

AXIAN TELECOM

# UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31,  
2024

**AXIAN**

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

**CORPORATE INFORMATION**

<b>COMPANY REGISTRATION No.</b>	C46569 C1/GBL		
		<b>Date of appointment</b>	<b>Date of resignation</b>
<b>DIRECTORS</b>	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	-
<b>ADMINISTRATOR &amp; SECRETARY</b> <i>(as from December 1, 2021)</i>	DTOS Ltd 10 <sup>th</sup> Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
<b>REGISTERED OFFICE</b> <i>(as from December 1, 2021)</i>	c/o DTOS Ltd 10 <sup>th</sup> Floor Standard Chartered Tower 19 Cybercity Ebène Republic of Mauritius		
<b>AUDITOR</b>	PricewaterhouseCoopers PwC Centre Avenue de Telfair Telfair 80829 Moka Republic of Mauritius		
<b>INVESTOR RELATIONS CONTACT</b>	<a href="mailto:investorrelations@axian-telecom.com">investorrelations@axian-telecom.com</a>		

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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, plans or intentions relating to any other acquisitions, our competitive strengths and weaknesses, our business strategy, and the trends we anticipate in the industries and the political and legal environments in which we operate and other information that is not historical information.

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

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

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

### Non-IFRS financial measures

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

These include EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin (each as defined on page 45). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

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

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**GROUP AND COMPANY INFORMATION AND BASIS OF PREPARATION**

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

The Group is a leading pan-African telecommunications services provider, operating in ten markets through subsidiaries in Tanzania, Madagascar, Togo, Uganda, Democratic Republic of the Congo, the UAE (specifically Dubai), and Senegal and its joint ventures in Réunion, Mayotte and Comoros. The Group’s activities span over a diverse range of telecommunication assets and services, including retail mobile, residential and business fixed-line telephone, broadband internet, digital services offerings, including mobile financial services (“MFS”) and wholesale infrastructure (tower, datacenters, and fibre).

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

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

**Basis of preparation**

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

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

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

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

We separately present the statement of profit or loss for the three month period ended March 31, 2023 and the statement of other comprehensive income for the three month period March 31, 2023 on a combined basis, as if the Free in Senegal Acquisition had occurred as at the beginning of the earliest comparative period; in this case January 1, 2023. The pro forma adjustments made to the consolidated data and the resulting pro forma numbers are described in more detail and disclosed on pages 41 to 44 of these financial statements.

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**OPERATING AND FINANCIAL REVIEW**

**Highlights for the quarter**

	<b>3 month period ended</b>		
	<b>March 31, 2024 USD</b>	March 31, 2023 USD	
Revenue	<b>322,322,980</b>	240,615,819	
Operating profit	<b>73,504,614</b>	56,516,586	
Adjusted EBITDA <sup>1</sup>	<b>147,910,628</b>	108,190,171	
Adjusted EBITDA Margin <sup>1</sup>	<b>45.9%</b>	45.0%	
	<b>As at March 31, 2024</b>	As at March 31, 2023	As at December 31, 2023
	<b>Units'000</b>	Units'000	Units'000
Revenue generating subscribers ("RGS") <sup>2</sup>	<b>39,425</b>	31,243	38,509
Active data users	<b>11,421</b>	7,335	11,338
Active MFS users	<b>12,913</b>	10,593	12,649
	<b>Units</b>	Units	Units
Owned Towers	<b>3,777</b>	3,343	3,698
Shared Towers	<b>2,296</b>	2,018	2,247
Tenants on Shared Towers	<b>3,031</b>	2,619	2,966
Tenancy Ratio	<b>1.32x</b>	1.30x	1.32x

<sup>1</sup> 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.

<sup>2</sup> Represents Revenue generating subscribers monitored over a 90-day period at the Group level (a block of which we refer to as an "RGS90").

**Operating results and market data**

*Revenue generating subscribers and other operational key performance indicators*

Revenue generating subscribers increased by 8.2 million during the twelve month period ended March 31, 2024, resulting in 39.4 million RGS as at March 31, 2024. Active data users and Active MFS users increased by 4.1 million and 2.3 million respectively during the same period, and stand at 11.4 million and 12.9 million respectively as at March 31, 2024.

The increase in RGS for twelve month period ended March 31, 2024, of 8.2 million, includes the addition of 5.3 million RGS from the acquisition of Free in Senegal. The remaining year-on-year increase of 2.9 million RGS is primarily driven by our Madagascar and Togo operations which saw increases of 2.2 million and 0.5 million RGS in the period. Our operations in Senegal also an increase in RGS of 0.2 million in the period since the Free in Senegal Acquisition.

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**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

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

The increase in Active data users for the twelve month period ended March 31, 2024 includes 2.2 million Active data users from the acquisition of Free in Senegal. The remaining year-on-year increase of 1.9 million Active data users is primarily driven by our Tanzania operation, which saw an increase of 1.3 million in the period. Our operations in Madagascar and Togo each saw year-on-year increases of 0.4 million Active data users in the same period, while Active data users in Free in Senegal decreased by 0.3 million in the period since the Free in Senegal Acquisition. This decrease in Senegal is primarily due to our alignment of the data strategy and offering in Senegal, with those of our other operations.

The increase in Active MFS users for the twelve month period ended March 31, 2024, of 2.3 million, includes the addition of 0.6 million Active MFS users from the Free in Senegal acquisition. The remaining year-on-year increase of 1.7 million Active MFS users is primarily driven by our Tanzania and Madagascar operations, which saw increases of 1.2 million and 0.6 million in the period, respectively.

During the twelve month period ended March 31, 2024, we have increased the number of Owned Towers and Shared Towers by 434 and 278 respectively, mainly from increases in our Madagascar and Uganda operations which saw increases in their Owned Towers (which are also Shared Towers in those operations) of 199 and 79, respectively. We also achieved 99 and 49 net Owned Towers added in our Togo and Tanzania operations, respectively, in the same period. Our Tenants on Shared Towers also increased by 412 in the same period as a result of net increases in our Madagascar and Uganda operations of 313 and 99, respectively. Our Tenancy Ratio increased by 0.02x, to 1.32x, during the twelve months ended March 31, 2024.

*Revenue*

Revenue for the three month period ended March 31, 2024 increased year-on-year by \$81.7 million or 34.0%, to \$322.3 million in Q1 2024, compared to \$240.6 million in Q1 2023. This year-on-year increase includes \$43.2 million in revenue from Free in Senegal, which is not included in the prior period. The remaining year-on-year increase of \$38.5 million (or 16.0% excluding Free in Senegal) is mainly comprised of an increase in revenue related to our operations in Tanzania, Madagascar, and Togo, which increased by \$13.3 million (or 13.2%), \$13.6 million (or 18.7%), and \$6.7 million (or 10.8%), year-on-year, respectively. Revenue in our operation in Uganda also increased by \$1.2 million (or 36.1%) year-on-year, for the same period.

The aggregate year-on-year growth for the three month period ended March 31, 2024 includes negative foreign exchange translation impacts of \$12.9 million (or 3.8%), owing to a combination of a year-on-year strengthening of the US Dollar against the Malagasy Ariary and Tanzanian Shilling, partially offset by the year-on-year strengthening of the West African CFA franc against the US Dollar.

The Q1 2024 year-on-year increase in revenue in Tanzania is mainly comprised of increases of \$5.9 million and \$7.3 million in our Mobile and fixed-line communications, and Digital and mobile financial services segments respectively. These increases are primarily driven by the year-on-year increase in activity, resulting from increases in Active data users, and Active MFS users which have resulted in year-on-year increases in mobile services, content and VAS, and mobile financial services revenues. These year-on-year increases are partially offset by year-on-year decreases in equipment sales and interconnect services revenues. The aggregate year-on-year growth for the same period in our Tanzania operation includes the effects of negative foreign exchange translation impacts of \$9.8 million (or 7.9%), owing to the year-on-year strengthening of the US Dollar against the Tanzanian Shilling.

The Q1 2024 year-on-year increase in revenue in Madagascar is comprised of increases of \$9.3 million, \$3.7 million, and \$0.6 million in our Mobile and fixed-line communications, Digital and mobile financial services, and Infrastructure segments respectively. The increases in our Mobile and fixed-line communications and Digital and mobile financial services segments are primarily driven by the year-on-year increase in RGS (19%), Active data users (20%), and Active MFS users (24%), which results in increased activity in those segments. Our Madagascar operations also reflect year-on-year increases in revenues related to interconnection fees, sales of devices, and sales of capacity.

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**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

*Revenue (continued)*

The year-on-year increase in our Infrastructure segment in Madagascar is as a result of the increase in the number of Shared Towers and Tenants over the twelve month period ended March 31, 2024, which increased by 199 and 313 respectively year-on-year.

The aggregate year-on-year growth for the period in our Madagascar operation includes the effects of negative foreign exchange translation impacts of \$3.8 million (or 4.2%), owing to the year-on-year strengthening of the US Dollar against the Malagasy Ariary.

Our Togo operations reflect a Q1 2024 year-on-year increase in revenue of \$6.7 million (or 10.8%), which is attributed to our Mobile and fixed-line communications segment and results from increases in RGS (13%) and Active Data users (24%). Our Togo operations also saw a year-on-year increase in revenue from mobile financial services, owing to a year-on-year increase of 15% in Active MFS users. This year-on-year increase also includes the effects of positive foreign exchange translation impacts of \$0.8 million (or 1.2%), owing to the year-on-year strengthening of the West African CFA franc against the US Dollar.

