	899,528
Deferred tax liability	1,197,468
Trade and other payables	20,268,553
Income tax payables	181,038
Bank overdraft	12,622
Total liabilities	31,202,955
Cost of investment	14,392,645
Fair value of previously held interest	8,886,304
Net assets at date of acquisition	(20,532,125)
Goodwill	2,746,824

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.

	Telecom Comores Holding Limited and its subsidiaries USD
Revenue - post acquisition	2,514,740
Net profit - post acquisition	(72,782)
The cash flows associated with the business acquisitions are as follows:	
<i>Cash outflow from acquisition of subsidiaries</i>	
Purchase consideration ¹	14,392,645
Cash and cash equivalents acquired	(8,088,841)
Bank overdraft acquired	12,622
Deferred consideration ¹	(8,970,829)
Cash inflow from acquisition, net of cash acquired	(2,654,403)

¹ The total value of purchase consideration represents the present value of the current and future payments due in respect of the acquisition. The total acquisition price of EUR 14.0 million is payable in three installments: EUR 5.0 million on completion, EUR 5.0 million on January 1, 2025, and EUR 4.0 million on January 1, 2026.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. SUBSEQUENT EVENTS

Addition of new holding company

On August 9, 2024, 100% of the issued share capital of Axian Telecom was transferred from Mr Hassanein Hiridjee to Axian Telecom Holding and Management Ltd ("Axian Telecom Holding"), a company incorporated under the Companies Law, DIFC Law No.5 of 2018, under the registration number 7891.

The ultimate beneficial ownership of the group remains the same, as 100% of the issued share capital of Axian Telecom Holding is held by Mr Hassanein Hiridjee.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

PRO FORMA AND COMBINED FINANCIAL INFORMATION

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.

On May 31, 2024, Axian Telecom completed the acquisition of an additional 50% of the issued share capital of Telecom Comores Holding, being the parent company of our joint operations in Comoros (together with the parent company referred to as "Telma Comoros"). Axian Telecom thereafter directly and indirectly controlled 100% of the voting rights in Telma Comoros.

These financial statements include the results of the operations of Free in Senegal from its acquisition completion date, and the statement of financial position of Free in Senegal as at December 31, 2023; incorporated into the consolidated numbers. These financial statements do not include the results of the operations of Free in Senegal on a pro forma basis prior to its acquisition completion date. In order to provide useful information to the users of the financial statements, we present the combined statement of profit or loss and the statement of comprehensive income beginning from the earliest comparative period, in this case January 1, 2023.

We present the combined results by incorporating the financial performance of Free in Senegal into the numbers presented in the statement of profit or loss and statement of other comprehensive income, from January 1, 2023.

Given the value of revenue, gross assets, and Adjusted EBITDA of Telma Comoros, its acquisition is not considered to be a material acquisition which requires the disclosure of pro forma numbers in the financial statements in accordance with the reporting requirements under the Notes. We have therefore not reflected the financial information of Telma Comoros on a pro forma basis in these financial statements.

Pro forma adjustments

The pro forma combined statement of profit or loss includes 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 consolidated Group from the earliest comparative period. The results for the respective periods are thereafter combined, and no further adjustments are made.

The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rate of XOF607.13/USD1 and EUR0.9255/USD1 for three month and six month periods ended June 30, 2023.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results

Condensed combined statements of profit or loss for the three month and six month period ended June 30, 2024

