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AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD AND YEAR ENDED
DECEMBER 31, 2024

AXIAN

LET'S GROW TOGETHER

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 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	December 31, 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 19-21, Bank Street Cybercity, Ebène 72201 Republic of Mauritius		
INVESTOR RELATIONS CONTACT	investorrelations@axian-telecom.com		

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DISCLAIMER

Forward-looking statements

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

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

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

The forward-looking statements contained in these financial statements are largely based on our expectations, which reflect the 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 56). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

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

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION

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

The Group is a leading pan-African telecommunications services provider, operating in nine markets through subsidiaries and nonconsolidated joint ventures in Tanzania, Madagascar, Togo, Uganda, Democratic Republic of the Congo (“DRC”), Mauritius, Senegal, Réunion/Mayotte, the UAE, 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 December 31, 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.

The ultimate holding company of Axian Telecom, as at December 31, 2024, is 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.

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 arrears 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, 2024.

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”).

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GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION

Basis of preparation (continued)

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 93.28% 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.

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, 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 period and year ended December 31, 2024 and the statement of other comprehensive income for the three month period and year ended December 31, 2024, 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 52 to 55 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.

Restatement of previously Revenue generating subscribers ("RGS")

In Q4'24, we performed a review of the application of our methodology for measuring RGS in each of our operations. During this review it was noted that our Madagascar operations had previously reported subscribers with limited mobile activity within their RGS numbers. These subscribers were shown as active on our network as they were utilising USSD services and were receiving calls and messages but not registering outbound activity. While the use of these services does not generate revenue, and therefore these subscribers should not have been reflected as RGS.

The table below reflects the previously reported numbers and the restated ones for the years ended December 31, 2022, and December 31, 2023.

	December 31, 2023 Units'000	December 31, 2022 Units'000
RGS as previously reported	38,509	30,334
RGS as revised	35,435	27,794
Difference	3,074	2,540

The above revisions do not impact our previously reported market share percentages as these are typically calculated by the Malagasy telecommunications regulator by reference to registered SIMs, which remained unchanged.

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OPERATING AND FINANCIAL REVIEW

Highlights for the quarter and year to date

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Revenue	380,355,693	326,521,882	1,406,915,647	1,089,353,116
Operating profit	84,893,736	51,200,621	315,633,066	232,962,032
Adjusted EBITDA*	160,761,236	146,897,029	618,696,562	496,272,169
Adjusted EBITDA Margin*	42.3%	45.0%	44.0%	45.6%
			As at December 31, 2024	As at December 31, 2023 (restated)
			Units'000	Units'000
Revenue generating subscribers ("RGS")			40,175	35,435
Active data users			12,316	11,339
Active MFS users			15,976	12,649
			Units	Units
Owned Towers			4,426	3,698
Shared Towers			2,997	2,247
Tenants on Shared Towers			3,735	2,966
Tenancy Ratio			1.25x	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 4.6 million during the year ended December 31, 2024, resulting in 40.2 million RGS as at December 31, 2024. Active data users have increased by 1.0 million to 12.3 million Active data users in the same period, while Active MFS users also increased by 3.4 million during the year ended December 31, 2024, to 16.0 million Active MFS users.

The net movements for the year ended December 31, 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 impact of the Telma Comoros acquisition, we reflect increases in Revenue generating subscribers, Active data users, and Active MFS users of 4.3 million, 0.8 million, and 3.3 million respectively for the year ended December 31, 2024.

Excluding the impact of the Telma Comoros acquisition, the increase in RGS for the year ended December 31, 2024, of 4.3 million, is primarily driven by our Tanzania operation which saw an increase of 3.2 million RGS (or 20.4%) in the year. Our operations in Madagascar and Togo also saw increases in RGS of 1.1 million (or 11.2%) and 0.3 million (or 8.5%) respectively, in the same period. This year-on-year increase is partially offset by a decrease in RGS of 0.3 million (or 5.0%) in our Senegal operation.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

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

Excluding the impact of the Telma Comoros acquisition, the increase in Active data users for the year ended December 31, 2024, is primarily driven by our Tanzania operation, which saw an increase of 0.6 million (or 13.3%) for the period. Our Madagascar and Togo operations also saw increases of 0.2 million and 0.1 million Active data users respectively during the year ended December 31, 2024, while our Senegal operation reflects a decrease in Active data users of 0.1 million (or 5.5%) in the same period.

Excluding the impact of the Telma Comoros acquisition, the increase in Active MFS users for the year ended December 31, 2024, is primarily driven by our Tanzania operation which saw an increase of 2.2 million (or 28.1%) in the twelve month period. Our Active MFS users increased by 0.9 million (or 31.2%), and by 0.4 million (or 20.8%) in our Madagascar, and Togo operations, respectively, in the same period.

During the year ended December 31, 2024, we have increased the number of Owned Towers and Shared Towers by 728 and 750 respectively, which includes the addition of 149 Owned Towers from the Telma Comoros acquisition. The increase in Owned Towers of 579, excluding the impact of the Telma Comoros acquisition, is mainly from an increase of 219 Owned Towers in our Tanzania operations in the period, and from our operations in Madagascar and Uganda which saw year-on-year increases in their Owned Towers (which are also Shared Towers in those operations) of 224 and 105, respectively. We also added 27 Owned Towers (which are also Shared Towers) in our DRC operations during the year ended December 31, 2024.

Our increase in Shared Towers for the year ended December 31, 2024, exceeds the increase in Owned Towers, due to our Tanzania operations where we have now transferred a portion of our Owned Towers to Towerco of Africa Tanzania in Q4'24; thereby increasing the number of Shared Towers in our Tanzania operation by 394, compared to an increase of 219 Owned Towers in the period. On December 31, 2024, we still hold 250 Owned Towers in our operations in Tanzania, which are not yet Shared Towers; we expect to convert the majority of these to Shared Towers during the year ended December 31, 2025.

Our Tenants on Shared Towers also increased by 769 in the same period as a result of net increases in our Madagascar, Uganda, and DRC operations of 228, 120, and 27, respectively, and from an addition of 394 Tenants in our Tanzania operation, following the conversion of the majority of our Owned Towers, to Shared Towers. Our Tenancy Ratio decreased by 0.07x, to 1.25x, during the same period, as we continue to build new sites and convert our Owned Towers to Shared Towers; in both scenarios beginning with a Tenancy Ratio of 1.0x.

Revenue

Revenue for the three month period ended December 31, 2024, increased year-on-year by \$53.8 million or 16.5%, to \$380.4 million in Q4 2024, compared to \$326.5 million in Q4 2023. The year-on-year increase includes inorganic growth of \$8.5 million from Telma Comoros, which was not consolidated in the prior year period. The remaining year-on-year increase of \$45.3 million, excluding Telma Comoros, is mainly comprised of increases in revenue related to our operations in Madagascar and Tanzania, which increased by \$9.4 million (or 10.1%), and \$27.7 million (or 23.6%), year-on-year, respectively. Our operations in Togo, Uganda, and Senegal also achieved year-on-year revenue increases of \$2.7 million (or 4.1%), \$1.2 million (or 26.9%), and \$1.4 million (or 3.2%), respectively, for the same period.

The year-on-year increase in revenue in Tanzania is comprised of increases of \$21.2 million (or 26.6%) and \$6.5 million (or 17.3%) 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 20.4%, 13.3%, and 28.1%, respectively.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue (continued)

The year-on-year increase in revenue in Madagascar is comprised of increases of \$7.0 million, and \$4.2 million in our Mobile and fixed-line communications, and Digital and mobile financial services segments, respectively, also as a result of year-on-year increase in RGS, Active data users, and active MFS users, which results in increased activity in those segments. This increase is partially offset by a year-on-year decrease in revenue of \$1.8 million in our infrastructure segment in Madagascar, primarily as a result of service credits and lower volumes of services resulting in one-off charges.

The aggregate year-on-year revenue growth for the three month period ended December 31, 2024, from our Tanzania, Madagascar, and Togo operations is partially offset by negative foreign exchange translation impacts of \$2.5 million (or 1.7%), \$1.4 million (or 1.4%), and \$0.9 million (or 1.2%) respectively, owing to the year-on-year strengthening of the US Dollar against the local currencies of those markets.

Year-on-year growth in revenue for the quarter, in our Togo operation reflects growth in our Mobile and fixed-line communications segment, while the year-on-year growth in revenue in our Senegal operation reflects growing ARPU in our Mobile and fixed-line communications segment, particularly as relates to Active data users.

Revenue for the year ended December 31, 2024, increased year-on-year by \$317.5 million or 29.2%, to \$1,406.9 million in the year ended December 31, 2024, compared to \$1,089.4 million in the prior year comparative period. Included in revenue for the year ended December 31, 2024, are amounts of \$173.1 million and \$20.2 million for Free in Senegal and Telma Comoros, respectively, whereas the prior year comparative period includes \$43.3 million in revenue for Free in Senegal. Excluding the inorganic impacts of Free in Senegal and Telma Comoros, we reflect organic growth of \$167.5 million (or 16.0% on a like-for-like basis) for the year.

The organic year-on-year increase of \$167.5 million and is mainly comprised of an increase in revenue related to our operations in Madagascar, Tanzania, and Togo, which increased by \$61.7 million (or 18.6%), \$74.7 million (or 17.2%), and by \$18.7 million (or 7.3%) year-on-year, respectively. Our operations in Uganda also achieved a year-on-year revenue increase of \$4.5 million (or 29.1%) for the same period.

The year-on-year increase in revenue for the year ended December 31, 2024, is impacted by aggregate negative foreign exchange translation impacts of \$49.0 million (or 3.4%), primarily related to our Tanzania and Madagascar markets, which reflected negative foreign exchange translation impacts of \$40.9 million (or 7.4%) and \$8.2 million (or 2.1%), respectively, for the period.

The year-on-year increase in revenue in our Uganda operations for the three month period and year ended December 31, 2024, are driven by increases in the number of Shared Towers and Tenants on Shared Towers which increased by 105 (or 25.8%) and 120 (or 23.8%) respectively, in the twelve month period ended December 31, 2024. The Tenancy Ratio decreased by 0.02x in the same period (from 1.24x at December 31, 2023, to 1.22x at December 31, 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 markets is primarily related to our infrastructure segment and relates primarily to the sale of capacity for undersea cables.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue (continued)

Revenue by segment is presented below:

<u>For the three month period ended:</u>	December 31, 2024 USD	December 31, 2023 USD	Movement USD	Movement %
Mobile and fixed-line communications	293,983,553	255,106,494	38,877,059	15.2%
Infrastructure	13,684,614	13,319,320	365,294	2.7%
Digital and mobile financial services	69,702,773	58,024,770	11,678,003	20.1%
Other	2,984,753	71,298	2,913,455	N/A
	380,355,693	326,521,882	53,833,811	16.5%

<u>For the year ended:</u>	December 31, 2024 USD	December 31, 2023 USD	Movement USD	Movement %
Mobile and fixed-line communications	1,094,395,955	839,683,685	254,712,270	30.3%
Infrastructure	55,195,685	44,790,815	10,404,870	23.2%
Digital and mobile financial services	253,963,002	204,298,365	49,664,637	24.3%
Other	3,361,005	580,251	2,780,754	N/A
	1,406,915,647	1,089,353,116	317,562,531	29.2%

Operating costs

Total operating costs increased by \$19.7 million year-on-year for the three month period ended December 31, 2024, to \$302.1 million in Q4 2024 compared to \$282.4 million in Q4 2023. The year-on-year increase includes an amount of \$8.3 million related to Telma Comoros, without which the like-for-like year-on-year increase is \$11.4 million, or 4.0%.

