AXIAN TELECOM

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

CORPORATE INFORMATION

COMPANY REGISTRATION No.	C46569 C1/GBL		
		Date of appointment	**Date of resignation**
DIRECTORS	Mr. Hassanein Shahreza Hiridjee	June 21, 2003	-
	Mr. Ahmud Ismael Parwiz Jugoo	April 30, 2018	-
	Mrs. Anja Blumert	August 15, 2020	-
	Mr. Afsar Azize Abdulla Ebrahim	November 16, 2020	-
	Mr. Michael Jimmy Wong Yuen Tien	December 1, 2021	-
	Mrs. Badiene Seynabou Ba	November 28, 2022	-

ADMINISTRATOR & SECRETARY
(as from December 1, 2021)

DTOS Ltd
10th Floor
Standard Chartered Tower
19 Cybercity
Ebène
Republic of Mauritius

REGISTERED OFFICE
(as from December 1, 2021)

c/o DTOS Ltd
10th Floor
Standard Chartered Tower
19 Cybercity
Ebène
Republic of Mauritius

AUDITOR

Deloitte
7th – 8th Floor
Standard Chartered Tower
19-21, Bank Street
Cybercity, Ebène 72201
Republic of Mauritius

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DISCLAIMER

Forward-looking statements

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

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

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

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

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

Non-IFRS financial measures

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

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

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

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 pan-African telecommunications service provider operating in nine markets through its operations in Tanzania, Madagascar, Togo, Uganda, Democratic Republic of the Congo, Senegal, Réunion, Mayotte, and the Comoros. It operates across three key business segments, providing mobile and fixed networks as well as digital infrastructure and mobile financial services.

The ultimate holding company of the Group, as at March 31, 2025, is Axian Telecom, a private company limited by shares incorporated under the laws of Mauritius on June 20, 2003, under the name Société Financière Malgache Ltée. The Company holds a Global Business License under the Financial Services Act 2007 and is regulated by the Financial Services Commission.

The ultimate holding company of Axian Telecom, as at March 31, 2025, is Axian Telecom Holding and Management plc (“Axian Telecom Holding”), a public company incorporated under the Companies Law, DIFC Law No.5 of 2018, under the registration number 7891.

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

Basis of preparation

These unaudited condensed consolidated financial statements do not constitute statutory accounts and thus do not fully comply with International Financial Reporting Standards (“IFRS”), specifically, they do not comply with IFRS 34 “*Interim Financial Reporting*”. The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Group’s audited financial statements for the year ended December 31, 2024.

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

On May 31, 2024, Axian Telecom completed the acquisition of an additional 50% of the issued share capital of Telecom Comores Holding, being the parent company of our joint operations in Comoros (together with the parent company referred to as "Telma Comoros”). Axian Telecom thereafter directly and indirectly controlled 93.28% of the voting rights in Telma Comoros. The operations of Telma Comoros are consolidated in these financial statements as from May 31, 2024.

On December 3, 2024, the Group, through its subsidiary Axian Telecom Fibre Ltd, entered into a share purchase agreement acquire 100% of the issued share capital of Aptus Solutions Limited, a company providing fibre to the home (“FTTH”), fibre to the business (“FTTB”), and wholesale fibre capacity services in Tanzania, and trading as GOfiber. The acquisition was completed on March 31, 2025 for an initial consideration of $4.8 million. The Group has not yet completed the purchase price allocation exercise required by IFRS 3 – Business combinations and as a result, the value of goodwill at March 31, 2025 remains preliminary.

The impacts of the Aptus Solutions Limited and the Telma Comoros acquisitions are described in more detail in note 18.

Given the value of revenue, gross assets, and Adjusted EBITDA of Aptus Solutions Limited and Telma Comoros, these acquisitions are not considered to be a material acquisition which require the disclosure of pro forma numbers in the financial statements in accordance with the reporting requirements under the Notes.

OPERATING AND FINANCIAL REVIEW

Highlights for the quarter

	3 month period ended	
	March 31, 2025	March31, 2024
	USD	USD
Revenue	**373,712,777**	322,322,980
Operating profit	**72,887,093**	73,504,614
Adjusted EBITDA*	**149,741,852**	147,910,628
Adjusted EBITDA Margin*	**40.1%**	45.9%

	As at March 31, 2025	As at March 31, 2024	As at December 31, 2024
	Units'000	Units'000	Units'000
Revenue generating subscribers ("RGS")	**40,752**	35,913	40,175
Active data users	**12,699**	11,421	12,316
Active MFS users	**15,687**	12,913	15,976
	Units	Units	Units
Owned Towers	4,486	3,777	4,426
Shared Towers	3,055	2,296	2,997
Tenants on Shared Towers	3,844	3,031	3,735
Tenancy Ratio	1.26x	1.32x	1.25x

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

Operating results and market data

Revenue generating subscribers and other operational key performance indicators

Revenue generating subscribers increased by 4.8 million during the twelve month period ended March 31, 2025, resulting in 40.8 million RGS as at March 31, 2025. Active data users have increased by 1.3 million to 12.7 million Active data users in the same period, while Active MFS users also increased by 2.8 million during the twelve month period ended March 31, 2025, to 15.7 million Active MFS users.