	3 month period ended		6 month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	USD	USD	USD	USD
Revenue	337,965,871	298,297,660	660,288,851	582,126,306
Cost of devices and equipment	(7,917,444)	(8,968,889)	(15,010,462)	(15,408,556)
Cost of interconnection and roaming	(9,790,579)	(10,895,571)	(19,119,200)	(21,139,176)
Government and regulatory costs	(21,062,708)	(20,262,519)	(41,814,133)	(39,307,300)
Advertising and distribution costs	(4,982,157)	(4,942,324)	(8,789,500)	(8,982,226)
Commission to sales agents	(46,132,520)	(43,132,095)	(89,303,868)	(82,904,982)
Net impairment losses on financial and contract assets	(2,280,843)	(1,223,189)	(6,622,921)	(3,481,093)
Technology operation costs	(26,411,371)	(26,318,506)	(51,988,760)	(50,037,716)
Staff costs	(37,734,338)	(30,862,237)	(72,524,279)	(59,548,825)
Write-off of financial assets	(799,899)	(1,306,418)	(932,393)	(2,421,633)
Professional fees	(6,960,111)	(5,236,674)	(13,530,429)	(11,888,613)
Depreciation and amortization	(77,001,249)	(67,091,829)	(151,004,257)	(129,170,121)
Impairment of non-financial assets	(33,047)	(1,140,558)	525,556	(1,112,232)
Other operating expenses	(24,967,128)	(23,794,834)	(48,841,951)	(43,922,027)
Other income	4,980,695	6,474,036	9,045,532	9,901,563
Net gain on financial assets at fair value through profit or loss	182	-	182	-
OPERATING PROFIT	76,873,354	59,596,053	150,377,968	122,703,369
Finance income	4,637,386	14,220,944	26,946,734	27,133,255
Finance costs	(54,557,386)	(68,993,557)	(114,924,736)	(114,240,930)
Non-operating income	708,500	3,764,804	1,337,629	4,021,388
Non-operating expenses	(436,153)	-	(436,153)	-
Share of profit in joint ventures and associates	4,495,476	5,499,099	9,564,236	7,443,224
PROFIT BEFORE INCOME TAX	31,721,177	14,087,343	72,865,678	47,060,306
Income tax expense	(6,694,431)	(18,443,626)	(18,649,755)	(29,808,271)
PROFIT/(LOSS) FOR THE PERIOD	25,026,746	(4,356,283)	54,215,923	17,252,035
Profit/(loss) for the period attributable to:				
- Owners of the Company	18,943,103	(5,205,882)	41,404,288	10,650,317
- Non-controlling interest	6,083,643	849,599	12,811,635	6,601,718
	25,026,746	(4,356,283)	54,215,923	17,252,035

Note: The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rate of XOF607.13/USD1 and EUR0.9255/USD1 for three month and six month periods ended June 30, 2023.

AXIAN TELECOM
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024
PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)
Combined financial results (continued)
Condensed combined statements of other comprehensive income for the three month and six month period ended June 30, 2024

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
PROFIT/(LOSS) FOR THE PERIOD	25,026,746	(4,356,283)	54,215,923	17,252,035
OTHER COMPREHENSIVE (LOSS)/INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	(5,011,971)	8,525,421	(9,662,640)	12,144,996
Exchange differences on translation of foreign joint ventures	(1,077,031)	(231,744)	(1,308,042)	614,162
<i>Items that will not be re-classified to profit or loss</i>				
Remeasurements of retirement benefit obligations	-	850	-	-
Other comprehensive (loss)/income for the period, net of tax	(6,089,002)	8,294,527	(10,970,682)	12,759,158
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	18,937,744	3,938,244	43,245,241	30,011,193
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
- Owners of the Company	12,929,089	2,566,904	28,773,746	22,736,805
- Non - controlling interest	6,008,655	1,371,340	14,471,495	7,274,388
	18,937,744	3,938,244	43,245,241	30,011,193

Note: The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rate of XOF607.13/USD1 and EUR0.9255/USD1 for three month and six month periods ended June 30, 2023.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results (continued)

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

	3 month period ended		6 month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
	USD	USD	USD	USD
Profit/(loss) for the period	25,026,746	(4,356,283)	54,215,923	17,252,035
<i>Adjustments:</i>				
Income tax expense	6,694,431	18,443,626	18,649,755	29,808,271
Finance income	(4,637,386)	(14,220,944)	(26,946,734)	(27,133,255)
Finance costs	54,557,386	68,993,557	114,924,736	114,240,930
Depreciation of property, plant and equipment	47,261,621	36,058,296	91,630,825	71,484,460
Amortization of right of use assets	17,205,047	19,462,626	33,936,199	35,020,602
Amortization of intangible assets	12,534,581	11,570,907	25,437,233	22,665,059
EBITDA	158,642,426	135,951,785	311,847,937	263,338,102
Share of net profit in joint ventures and associates	(4,495,476)	(5,499,099)	(9,564,236)	(7,443,224)
Gain on fair value of previously held interest	(864,981)	-	(864,981)	-
Impairment of property, plant and equipment and intangible assets	-	3,610,000	-	3,610,000
Loss/(gain) on disposal of property, plant and equipment and intangible assets	65,860	5,906	(160,263)	-
Adjusted EBITDA	153,347,829	134,068,592	301,258,457	259,504,878

Note: The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rate of XOF607.13/USD1 and EUR0.9255/USD1 for three month and six month periods ended June 30, 2023.

AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2024

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.