The year-on-year increase of \$11.4 million is primarily comprised of a year-on-year increase in staff costs of \$8.5 million, a year-on-year increase in costs of devices and equipment of \$6.2 million, a year-on-year increase in advertising and distribution costs of \$6.1 million, a year-on-year increase in commission to sales agents of \$4.8 million, a year-on-year increase in aggregate provisions for and write-offs of accounts receivable and loans receivable of \$3.1 million, and a year-on-year increase other operating costs of \$8.1 million. The aggregate year-on-year increase is partially offset by a year-on-year decrease in depreciation and amortization of \$22.1 million.

Operating costs for the year ended December 31, 2024, increased year-on-year by \$229.2 million (or 26.1%), to \$1,108.1 million in the current year compared to \$878.9 million in the prior year. The year-on-year increase includes a year-on-year increase from the inclusion of three more quarters of Free in Senegal, amounting to \$98.5 million, and an amount of \$17.3 million related to Telma Comoros respectively, without which the like-for-like year-on-year increase is \$81.2 million, or 9.7%.

The remaining year-on-year increase of \$81.2 million, is primarily comprised of a year-on-year increase in staff costs of \$26.4 million, a year-on-year increase in commission to sales agents of \$21.9 million, a year-on-year increase in cost of devices and equipment of \$10.8 million, a year-on-year increases in other operating costs of \$11.7 million, a year-on-year increase in net provisions and write-off of accounts receivable and loans receivable of \$4.3 million, and year-on-year increases in advertising and distribution costs and government regulatory costs of \$4.5 million and \$2.3 million respectively. The aggregate year-on-year increase for the period is partially offset by a year-on-year decrease in impairment of non-financial assets of \$4.8 million.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs (continued)

In all cases; excluding Telma Comoros and the change of scope for Free in Senegal:

- the year-on-year increase for the three month period and year ended December 31, 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. We also see a year-on-year increase in travel costs for both periods, primarily driven by group staff travel;
- the year-on-year increase for the three month period and year ended December 31, 2024, in respect of commissions to sales agents, is primarily driven by increased sales, which drive our increased revenues in the same periods; but which reflect lower year-on-year percentage increases than our revenue;
- the year-on-year increase in advertising and distribution costs for the three month period and year ended December 31, 2024, primarily reflects the cost of the rebranding performed in November 2024;
- the year-on-year increases in the net costs associated with the write-off and impairment of financial and contract assets for the same periods, mainly result from credit loss provisions in respect of nano-loan customers and device finance customers which have increased year-on-year, as the value of nano-loans granted has increased year-on-year. The value of nano-loans extended to customers has increased by 82.5% year-on-year for the year ended December 31, 2024. The year-on-year increase in the balance of device financing, which results from increased device sales activity, is also the primary contributing factor to the year-on-year increase in the cost of devices and equipment;
- the year-on-year decrease in depreciation and amortization for the three month period ended December 31, 2024, is primarily related to the depreciation of property, plant and equipment resulting from our purchase price adjustment in Tanzania. Network investments in that market have resulted in the disposal of assets acquired in April 2022 for which the fair values were assessed as lower than their carrying values at the time of acquisition. The acquisition adjustment posted to decrease these values, resulted in reverse depreciation post acquisition, which was accelerated as part of the write-offs during the current year; especially in Q4'24;
- our depreciation expense for the year ended December 31, 2024, increased by \$1.4 million year-on-year, with the increase in depreciation expense resulting from our network modernizations in Tanzania, Togo, and Madagascar in the last 12 months, being mostly offset by the write-off in Q4'24, as described above;
- 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 license acquisition. Depreciation of right-of use assets has decreased year-on-year for both the three month period and year ended December 31, 2024. While we have 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 in government and regulatory costs for the year ended December 31, 2024, is primarily driven by increased activity and sales volumes in our Mobile and fixed-line communications and Digital and mobile financial services segments, as reflected by the increase in revenue in those segments and by the increase in RGS and Active MFS users. Our year-on-year increases in professional fees for the same period primarily reflect increased advisory costs in respect of commercial and M&A activity;
- the year-on-year decrease in impairment of non-financial assets is primarily due to reversals of inventory provisions and impairments in Q4'24, following increased volumes of device sales in the latter half of the year. This year-on-year decrease is partially offset by an increase in the impairment of property, plant, and equipment and intangible assets which mainly relates to the impairment of the brand assets associated with our acquisitions in Tanzania, Senegal, and Comoros, which were impaired following the rebranding in November 2024; the year-on-year increase in other operating expenses for the three month period and year ended December 31, 2024, is primarily driven by increases in general IT expenses, insurance charges, and security costs.

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 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Other operating income, and non-operating income and expenses

Other operating income was \$6.6 million and \$16.8 million for the three month period and year ended December 31, 2024, respectively, compared to \$7.1 million and \$22.6 million for the three month period and year ended December 31, 2023, respectively.

The year-on-year decrease of \$0.5 million for the three month period ended December 31, 2024, includes a decrease in other income in Madagascar, related to our non-telecom device sales, and a decrease in the release of government grants of \$0.9m. This decrease is partially offset by a year-on-year increase of \$3.9 million in respect of trade and amount payable waived for the three month period ended December 31, 2024.

The year-on-year decrease in other income of \$5.8 million for the year ended December 31, 2024, is primarily related to a decrease in the release of income from government grants of \$5.0 million, resulting from a re-assessment of the period over which the grant obligations remain applicable. This decrease is partially offset by an increase in other income primarily related to reversals of liabilities related to supplier disputes, mainly in Tanzania and Togo.

Net non-operating income increased year on year by \$14.9 million and by \$31.7 million for the three month period and year ended December 31, 2024, respectively. The year-on-year increases for both periods primarily reflect the prior period's impact of \$16.4 million resulting from an accrual for a post-acquisition M&A adjustment. The settlement associated with the post-acquisition M&A adjustment in the prior year was resolved in Q4'24, resulting in the recognition of a profit of \$19.4 million in Q4'24.

The year-on-year favorable impacts from the post-acquisition M&A settlement are partially offset by year-on-year decreases in the net income from the termination and modifications of leases, which decreased by \$5.3 million and \$5.5 million year-on-year for the three month period and year ended December 31, 2024, respectively. Other non-operating income for the year ended December 31, 2024, also includes a positive impact of \$0.9 million from the fair valuation of our previously held interest in Telma Comoros.

Net finance costs

Our net finance costs for the three month period and year ended December 31, 2024, were \$13.1 million and \$160.7 million respectively, compared to \$35.0 million and \$156.3 million in the prior year comparative periods; representing a year-on-year decrease of \$22.0 million for Q4'24, and a year-on-year increase of \$4.4 million for the year ended December 31, 2024.

The year-on-year decrease for the three month period ended December 31, 2024, includes net finance cost of \$2.1 million owing to the inclusion of the results of Telma Comoros, without which we would reflect a year-on-year decrease of \$24.0 million in net finance costs for the period. This decrease is primarily due to a decrease in net foreign exchange losses of \$38.7 million, owing to lower year-on-year devaluations of our local currencies in Madagascar and Tanzania against the US Dollar, with the Tanzanian Shilling gaining value by December 31, 2024, when compared to September 30, 2024. This year-on-year favorable impact is partially offset by increases of \$6.5 million, \$4.8 million, and \$2.6 million in interest for lease liabilities, other net finance costs, and aggregate interest for bank loans and bank overdrafts, respectively. We also recognized an increase in net fair valuation losses on derivative instruments of \$1.9 million in the same period.

The year-on-year increase for the year ended December 31, 2024, includes \$27.6 million from the change of scope of Free in Senegal and \$2.4 million owing to the inclusion of the results of Telma Comoros, which, if excluded, results in a year-on-year decrease in net finance costs of \$25.5 million for the period. This decrease is primarily due to a decrease in net foreign exchange losses of \$49.8 million, owing to lower year-on-year devaluations of our local currencies in Madagascar and Tanzania against the US Dollar, and by lower foreign currency liability balances when compared to the prior year, particularly in Tanzania. This year-on-year favorable impact is partially offset by increases of \$7.0 million, \$5.5 million, and \$10.6 million in interest for lease liabilities, other net finance costs, and aggregate interest for bank loans and bank overdrafts, respectively.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 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 \$0.7 million for the three month period ended December 31, 2024, and increased year-on-year by \$0.9 million for the year ended December 31, 2024.

The year-on-year decrease for the three month period ended December 31, 2024 results from decreased profits from Telecom Reunion Mayotte of \$1.7 million, and from a decrease in profits from Telecom Comoros of \$0.7 million; with the latter becoming a subsidiary in June 2024 and thus having nil profits or losses for Q4 2024. This aggregate decrease is partially offset by a year-on-year increase in profits from BNI Madagascar of \$1.7 million, for the same period.

The year-on-year increase for the year ended December 31, 2024 mainly results from increased profits from BNI Madagascar of \$2.5 million, and is partially offset by year-on-year decrease in profits from Indian Ocean Financial Holdings Limited of \$0.4 million, a year-on-year decrease in profits from Telecom Reunion Mayotte of \$0.5 million, and a decrease in profits from Telecom Comoros of \$0.6 million, for the same period.

Income tax

Income tax charge increased by \$52.6 million and \$51.1 million year-on-year for the three month period and year ended December 31, 2024, respectively.

The year-on-year increase of \$52.6 million for Q4 2024 is comprised of a year-on-year increase in current income tax expense of \$19.9 million, a year-on-year increase in deferred tax charges of \$23.1 million, and a year-on-year increase of \$9.6 million in withholding tax expense.

The year-on-year increase of \$51.1 million for the year ended December 31, 2024, is comprised of a year-on-year increase in current income tax expense of \$26.3 million, a year-on-year decrease in deferred credits of \$16.6 million, and a year-on-year increase of \$8.2 million in withholding tax expense.

The year-on-year increase in current income tax expense for both the three month period and year ended December 31, 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. These increases are derived primarily from our operations in Madagascar, Tanzania and Togo.

The net deferred income tax credits for the year ended December 31, 2024, are primarily driven by an increase in net deferred tax assets related to lease liabilities, primarily in our Tanzania operations, an increase in deferred tax assets related to receivables and nano-loans provisioning, primarily in Tanzania and Togo, and a decrease in deferred tax liabilities related to brand intangible assets, following the impairment of those assets as a result of the rebranding in November 2024. These deferred tax credits are partially offset by deferred tax expense related to a decrease in the deferred tax assets recognized in respect of property plant, and equipment fair value adjustments recognized as part of our acquisition in Tanzania, and a decrease in deferred tax assets on unrealized foreign exchange losses in our Tanzania operations.

The withholding tax expense in the current year is primarily related to interest payments and payments in respect of recharges for services rendered, made to Axian Telecom and Axian Telecom Middle East Management and Technical Services Ltd by their subsidiaries. These charges are subject to withholding taxes when the counterparties settle the invoice or the accrued interest. We also reflect withholding taxes in Silver Links Limited related to the provision of capacity services.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Income tax (continued)

Some withholding taxes, or a portion thereof, are recoverable by way of offset against the current tax liabilities of the entities that have suffered the withholding tax at source. We therefore recognize withholding tax payments as withholding tax assets rather than expensing them and subsequently assess these for recoverability against current tax liabilities of the respective entities, and irrecoverable portions are expensed.