Revenue by segment is presented below:

For the three month period ended:

	<b>March 31, 2024 USD</b>	March 31, 2023 USD	Movement USD	Movement %
Mobile and fixed-line communications	<b>250,873,949</b>	185,844,244	65,029,705	35.0%
Infrastructure	<b>15,431,495</b>	9,602,217	5,829,278	60.7%
Digital and mobile financial services	<b>55,944,494</b>	44,941,933	11,002,561	24.5%
Other	<b>73,042</b>	227,425	(154,383)	-67.9%
	<b>322,322,980</b>	<b>240,615,819</b>	<b>81,707,161</b>	<b>34.0%</b>

*Operating costs*

Operating costs for the three month period ended March 31, 2024 increased year-on-year by \$65.4 million (or 34.9%), to \$252.9 million in Q1 2024 compared to \$187.5 million in Q1 2023. The year-on-year increase includes operating costs of \$38.1 million related to Free in Senegal. The remaining year-on-year increase of \$27.3 million (excluding Free in Senegal) is primarily comprised of a year-on-year increase in depreciation and amortization of \$11.2m, a year-on-year increase in staff costs of \$5.4 million, an aggregate year-on-year increase in impairment losses and write-off of financial assets of \$1.1 million, a year-on-year increase in technology operating costs of \$1.8 million, year-on-year increases in commissions to sales agents and government and regulatory costs of \$3.7 million and \$1.4 million respectively, and a year-on-year increase in other operating cost of \$3.3 million.

The aggregate year on-year-increases for the period are partially offset by a year-on-year decrease in costs of interconnection and roaming of \$0.6 million, and a year-on-year decrease of \$0.6 million in impairment of non-financial assets.

The year-on-year increase in depreciation and amortization for the three month period ended March 31, 2024, is primarily related to depreciation of property, plant and equipment and reflects a combination of an increased asset cost base, following asset replacements and additions in 2023, and accelerated depreciation on assets which have been earmarked for replacement in 2024 as part of our network modernization program. The amortization of intangible assets also increased year-on-year for the period on account of a higher cost base, while the depreciation of right-of-use assets remained relatively stable year-on-year.



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**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

*Operating costs (continued)*

The year-on-year increase for the three month period ended March 31, 2024 in respect of staff costs is primarily driven by a general increase in staff numbers (including additional staff at group-level positions), and an increase in average wages from annual uplifts, and increased welfare benefits, such as medical insurance.

The year-on-year increase in technology operating costs for the three month period ended March 31, 2024, is primarily driven by an increase in energy costs owing to an increased number of Owned Towers and Shared Towers, mainly in our Infrastructure segment operations in Madagascar and Uganda. Excluding the impact of Free in Senegal, energy costs have increased by \$1.1 million year-on-year for period. We also reflect year-on-year increases of \$1.2 million and \$0.9 million, respectively, in transmission fees and content and VAS charges, owing to increased activity levels. This aggregate year-on-year increase is partially offset by year-on-year decreases of \$0.9 million and \$0.4 million related to technical professional fees and repairs and maintenance, respectively; primarily as a result of the recent modernization of the network in our Tanzania market.

The year-on-year increases in government and regulatory costs and the cost of commissions to sales agents for the three month period ended March 31, 2024, are directly driven by increased activity in our Mobile and fixed-line communications and Digital and mobile financial services segments respectively, as reflected by the increase in revenue in those segments. The aggregate year-on-year increase in the impairment and write-off of financial assets represents increased doubtful debt debtor provisions owing to increased lending activities in our Mobile and Financial Services segment in Madagascar.

The year-on-year increase in other operating costs for the three month period ended March 31, 2024, is driven by year-on-year increases in general IT costs (owing to IT system deployments), bank charges, and other general costs such as security costs.

*Other operating income, and non-operating income and expenses*

Other operating income was \$4.1 million for the three month period ended March 31, 2024 compared to \$3.4 million for the three month period ended March 31, 2023. The year-on-year increase relates primarily to subsidies, and to income received in our Madagascar operations from the sale ancillary products not related to our telecommunications operations.

Non-operating income amounts to \$0.6 million for the three month period ended March 31, 2024, compared to \$0.3 million in the prior year comparative period. The year-on-year increase primarily relates to income recognized on the modification or termination of leases of \$0.4 million in the current year, primarily from Free in Senegal. This income arises when the carrying value of a lease liability is decreased by an amount which exceeds the carrying value of the associated right-of-use asset at the time of modification or termination.

*Net finance costs*

Our net finance costs for the three month period ended March 31, 2024 were \$38.1 million, compared to \$25.0 million in the prior year comparative period; representing a year-on-year increase of \$13.1 million. The year-on-year increase includes \$9.5 million of net finance costs from Free in Senegal which are primarily comprised of interest on lease liabilities of \$8.3 million and interest on bank loans of \$0.8 million.

The year-on-year increase in net finance costs of \$3.6 million (excluding Free in Senegal) is primarily driven by a year-on-year increase in net foreign exchange losses of \$1.5 million, an aggregate year on-year increase in interest expense related to bank loans, shareholder loans, and bank overdrafts of \$2.8 million, an aggregate year-on-year decrease in interest income and other finance income of \$1.5 million, and a year-on-year increase in interest expense related to leases of \$0.5 million, owing to higher year-on-year lease balances.

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**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

*Net finance costs (continued)*

This net increase finance costs in partially offset by a year-on-year increase in fair valuation gains on embedded derivatives of \$1.1 million, a year-on-year decrease in losses on fair valuations of derivative swap instruments of \$1.0 million, and a year-on-year decrease of \$0.6 million in other finance costs.

The year-on-year increase in foreign exchange losses for the period primarily results from the devaluation of the Tanzanian Shilling against the US Dollar during the period, resulting in foreign exchange losses in respect of foreign denominated borrowings, shareholder loans, and some supplier balances in our Tanzania operations.

*Share of profit in joint ventures and associates*

Our share of profit in joint ventures and associates increased year-on-year by \$3.1 million for the three month period ended March 31, 2024.

The year-on-year increase mainly results from increased profits from Telecom Reunion Mayotte and BNI Madagascar of \$1.0 million and \$1.8 million respectively, and from a profit of \$0.4 million in respect of Telecom Comores Holding Limited in the current year, compared to a small loss in the prior year comparative period.

The increased profits from BNI Madagascar mainly represent the impact of lower doubtful debt and loan provisioning in the current year, compared to the prior year.

*Income tax*

Income tax charge increased by \$0.6 million year-on-year for the three month period ended March 31, 2024, and is primarily comprised of year-on-year increase of \$4.6 million in current income taxes, partially offset by a year-on-year increase in deferred income tax credits of \$4.1 million. We also had a year-on-year increase of \$0.1 million in withholding tax expense for the period.

The year-on-year increase in current income tax for the Q1 2024, is primarily driven by the year-on-year increase in taxable profits in our Madagascar and Tanzania operations, which are reflected by the increased year-on-year EBITDA for the same periods. The year-on-year increases also include the impact of foreign exchange gains in our Madagascar operations in the period, which are taxed when they accrue, even if unrealized.

The year-on-year increase in deferred income tax credits for the period is primarily driven by an increase in deferred tax assets related to unrealized foreign exchange losses in our Tanzania operations, which will be deductible once realized, and by deferred tax assets recognized in respect of IFRS 16 lease liabilities.

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

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**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

*Profit for the period*

Our profit for the period increased by \$6.8 million year-on-year for the three month period ended March 31, 2024 and includes a net loss from Free in Senegal of \$4.1 million.

The remaining year-on-year increase of \$10.9 million (excluding Free in Senegal), is primarily driven by year-on-year increase in operating profits of \$11.9 million, and by a year-on-year increase of \$3.1 million relating to share of profits from associates and joint ventures. This aggregate impact is partially offset by a year-on-year increases in net finance costs of \$3.6 million, and by a year-on-year increase in tax expense of \$0.6 million.

*Adjusted EBITDA*

Our Adjusted EBITDA for the three month period ended March 31, 2024 increased year-on-year by \$39.7 million (or 36.7%), to \$147.9 million in Q1 2024, compared to \$108.2 million in Q1 2023; and includes Adjusted EBITDA of \$16.6 million from Free in Senegal. Our Adjusted EBITDA margins increased by 0.9% year-on-year, to 45.9% for the three month period ended March 31, 2024.

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

**Statements of cash flow and liquidity**

The Group had cash and cash equivalents (net of bank overdrafts) of \$111.8 million as at March 31, 2024 (December 31, 2023: \$127.8 million), of which a total of \$42.4 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 increased by \$40.4 million year-on-year for the three month period ended March 31, 2024. The year-on-year increase in Adjusted EBITDA, is reflected in the year-on-year increase of \$39.8 million in cash generated from operations before working capital changes. We also had a year-on-year positive cash flow impact of \$24.1 million in respect of aggregate movements in working capital and litigation claims, which reflected an aggregate cash inflow in Q1 2024 of \$20.2 million compared to an aggregate cash outflow of \$3.8 million in the prior year comparative period. This positive aggregate operating cash flow impact for the period, of \$63.9 million, is partially offset by year-on-year increases in interest paid in respect of leases and loans of \$14.5 million and \$3.0 million respectively, by a year-on-year increase in cash outflows from taxes paid of \$5.2 million, and by a year-on-year decrease in cash inflows from interest received of \$0.9 million.

*Net cash used in investing activities*

Net cash used in investing activities increased by \$26.7 million year-on-year for the three month period ended March 31, 2024, primarily due to a year-on-year increase in aggregate cash outflows for the purchase of property, plant and equipment and intangible assets of \$29.8 million. We also reflected a year-on-year increase of \$0.2 million in cash outflows from granting of loans to associates.