Profit for the period

Our profit for the period increased by \$17.1 million year-on-year for the three month period ended December 31, 2024 and by \$59.7 million year-on-year for the year ended December 31, 2024. Our profit for Q4'24, includes losses from Free in Senegal and Telma Comoros of \$17.9 million, while our profit for the year ended December 31, 2024 includes aggregate losses from Free in Senegal and Telma Comoros of \$31.7 million.

The year-on-year increases in profits for the three month period and year ended December 31, 2024, result mainly from higher operating profits, which increased by \$33.7 million and \$82.6 million for the three month period and year ended December 31, 2024 respectively, including Free in Senegal and Telma Comoros, and from year-on-year decreases in net non-operating expenses of \$14.8 million and \$31.7 million for the three month and year ended December 31, 2024 respectively. We also reflect a year-on-year decrease in net finance costs of \$21.9 million for Q4'24.

These aggregate year-on-year increases in profits are partially offset by year-on-year increases in income tax expense for both periods.

Adjusted EBITDA

Our Adjusted EBITDA for the three month period ended December 31, 2024 increased year-on-year by \$13.9 million (or 9.5%), to \$160.8 million in the three month period ended December 31, 2024, compared to \$146.9 million in the prior year comparative period. Our Adjusted EBITDA for Q4 2024 includes Adjusted EBITDA from Telma Comoros of \$4.1 million, without which we reflect a year-on-year growth of \$9.8 million, or 6.7%.

Our Adjusted EBITDA for the year ended December 31, 2024, increased year-on-year by \$122.4 million (or 24.7%), to \$618.7 million in the year ended December 31, 2024, compared to \$496.3 million in the prior year comparative period. Our Adjusted EBITDA for the year ended December 31, 2024, includes Adjusted EBITDA from Free in Senegal and Telma Comoros of \$36.6 million and \$9.7 million respectively, while our Adjusted EBITDA for the prior year comparative period includes Adjusted EBITDA from Free in Senegal of \$15.4 million. Excluding the impacts of the changes in scope, we reflect a year-on-year growth of \$91.5 million, or 18.4%.

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, advertising and distribution costs, device costs, other operating costs, and provisions for financial and contract assets.

Our year-on-year Adjusted EBITDA growth for the year ended December 31, 2024, is also adversely impacted by aggregate foreign exchange translation impacts of \$24.2 million (or 3.8%), primarily from our Tanzania and Madagascar operations which reflect adverse foreign exchange transaction impacts in the period of \$19.3 million (or 7.5%) and \$4.9 million (or 2.1%), respectively.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Statements of cash flow and liquidity

The Group had cash and cash equivalents (net of bank overdrafts) of \$110.5 million as at December 31, 2024 (December 31, 2023: \$127.8 million), of which a total of \$44.4 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 decreased by \$8.2 million year-on-year for the three month period ended December 31, 2024. The year-on-year decrease is primarily as a result of year-on-year movements in working capital, whereby the current year period reflects net cash outflows from working capital changes of \$41.3 million compared to net cash inflows of \$10.5 million in the prior year comparative period; a year-on-year cash outflow movement of \$51.8 million. The year-on-year decrease is partially offset by a year-on-year increase in operating profits, as adjusted for non-cash items and as reflected by the year-on-year increase in Adjusted EBITDA for the period, which resulted in a year-on-year increase of \$39.5 million in cash generated from operations before working capital changes. We also reflect year-on-year increases in aggregate interest paid in respect of borrowings and leases of \$4.7 million, and a year-on-year decrease in tax paid of \$8.8 million for the same period.

Net cash generated from operating activities increased by \$57.2 million year-on-year for the year ended December 31, 2024, primarily as a result of increased operating profits, resulting in a year-on-year increase of \$146.0 million in cash generated from operations before working capital changes. We also reflected a negative year-on-year cash flow impact of \$43.7 million in respect of working capital which reflected a net cash outflow in the current year period of \$26.7 million compared to a net cash inflow of \$17.0 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 \$34.6 million (mainly related to site leases in Senegal), and by a year-on-year increase in tax paid of \$11.5 million.

Net cash used in investing activities

Net cash outflows used in investing activities decreased by \$68.7 million year-on-year for the three month period ended December 31, 2024, primarily due to a year-on-year decrease in aggregate cash outflows for the purchase of property, plant and equipment and intangible assets of \$27.3 million. We also reflected year-on-year decrease of \$42.5 million for the purchase of investments in subsidiaries, with the current year outflows representing the second payment of \$5.2 million in respect of the acquisition of Telma Comoros in Q2 2024, while the prior year reflects cash outflows of \$47.7 million for the purchase of Free in Senegal. We also reflected a year-on-year increase in aggregate dividends received from associated and joint ventures of \$7.1 million for the period. This aggregate positive cash flow impact is partially offset by a year-on-year decrease of \$7.7 million in respect of government grants received.

Net cash outflows used in investing activities decreased by \$50.4 million year-on-year for the year ended December 31, 2024, primarily due to a year-on-year decrease in aggregate cash outflows for the purchase of subsidiaries and minority interest of \$67.6 million, and a year-on-year increase in aggregate dividends received from associated and joint ventures of \$3.6 million. This aggregate positive cash flow impact is partially offset by a year-on-year increase in aggregate cash outflows for the purchase of property, plant and equipment and intangible assets of \$14.3 million, and a year-on-year decrease of \$5.2 million in respect of government grants received.

The cash outflows from the purchase of property, plant and equipment and intangible assets for the year ended December 31, 2024, mainly result from our network improvement plans in Madagascar and a part payment for new license in Senegal, as well as reflecting increased tower construction activity in Uganda, Madagascar, DRC, and Tanzania when compared to the prior year comparative period. This year-on-year increase in capital expenditure is partially offset by decreases in Tanzania and Togo, following the completion of the network modernization program in Tanzania, and by a net increase of \$12.4 million in the aggregate balance of creditors for capital expenditure and advances for capital expenditure.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Statements of cash flow and liquidity (continued)

Net cash used in financing activities

We had net cash outflows from financing activities of \$11.3 million for the three month period ended December 31, 2024, compared with net cash inflows of \$39.2 million in the prior year comparative period; a year-on-year net cash outflow impact of \$50.5 million. This year-on-year net cash outflow impact is primarily related to dividends paid, which increased by \$12.4 million year-on-year for the period, and to net receipts and repayment of borrowings (including the payment of loan costs), which reflected net cash inflows of \$23.5 million in the current year period, compared to net cash inflows of \$63.8 million in the prior year comparative period; a year-on-year negative cash flow impact of \$40.3 million. This aggregate increase in cash outflows is partially offset by a year-on-year decrease of \$1.7 million in cash outflows for the payment of lease liabilities net of incentives received.

We had net cash outflows from financing activities of \$69.4 million for the year ended December 31, 2024, compared with net cash outflows of \$17.7 million in the prior year comparative period; a year-on-year net cash outflow impact of \$51.7 million. This year-on-year increase in cash outflows is primarily related to dividends paid, which increased by \$22.6 million year-on-year for the period, and to net receipts and repayment of borrowings (including the payment of loan costs), which reflected net cash inflows of \$41.7 million in the current year period, compared to net cash inflows of \$73.3 million in the prior year comparative period; a year-on-year negative cash flow impact of \$31.6 million. This aggregate increase in cash outflows is partially offset by a year-on-year decrease of \$2.3 million in cash outflows for the payment of lease liabilities net of incentives received.

Refer to note 14 for more information regarding facilities and borrowings drawn down and repaid during the year ended December 31, 2024.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the three month and year ended December 31, 2024

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Revenue (Note 3)	380,355,693	326,521,882	1,406,915,647	1,089,353,116
Cost of devices and equipment (Note 5)	(14,872,067)	(8,482,360)	(42,618,032)	(29,717,416)
Cost of interconnection and roaming (Note 5)	(11,299,150)	(10,237,824)	(42,360,427)	(31,496,332)
Government and regulatory costs (Note 5)	(20,830,673)	(21,916,928)	(85,300,328)	(66,142,813)
Advertising and distribution costs (Note 5)	(13,560,613)	(7,051,416)	(27,068,879)	(17,546,525)
Commission to sales agents (Note 5)	(51,212,276)	(45,488,312)	(190,573,232)	(156,711,125)
Net impairment losses on financial and contract assets (Note 5)	(6,291,474)	(4,796,254)	(18,777,619)	(9,482,535)
Technology operation costs (Note 5)	(31,394,666)	(30,558,177)	(113,549,012)	(96,690,866)
Staff costs (Note 5)	(49,054,218)	(38,848,604)	(160,097,971)	(111,975,294)
Other operating expenses (Note 5)	(25,855,035)	(17,421,188)	(100,446,570)	(74,529,985)
(Derecognition)/recovery of financial assets (Note 5)	(67,052)	1,600,787	(1,253,982)	(2,645,900)
Professional fees, non-technical (Note 5)	(8,202,034)	(9,392,881)	(30,832,094)	(26,974,694)
Depreciation and amortization (Note 5)	(67,233,367)	(87,173,938)	(294,024,538)	(250,485,536)
Impairment of non-financial assets (Note 5)	(3,160,554)	(3,257,579)	(2,853,863)	(5,163,753)
Other income (Note 4)	6,621,763	7,088,337	16,834,214	22,556,614
Net gain on financial assets at fair value through profit or loss (Note 5)	949,459	615,076	1,639,752	615,076
OPERATING PROFIT	84,893,736	51,200,621	315,633,066	232,962,032
Finance income (Note 6)	11,115,931	15,824,079	44,484,289	52,060,083
Finance costs (Note 6)	(24,168,385)	(50,833,748)	(205,165,904)	(208,326,273)
Non-operating income (Note 4)	19,522,702	5,645,542	21,689,216	6,498,394
Non-operating expenses (Note 4)	623,901	(367,827)	(178,798)	(16,746,316)
Share of profit in joint ventures and associates	6,535,260	7,204,355	21,284,475	20,371,643
PROFIT BEFORE INCOME TAX	98,523,145	28,673,022	197,746,344	86,819,563
Income tax expense (Note 7)	(54,592,153)	(1,983,356)	(83,420,975)	(32,264,031)
PROFIT FOR THE PERIOD/YEAR	43,930,992	26,689,666	114,325,369	54,555,532
Profit for the period/year attributable to:				
- Owners of the Company	35,960,965	25,189,183	92,598,973	39,151,183
- Non-controlling interest	7,970,027	1,500,483	21,726,396	15,404,349
	43,930,992	26,689,666	114,325,369	54,555,532

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the three month and year ended December 31, 2024

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
PROFIT FOR THE PERIOD/YEAR	43,930,992	26,689,666	114,325,369	54,555,532
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	(14,485,200)	(1,613,761)	(13,676,293)	17,241,460
Exchange differences on translation of foreign joint ventures	(4,223,873)	2,102,825	(3,404,237)	1,426,283
Total items that may be reclassified to profit or loss, net of tax	(18,709,073)	489,064	(17,080,530)	18,667,743
<i>Items that will not be reclassified to profit or loss</i>				
Net (loss)/gain on equity instruments designated at fair value through other comprehensive income	(604,518)	270,045	(604,518)	270,045
Remeasurements of retirement benefit obligations	258,678	(13,804)	258,678	(13,804)
Total Items not reclassified to profit or loss, net of tax	(345,840)	256,241	(345,840)	256,241
Other comprehensive (loss)/income for the period/year, net of tax	(19,054,913)	745,305	(17,426,370)	18,923,984
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	24,876,079	27,434,971	96,898,999	73,479,516
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR ATTRIBUTABLE TO:				
- Owners of the Company	21,730,937	26,630,902	82,704,760	56,047,275
- Non - controlling interest	3,145,142	804,069	14,194,239	17,432,241
	24,876,079	27,434,971	96,898,999	73,479,516

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	December 31, 2024 USD	December 31, 2023 USD
ASSETS		
Non-current assets		
Property, plant and equipment (Note 8)	1,135,016,452	967,943,066
Intangible assets (Note 9)	296,989,105	287,289,719
Interests in joint ventures and associates (Note 10)	40,061,127	73,213,174
Deferred tax assets	44,129,937	51,934,575
Trade and other receivables	11,291,529	29,805,761
Deposits receivable	4,246,173	4,258,973
Loans receivable	12,654,434	11,713,729
Right-of-use assets (Note 11)	615,815,368	642,375,938
Goodwill	251,016,347	249,468,397
Financial assets at fair value through profit or loss	13,690,293	11,004,179
Financial assets at fair value through OCI	17,582,430	17,490,668
Embedded derivative assets	3,200,000	1,000,000
Treasury bonds	1,016,623	1,402,023
	2,446,709,818	2,348,900,202
Current assets		
Inventories	22,738,802	27,517,337
Loan receivables	35,920,063	20,493,983
Trade and other receivables	303,305,175	270,893,325
Income tax receivable (Note 7)	9,702,119	13,619,187
Cash at bank (Note 12)	166,234,317	181,846,003
Restricted cash	405,658,457	325,070,229
	943,558,933	839,440,064
Total assets	3,390,268,751	3,188,340,266

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at December 31, 2024

	December 31, 2024 USD	December 31, 2023 USD
EQUITY AND LIABILITIES		
Equity and reserves		
Stated capital	1,372,564	1,372,564
Reorganization reserves	76,230,230	76,538,841
Other reserves	12,102,716	(18,861,385)
Legal reserves	8,946,918	6,503,426
Translation reserves	(10,272,321)	(4,340,978)
Retained earnings	80,286,379	153,593,943
Equity attributable to owners of the Company	168,666,486	214,806,411
Non-controlling interest	83,154,340	90,525,447
Total equity	251,820,826	305,331,858
LIABILITIES		
Non-current liabilities		
Borrowings (Note 14)	416,673,305	317,141,921
Bond borrowings (Note 14)	416,030,602	414,356,520
Trade and other payables (Note 13)	64,283,184	73,523,171
Government grants	24,468,067	9,180,531
Provisions	47,910,815	45,623,573
Lease liability (Note 11)	769,808,236	774,517,716
Deposits payable	7,588,423	7,918,759
Deferred tax liability	16,753,516	21,969,859
Retirement benefit obligations	6,643,253	6,644,439
	1,770,159,401	1,670,876,489
Current liabilities		
Trade and other payables (Note 13)	1,089,383,189	948,743,291
Client savings accounts	4,535,935	3,142,045
Borrowings (Note 14)	72,371,952	118,377,222
Bond borrowings (Note 14)	11,594,467	11,594,467
Provisions	13,336,931	13,171,671
Lease liability (Note 11)	44,371,810	36,386,565
Bank overdraft (Note 12)	55,753,296	54,021,078
Government grants	1,266,557	11,565,553
Dividend payable	56,359,239	5,783,890
Income tax payable (Note 7)	19,307,870	8,981,915
Deposits payable	7,278	-
Swap Derivative Liability	-	364,222
	1,368,288,524	1,212,131,919
Total liabilities	3,138,447,925	2,883,008,408
Total equity and liabilities	3,390,268,751	3,188,340,266

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

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 FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 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 year	-	92,598,973	-	92,598,973	21,726,396	114,325,369
Other comprehensive loss for the year, net of tax	-	-	(9,894,213)	(9,894,213)	(7,532,157)	(17,426,370)
Total comprehensive income/(loss) for the year	-	92,598,973	(9,894,213)	82,704,760	14,194,239	96,898,999
Transactions with owners in their capacity as owners:						
Transfer to other reserves	-	(33,753,696)	33,753,696	-	-	-
Issue of shares to NCI	-	-	-	-	373,912	373,912
Dividend declared	-	(128,209,715)	-	(128,209,715)	(21,939,258)	(150,148,973)
Distribution of shares in subsidiaries and associates	-	(3,943,126)	3,308,156	(634,970)	-	(634,970)
Total transactions with owners	-	(165,906,537)	37,061,852	(128,844,685)	(21,565,346)	(150,410,031)
At December 31, 2024	1,372,564	80,286,379	87,007,543	168,666,486	83,154,340	251,820,826

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
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 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the three month and year ended December 31, 2024

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Cash flows from operating activities				
Cash flows from operations (Note 15)	134,633,628	146,895,959	590,124,608	487,720,238
Interest paid on lease liabilities	(23,166,822)	(23,080,890)	(92,069,683)	(67,416,905)
Interest paid on loans, bonds and other borrowings	(7,598,450)	(2,964,534)	(56,436,592)	(46,484,325)
Interest received	3,373,370	3,358,058	13,147,421	12,144,886
Tax paid	(21,228,908)	(29,961,488)	(55,528,065)	(43,965,046)
Net cash generated from operating activities	86,012,818	94,247,105	399,237,689	341,998,848
Cash flows from investing activities				
Acquisition of financial assets at fair value through profit or loss	-	(1,050,684)	(1,262,360)	(1,250,684)
Proceeds from disposal of financial assets at fair value through profit or loss	105,000	824,059	227,808	824,059
(Reversal of proceeds)/proceeds from disposal of property, plant and equipment	(6,063)	(123,139)	1,064,450	177,827
Proceeds from disposal of intangible assets	77,607	-	77,607	6,758
Purchase of property, plant and equipment	(52,995,792)	(90,655,605)	(320,999,706)	(309,711,385)
Purchase of minority interest	-	-	-	(22,459,407)
Acquisition of investment in subsidiaries (net of cash acquired) (Note 18)	(5,155,440)	(47,664,119)	(2,554,051)	(47,659,964)
Distribution/disposal of shares in subsidiaries and associates, net of cash disposed	(892,971)	(83,914)	(892,971)	(86,621)
Purchase of intangible assets	(24,719,289)	(14,311,263)	(46,469,155)	(43,545,419)
Dividend received from investment in joint ventures	7,093,282	-	16,502,683	12,945,792
Loan paid to related parties	-	-	(227,989)	(10,000)
Repayment made by related parties	27,693	15,499	70,502	196,782
Net deposits (paid)/refunded	(295,256)	(101,709)	(207,706)	173,822
Corporate bonds matured/(deposited)	1,289	(837)	312,057	456,117
Grants received	1,201,075	8,910,016	10,753,321	15,955,444
Dividend received	72,494	-	107,396	125,520
Net cash used in investing activities	(75,486,371)	(144,241,696)	(343,498,114)	(393,861,359)
Cash flows from financing activities				
Proceeds from issue of shares / NCI Investment	292,643	94,407	373,912	390,940
Additional borrowings	46,539,168	107,334,448	176,404,098	164,555,230
Repayment of borrowings	(22,452,962)	(36,911,299)	(128,643,443)	(84,273,556)
Repayment of principal on lease liabilities (net of incentives received)	(8,527,994)	(10,232,294)	(36,965,560)	(39,285,872)
Dividend paid	(26,165,073)	(13,754,859)	(73,490,352)	(50,883,772)
Payment of loan transaction costs	(593,336)	(6,666,360)	(6,070,872)	(6,932,386)
Premium on settlement of swap derivative liability	(434,596)	(634,305)	(956,029)	(1,308,395)
Net cash flow (used in)/generated from financing activities	(11,342,150)	39,229,738	(69,348,246)	(17,737,811)
Net decrease in cash and cash equivalents	(815,703)	(10,764,853)	(13,608,671)	(69,600,322)
Effect of exchange rate on cash and cash equivalents	(3,828,642)	1,097,679	(3,735,233)	(1,436,381)
Cash and cash equivalents at beginning of the period/year	115,125,366	137,492,099	127,824,925	198,861,628
Cash and cash equivalents at end of the period/year (Note 12)	110,481,021	127,824,925	110,481,021	127,824,925

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Group is a leading pan-African telecommunications services provider, operating in 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 December 31, 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.

The ultimate holding company of Axian Telecom, as at December 31, 2024, is 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.

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, 2024.

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

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

The financial statements were approved by the board of directors on April 17, 2025.

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Mobile services	217,194,302	191,722,975	825,016,304	639,022,039
Fixed services	23,545,425	21,378,619	89,643,461	72,865,040
Interconnection/Roaming/MVNO	16,914,593	16,499,038	59,589,455	46,607,405
Customer Equipment and Infrastructure	16,034,895	5,807,820	35,783,789	17,755,055
Operator Infrastructure services	4,818,494	8,810,333	28,663,228	30,337,752
Commissions received on electronic money activities	77,677,980	63,305,186	280,512,654	220,971,482
Content and value-added services	7,321,230	6,532,153	28,725,201	16,761,230
Other revenue	2,071,053	2,206,809	6,205,499	4,753,221
Hosting and rental of sites	8,040,590	8,486,983	38,771,384	34,958,394
Trademark and license fees	(57,650)	137,555	140,576	386,167
Administration and general management fees	107,906	-	107,906	314,400
Digital solutions and other support services	6,686,875	1,634,411	13,756,190	4,620,931
	380,355,693	326,521,882	1,406,915,647	1,089,353,116

4. OTHER INCOME AND EXPENSES

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Other income				
(Loss)/gain on disposal of property, plant, and equipment	(93,006)	(160,721)	1,003	-
(Reversal of dividend income)/dividend income	-	(1,787)	107,396	2,912,236
Release of government grant	2,532,307	3,448,540	8,191,386	13,196,448
Waiver of claims obtained	202,195	42,551	294,474	199,018
Trade payables waived	3,939,048	-	3,939,048	34,952
Other income	41,219	3,759,754	4,300,907	6,213,960
	6,621,763	7,088,337	16,834,214	22,556,614

AXIAN TELECOM
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. OTHER INCOME AND EXPENSES (CONTINUED)

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Non-operating income				
Amortization of deferred gain on sale of PPE	229,277	238,941	918,695	990,836
Reversal of other payable waived	(1,194)	-	-	-
(Loss)/gain on lease modification and termination of contract	(606,736)	5,245,999	-	5,346,956
Gain on remeasurement of provision for dismantling costs	522,866	160,602	527,051	160,602
Post-Acquisition M&A settlement	19,378,489	-	19,378,489	-
Gain on deconsolidation of associate	-	-	864,981	-
	19,522,702	5,645,542	21,689,216	6,498,394
Non-operating expenses				
Loss on disposal of subsidiary	-	(367,827)	-	(367,827)
Gain/(loss) on lease modification	623,901	-	(178,798)	-
Post-acquisition M&A settlement	-	-	-	(16,378,489)
	623,901	(367,827)	(178,798)	(16,746,316)