This aggregate negative cash flow impact is partially offset by and a year-on-year decrease of \$2.9 million in cash outflows in respect of short term bond deposits and investments, and by a year-on-year increase of \$0.4 million from dividends received.

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

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

**Statements of cash flow and liquidity (continued)**

*Net cash used in investing activities (continued)*

The increased cash outflows from the purchase of property, plant and equipment and intangible assets mainly result from our network improvement plans in Madagascar, as well as reflecting increased tower construction activity in Uganda, Madagascar, and Tanzania when compared to the prior year comparative periods. The increased year-on-year cash outflow for Q1 2024 also represents the timing of cash payments to our vendors for these capital expenditure items, most of which were purchased and delivered in the prior year.

*Net cash used in or generated from financing activities*

We had net cash outflows from financing activities of \$20.1 million for the three month period ended March 31, 2024, compared with net cash outflows of \$2.3 million in the prior year comparative period; a year on year net cash outflow impact of \$17.8 million. This year-on-year increase in net cash outflows is primarily related to an increase in net cash used in settlement of borrowings (net of inflows from additional borrowings received, and including the payment of loan transaction costs), of \$24.2 million, and is partially offset by a year-on-year decrease in cash outflows from the payment of principal on lease liabilities of \$6.4 million; primarily representing the split of lease payments between interest and principal, as aggregate lease principal and interest payments increased by \$8.1 million year on year on account of increase liability values, particularly from the acquisition of Free in Senegal.

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

**For the three month period ended March 31, 2024**

	<b>3 month period ended</b>	
	<b>March 31, 2024 USD</b>	<b>March 31, 2023 USD</b>
Revenue (Note 3)	<b>322,322,980</b>	240,615,819
Cost of devices and equipment (Note 5)	<b>(7,093,018)</b>	(5,878,173)
Cost of interconnection and roaming (Note 5)	<b>(9,328,621)</b>	(7,277,353)
Government and regulatory costs (Note 5)	<b>(20,751,425)</b>	(14,243,863)
Advertising and distribution costs (Note 5)	<b>(3,807,343)</b>	(3,114,919)
Commission to sales agents (Note 5)	<b>(43,171,348)</b>	(35,063,098)
Net impairment on financial and contract assets (Note 5)	<b>(4,342,078)</b>	(1,747,577)
Technology operation costs (Note 5)	<b>(25,577,389)</b>	(21,160,642)
Staff costs (Note 5)	<b>(34,789,941)</b>	(23,695,389)
Other operating expenses (Note 5)	<b>(23,874,823)</b>	(16,930,128)
Derecognition of financial assets (Note 5)	<b>(132,494)</b>	(1,115,215)
Professional fees, non-technical (Note 5)	<b>(6,570,318)</b>	(5,905,823)
Depreciation and amortization (Note 5)	<b>(74,003,008)</b>	(51,421,521)
Reversal of impairment of non-financial assets (Note 5)	<b>558,603</b>	28,326
Other income (Note 4)	<b>4,064,837</b>	3,426,142
<b>OPERATING PROFIT</b>	<b>73,504,614</b>	<b>56,516,586</b>
Finance income (Note 6)	<b>22,309,348</b>	12,835,423
Finance costs (Note 6)	<b>(60,367,350)</b>	(37,792,945)
Non-operating income (Note 4)	<b>629,129</b>	256,584
Share of profit in joint ventures and associates	<b>5,068,760</b>	1,944,125
<b>PROFIT BEFORE INCOME TAX</b>	<b>41,144,501</b>	<b>33,759,773</b>
Income tax expense (Note 7)	<b>(11,955,324)</b>	(11,350,736)
<b>PROFIT FOR THE PERIOD</b>	<b>29,189,177</b>	<b>22,409,037</b>
<b>Profit for the period attributable to:</b>		
- Owners of the Company	<b>22,461,185</b>	16,496,774
- Non-controlling interest	<b>6,727,992</b>	5,912,263
	<b>29,189,177</b>	<b>22,409,037</b>

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

**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME**

For the three month ended March 31, 2024

	<b>3 month period ended</b>	
	<b>March 31, 2024 USD</b>	<b>March 31, 2023 USD</b>
<b>PROFIT FOR THE PERIOD</b>	<b>29,189,177</b>	<b>22,409,037</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Items that may be re-classified to profit or loss</i>		
Exchange differences on translation of foreign subsidiaries	<b>(4,650,669)</b>	7,994,816
Exchange differences on translation of foreign joint ventures	<b>(231,011)</b>	845,906
<b>Total items that may be reclassified to profit or loss, net of tax</b>	<b>(4,881,680)</b>	<b>8,840,722</b>
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of retirement benefit obligations	-	(850)
<b>Total Items not reclassified to profit or loss, net of tax</b>	-	<b>(850)</b>
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(4,881,680)</b>	<b>8,839,872</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>24,307,497</b>	<b>31,248,909</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		
<b>ATTRIBUTABLE TO:</b>		
- Owners of the Company	<b>15,844,657</b>	24,310,669
- Non-controlling interest	<b>8,462,840</b>	6,938,240
	<b>24,307,497</b>	<b>31,248,909</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at March 31, 2024**

	<b>March 31, 2024 USD</b>	December 31, 2023 USD
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment (Note 8)	<b>980,988,338</b>	967,943,066
Intangible assets (Note 9)	<b>302,975,017</b>	287,289,719
Interests in joint ventures and associates (Note 10)	<b>77,815,188</b>	73,213,174
Deferred tax assets	<b>53,932,655</b>	51,934,575
Trade and other receivables	<b>26,694,858</b>	29,805,761
Deposits receivable	<b>4,237,974</b>	4,258,973
Loans receivable	<b>11,926,215</b>	11,713,729
Right-of-use assets (Note 11)	<b>620,370,064</b>	642,375,938
Goodwill	<b>243,383,283</b>	249,468,397
Financial assets at fair value through profit or loss	<b>11,178,402</b>	11,004,179
Financial assets at fair value through other comprehensive income (FVOCI)	<b>17,069,942</b>	17,490,668
Embedded derivative assets	<b>2,300,000</b>	1,000,000
Treasury bonds	<b>1,212,805</b>	1,402,023
	<b>2,354,084,741</b>	<b>2,348,900,202</b>
<b>Current assets</b>		
Inventories	<b>25,600,023</b>	27,517,337
Loan receivables	<b>24,012,586</b>	20,493,983
Trade and other receivables	<b>274,575,071</b>	270,893,325
Income tax receivable (Note 7)	<b>13,576,444</b>	13,619,187
Cash and cash equivalents (Note 12)	<b>171,544,552</b>	181,846,003
Restricted cash	<b>338,805,825</b>	325,070,229
	<b>848,114,501</b>	<b>839,440,064</b>
<b>Total assets</b>	<b>3,202,199,242</b>	<b>3,188,340,266</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**As at March 31, 2024**

	March 31, 2024 USD	December 31, 2023 USD
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Stated capital	1,372,564	1,372,564
Reorganization reserves	76,538,841	76,538,841
Other reserves	(18,861,385)	(18,861,385)
Legal reserves	6,503,426	6,503,426
Translation reserves	(10,957,506)	(4,340,978)
Retained earnings	176,055,128	153,593,943
<b>Equity attributable to owners of the Company</b>	<b>230,651,068</b>	<b>214,806,411</b>
Non-controlling interest	98,647,329	90,525,447
<b>Total equity</b>	<b>329,298,397</b>	<b>305,331,858</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings (Note 14)	327,262,474	317,141,921
Bond borrowings (Note 14)	414,809,826	414,356,520
Trade and other payables (Note 13)	79,769,010	73,523,171
Government grants	7,368,937	9,180,531
Provisions	47,062,580	45,623,573
Lease liability (Note 11)	753,992,760	774,517,716
Deposits payable	7,860,574	7,918,759
Deferred tax liability	20,357,191	21,969,859
Retirement benefit obligations	6,700,245	6,644,439
	<b>1,665,183,597</b>	<b>1,670,876,489</b>
<b>Current liabilities</b>		
Trade and other payables (Note 13)	953,264,564	948,743,291
Client savings accounts	3,546,922	3,142,045
Borrowings (Note 14)	103,988,333	118,377,222
Bond borrowings (Note 14)	3,764,917	11,594,467
Provisions	12,873,138	13,171,671
Lease liability (Note 11)	36,565,649	36,386,565
Bank overdraft (Note 12)	59,770,748	54,021,078
Government grants	11,026,989	11,565,553
Dividend payable	6,093,294	5,783,890
Income tax payable (Note 7)	16,430,298	8,981,915
Swap Derivative Liability	392,396	364,222
	<b>1,207,717,248</b>	<b>1,212,131,919</b>
<b>Total liabilities</b>	<b>2,872,900,845</b>	<b>2,883,008,408</b>
<b>Total equity and liabilities</b>	<b>3,202,199,242</b>	<b>3,188,340,266</b>



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

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

<sup>1</sup> 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.