5. OPERATING COSTS

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Cost of equipment, devices	12,318,706	6,584,092	32,309,991	22,720,265
Provision for device inventories	(217,065)	4,596	-	143,430
Prepaid cards and accessories	2,770,426	1,893,672	10,308,041	6,853,721
Cost of devices and equipment	14,872,067	8,482,360	42,618,032	29,717,416
Interconnection fees	7,981,827	9,988,750	35,946,878	30,161,158
Roaming fees (paid to service providers or clearing houses)	3,317,323	249,074	6,413,549	1,335,174
Cost of interconnection and roaming	11,299,150	10,237,824	42,360,427	31,496,332
Telecom operator and regulatory fees	11,940,906	12,758,939	47,637,943	39,099,678
Frequency fees	4,781,215	5,677,127	22,622,557	14,443,100
Excise duty	4,108,552	3,480,862	15,039,828	12,600,035
Government and regulatory costs	20,830,673	21,916,928	85,300,328	66,142,813
Advertising and distribution costs	13,560,613	7,051,416	27,068,879	17,546,525
Commission to sales agents	51,212,276	45,488,312	190,573,232	156,711,125
Impairment of financial assets	1,315,330	311,139	1,153,587	331,653
Impairment of loans to clients	3,948,545	4,227,343	11,761,779	7,018,088
Loss allowance on trade receivables	1,027,599	257,772	5,862,253	2,132,794
Net impairment on financial and contract assets	6,291,474	4,796,254	18,777,619	9,482,535

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
 MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. OPERATING COSTS (CONTINUED)

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2024 USD
Transmission fees	3,233,481	2,344,241	14,486,946	9,370,520
Content and value-added service (VAS) charges	1,453,097	1,686,259	6,739,303	6,509,600
Backbone charges	80	54,638	551	54,638
Satellite and bandwidth charges	43,978	608,680	2,346,579	1,915,670
Site energy	11,282,769	9,109,091	39,390,086	31,037,599
Site and network repairs and maintenance	10,040,668	7,983,799	24,131,980	15,446,361
Professional fees, technical	2,090,962	1,824,847	7,931,604	8,629,261
Rental (credit)/expenses for short term and low value leases, technical sites*	(622,093)	143,274	303,914	586,462
Maintenance of materials, software and network	3,871,724	6,803,348	18,218,049	23,140,755
Technology operation costs	31,394,666	30,558,177	113,549,012	96,690,866
Payroll and social charges	45,091,812	34,292,921	146,065,490	102,069,054
Travel expenses	3,009,790	2,329,120	11,171,096	7,456,813
Training	714,688	596,710	2,157,716	782,487
Provision for retirement benefit obligations	237,928	1,629,853	703,669	1,666,940
Staff costs	49,054,218	38,848,604	160,097,971	111,975,294
Write-off/(reversal of write-off) of financial assets	67,052	(1,600,787)	1,253,982	2,645,900
Professional fees, non-technical	8,202,034	9,392,881	30,832,094	26,974,694
Depreciation of property, plant & equipment	35,133,849	50,314,215	171,947,031	147,515,786
Amortization of intangible assets	14,989,414	13,296,468	54,218,176	36,988,458
Depreciation of rights of use assets	17,110,104	23,563,255	67,859,331	65,981,292
Depreciation and amortization	67,233,367	87,173,938	294,024,538	250,485,536
Impairment or write-off of property, plant and equipment, and intangible assets	7,773,013	2,716,207	7,773,013	6,326,207
Reversal of impairment of interest in joint ventures	-	-	-	(54,029)
Reversal of provision for depreciation on advances to suppliers	-	(15,386)	-	(15,386)
(Reversal of impairment)/impairment of inventory	(4,612,459)	556,758	(4,919,150)	(1,093,039)
Impairment of non-financial assets	3,160,554	3,257,579	2,853,863	5,163,753
Other operating expenses**	25,855,035	17,421,188	100,446,570	74,529,985
Net gain on financial assets at fair value through profit or loss	(949,459)	(615,076)	(1,639,752)	(615,076)
Total operating costs	302,083,720	282,409,598	1,108,116,795	878,947,698

*Rental credits for short term or low value leases represent the reversal of rent expense for leases accounted for as short-term in previous periods which are now accounted for under IFRS 16 – Leases. Rental expense costs previously recognized in this line item are now reversed and accounted for as depreciation of right-of use asset.

**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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. FINANCE INCOME AND EXPENSE

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Finance income				
Foreign exchange gain	9,340,603	10,234,492	27,264,390	29,234,429
Interest income	3,760,650	2,988,296	14,139,263	12,372,901
(Loss)/gain on fair valuation of derivatives	(2,400,000)	221,183	2,200,000	5,551,885
Other finance income	414,678	2,380,108	880,636	4,900,868
	11,115,931	15,824,079	44,484,289	52,060,083
Finance costs				
Foreign exchange gain/(loss)	24,692,474	(14,845,119)	(25,676,673)	(77,284,659)
Interest on bank loans	(7,184,755)	(4,982,463)	(24,857,090)	(13,809,552)
Interest on listed bonds	(8,214,835)	(8,182,675)	(32,649,082)	(32,438,415)
Interest on loans and amounts payable to related parties	(2,962,214)	(3,591,151)	(11,720,100)	(9,018,783)
Interest on bank overdraft	(859,554)	(469,579)	(3,068,469)	(2,002,536)
Interest on lease liabilities	(23,886,322)	(17,240,982)	(94,874,020)	(63,070,818)
Interest expense on provision for dismantling costs	(3,014,829)	(890,967)	(4,274,963)	(2,073,358)
Gain/(loss) on fair valuation of derivatives	340,561	(371,036)	(604,643)	(4,674,949)
Other interest charges	(3,078,911)	(259,776)	(7,440,864)	(3,953,203)
	(24,168,385)	(50,833,748)	(205,165,904)	(208,326,273)
Net finance costs	(13,052,454)	(35,009,669)	(160,681,615)	(156,266,190)

7. INCOME TAX

a) Income tax expense

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Current income tax	19,650,205	(254,518)	70,377,384	44,078,755
Withholding tax	10,851,704	1,291,584	11,614,342	3,355,495
Deferred tax credit	24,090,244	946,290	1,429,249	(15,170,219)
	54,592,153	1,983,356	83,420,975	32,264,031

As at December 31, 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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX (CONTINUED)

Our subsidiaries in Madagascar, Togo, Comoros, Uganda, Kenya, Senegal, and Tanzania 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 payable/(receivable)

	December 31, 2024 USD	December 31, 2023 USD
At January 1,	(4,637,272)	(2,209,780)
Acquisition through business combination (Note 18)	91,686	(294,657)
Distribution/disposal of shares in subsidiaries and associates	(4,507)	(23,102)
Charge during the period/year	70,377,384	44,078,755
Interest paid	(55,747)	-
Tax paid	(55,528,065)	(43,965,046)
Withholding tax suffered	-	(2,390,844)
Translation difference	(637,728)	167,402
At December 31	<u>9,605,751</u>	<u>(4,637,272)</u>

Analyzed as follows:

Income tax receivable	(9,702,119)	(13,619,187)
Income tax payable	19,307,870	8,981,915
	<u>9,605,751</u>	<u>(4,637,272)</u>

AXIAN TELECOM
 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 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
Transfer from assets in progress	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)	13,734,340	13,706,582
Acquisition through business combinations (Note 18)	727,981	12,858,764	7,470,660	111,278	2,586,856	23,755,539
Distribution of shares in subsidiaries and associates	(16,993)	-	(52,200)	-	-	(69,193)
Additions	4,043,295	298,454	2,730,927	709,577	312,306,861	320,089,114
Transfer from assets in progress	14,784,302	88,631,297	210,096,064	1,655,727	(315,167,390)	-
Transfer to intangible assets ⁴	-	-	(5,008,821)	-	(469,788)	(5,478,609)
Disposals and scrap	(1,136,564)	(1,325,103)	(13,294,975)	(989,219)	(2,473,999)	(19,219,860)
Provision for dismantling	-	3,842,685	(527,863)	-	-	3,314,822
Translation difference	(1,678,668)	(1,606,105)	(75,174,182)	840,808	(7,252,972)	(84,871,119)
At December 31, 2024	85,573,590	467,515,045	1,791,041,540	25,297,014	152,386,042	2,521,813,231

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

² Telecom Malagasy S.A. has made a re-presentation between cost and accumulated depreciation in respect 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 the property, plant and equipment to and 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 year ended December 31, 2024.

⁴ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, have made some changes in the presentation of the intangible assets to and from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2024.

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8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Materials USD	Land and Building USD	Technical Equipment USD	Others ¹ USD	Assets in Progress USD	Total USD
Accumulated depreciation						
At January 1, 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 ⁶	(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)
Distribution of shares in subsidiaries and associates	2,969	-	17,916	-	-	20,885
Charge for the year	(8,104,305)	(29,494,648)	(131,271,975)	(3,076,103)	-	(171,947,031)
Impairment ⁶	(15,248)	(809)	(324,315)	-	(798,957)	(1,139,329)
Disposals and scrap	1,316,226	1,025,884	11,486,911	1,639,811	2,473,999	17,942,831
Transfer to intangible assets ⁷	-	-	127,386	-	-	127,386
Translation difference	1,900,844	3,794,213	65,205,914	(34,620)	(24,983)	70,841,368
At December 31, 2024	(55,705,268)	(179,618,340)	(1,137,000,223)	(16,123,007)	1,650,059	(1,386,796,779)
Net book value						
At December 31, 2024	29,868,322	287,896,705	654,041,317	9,174,007	154,036,101	1,135,016,452
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 S.A. has made a re-presentation between cost and accumulated depreciation in respect 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 the property, plant and equipment to and from intangible assets on reviewing the nature of each asset during the year ended December 31, 2023.

⁶ As part of its network improvement programmes, the Group undertook the replacement of several pieces of equipment deemed outdated. Upon conducting physical inspections, it was identified that certain items of property, plant and equipment had suffered a loss in value attributable to wear and tear, technological obsolescence, or physical deterioration beyond normal servicing. As a result, the Group has included an impairment loss of USD 1,139,329 (2023: USD 6,319,010) for the year ended 31 December 2024.

⁷ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, have made some changes in the presentation of the intangible assets to and from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2024.

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9. INTANGIBLE ASSETS

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others ¹ USD	Customer related assets USD	Brand USD	Total USD
Cost										
At January 1, 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 ²	14,004,188	(2,586,230)	-	(1,551)	-	(9,856)	(10,943,913)	-	-	462,638
Reclassification to PPE ³	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
Transfer from assets in progress	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 ⁴	-	-	-	(748,695)	-	1,671,133	-	-	-	922,438
Reclassification to PPE ⁵	4,094	-	6,345	5,008,821	-	-	459,349	-	-	5,478,609
Acquisition through business combinations (Note 18)	9,030,139	-	-	-	-	-	-	4,222,565	1,070,938	14,323,642
Distribution of shares in subsidiaries and associates	(4,096)	-	-	-	-	-	-	-	-	(4,096)
Additions	1,181,985	25,735,351	31,933,822	548,437	-	365,758	40,342	-	-	59,805,695
Transfer from assets in progress	9,843,333	1,786,953	(28,388,205)	-	-	16,757,919	-	-	-	-
Disposals and scrap	(53,827)	(25,784)	(13,068)	(181)	-	-	-	-	-	(92,860)
Translation difference	(3,349,758)	(13,079,021)	(221,736)	747,808	-	(1,954,377)	191,178	(1,668,382)	2,896,948	(16,437,340)
At December 31, 2024	68,995,888	287,323,256	30,451,540	31,045,483	13,668,517	39,897,025	696,236	64,662,015	19,745,020	556,484,980

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

² Telecom Malagasy S.A. and Honora Tanzania Public Limited Company have made a re-presentation between cost and accumulated amortization in respect of the intangible assets for the year ended December 31, 2023.