<sup>2</sup> On July 20, 2023, the Group has acquired the non-controlling interest's 20% shareholding in Agou Holding SAS. The transaction resulted in the extinguishment of USD 9.8 million of loans owing to the non-controlling interest, the extinguishment of USD 32.4 million of put option liabilities, and the extinguishment of USD 2.7 million of call option assets. The difference between the aggregate consideration of USD 32.2 million, and the net liability position settled of USD 39.5 million, was recognized as a credit movement in equity, in restructuring reserves. This credit movement amounts to USD 7.3 million. The transaction has also resulted in the reclassification of USD 10.1 million of non-controlling interest within equity, with this amount being reclassified to restructuring reserves.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

	Stated Capital USD	Retained Earnings USD	Other reserves <sup>1</sup> USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
<b>At January 1, 2024</b>	1,372,564	153,593,943	59,839,904	214,806,411	90,525,447	305,331,858
<b>Comprehensive income:</b>						
Profit for the period	-	22,461,185	-	22,461,185	6,727,992	29,189,177
Other comprehensive (loss)/income for the period, net of tax	-	-	(6,616,528)	(6,616,528)	1,734,848	(4,881,680)
<b>Total comprehensive income/(loss) for the period</b>	-	22,461,185	(6,616,528)	15,844,657	8,462,840	24,307,497
<b>Transactions with owners in their capacity as owners:</b>						
Issue of shares to NCI	-	-	-	-	75,182	75,182
Dividend declared	-	-	-	-	(416,140)	(416,140)
<b>Total transactions with owners</b>	-	-	-	-	(340,958)	(340,958)
<b>At March 31, 2024</b>	<b>1,372,564</b>	<b>176,055,128</b>	<b>53,223,376</b>	<b>230,651,068</b>	<b>98,647,329</b>	<b>329,298,397</b>

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

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

**For the three month period ended March 31, 2024**

	3 month period ended	
	March 31, 2024 USD	March 31, 2023 USD
<b>Cash flows from operating activities</b>		
Cash flows from operations (Note 15)	169,436,545	105,548,135
Interest paid on lease liabilities	(21,405,934)	(6,944,116)
Interest paid on loans, bonds and other borrowings	(21,552,801)	(18,623,415)
Interest received	2,903,959	3,755,413
Tax paid	(8,064,510)	(2,859,723)
<b>Net cash generated from operating activities</b>	<b>121,317,259</b>	<b>80,876,294</b>
<b>Cash flows from investing activities</b>		
Acquisition of financial assets at fair value through profit or loss	(200,000)	-
Proceeds from disposal of property, plant and equipment	486,111	6,283
Purchase of property, plant and equipment	(112,182,124)	(68,510,384)
Proceeds from disposal of subsidiary, net of cash disposed	-	(2,707)
Purchase of intangible assets	(5,034,193)	(18,853,179)
Dividend received from investment in joint ventures	235,735	-
Loan granted to related parties	(227,989)	-
Repayment made by related parties	17,323	43,016
Net deposits paid	(199,255)	(3,201,960)
Corporate bonds matured	155,171	299,236
<b>Net cash used in investing activities</b>	<b>(116,949,221)</b>	<b>(90,219,695)</b>
<b>Cash flows from financing activities</b>		
Proceeds from shares issued to NCI	75,182	-
Additional borrowings	14,508,851	27,935,335
Repayment of borrowings	(19,838,386)	(8,795,949)
Repayment of principal on lease liabilities	(14,761,146)	(21,215,277)
Dividend paid	-	(9,803)
Payment of loan transaction costs	-	(237,400)
Premium on settlement of swap derivative liability	(124,214)	-
<b>Net cash flow used in financing activities</b>	<b>(20,139,713)</b>	<b>(2,323,094)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(15,771,675)</b>	<b>(11,666,495)</b>
Effect of exchange rate on cash and cash equivalents	(279,446)	1,424,715
Cash and cash equivalents at beginning of the period	127,824,925	198,861,628
<b>Cash and cash equivalents at end of the period (Note 12)</b>	<b>111,773,804</b>	<b>188,619,848</b>

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

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

The Group is a leading pan-African telecommunications services provider, operating in ten markets through subsidiaries in Tanzania, Madagascar, Togo, Uganda, Democratic Republic of the Congo, the UAE (specifically Dubai), and Senegal and its joint ventures in Réunion, Mayotte and Comoros. The Group’s activities span over a diverse range of telecommunication assets and services, including retail mobile, residential and business fixed-line telephone, broadband internet, digital services offerings, including mobile financial services (“MFS”) and wholesale infrastructure (tower, datacenters, and fibre).

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

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

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

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

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

The financial statements were approved by the board of directors on May 27, 2024.

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**3. REVENUE**

	<b>3 month period ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Mobile services	<b>191,822,089</b>	143,454,333
Fixed services	<b>20,923,126</b>	17,106,945
Interconnection/Roaming/MVNO	<b>13,280,111</b>	9,578,246
Customer Equipment and Infrastructure	<b>4,140,289</b>	3,407,638
Operator Infrastructure services	<b>8,090,809</b>	7,110,095
Commissions received on electronic money activities	<b>62,762,999</b>	46,850,616
Content and value added services	<b>6,370,880</b>	3,185,380
Other revenue	<b>664,145</b>	1,272,246
Hosting and rental of sites	<b>9,651,385</b>	7,416,537
Trademark and license fees	<b>120,368</b>	124,044
Administration and general management fees	-	165,062
Digital solutions and other support services	<b>4,496,779</b>	944,677
	<b>322,322,980</b>	<b>240,615,819</b>

**4. OTHER INCOME AND EXPENSES**

	<b>3 month period ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
<b>Other income</b>		
Gain on disposal of property, plant, and equipment	<b>226,123</b>	4,520
Reversal of provision for risks and charges	-	8,843
Release of government grant	<b>2,337,935</b>	2,379,910
Insurance claims received	<b>20,721</b>	-
Amount payable waived	-	35,260
Other income	<b>1,480,058</b>	997,609
	<b>4,064,837</b>	<b>3,426,142</b>
<b>Non-operating income</b>		
Amortization of deferred gain on sale of PPE	<b>236,327</b>	256,584
Gain on lease modification or termination of contract	<b>392,802</b>	-
	<b>629,129</b>	<b>256,584</b>

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**5. OPERATING COSTS**

	3 month period ended	
	March 31, 2024 USD	March 31, 2023 USD
Cost of equipment, devices	5,294,551	4,344,732
Provision for device inventories	59,025	3,040
Prepaid cards and accessories	1,739,442	1,530,401
<b>Cost of devices and equipment</b>	<b>7,093,018</b>	<b>5,878,173</b>
Interconnection fees	8,857,756	6,881,941
Roaming fees	470,865	395,412
<b>Cost of interconnection and roaming</b>	<b>9,328,621</b>	<b>7,277,353</b>
Telecom operator and regulatory fees	11,718,053	8,362,899
Frequency fees	5,829,115	3,052,988
Excise Duty	3,204,257	2,827,976
<b>Government and regulatory costs</b>	<b>20,751,425</b>	<b>14,243,863</b>
<b>Advertising and distribution costs</b>	<b>3,807,343</b>	<b>3,114,919</b>
<b>Commission to sales agents</b>	<b>43,171,348</b>	<b>35,063,098</b>
Reversal of impairment of financial assets	(71,366)	-
Impairment of loans to clients	3,039,235	1,473,740
Loss allowance on trade receivables	1,374,209	273,837
<b>Net impairment on financial and contract assets</b>	<b>4,342,078</b>	<b>1,747,577</b>
Transmission fees	4,343,815	2,868,450
Content and value-added service (VAS) charges	1,752,429	900,421
Backbone charges	56,727	-
Satellite and bandwidth charges	535,705	396,890
Site energy	9,140,784	7,322,545
Site and network repairs and maintenance	2,334,106	2,285,562
Professional fees, technical	2,129,231	2,243,860
Rental expenses for short term and low value leases, technical sites	384,715	179,870
Maintenance of Materials, software and Network	4,899,877	4,963,044
<b>Technology operation costs</b>	<b>25,577,389</b>	<b>21,160,642</b>
Payroll and social charges	32,351,645	21,681,540
Travel expenses	2,026,082	1,875,752
Training	191,875	73,198
Provision for retirement benefit obligations	220,339	64,899
<b>Staff costs</b>	<b>34,789,941</b>	<b>23,695,389</b>
<b>Derecognition of financial assets</b>	<b>132,494</b>	<b>1,115,215</b>

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**5. OPERATING COSTS (CONTINUED)**

	3 month period ended	
	March 31, 2024 USD	March 31, 2023 USD
<b>Professional fees, non-technical</b>	<b>6,570,318</b>	<b>5,905,823</b>
Depreciation of property, plant & equipment	44,369,204	30,555,176
Amortization of intangible assets	12,902,652	7,401,079
Depreciation of rights of use assets	16,731,152	13,465,266
<b>Depreciation and amortization</b>	<b>74,003,008</b>	<b>51,421,521</b>
Reversal of impairment of interest in joint ventures (Reversal of impairment)/impairment of inventory	-	(53,627)
<b>Impairment of non-financial assets</b>	<b>(558,603)</b>	<b>25,301</b>
Other operating expenses <sup>1</sup>	23,874,823	16,930,128
<b>Total operating costs</b>	<b>252,883,203</b>	<b>187,525,375</b>

<sup>1</sup> Other operating expenses are comprised of the following significant items, among other items: general IT expenses, bank charges, utility costs, security and cleaning costs, insurance costs, operating levies and taxes, penalties, and provisions for litigations.

**6. FINANCE INCOME AND EXPENSE**

	3 month period ended	
	March 31, 2024 USD	March 31, 2023 USD
<b>Finance income</b>		
Foreign exchange gain	17,552,768	7,720,279
Interest income	3,226,396	3,755,526
Gain on fair valuation of derivatives	1,300,000	200,000
Other finance income	230,184	1,159,618
	<b>22,309,348</b>	<b>12,835,423</b>
<b>Finance costs</b>		
Foreign exchange loss	(18,050,622)	(6,697,941)
Interest on bank loans	(5,251,039)	(3,076,258)
Interest on listed bonds	(8,111,256)	(7,994,912)
Interest on loan and amount payable to related parties	(2,884,573)	(1,811,249)
Interest on bank overdraft	(668,698)	(413,764)
Interest on lease liabilities	(23,446,379)	(14,675,163)
Interest expense on provision for dismantling costs	(552,980)	(549,208)
Loss on fair valuation of derivatives	(161,755)	(1,193,977)
Other interest charges	(1,240,048)	(1,380,473)
	<b>(60,367,350)</b>	<b>(37,792,945)</b>
<b>Net finance costs</b>	<b>(38,058,002)</b>	<b>(24,957,522)</b>

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**7. INCOME TAX**

**a) Income tax expense**

	<b>3 month period ended</b>	
	<b>March 31, 2024 USD</b>	<b>March 31, 2023 USD</b>
Current income tax	<b>15,496,617</b>	10,925,151
Withholding tax	<b>665,556</b>	535,941
Deferred tax credit	<b>(4,206,849)</b>	(110,356)
	<b><u>11,955,324</u></b>	<b><u>11,350,736</u></b>

As at March 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.

The Madagascar, Togo, Uganda, Senegal and Tanzania subsidiaries are subject to income tax on their income at 20% (Madagascar), 27% (Togo) and 30% (Uganda, Senegal and Tanzania) respectively (for Uganda, Kenya, Senegal and Tanzania) (2023: 20%, 27% and 30%). Therefore, the income tax rate for the Group is in the range of 15% - 30% (2023: 15% - 30%). Local law in Madagascar further provides that all loss-making entities should be liable to a minimum tax of 5% of revenue.

**b) Net tax liability/(receivable)**

	<b>March 31, 2024 USD</b>	<b>December 31, 2023 USD</b>
At January, 1	<b>(4,637,272)</b>	(2,209,780)
Acquisition through business combination (Note 18)	-	(294,657)
Disposal of subsidiary	-	(23,102)
Charge during the period/year	<b>15,496,617</b>	44,078,755
Tax paid	<b>(8,064,510)</b>	(43,965,046)
Withholding tax suffered	<b>(539,795)</b>	(2,390,844)
Translation difference	<b>598,814</b>	167,402
<b>At March 31/December 31</b>	<b><u>2,853,854</u></b>	<b><u>(4,637,272)</u></b>
<i>Analyzed as follows:</i>		
Income tax receivable	<b>(13,576,444)</b>	(13,619,187)
Income tax payable	<b>16,430,298</b>	8,981,915
	<b><u>2,853,854</u></b>	<b><u>(4,637,272)</u></b>



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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**8. PROPERTY, PLANT AND EQUIPMENT**

	Materials USD	Land and Building USD	Technical Equipment USD	Others <sup>1</sup> USD	Assets in Progress USD	Total USD
<b>Cost</b>						
At January 1, 2023	<b>56,298,963</b>	<b>289,114,693</b>	<b>1,336,868,621</b>	<b>13,823,479</b>	<b>104,098,607</b>	<b>1,800,204,363</b>
Reclassification adjustments <sup>2</sup>	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	<b>102,934,974</b>
Additions	248,423	98,127	(5,446,454)	3,084,759	368,348,449	<b>366,333,304</b>
Transfers	12,279,711	72,378,253	251,796,158	957,212	(337,411,334)	-
Disposals and scrap	(1,381,861)	(785,737)	(3,418,225)	(851,861)	-	<b>(6,437,684)</b>
Provision for dismantling	-	(1,038,956)	507,651	-	-	<b>(531,305)</b>
Transfer to inventories	-	-	(107,558)	-	-	<b>(107,558)</b>
Translation difference	1,012,359	(3,938,332)	12,064,774	(87,920)	(758,386)	<b>8,292,495</b>
<b>At December 31, 2023</b>	<b>68,850,237</b>	<b>364,815,053</b>	<b>1,664,801,930</b>	<b>22,996,601</b>	<b>149,122,134</b>	<b>2,270,585,955</b>
Additions	<b>483,511</b>	<b>(5,465,270)</b>	<b>1,058,195</b>	<b>166,345</b>	<b>65,457,529</b>	<b>61,700,310</b>
Transfers	<b>2,422,480</b>	<b>17,555,765</b>	<b>33,812,928</b>	<b>412,253</b>	<b>(54,203,426)</b>	-
Transfer to intangible assets <sup>3</sup>	-	-	<b>(5,006,997)</b>	-	-	<b>(5,006,997)</b>
Disposals and scrap	<b>248</b>	<b>(272,371)</b>	<b>(21,415)</b>	<b>(192,570)</b>	<b>(4,220)</b>	<b>(490,328)</b>
Provision for dismantling	-	<b>183,835</b>	-	-	-	<b>183,835</b>
Transfer to profit or loss	-	-	<b>(3,972)</b>	-	-	<b>(3,972)</b>
Translation difference	<b>(1,695,389)</b>	<b>7,428,422</b>	<b>(14,184,627)</b>	<b>582,750</b>	<b>(787,783)</b>	<b>(8,656,627)</b>
<b>At March 31, 2024</b>	<b>70,061,087</b>	<b>384,245,434</b>	<b>1,680,456,042</b>	<b>23,965,379</b>	<b>159,584,234</b>	<b>2,318,312,176</b>

<sup>1</sup> The category 'Others' comprises IT equipment, furniture and fixtures, and motor vehicles.

<sup>2</sup> Telecom Malagasy has made a reclassification between cost and depreciation in the presentation of its property, plant, and equipment for the year ended December 31, 2023. Thus, reclassification adjustments have been made. Togocom and its subsidiaries have made changes in the presentation of its property, plant and equipment from intangible assets on reviewing the nature of each asset during the year ended December 31, 2023.

<sup>3</sup> Maya Africa Holding Ltd and its subsidiaries have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the period ended March 31, 2024.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Materials USD	Land and Building USD	Technical Equipment USD	Others <sup>1</sup> USD	Assets in Progress USD	Total USD
<b>Accumulated depreciation</b>						
At January 1, 2023	(44,738,563)	(128,765,515)	(950,002,805)	(12,833,059)	-	(1,136,339,942)
Reclassification adjustments <sup>4</sup>	(182,731)	(26,892)	912,022	(635,345)	-	67,054
Charge for the year	(5,616,587)	(27,501,767)	(112,116,064)	(2,281,368)	-	(147,515,786)
Impairment	(243,218)	(269,718)	(5,806,074)	-	-	(6,319,010)
Disposals and scrap	1,374,174	661,483	3,027,507	839,692	-	5,902,856
Translation difference	(1,398,829)	959,429	(18,256,646)	257,985	-	(18,438,061)
<b>At December 31, 2023</b>	<b>(50,805,754)</b>	<b>(154,942,980)</b>	<b>(1,082,242,060)</b>	<b>(14,652,095)</b>	-	<b>(1,302,642,889)</b>
Charge for the period	(1,634,340)	(7,844,682)	(34,000,889)	(889,293)	-	(44,369,204)
Disposals and scrap	1,351	35,513	13,059	180,417	-	230,340
Transfer to intangible assets <sup>5</sup>	-	-	127,340	-	-	127,340
Translation difference	1,300,228	(3,571,175)	12,186,895	(585,373)	-	9,330,575
<b>At March 31, 2024</b>	<b>(51,138,515)</b>	<b>(166,323,324)</b>	<b>(1,103,915,655)</b>	<b>(15,946,344)</b>	-	<b>(1,337,323,838)</b>
<b>Net book value</b>						
<b>At March 31, 2024</b>	<b>18,922,572</b>	<b>217,922,110</b>	<b>576,540,387</b>	<b>8,019,035</b>	<b>159,584,234</b>	<b>980,988,338</b>
At December 31, 2023	18,044,483	209,872,073	582,559,870	8,344,506	149,122,134	967,943,066

<sup>4</sup> Telecom Malagasy has made a reclassification between cost and depreciation in the presentation of its property, plant, and equipment for the year ended December 31, 2023. Thus, reclassification adjustments have been made. Togocom and its subsidiaries have made changes in the presentation of its property, plant and equipment from intangible assets on reviewing the nature of each asset during the year ended December 31, 2023.

<sup>5</sup> Maya Africa Holding Ltd and its subsidiaries have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the period ended March 31, 2024.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**9. INTANGIBLE ASSETS**