³ Togocom and its subsidiaries have made some changes in the presentation of the intangible assets to and from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2023.

⁴ Maya Africa Holding Ltd and its subsidiaries and Honora Tanzania Public Limited Company have made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the year ended December 31, 2024.

⁵ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, have made some changes in the presentation of the intangible assets to and from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2024.

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9. INTANGIBLE ASSETS (CONTINUED)

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others ¹ USD	Customer related assets USD	Brand USD	Total USD
Accumulated amortization										
At January 1, 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 ⁶	(9,057,441)	1,401,871	-	(266)	-	9,856	7,183,342	-	-	(462,638)
Reclassification to PPE ⁷	(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)
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 ⁸	(1,683,268)	1,683,523	-	(882,481)	-	(40,212)	-	-	-	(922,438)
Reclassification from PPE ⁹	-	-	-	(127,386)	-	-	-	-	-	(127,386)
Distribution of shares in subsidiaries and associates	196	-	-	-	-	-	-	-	-	196
Amortization charge for the year	(6,145,807)	(18,490,133)	-	(4,162,327)	(900,525)	(5,727,865)	(20,271)	(12,042,707)	(6,728,541)	(54,218,176)
Impairment ¹⁰	-	-	(13,068)	-	-	-	-	-	(6,620,616)	(6,633,684)
Disposals and scrap	3,008	-	13,068	181	-	-	-	-	-	16,257
Translation difference	2,297,910	8,138,309	-	(549,813)	-	425,426	(153,400)	(781,470)	(1,788,433)	7,588,529
At December 31, 2024	(45,188,244)	(138,428,825)	-	(11,651,363)	(3,560,563)	(6,322,023)	(179,038)	(34,420,799)	(19,745,020)	(259,495,875)
Net book value										
At December 31, 2024	23,807,644	148,894,431	30,451,540	19,394,120	10,107,954	33,575,002	517,198	30,241,216	-	296,989,105
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

⁶ Telecom Malagasy S.A. and Honora Tanzania Public Limited Company have made a re-presentation between cost and accumulated amortization in respect of the intangible assets for the year ended December 31, 2023.

⁷ Togocom and its subsidiaries have made some changes in the presentation of the intangible assets to and from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2023.

⁸ Maya Africa Holding Ltd and its subsidiaries and Honora Tanzania Public Limited Company have made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the year ended December 31, 2024.

⁹ Maya Africa Holding Ltd and its subsidiaries, as well as Sanko, have made some changes in the presentation of the intangible assets to and from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2024.

¹⁰ Following the rebranding of our mobile and mobile money operations in November 2024, the Zantel brand, the Tigo brand, the Telma Comoros brand, and the Free brand were fully impaired as at 31 December 2024.

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10. INTEREST IN JOINT VENTURES AND ASSOCIATES

	December 31, 2024 USD	December 31, 2023 USD
At January, 1	73,213,174	61,522,220
Distribution of shares in subsidiaries and associates	(25,849,306)	-
Share of profit in joint ventures and associates	21,284,475	20,371,643
Share of translation reserves	(3,404,237)	1,426,283
Reversal of impairment loss	-	54,029
Dividend received	(17,161,620)	(10,161,001)
Gain on deconsolidation of associate	864,981	-
Transfer to investment in subsidiary	(8,886,340)	-
At December 31	40,061,127	73,213,174

Details pertaining to the investment in joint ventures and associates at December 31, 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
			Dec 31, 2024	Dec 31, 2023			
Telecom Comores Holding Ltd	Mauritius	Ordinary	-	15.0%	Direct	Joint venture	Holding Company
Telecom Comores Holding Ltd	Mauritius	Ordinary	-	43.3%	Direct & Indirect	Joint venture	Holding Company
Telecom Reunion Mayotte	France	Ordinary	50.0%	50.0%	Indirect	Joint venture	Holding Company
Telco OI	France	Ordinary	50.0%	50.0%	Indirect	Joint venture	Telecommunications
Société d'Exploration et de Promotion Iliad Axian	Reunion	Ordinary	50.0%	50.0%	Indirect	Joint venture	Real estate
BNI Madagascar	Madagascar	Ordinary	-	31.2%	Direct & Indirect	Associate	Banking
Indian Ocean Financial Holdings Limited	Mauritius	Ordinary	-	41.6%	Direct	Associate	Investment holding

In March 2024, the Company signed an agreement to acquire a further 50% equity interest in its joint venture Telecom Comores Holding Ltd and its subsidiaries. The transaction was completed on 31 May 2024 resulting in the Group owning a 100% equity interest (effective interest of 93.28%) in Telecom Comores Holding Ltd and its subsidiaries, allowing it to control and financially consolidate the companies from that date. Hence, the investment in Telecom Comores Holding Ltd was derecognized as an investment in joint venture during the year ended 31 December 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.

On December 31, 2024, the Group and the Company distributed its investment in Axian Finance Ltd, having a total value of USD 28,209,436, to its holding company, Axian Telecom Holding and Management Ltd, as dividend in kind. Axian Finance Ltd held investments in BNI Madagascar and Indian Ocean Financial Holdings Limited totalling USD 25,849,306 at the time of distribution.

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11. RIGHT OF USE ASSETS AND LIABILITIES

	December 31, 2024 USD	December 31, 2023 USD
<i>Right of use assets</i>		
At January, 1	642,375,938	400,255,860
Additions during the year	41,739,426	59,048,605
Acquisition through business combination (Note 18)	1,804,234	179,746,735
Disposals, termination, and modifications during the year	(3,034,155)	(12,093,722)
Distribution of shares in subsidiaries and associates	(101,754)	-
Remeasurements	(2,040,859)	103,310,862
Amortization charge during the year	(67,859,331)	(65,981,292)
Translation difference	2,931,869	(21,911,110)
At December 31	615,815,368	642,375,938
<i>Lease liabilities</i>		
At January, 1	810,904,281	429,875,132
Additions during the year	44,662,743	59,048,605
Acquisition through business combination (Note 18)	1,803,733	298,494,678
Disposals, termination, and modifications during the year	(3,820,354)	(17,440,678)
Distribution of shares in subsidiaries and associates	(109,371)	-
Remeasurements	(1,075,862)	103,310,862
Interest expense for the year	94,874,020	63,070,818
Principal paid on lease liabilities	(39,888,878)	(39,285,872)
Interest paid on lease liabilities	(92,069,683)	(67,416,905)
Translation difference	(1,100,583)	(18,895,996)
Other finance costs	-	143,637
At December 31	814,180,046	810,904,281
<i>Of which non-current</i>	769,808,236	774,517,716
<i>Of which current</i>	44,371,810	36,386,565

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12. CASH AND CASH EQUIVALENTS

	December 31, 2024 USD	December 31, 2023 USD
Cash at bank	166,234,317	181,846,003
Bank overdraft	(55,753,296)	(54,021,078)
	110,481,021	127,824,925

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 with highly reputable financial institutions.

13. TRADE AND OTHER PAYABLES

	December 31, 2024 USD	December 31, 2023 USD
Non-current		
Trade payables	49,750,839	-
Deferred revenue	13,285,138	15,602,785
Amounts payable to entities under common control*	-	520
Other payables	1,247,207	57,075,528
VAT payable	-	844,338
	64,283,184	73,523,171
Current		
Trade payables	458,469,252	289,127,414
Other payables	60,502,405	202,101,725
Deferred revenue	56,987,287	41,664,914
VAT payable	104,942,761	92,564,260
Mobile financial services floats	401,899,766	317,402,602
Amounts payable to entities under common control*	6,581,718	5,882,376
	1,089,383,189	948,743,291
Total trade and other payables	1,153,666,373	1,022,266,462

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

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14. BORROWINGS

	December 31, 2024 USD	December 31, 2023 USD
Non-current		
Bank loans (a)	240,625,853	152,935,670
Listed bonds	416,030,602	414,356,520
Loans payable to related parties	176,047,452	164,206,251
	832,703,907	731,498,441
Current		
Bank loans (a)	72,072,769	118,377,222
Listed bonds	11,594,467	11,594,467
Other borrowings	299,183	-
	83,966,419	129,971,689
Total borrowings	916,670,326	861,470,130
(a) Bank loans		
Bank of Africa-Madagascar ('BOA')	11,397,947	10,461,050
Banque Malgache de L'Ocean Indien ('BMOI')	16,224,695	14,628,477
BRED Madagasikara	13,916,617	26,342,155
BNI Banque de l'Industrie Madagascar ('BNI')	8,554,608	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	32,505,959	24,352,950
CRDB Bank Plc	34,555	17,299,140
National Bank of Commerce (Tanzania) ('NBC')	8,002,597	9,459,327
Syndicated loan from 4 banks of Senegal:		
- Société Générale de Banques au Sénégal	6,103,943	7,653,186
- Banque Internationale pour le commerce et l'industrie du Sénégal	5,813,280	7,288,749
- CBAO Groupe Attijariwafa bank	7,846,450	9,839,811
- Orabank Sénégal	9,284,418	11,648,826
Ecobank Togo SA	18,595,564	-
Société Générale Bénin SA	18,527,894	-
Agence pour le Développement de L'Entreprenariat Rapide	-	270,093
International Finance Corporation ('IFC')	18,099,680	-
JP Morgan Chase Bank	112,076,403	73,953,632
Banque pour L'Industrie et le Commerce Des Comores ('BIC')	1,697,146	-
British International Investment Plc ('BII')	24,028,966	-
Accrued interest	-	612,688
Foreign Currency Adjustment	(12,100)	-
Total bank loans	312,698,622	271,312,892
Loans payable within one year	72,072,769	118,377,222
Loans payable after one year	240,625,853	152,935,670

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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 5.0% and 16.7%.

1. Telecom Malagasy S.A.

During the year ended December 31, 2024, Telecom Malagasy S.A. drew down an additional amount of MGA 56.5 billion (approximately USD 12.4 million) and made aggregate repayments amounting to MGA 71.2 billion (approximately USD 15.7 million).

2. Towerco of Africa S.A.

During the year ended December 31, 2024, Towerco of Africa S.A. has not drawn down any additional amount and has made aggregate payments amounting to MGA 23.7 billion (approximately USD 5.2 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 6.6 million). During the period from the date of acquisition until December 31, 2024, Telecom Comores Holding Ltd made aggregate repayments of EUR 3.1 million (approximately USD 3.4 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 year ended December 31, 2024, and thus no longer has any third-party loans payable.

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 year ended December 31, 2024, and thus no longer has any third-party loans payable.

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14. BORROWINGS (CONTINUED)

Bank loans (continued)

6. Societe Holding Togolaise des Communications Electroniques SA (Togocom S.A.)

On February 8, 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 from the initial drawdown to December 31, 2024, Togocom S.A withdrew 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. Togocom S.A. has not made any repayment towards these loans as at December 31, 2024.

7. Towerco of Africa Uganda Limited

During the year ended December 31, 2024, Towerco of Africa Uganda Limited drew down an additional amount of UGX 37.3 billion (approximately USD 9.9 million) through the accordion facility from the Stanbic Bank Uganda Limited's facility and made aggregate repayments amounting to UGX 9.6 billion (approximately USD 2.6 million) in the same period.

On 16 December 2024, Towerco of Africa Uganda Limited signed a facility agreement with Stanbic Bank Uganda comprised of an initial commitment and an additional commitment. The initial commitment is comprised of a UGX tranche equivalent to USD 6.0 million, and a USD 4.0 million tranche. The additional commitment is comprised of a UGX tranche equivalent to USD 20.0 million. At 31 December 2024, Towerco of Africa Uganda Limited had not drawn down any amounts against this facility.