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Customer related assets USD	Brand USD	Total USD
<b>Cost</b>										
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	<b>386,737,081</b>
Reclassification adjustments <sup>1</sup>	14,004,188	(2,586,230)	-	(1,551)	-	(9,856)	(10,943,913)	-	-	<b>462,638</b>
Reclassification to PPE <sup>2</sup>	696,065	41,914	-	-	-	-	-	-	-	<b>737,979</b>
Acquisition through business combinations (Note 18)	720,043	48,896,346	-	-	-	14,091,818	-	13,853,110	3,387,799	<b>80,949,116</b>
Additions	1,071,917	5,715,626	20,163,746	-	-	706,889	-	-	-	<b>27,658,178</b>
Transfers to Profit and Loss	6,434,657	473,826	(13,555,249)	-	-	6,646,766	-	-	-	<b>-</b>
Transfer to inventories	-	46,303	-	-	-	-	-	-	-	<b>46,303</b>
Disposals and scrap	(6,758)	-	-	-	-	(443,675)	-	-	-	<b>(450,433)</b>
Translation difference	604,783	(179,897)	340,842	(1,239,625)	250,864	760,830	255,614	(785,822)	(3,659,559)	<b>(3,651,970)</b>
<b>At December 31, 2023</b>	<b>52,344,018</b>	<b>272,905,757</b>	<b>27,134,382</b>	<b>25,489,293</b>	<b>13,668,517</b>	<b>23,056,592</b>	<b>5,367</b>	<b>62,107,832</b>	<b>15,777,134</b>	<b>492,488,892</b>
Reclassification adjustments <sup>3</sup>	-	-	-	(1,671,133)	-	1,671,133	-	-	-	<b>-</b>
Reclassification from PPE <sup>4</sup>	-	-	-	5,006,997	-	-	-	-	-	<b>5,006,997</b>
Additions	189,406	24,857,853	3,528,221	548,266	-	20,943	-	-	-	<b>29,144,689</b>
Transfer to Profit and Loss	1,129,369	-	(1,683,853)	-	-	554,484	-	-	-	<b>-</b>
Disposals and scrap	(44,808)	-	-	-	-	-	-	-	-	<b>(44,808)</b>
Translation difference	(206,321)	(6,056,395)	97,415	(701,161)	-	(539,002)	(87)	(1,444,632)	(443,157)	<b>(9,293,340)</b>
<b>At March 31, 2024</b>	<b>53,411,664</b>	<b>291,707,215</b>	<b>29,076,165</b>	<b>28,672,262</b>	<b>13,668,517</b>	<b>24,764,150</b>	<b>5,280</b>	<b>60,663,200</b>	<b>15,333,977</b>	<b>517,302,430</b>

<sup>1</sup> Telecom Malagasy and Honora Tanzania Public Limited Company has made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the year ended December 31, 2023.

<sup>2</sup> Togocom and its subsidiaries have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2023.

<sup>3</sup> Maya Africa Holding Ltd has made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the period ended March 31, 2024.

<sup>4</sup> Maya Africa Holding Ltd and its subsidiaries have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the period ended March 31, 2024.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**9. INTANGIBLE ASSETS (CONTINUED)**

	Software USD	License USD	Assets in progress USD	IRU USD	International bandwidth capacity USD	Networking USD	Others USD	Customer related assets USD	Brand USD	Total USD
<b>Accumulated amortization</b>										
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 <sup>5</sup>	(9,057,441)	1,401,871	-	(266)	-	9,856	7,183,342	-	-	(462,638)
Reclassification to PPE <sup>6</sup>	(696,065)	(6,334)	-	-	-	-	-	-	-	(702,399)
Amortization charge for the year	(4,158,227)	(10,718,268)	-	(3,100,852)	(900,525)	(1,319,468)	(480)	(12,335,799)	(4,454,839)	(36,988,458)
Provision for impairment	(7,100)	-	-	(97)	-	-	-	-	-	(7,197)
Disposals and scrap	-	-	-	-	-	443,675	-	-	-	443,675
Translation difference	(658,637)	263,631	-	(405,282)	(32,293)	(19,334)	(43,584)	196,429	1,217,928	518,858
<b>At December 31, 2023</b>	<b>(39,660,283)</b>	<b>(129,760,524)</b>	<b>-</b>	<b>(5,929,537)</b>	<b>(2,660,038)</b>	<b>(979,372)</b>	<b>(5,367)</b>	<b>(21,596,622)</b>	<b>(4,607,430)</b>	<b>(205,199,173)</b>
Reclassification adjustments <sup>7</sup>	-	-	-	40,212	-	(40,212)	-	-	-	-
Reclassification from PPE <sup>8</sup>	-	-	-	(127,340)	-	-	-	-	-	(127,340)
Amortization charge for the period	(1,188,068)	(4,108,425)	-	(1,121,331)	(225,131)	(1,338,910)	-	(3,063,199)	(1,857,588)	(12,902,652)
Disposals and scrap	3,008	-	-	-	-	-	-	-	-	3,008
Translation difference	184,158	2,861,021	-	113,558	-	34,903	87	544,000	161,017	3,898,744
<b>At March 31, 2024</b>	<b>(40,661,185)</b>	<b>(131,007,928)</b>	<b>-</b>	<b>(7,024,438)</b>	<b>(2,885,169)</b>	<b>(2,323,591)</b>	<b>(5,280)</b>	<b>(24,115,821)</b>	<b>(6,304,001)</b>	<b>(214,327,413)</b>
<b>Net book value</b>										
<b>At March 31, 2024</b>	<b>12,750,479</b>	<b>160,699,287</b>	<b>29,076,165</b>	<b>21,647,824</b>	<b>10,783,348</b>	<b>22,440,559</b>	<b>-</b>	<b>36,547,379</b>	<b>9,029,976</b>	<b>302,975,017</b>
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

<sup>5</sup> Telecom Malagasy and Honora Tanzania Public Limited Company have made changes in the presentation of the intangible assets on reviewing the nature of each intangible assets during the year ended December 31, 2023.

<sup>6</sup> Togocom and its subsidiaries have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2023.

<sup>7</sup> Maya Africa Holding Ltd made changes in the presentation of the intangible assets on reviewing the nature of each intangible assets during the period ended March 31, 2024.

<sup>8</sup> Maya Africa Holding Ltd and its subsidiaries have made some changes in the presentation of the intangible assets from property, plant and equipment on reviewing the nature of each intangible assets for the period ended March 31, 2024.

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**10. INTEREST IN JOINT VENTURES AND ASSOCIATES**

	<b>March 31, 2024 USD</b>	December 31, 2023 USD
At January, 1	73,213,174	61,522,220
Share of profit in joint ventures and associates	5,068,760	20,371,643
Share of translation reserves	-	1,426,283
Reversal of impairment loss	-	54,029
Dividend received	(235,735)	(10,161,001)
Translation difference	(231,011)	-
<b>At March 31/December 31</b>	<b>77,815,188</b>	<b>73,213,174</b>

Details pertaining to the investment in joint ventures and associates at March 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
			Mar 31, 2024	Dec 31, 2023			
Telecom Comores Holding Ltd	Mauritius	Ordinary	15%	15%	Direct	Joint venture	Investment holding
Telecom Comores Holding Ltd	Mauritius	Ordinary	43.3%	43.3%	Direct & Indirect	Joint venture	Investment holding
Telecom Reunion Mayotte	France	Ordinary	50%	50%	Indirect	Joint venture	Telecommunications
Société d'Exploration et de Promotion Iliad Axian	Reunion	Ordinary	50%	50%	Indirect	Joint venture	Real estate
BNI Madagascar	Madagascar	Ordinary	31.2%	31.2%	Direct & Indirect	Associate	Banking
Indian Ocean Financial Holdings Limited	Mauritius	Ordinary	41.6%	41.6%	Indirect	Associate	Investment holding

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

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

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

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

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

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**11. RIGHT OF USE ASSETS AND LIABILITIES**

	<b>March 31, 2024 USD</b>	December 31, 2023 USD
<b><i>Right of use assets</i></b>		
At January, 1	<b>642,375,938</b>	400,255,860
Additions during the period/year	<b>5,762,015</b>	59,048,605
Acquisition through business combination (Note 18)	-	179,746,735
Disposals, termination, and modifications during the period/year	<b>(1,322,186)</b>	(12,093,722)
Remeasurements	<b>3,463,957</b>	103,310,862
Amortization charge during the period/year	<b>(16,731,152)</b>	(65,981,292)
Translation difference	<b>(13,178,508)</b>	(21,911,110)
<b>At March 31/December 31</b>	<b>620,370,064</b>	<b>642,375,938</b>
<b><i>Lease liabilities</i></b>		
At January, 1	<b>810,904,281</b>	429,875,132
Additions during the period/year	<b>7,715,658</b>	59,048,605
Acquisition through business combination (Note 18)	-	298,494,678
Disposals, termination, and modifications during the period/year	<b>(1,714,988)</b>	(17,440,678)
Remeasurements	<b>3,463,957</b>	103,310,862
Interest expense for the period/year	<b>23,446,379</b>	63,070,818
Principal paid on lease liabilities	<b>(14,761,146)</b>	(39,285,872)
Interest paid on lease liabilities	<b>(21,405,934)</b>	(67,416,905)
Translation difference	<b>(17,089,798)</b>	(18,895,996)
Other finance costs	-	143,637
<b>At March 31/December 31</b>	<b>790,558,409</b>	<b>810,904,281</b>
<i>Of which non-current</i>	<b>753,992,760</b>	774,517,716
<i>Of which current</i>	<b>36,565,649</b>	36,386,565

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**12. CASH AND CASH EQUIVALENTS**

	<b>March 31, 2024 USD</b>	December 31, 2023 USD
Cash at bank	<b>171,544,552</b>	181,846,003
Bank overdraft	<b>(59,770,748)</b>	(54,021,078)
	<b><u>111,773,804</u></b>	<b><u>127,824,925</u></b>

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

**13. TRADE AND OTHER PAYABLES**

	<b>March 31, 2024 USD</b>	December 31, 2023 USD
<b><i>Non-current</i></b>		
Deferred revenue	<b>12,579,230</b>	15,602,785
Amounts payable to entities under common control*	<b>542</b>	520
Other payables	<b>66,365,881</b>	57,075,528
VAT payable	<b>823,357</b>	844,338
	<b><u>79,769,010</u></b>	<b><u>73,523,171</u></b>
<b><i>Current</i></b>		
Trade payables	<b>306,667,459</b>	289,127,414
Other payables	<b>196,985,322</b>	202,101,725
Deferred revenue	<b>31,811,068</b>	41,664,914
VAT payable	<b>81,616,783</b>	92,564,260
Mobile financial services creditors	<b>330,524,963</b>	317,402,602
Amounts payable to entities under common control*	<b>5,658,969</b>	5,882,376
	<b><u>953,264,564</u></b>	<b><u>948,743,291</u></b>
<b>Total trade and other payables</b>	<b><u>1,033,033,574</u></b>	<b><u>1,022,266,462</u></b>