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

During the year ended December 31, 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 15.6 million (approximately USD 16.9 million).

Honora Tanzania Public Limited Company has utilized TZS 12.5 billion against the NBC Bank Ltd.'s facility (approximately USD 4.8 million) and made payments of TZS 16.7 billion (approximately USD 6.4 million) during the year ended December 31, 2024.

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 facility is secured against the assets of Honora Tanzania PLC (including investments, cash, fixed assets, and future revenues), limited to 130% of the credit facility amounts.

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14. BORROWINGS (CONTINUED)

Bank loans (continued)

8. Honora Tanzania Public Limited Company (“Honora Tanzania Plc”) (continued)

During the period from the initial drawdown to December 31, 2024, Honora Tanzania Public Limited Company has utilized EUR 2.3 million against the NMB’s facility (approximately USD 2.5 million) and made payments of EUR 1.8 million (approximately USD 2.0 million).

9. Maya Africa Holding Limited

During the year ended December 31, 2024, Maya Africa Holding Limited has not drawn down any additional amount against its facilities and made payments of EUR 5.9 million (approximately USD 6.4 million).

10. Axian Telecom - Term facilities agreement

During the year ended December 31, 2024, Axian Telecom drew down an amount of USD 12.9 million against Facility A and an amount of USD 47.9 million against Facility B. Axian Telecom also made a repayment of USD 16.9 million against the capital portion of the Facility A and USD 4.7 million against Facility B.

On February 01, 2024, Axian Telecom entered into a Term Facilities Agreement with British International Investment PLC (lender) amounting to USD 30,000,000. The facility bears interest at the secured overnight financing rate ("SOFR"), plus a margin of 4% per annum and interests are payable quarterly in arrears. There are twenty-nine equal quarterly repayment, starting three years post signature. The purpose of the facility is to finance the development of infrastructure primarily in Tanzania.

During the year ended December 31, 2024, Axian Telecom drew down an amount of USD 24.0 million and made no repayments.

On 03 December 2024, Axian Telecom has entered a finance contract with European Investment Bank (“EIB”), to avail a credit of USD 100.0 million for the purpose of capital expenditure financing for the operating entities. As at 31 December 2024, the Company has not drawn any amounts against this facility, subject to the completion of a few conditions precedent.

On 14 October 2023, Axian Telecom entered into a credit facility agreement with Standard Bank, Rand Merchant Bank, Standard Chartered Bank, and The Mauritius Commercial Bank, to avail a term loan facility of up to USD 150.0 million. This facility may be drawn upon immediately following realization of the remaining conditions precedent. As at 31 December 2024, Axian Telecom has not drawn any amounts against this facility. The first drawdown of USD 15 million was made in March 2025.

The table below reflects the carrying values and future cash flows associated with our total borrowings 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	489,045,257	658,509,960	101,607,557	127,795,913	375,716,266	53,390,224
Listed bonds	427,625,069	497,437,500	30,975,000	466,462,500	-	-

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15. CASH FLOW FROM OPERATING ACTIVITIES

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Cash flows from operating activities:				
Profit before income tax	98,523,145	28,673,022	197,746,344	86,819,563
<i>Adjustments:</i>				
Amortization of right-of-use assets	17,110,104	23,563,255	67,859,331	65,981,292
Depreciation of property, plant and equipment	35,133,849	50,314,215	171,947,031	147,515,786
Amortization of intangible assets	14,989,414	13,296,468	54,218,176	36,988,458
Loss on disposal of property, plant and equipment	169,560	517,722	212,579	357,001
Loss on disposal of subsidiary	-	367,827	-	367,827
Gain on disposal of intangible assets	(1,003)	-	(1,003)	-
Loss/(gain) on disposal of financial assets at fair value through profit or loss	190	-	(122,603)	-
Gain on deconsolidation of associate	-	-	(864,981)	-
Release of deferred profits on sale of property, plant and equipment	(229,277)	(238,944)	(918,695)	(990,836)
Reversal of provision on litigations	(1,256,069)	(472,641)	(755,048)	(2,979,264)
Reversal of provision for short term risks on operating activities	(3,415,275)	-	(3,415,275)	-
Write-back of government grants	(2,532,307)	(3,448,540)	(8,191,386)	(13,196,448)
Share of profit in associates and joint ventures	(6,535,260)	(7,204,355)	(21,284,475)	(20,371,643)
Interest expense on lease liability	23,886,322	17,240,982	94,874,020	63,070,818
Net interest expense on provision for dismantling costs	3,014,829	890,967	4,274,963	2,073,358
Gain on remeasurement of provision for dismantling costs	(522,866)	(160,602)	(527,051)	(160,602)
Other finance costs (excluding realized foreign exchange)	14,435,329	15,949,701	79,697,775	96,873,749
Finance income	(4,175,328)	(5,368,404)	(15,019,899)	(17,273,769)
Reversal of dividend income/(dividend income)	-	1,787	(107,396)	(2,912,236)
Loss/(gain) on fair valuation of derivatives	2,059,439	149,853	(1,595,357)	(876,936)
Write-off/(reversal of write-off) of financial assets	67,052	(1,616,173)	1,253,982	2,630,514
Waiver of financial liabilities	(3,939,048)	-	(3,939,048)	(34,952)
Other payable waived	1,194	-	-	-
Provision for impairment of receivables	1,027,599	257,772	5,862,253	2,132,794
Impairment of loans receivable and other financial assets	5,263,875	4,538,482	12,915,366	7,349,741
(Reversal of provision)/provision for slow moving inventories	(4,829,524)	700,188	(4,919,150)	(949,609)
Provision for retirement benefits obligation	237,928	1,629,853	703,669	1,666,940
(Gain)/loss on lease modification	(17,165)	(5,245,999)	178,798	(5,346,956)
Reversal of impairment of investment in joint ventures	-	-	-	(54,029)
Fair value gain on financial assets at fair value through profit or loss	(949,459)	(615,076)	(1,639,752)	(615,076)
Provision for impairment of property, plant and equipment and intangible assets	7,773,013	2,716,207	7,773,013	6,326,207
Post-acquisition M&A settlement	(19,378,489)	-	(19,378,489)	16,378,489
Cash generated from operating activities before working capital changes	175,911,772	136,437,567	616,837,692	470,770,181
Changes in working capital:				
Decrease/(increase) in inventories	655,688	829,098	9,973,559	(993,165)
Increase in trade and other receivables	(28,365,889)	(14,710,036)	(38,007,392)	(63,549,177)
(Decrease)/increase in trade and other payables	(5,931,032)	28,628,794	27,999,976	95,558,972
Increase in loans to customers	(7,637,758)	(4,802,689)	(27,964,543)	(15,810,515)
Increase in deposits from customers	112,949	635,111	1,397,418	1,865,828
Decrease in provisions	(112,102)	(121,886)	(112,102)	(121,886)
Net cash generated from operating activities	134,633,628	146,895,959	590,124,608	487,720,238

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16. NON-IFRS MEASURES

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

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Profit for the period/year	43,930,992	26,689,666	114,325,369	54,555,532
<i>Adjustments:</i>				
Income tax expense	54,592,153	1,983,356	83,420,975	32,264,031
Finance income	(11,115,931)	(15,824,079)	(44,484,289)	(52,060,083)
Finance costs	24,168,385	50,833,748	205,165,904	208,326,273
Depreciation of property, plant and equipment	35,133,849	50,314,215	171,947,031	147,515,786
Amortization of right of use assets	17,110,104	23,563,255	67,859,331	65,981,292
Amortization of intangible assets	14,989,414	13,296,468	54,218,176	36,988,458
EBITDA	178,808,966	150,856,629	652,452,497	493,571,289
Share of net profit in joint ventures and associates	(6,535,260)	(7,204,355)	(21,284,475)	(20,371,643)
Loss on disposal of subsidiary	-	367,827	-	367,827
Gain on deconsolidation of associate	-	-	(864,981)	-
Impairment of property, plant and equipment and intangible assets	7,773,013	2,716,207	7,773,013	6,326,207
Loss/(gain) on disposal of property, plant and equipment and intangible assets	93,006	160,721	(1,003)	-
Other non-operating (income)/expenses	(19,378,489)	-	(19,378,489)	16,378,489
Adjusted EBITDA	160,761,236	146,897,029	618,696,562	496,272,169

17. SEGMENTAL REPORTING

Business Segments

For the year ended December 31, 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.

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17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the three month period ended December 31, 2024:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	293,983,553	13,684,614	69,702,773	2,984,753	380,355,693
Profit/(loss) for the period before tax	83,090,130	(8,506,186)	39,682,528	(15,743,327)	98,523,145
<i>Adjustments:</i>					
Finance income	(1,958,640)	(2,495,090)	(3,065,263)	(3,596,938)	(11,115,931)
Finance costs	(10,252,664)	7,082,085	569,740	26,769,224	24,168,385
Depreciation of property, plant and equipment	31,134,596	3,840,054	97,856	61,343	35,133,849
Amortization of right of use assets	15,755,094	785,441	284,989	284,580	17,110,104
Amortization of intangible assets	14,348,958	368,014	229,855	42,587	14,989,414
EBITDA	132,117,474	1,074,318	37,799,705	7,817,469	178,808,966
Share of net profit in joint ventures and associates	-	-	(2,986,351)	(3,548,909)	(6,535,260)
Impairment of property, plant and equipment and intangible assets	7,759,946	-	13,067	-	7,773,013
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(168,623)	57,125	204,504	-	93,006
Other non-operating income*	-	-	-	(19,378,489)	(19,378,489)
Adjusted EBITDA	139,708,797	1,131,443	35,030,925	(15,109,929)	160,761,236

* Other non-operating income represents a one-off income following the full and final settlement of the purchase price of a historical acquisition.

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17. SEGMENTAL REPORTING (CONTINUED)

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

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the year ended December 31, 2024:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Revenue	1,094,395,955	55,195,685	253,963,002	3,361,005	1,406,915,647
Profit/(loss) for the year before tax	190,590,004	(41,907,162)	137,568,486	(88,504,984)	197,746,344
<i>Adjustments:</i>					
Finance income	(6,457,359)	(3,961,847)	(12,302,602)	(21,762,481)	(44,484,289)
Finance costs	110,620,559	14,393,109	2,049,341	78,102,895	205,165,904
Depreciation of property, plant and equipment	141,360,062	30,089,982	383,945	113,042	171,947,031
Amortization of right of use assets	63,210,243	2,865,161	1,175,421	608,506	67,859,331
Amortization of intangible assets	51,731,422	1,456,861	861,707	168,186	54,218,176
EBITDA	551,054,931	2,936,104	129,736,298	(31,274,836)	652,452,497
Share of net profit in joint ventures	-	-	(8,868,778)	(12,415,697)	(21,284,475)
Impairment of property, plant and equipment and intangible assets	7,759,946	-	13,067	-	7,773,013
Gain on disposal of property, plant and equipment and intangible assets	(1,003)	-	-	-	(1,003)
Gain on deconsolidation of associate	-	-	-	(864,981)	(864,981)
Other non-operating income*	-	-	-	(19,378,489)	(19,378,489)
Adjusted EBITDA	558,813,874	2,936,104	120,880,587	(63,934,003)	618,696,562

* Other non-operating income represents a one-off income following the full and final settlement of the purchase price of a historical acquisition.