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

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**14. BORROWINGS**

	March 31, 2024 USD	December 31, 2023 USD
<b>Non-current</b>		
Bank loans (a)	161,208,288	152,935,670
Listed bonds	414,809,826	414,356,520
Loans payable to related parties	166,054,186	164,206,251
	<b>742,072,300</b>	<b>731,498,441</b>
<b>Current</b>		
Bank loans (a)	103,853,216	118,377,222
Listed bonds	3,764,917	11,594,467
Other Borrowings	135,117	-
	<b>107,753,250</b>	<b>129,971,689</b>
<b>Total borrowings</b>	<b>849,825,550</b>	<b>861,470,130</b>
<b>(a) Bank loans</b>		
Bank of Africa ("BOA")	7,097,162	10,461,050
Banque Malgache de L'Océan Indien ("BMOI")	14,347,531	14,628,477
BFV Société Générale de Madagascar ("BFV")	24,638,935	26,342,155
BNI Banque de l'Industrie ("BNI")	11,696,309	12,186,936
Société de Gestion et d'Intermédiation ("SGI")	10,806,561	11,081,935
Banque Togolaise pour le Commerce et l'Industrie ("BTCI")	2,869,498	4,170,074
Union Togolaise de Banque ("UTB")	13,071,633	13,965,460
Orabank ("ORB")	14,636,821	16,098,403
Stanbic Bank Uganda ("SBU")	23,714,640	24,352,950
CRDB Bank Plc ("CRDB")	12,358,448	17,299,140
National Bank of Commerce (Tanzania) ("NBC")	9,015,465	9,459,327
Syndicated loan from 4 banks of Senegal		
- Société Générale de Banques au Sénégal	6,902,153	7,653,186
- Banque Internationale pour le commerce et l'industrie du Sénégal	6,573,479	7,288,749
- CBAO Groupe Attijariwafa bank	8,874,196	9,839,811
- Orabank Sénégal	10,517,045	11,648,826
Agence pour le Développement de L'Entreprenariat Rapide	263,383	270,093
JP Morgan Chase Bank	87,443,210	73,953,632
Accrued interest	235,035	612,688
<b>Total bank loans</b>	<b>265,061,504</b>	<b>271,312,892</b>
<b>Loans payable within one year</b>	<b>103,853,216</b>	<b>118,377,222</b>
<b>Loans payable after one year</b>	<b>161,208,288</b>	<b>152,935,670</b>



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**14. BORROWINGS (CONTINUED)**

**Axian Telecom Notes**

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

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

**Bank loans**

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

**1. Telecom Malagasy S.A.**

During the period ended March 31, 2024, Telecom Malagasy S.A. has not drawn down any additional amount and made aggregate payments amounting to MGA 14.1 billion (approximately USD 3.1 million).

**2. Towerco of Africa S.A.**

During the period ended March 31, 2024, Towerco of Africa S.A. has not drawn down any additional amount and has made aggregate payments amounting to MGA 6.0 billion (approximately USD 1.3 million).

**3. Togo Cellulaire S.A.**

Togo Cellulaire S.A. has not drawn down any additional loans during the period ended March 31, 2024, and made aggregate payments amounting to XOF 3.2 billion (approximately USD 5.4 million) in the same period.

**4. Togo Telecom S.A.**

Togo Telecom S.A. has not drawn down any additional loan amounts during the period ended March 31, 2024, and made aggregate payments amounting to XOF 332.1 million (approximately USD 0.6 million) in the same period.

**5. Towerco of Africa Uganda Limited**

During the period ended March 31, 2024, Towerco of Africa Uganda Limited has not drawn down any additional loans and made aggregate repayments amounting to UGX 1.1 billion (approximately USD 0.3 million) in the same period.

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**14. BORROWINGS (CONTINUED)**

**6. Honora Tanzania Public Limited Company (“Honora Tanzania Plc”)**

During the period ended March 31, 2024, Honora Tanzania Public Limited Company has not drawn down any additional amount against the CRDB Bank Plc’s LC facility and made aggregate payments of EUR 4.2 million (approximately USD 4.5 million).

During the period ended March 31, 2024, Honora Tanzania Public Limited Company has utilized TZS 3.7 billion against the NBC Bank Ltd’s facility (approximately USD 1.5 million) and made payments of TZS 4.3 billion (approximately USD 1.7 million).

**7. Maya Africa Holding Limited**

During the period ended March 31, 2024, Maya Africa Holding Limited has not drawn down any additional amount against its facilities and made payments of EUR 2.8 million (approximately USD 3.0 million).

**8. Axian Telecom - Term facilities agreement**

During the period ended March 31, 2024, Axian Telecom drew down an amount of USD 12.9 million against Facility A and did not make any repayment against the capital portion of the facility.

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

	Carrying value USD	Total cash flows USD	Repayable on Demand USD	Cash flows within 1 year USD	Cash flows between 1 and 2 years USD	Cash flows between 3 and 4 years USD	Cash flows after 5 years USD
<b>Borrowings</b>	<b>431,250,807</b>	<b>540,905,122</b>	<b>277,113</b>	<b>125,153,016</b>	<b>65,487,798</b>	<b>346,069,089</b>	<b>3,918,106</b>
<b>Listed bonds</b>	<b>418,574,743</b>	<b>512,925,000</b>	<b>-</b>	<b>30,975,000</b>	<b>30,975,000</b>	<b>450,975,000</b>	<b>-</b>

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**15. CASH FLOW FROM OPERATING ACTIVITIES**

	<b>3 month period ended</b>	
	<b>March 31, 2024 USD</b>	<b>March 31, 2023 USD</b>
<b>Cash flows from operating activities:</b>		
Profit before income tax	<b>41,144,501</b>	33,759,773
<i>Adjustments:</i>		
Amortization of right-of-use assets	<b>16,731,152</b>	13,465,266
Depreciation of property, plant and equipment	<b>44,369,204</b>	30,555,176
Amortization of intangible assets	<b>12,902,652</b>	7,401,079
Gain on disposal of property, plant and equipment	<b>(226,123)</b>	(4,520)
Loss on disposal of intangible assets	<b>41,800</b>	-
Release of deferred profits on sale of property, plant and equipment	<b>(236,327)</b>	(256,584)
Provision for/(reversal of provision for) litigations	<b>25,762</b>	(8,843)
Write-back of government grants	<b>(2,337,935)</b>	(2,379,910)
Share of profit in associates and joint ventures	<b>(5,068,760)</b>	(1,944,125)
Interest expense on lease liability	<b>23,446,379</b>	14,675,163
Interest expense on provision for dismantling costs	<b>552,980</b>	549,208
Other finance costs (excluding realized foreign exchange)	<b>18,656,500</b>	14,676,656
Finance income	<b>(3,456,580)</b>	(4,915,144)
(Gain)/loss on fair valuation of derivatives	<b>(1,138,245)</b>	993,977
Write-off of financial assets	<b>132,494</b>	1,115,215
Waiver of financial liabilities	<b>-</b>	(35,260)
Provision for impairment of receivables	<b>1,374,209</b>	273,837
Impairment of loans receivable and other financial assets	<b>2,967,869</b>	1,473,740
(Reversal of provision)/Provision for slow moving inventories	<b>(499,578)</b>	25,301
Provision for retirement benefits obligation	<b>220,339</b>	64,899
Gain on lease modification	<b>(392,802)</b>	-
Reversal of impairment of investment in joint ventures	<b>-</b>	(53,627)
<b>Cash generated from operating activities before working capital changes</b>	<b>149,209,491</b>	<b>109,431,277</b>
<b>Changes in working capital:</b>		
Decrease in inventories	<b>2,730,703</b>	342,082
Increase in trade and other receivables	<b>(1,494,307)</b>	(25,780,561)
Increase in trade and other payables	<b>23,953,041</b>	24,981,262
Increase in loans to customers	<b>(5,226,238)</b>	(3,736,920)
Increase in deposits from customers	<b>263,855</b>	310,995
<b>Net cash generated from operating activities</b>	<b>169,436,545</b>	<b>105,548,135</b>

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**16. NON-IFRS MEASURES**

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

	<b>3 month period ended</b>	
	<b>March 31, 2024 USD</b>	<b>March 31, 2023 USD</b>
<b>Profit for the period</b>	<b>29,189,177</b>	<b>22,409,037</b>
<i>Adjustments:</i>		
Income tax expense	<b>11,955,324</b>	11,350,736
Finance income	<b>(22,309,348)</b>	(12,835,423)
Finance costs	<b>60,367,350</b>	37,792,945
Depreciation of property, plant and equipment	<b>44,369,204</b>	30,555,176
Amortization of right of use assets	<b>16,731,152</b>	13,465,266
Amortization of intangible assets	<b>12,902,652</b>	7,401,079
<b>EBITDA</b>	<b>153,205,511</b>	<b>110,138,816</b>
Share of net profit in joint ventures and associates	<b>(5,068,760)</b>	(1,944,125)
Gain on disposal of property, plant and equipment and intangible assets	<b>(226,123)</b>	(4,520)
<b>Adjusted EBITDA</b>	<b>147,910,628</b>	<b>108,190,171</b>