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Segment assets	2,406,362,054	397,031,010	493,054,389	93,821,298	3,390,268,751
Segment liabilities	(1,727,447,160)	(199,440,391)	(399,904,963)	(811,655,411)	(3,138,447,925)

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17. SEGMENTAL REPORTING (CONTINUED)

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

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

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

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Segment assets	2,353,984,585	278,205,289	359,558,380	196,592,012	3,188,340,266
Segment liabilities	(1,729,586,231)	(158,181,644)	(307,422,663)	(687,817,870)	(2,883,008,408)

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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 record 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	6,719,838
Cash at bank	4,156
Total assets	11,874,616
LIABILITIES	
Deferred tax liability	330,505
Trade and other payables	14,248,826
Income tax liability	9,622
Total liabilities	14,588,953
Cost of investment	1
Fair value of previously held interest	-
Net liabilities at date of acquisition	2,714,337
Goodwill	2,714,338

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

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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 loss - post acquisition to December 31, 2023	(450,348)
The cash flows associated with the business acquisitions are as follows:	
<i>Cash inflow from acquisition of subsidiaries</i>	
Purchase consideration	1
Cash and cash equivalents acquired	(4,156)
Cash 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 at bank	10,806,381
Restricted cash	8,331,432
Income tax receivables	311,304
Total assets	431,373,579

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Maya Africa Holding Limited (Continued)

	Fair values Maya Africa Holding Limited 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 loss - 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 outflow from acquisition, net of cash acquired	47,664,119

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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 93.28% 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	21,164,771
Intangible assets	9,030,138
Customer-related intangible	4,222,565
Brand intangible	1,070,939
Right-of-use assets	1,804,234
Fixed assets: Works in progress	2,590,768
Deposits and bonds receivables	95,638
Financial assets at fair value through profit or loss	22
Inventories	275,874
Trade and other receivables	3,118,675
Income tax receivables	87,996
Cash at bank	8,036,026
Total assets	51,497,646

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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	6,771,813
Provisions	3,073
Lease liability	1,803,733
Retirement benefit obligations	892,734
Deferred tax liability	1,188,355
Trade and other payables	20,248,571
Income tax payables	179,682
Bank overdraft	12,819
Total liabilities	31,100,780
Cost of investment	14,392,646
Fair value of previously held interest	8,886,340
Net assets at date of acquisition	(20,396,866)
Goodwill	2,882,120

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	20,196,341
Net income - post acquisition	833,501
The cash flows associated with the business acquisitions are as follows:	
<i>Cash outflow from acquisition of subsidiaries</i>	
Purchase consideration ¹	14,392,646
Cash and cash equivalents acquired	(8,036,026)
Bank overdraft acquired	12,819
Deferred consideration ¹	(3,815,388)
Cash outflow from acquisition, net of cash acquired	2,554,051

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. The EUR 5.0 million due on January 1, 2025 was paid in December 2024, leaving only the present value of the EUR 4.0 million due on January 1, 2026 as deferred consideration at December 31, 2024.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. SUBSEQUENT EVENTS

Acquisition of Aptus Solutions Limited

On December 3, 2024, Axian Telecom Fibre Ltd entered into a Share Purchase Agreement for the acquisition of 100% of the shares in Aptus Solutions Limited. The transaction was completed on March 31, 2025, for an initial consideration of \$4.80 million. The Group has not yet completed the purchase price allocation exercise required by IFRS 3 – *Business combinations* and we therefore do not have an estimate of goodwill or gain on bargain purchase at the date of signing these financial statements.

Acquisition of the Wananchi Group

Axian Telecom signed a share purchase agreement on 17 August 2024 to acquire the operations of Kenya-based fibre, internet and TV provider, Wananchi, with main operations across Kenya, Tanzania and Uganda. The acquisition is subject to customary closing conditions and conditions precedent, which have not been completed as at date of signing the financial statements.

Utilization of existing loan facilities

Towerco of Africa Uganda Limited

On 16 December 2024, Towerco of Africa Uganda Limited signed a facility agreement with Stanbic Bank Uganda comprised of an initial commitment and an additional commitment. The initial commitment is comprised of a UGX tranche equivalent to USD 6.0 million, and a USD 4.0 million tranche. The additional commitment is comprised of a UGX tranche equivalent to USD 20.0 million. At 31 December 2024, Towerco of Africa Uganda Limited had not drawn down any amounts against this facility. Aggregate disbursements of USD 9.0 million were made against the initial commitment during the first quarter of 2025, comprised of USD 3.6 million against the USD tranche and UGX 19.8 billion, equivalent of USD 5.4 million against the UGX tranche.

Axian Telecom

On October 14, 2023, Axian Telecom entered into a credit facility agreement with Standard Bank, Rand Merchant Bank, Standard Chartered Bank, and The Mauritius Commercial Bank, to avail a term loan facility of up to USD 150.0 million. This facility may be drawn upon immediately following realization of the remaining conditions precedent. As at December 31, 2024, Axian Telecom had not drawn any amounts against this facility. The first drawdown of USD 15.0 million was made in March 2025.

New loan facilities

Towerco of Africa Madagascar SA

On January 27, 2025, Towerco of Africa Madagascar SA entered into a credit facility agreement with BNI Madagascar for a term loan facility amounting to MGA 25.0 billion (equivalent to USD 5.3 million) with monthly variable interests of 8.25% per annum. The facility has a tenure of 7 years (comprising of an initial 12-month interest-only repayments period followed by 72 months of combined principal and interest repayments). The loan was drawn down on January 31, 2025.

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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 Comoros 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 93.28% 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, 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. 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 rates of FCFA606.75/USD1 and EUR0.9250/USD1 for the year ended December 31, 2023.

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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results

**Condensed combined statements of profit or loss for the three month and year ended
 December 31, 2024**

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Revenue	380,355,693	326,521,882	1,406,915,647	1,219,280,502
Cost of devices and equipment	(14,872,067)	(8,482,360)	(42,618,032)	(31,578,050)
Cost of interconnection and roaming	(11,299,150)	(10,237,824)	(42,360,427)	(41,296,333)
Government and regulatory costs	(20,830,673)	(21,916,928)	(85,300,328)	(80,721,994)
Advertising and distribution costs	(13,560,613)	(7,051,416)	(27,068,879)	(20,358,964)
Commission to sales agents	(51,212,276)	(45,488,312)	(190,573,232)	(171,681,993)
Net impairment losses on financial and contract assets	(6,291,474)	(4,796,254)	(18,777,619)	(10,960,488)
Technology operation costs	(31,394,666)	(30,558,177)	(113,549,012)	(103,471,862)
Staff costs	(49,054,218)	(38,848,604)	(160,097,971)	(127,570,917)
(Derecognition)/recovery of financial assets	(67,052)	1,600,787	(1,253,982)	(2,645,900)
Professional fees	(8,202,034)	(9,392,881)	(30,832,094)	(29,371,900)
Depreciation and amortization	(67,233,367)	(87,173,938)	(294,024,538)	(283,362,652)
Impairment of non-financial assets	(3,160,554)	(3,257,579)	(2,853,863)	(5,163,752)
Other operating expenses	(25,855,035)	(17,421,188)	(100,446,570)	(85,892,281)
Other income	6,621,763	7,088,337	16,834,214	20,060,545
Net gain on financial assets at fair value through profit or loss	949,459	615,076	1,639,752	615,076
OPERATING PROFIT	84,893,736	51,200,621	315,633,066	245,879,037
Finance income	11,115,931	15,824,079	44,484,289	52,315,804
Finance costs	(24,168,385)	(50,833,748)	(205,165,904)	(231,050,320)
Non-operating income	19,522,702	5,645,542	21,689,216	10,017,401
Non-operating expenses	623,901	(367,827)	(178,798)	(16,746,316)
Share of profit in joint ventures and associates	6,535,260	7,204,355	21,284,475	20,371,643
PROFIT BEFORE INCOME TAX	98,523,145	28,673,022	197,746,344	80,787,249
Income tax expense	(54,592,153)	(1,983,356)	(83,420,975)	(32,277,619)
PROFIT FOR THE PERIOD/YEAR	43,930,992	26,689,666	114,325,369	48,509,630
Profit for the period/year attributable to:				
- Owners of the Company	35,960,965	25,189,183	92,598,973	34,314,461
- Non-controlling interest	7,970,027	1,500,483	21,726,396	14,195,169
	43,930,992	26,689,666	114,325,369	48,509,630

Note: The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rates of FCFA606.75/USD1 and EUR0.9250/USD1 for the year ended December 31,2023.

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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results (continued)

**Condensed combined statements of other comprehensive income for the three month and
year ended December 31, 2024**

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
PROFIT FOR THE PERIOD/YEAR	43,930,992	26,689,666	114,325,369	48,509,630
OTHER COMPREHENSIVE INCOME				
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of foreign subsidiaries	(14,485,200)	(1,613,761)	(13,676,293)	12,901,227
Exchange differences on translation of foreign joint ventures	(4,223,873)	2,102,825	(3,404,237)	1,426,283
<i>Items that will not be re-classified to profit or loss</i>				
Net (loss)/gain on equity instruments designated at fair value	(604,518)	270,045	(604,518)	270,045
Remeasurements of retirement benefit obligations	258,678	(13,804)	258,678	(13,804)
Other comprehensive (loss)/income for the period/year, net of tax	(19,054,913)	745,305	(17,426,370)	14,583,751
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	24,876,079	27,434,971	96,898,999	63,093,381
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR ATTRIBUTABLE TO:				
- Owners of the Company	21,730,937	26,630,902	82,704,760	47,738,367
- Non - controlling interest	3,145,142	804,069	14,194,239	15,355,014
	24,876,079	27,434,971	96,898,999	63,093,381

Note: The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rates of FCFA606.75/USD1 and EUR0.9250/USD1 for the year ended December 31, 2023.

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PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)

Combined financial results (continued)

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

	3 month period ended		Year ended	
	December 31, 2024 USD	December 31, 2023 USD	December 31, 2024 USD	December 31, 2023 USD
Profit for the period/year	43,930,992	26,689,666	114,325,369	48,509,630
<i>Adjustments:</i>				
Income tax expense	54,592,153	1,983,356	83,420,975	32,277,619
Finance income	(11,115,931)	(15,824,079)	(44,484,289)	(52,315,804)
Finance costs	24,168,385	50,833,748	205,165,904	231,050,320
Depreciation of property, plant and equipment	35,133,849	50,314,215	171,947,031	159,059,014
Amortization of right of use assets	17,110,104	23,563,255	67,859,331	76,199,784
Amortization of intangible assets	14,989,414	13,296,468	54,218,176	48,103,854
EBITDA	178,808,966	150,856,629	652,452,497	542,884,417
Share of net profit in joint ventures and associates	(6,535,260)	(7,204,355)	(21,284,475)	(20,371,643)
Loss on disposal of subsidiary	-	367,827	-	367,827
Gain on deconsolidation of associate	-	-	(864,981)	-
Impairment of property, plant and equipment and intangible assets	7,773,013	2,716,207	7,773,013	6,326,207
Loss/(gain) on disposal of property, plant and equipment and intangible assets	93,006	160,721	(1,003)	(292,434)
Other non-operating (income)/expense	(19,378,489)	-	(19,378,489)	16,378,489
Adjusted EBITDA	160,761,236	146,897,029	618,696,562	545,292,863

Note: The local currency numbers of Maya Africa Holding Limited have been translated at average exchange rates of FCFA606.75/USD1 and EUR0.9250/USD1 for the year ended December 31, 2023.

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DEFINITIONS

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

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

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.