**17. SEGMENTAL REPORTING**

**Business Segments**

For the three month period ended March 31, 2024, and for the comparative period, 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 March 31, 2024:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
<b>Revenue</b>	<b>250,873,949</b>	<b>15,431,495</b>	<b>55,944,494</b>	<b>73,042</b>	<b>322,322,980</b>
<b>Profit/(loss) for the period before tax</b>	<b>39,545,562</b>	<b>(4,246,800)</b>	<b>28,802,378</b>	<b>(22,956,639)</b>	<b>41,144,501</b>
<i>Adjustments:</i>					
Finance income	(12,383,100)	(2,789,009)	(3,354,889)	(3,782,350)	<b>(22,309,348)</b>
Finance costs	40,185,979	2,759,030	724,824	16,697,517	<b>60,367,350</b>
Depreciation of property, plant and equipment	35,880,058	8,398,607	74,113	16,426	<b>44,369,204</b>
Amortization of right of use assets	15,725,450	641,382	267,625	96,695	<b>16,731,152</b>
Amortization of intangible assets	12,495,943	351,009	13,835	41,865	<b>12,902,652</b>
<b>EBITDA</b>	<b>131,449,892</b>	<b>5,114,219</b>	<b>26,527,886</b>	<b>(9,886,486)</b>	<b>153,205,511</b>
Share of net profit in joint ventures and associates	-	-	-	(5,068,760)	<b>(5,068,760)</b>
Loss/(gain) on disposal of property, plant and equipment and intangible assets	5,310	262	(231,695)	-	<b>(226,123)</b>
<b>Adjusted EBITDA</b>	<b>131,455,202</b>	<b>5,114,481</b>	<b>26,296,191</b>	<b>(14,955,246)</b>	<b>147,910,628</b>

**Segment assets and liabilities:**

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
Segment assets	2,346,426,485	305,113,470	364,566,956	186,092,331	<b>3,202,199,242</b>
Segment liabilities	(1,722,356,720)	(148,711,247)	(305,023,660)	(696,809,218)	<b>(2,872,900,845)</b>

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**17. SEGMENTAL REPORTING (CONTINUED)**

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

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	Total USD
<b>Revenue</b>	<b>185,844,244</b>	<b>9,602,217</b>	<b>44,941,933</b>	<b>227,425</b>	<b>240,615,819</b>
<b>Profit/(loss) for the period before tax</b>	<b>36,422,546</b>	<b>(7,628,087)</b>	<b>19,532,578</b>	<b>(14,567,264)</b>	<b>33,759,773</b>
<i>Adjustments:</i>					
Finance income	(3,093,556)	(980,917)	(1,705,713)	(7,055,237)	<b>(12,835,423)</b>
Finance costs	20,534,297	3,019,256	204,791	14,034,601	<b>37,792,945</b>
Depreciation of property, plant and equipment	23,867,953	6,618,324	60,720	8,179	<b>30,555,176</b>
Amortization of right of use assets	12,718,155	418,900	270,702	57,509	<b>13,465,266</b>
Amortization of intangible assets	7,053,171	289,846	21,627	36,435	<b>7,401,079</b>
<b>EBITDA</b>	<b>97,502,566</b>	<b>1,737,322</b>	<b>18,384,705</b>	<b>(7,485,777)</b>	<b>110,138,816</b>
Share of net profit in joint ventures and associates	-	-	-	(1,944,125)	<b>(1,944,125)</b>
Gain on disposal of property, plant and equipment and intangible assets	(1,449)	(3,071)	-	-	<b>(4,520)</b>
<b>Adjusted EBITDA</b>	<b>97,501,117</b>	<b>1,734,251</b>	<b>18,384,705</b>	<b>(9,429,902)</b>	<b>108,190,171</b>

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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 recorded assets and liabilities at the carrying value in the accounts of the acquiree, at the date of each acquisition, and the results of operations are included with those of the Group from the dates of the respective acquisitions. The difference between the net assets or liabilities of the acquiree on the date of acquisition and the consideration paid, is recorded within reorganization reserves, directly in equity.

**Sen Connect S.A.**

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

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

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

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

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 S.A. (continued)**

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

**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.

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

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



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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)**

**Maya Africa Holding Limited (Continued)**

	<b>Fair values Maya Africa Holding Limited USD</b>
<b>LIABILITIES</b>	
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
<b>Total liabilities</b>	<b>438,397,843</b>
Cost of investment	52,921,253
Fair value of previously held interest	(1,404,853)
Net liabilities at date of acquisition	7,024,264
<b>Goodwill</b>	<b>58,540,664</b>

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.

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

**19. SUBSEQUENT EVENTS**

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

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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.

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

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.

**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 Holding Limited have been translated at average exchange rate of XOF604.17/USD1 and EUR0.9211/USD1 for the period ended March 31, 2024 (for the year ended December 31, 2023: XOF606.75/USD1 and EUR0.9250/USD1).

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**PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)**

**Combined financial results**

**Condensed combined statement of profit or loss for the three month period ended March 31, 2024**

	<b>3 month period ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Revenue	<b>322,322,980</b>	283,621,915
Cost of devices and equipment	<b>(7,093,018)</b>	(6,439,667)
Cost of interconnection and roaming	<b>(9,328,621)</b>	(10,243,605)
Government and regulatory costs	<b>(20,751,425)</b>	(19,044,781)
Advertising and distribution costs	<b>(3,807,343)</b>	(4,039,902)
Commission to sales agents	<b>(43,171,348)</b>	(39,542,514)
Reversal of impairment losses on financial and contract assets	<b>(4,342,078)</b>	(2,257,904)
Technology operation costs	<b>(25,577,389)</b>	(23,719,211)
Staff costs	<b>(34,789,941)</b>	(28,686,588)
Write-off of financial assets	<b>(132,494)</b>	(1,115,215)
Professional fees	<b>(6,570,318)</b>	(6,675,521)
Depreciation and amortization	<b>(74,003,008)</b>	(62,078,292)
Impairment of non-financial assets	<b>558,603</b>	28,326
Other operating expenses	<b>(23,874,823)</b>	(20,127,193)
Other income	<b>4,064,837</b>	3,427,528
<b>OPERATING PROFIT</b>	<b>73,504,614</b>	63,107,376
Finance income	<b>22,309,348</b>	12,912,311
Finance costs	<b>(60,367,350)</b>	(45,247,372)
Non-operating income	<b>629,129</b>	256,584
Share of profit in joint ventures and associates	<b>5,068,760</b>	1,944,125
<b>PROFIT BEFORE INCOME TAX</b>	<b>41,144,501</b>	32,973,024
Income tax expense	<b>(11,955,324)</b>	(11,364,645)
<b>PROFIT FOR THE PERIOD</b>	<b>29,189,177</b>	21,608,379
<b>Profit for the period attributable to:</b>		
- Owners of the Company	<b>22,461,185</b>	15,856,248
- Non-controlling interest	<b>6,727,992</b>	5,752,131
	<b>29,189,177</b>	21,608,379

Note: The local currency numbers of Maya Holding Limited have been translated at average exchange rate of XOF604.17/USD1 and EUR0.9211/USD1 for the period ended March 31, 2024 (for the year ended December 31, 2023: XOF606.75/USD1 and EUR0.9250/USD1).

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**PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)**

**Combined financial results (continued)**

**Condensed combined statement of other comprehensive income for the three month  
period ended March 31, 2024**

	<b>3 month period ended</b>	
	<b>March 31, 2024 USD</b>	<b>March 31, 2023 USD</b>
<b>PROFIT FOR THE PERIOD</b>	<b>29,189,177</b>	<b>21,608,379</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Items that may be re-classified to profit or loss</i>		
Exchange differences on translation of foreign subsidiaries	<b>(4,650,669)</b>	8,390,709
Exchange differences on translation of foreign joint ventures	<b>(231,011)</b>	845,906
<i>Items that will not be re-classified to profit or loss</i>		
Remeasurements of retirement benefit obligations	-	(850)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(4,881,680)</b>	9,235,765
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>24,307,497</b>	30,844,144
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>		
- Owners of the Company	<b>15,844,657</b>	23,986,857
- Non-controlling interest	<b>8,462,840</b>	6,857,287
	<b>24,307,497</b>	30,844,144

Note: The local currency numbers of Maya Holding Limited have been translated at average exchange rate of XOF604.17/USD1 and EUR0.9211/USD1 for the period ended March 31, 2024 (for the year ended December 31, 2023: XOF606.75/USD1 and EUR0.9250/USD1).

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**PRO FORMA AND COMBINED FINANCIAL INFORMATION (CONTINUED)**

**Combined financial results (continued)**

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

	<b>3 month period ended</b>	
	<b>March 31, 2023 USD</b>	<b>March 31, 2023 USD</b>
<b>Profit for the period</b>	<b>29,189,177</b>	21,608,379
<i>Adjustments:</i>		
Income tax expense	<b>11,955,324</b>	11,364,645
Finance income	<b>(22,309,348)</b>	(12,912,311)
Finance costs	<b>60,367,350</b>	45,247,372
Depreciation of property, plant and equipment	<b>44,369,204</b>	35,426,164
Amortization of right of use assets	<b>16,731,152</b>	15,557,976
Amortization of intangible assets	<b>12,902,652</b>	11,094,152
<b>EBITDA</b>	<b>153,205,511</b>	127,386,377
Share of net profit in joint ventures and associates	<b>(5,068,760)</b>	(1,944,125)
Gain on disposal of property, plant and equipment and intangible assets	<b>(226,123)</b>	(5,906)
<b>Adjusted EBITDA</b>	<b>147,910,628</b>	125,436,346

Note: The local currency numbers of Maya Holding Limited have been translated at average exchange rate of XOF604.17/USD1 and EUR0.9211/USD1 for the period ended March 31, 2024 (for the year ended December 31, 2023: XOF606.75/USD1 and EUR0.9250/USD1).

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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.