The net movements for the twelve month period ended March 31, 2025, include the addition of 0.3 million Revenue generating subscribers, 0.2 million Active data users, and 0.1 million Active MFS users from the acquisition of Telma Comoros. Excluding the impact of the Telma Comoros acquisition, we reflect increases in Revenue generating subscribers, Active data users, and Active MFS users of 4.6 million, 1.1 million, and 2.6 million respectively for the twelve month period ended March 31, 2025.

Excluding the initial impact of the Telma Comoros acquisition, the increase in RGS for the twelve month period ended March 31, 2025, of 4.6 million, is primarily driven by our Tanzania operation which saw an increase of 3.3 million RGS (or 20.3%) in the year. Our operations in Madagascar and Togo also saw increases in RGS of 1.2 million (or 11.9%) and 0.3 million (or 6.5%) respectively, in the same period. This aggregate year-on-year increase is partially offset by a decrease in RGS of 0.2 million (or 3.8%) in our Senegal operation.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

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

Excluding the initial impact of the Telma Comoros acquisition, the increase in Active data users for the twelve month period ended March 31, 2025, is primarily driven by our Senegal and Tanzania operations, which saw an increases of 0.4 million (or 19.2%), and 0.3 million (or 5.9%), respectively for the period. Our Madagascar and Togo operations each saw an increase of 0.2 million Active data users, representing growth of 9.4% and 8.2%, respectively during the twelve month period ended March 31, 2025.

Excluding the initial impact of the Telma Comoros acquisition, the increase in Active MFS users for the twelve month period ended March 31, 2025, is primarily driven by our Tanzania operation which saw an increase of 2.1 million (or 27.0%) in the twelve month period. Our Active MFS users increased by 0.4 million in each of our Madagascar and Togo operations, representing year-on-year growth of 14.3% and 21.1% respectively.

During the twelve month period ended March 31, 2025, we have increased the number of Owned Towers and Shared Towers by 709 and 759 respectively, which includes the addition of 150 Owned Towers from Telma Comoros. The increase in Owned Towers of 559, excluding the impact Telma Comoros, is mainly from an increase of 233 Owned Towers in our Tanzania operations in the period, and from our operations in Madagascar and Uganda which saw year-on-year increases in their Owned Towers (which are also Shared Towers in those operations) of 181 and 103, respectively. We also added 38 Owned Towers (which are also Shared Towers) in our DRC operations during the twelve month period ended March 31, 2025.

Our increase in Shared Towers for the twelve month period ended March 31, 2025, exceeds the increase in Owned Towers, due to our Tanzania operations where we transferred a portion of our Owned Towers to Towerco of Africa Tanzania in Q4'24; thereby increasing the number of Shared Towers in our Tanzania operation by 437, compared to an increase of 233 Owned Towers in the period. On March 31, 2025, we still hold 251 Owned Towers in our operations in Tanzania, which are not yet Shared Towers; we expect to convert the majority of these to Shared Towers before December 31, 2025.

Our Tenants on Shared Towers also increased by 813 in the same period as a result of net increases in our Madagascar, Uganda, and DRC operations of 175, 163, and 38, respectively, and from an addition of 437 Tenants in our Tanzania operation, following the conversion of the majority of our Owned Towers, to Shared Towers. Our Tenancy Ratio decreased by 0.06x, to 1.26x, during the same period, as we continue to build new sites and to convert our Owned Towers to Shared Towers; in both scenarios beginning with a Tenancy Ratio of 1.0x for these towers.

Revenue

Revenue for the three month period ended March 31, 2025, increased year-on-year by $51.4 million or 15.9%, to $373.7 million in Q1 2025, compared to $322.3 million in Q1 2024. The year-on-year increase includes inorganic growth of $8.5 million from Telma Comoros, which was not consolidated in the prior year period. The remaining year-on-year increase of $42.9 million, excluding Telma Comoros, is mainly comprised of increases in revenue related to our operations in Tanzania and Madagascar, which increased by $30.5 million (or 26.6%), and $14.3 million (or 16.6%), year-on-year, respectively. Our operation in Uganda also achieved a year-on-year revenue increase of $1.1 million (or 23.3%), for the same period, while our operations in other markets reflect a year-on-year aggregate decrease of $3.1 million, mainly as a result of one-off commission revenues in our Infrastructure segment in Q1 2024, which were not repeated in Q1 2025.

The year-on-year increase in revenue in Tanzania is comprised of increases of $23.0 million (or 29.7%) and $7.6 million (or 20.6%) 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 increases in RGS, Active data users, and active MFS users of 20.5%, 6.1%, and 26.6%, respectively, resulting in increased activity. We also reflect a year-on-year increase of $9.5 million in revenue from the sale of devices and customer equipment, mainly related to our device financing products.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue (continued)

The year-on-year increase in revenue in Madagascar is comprised of increases of $7.2 million (or 11.6%) and $6.9 million (or 35.9%) in our Mobile and fixed-line communications, and Digital and mobile financial services segments respectively. These increases are primarily driven by the year-on-year increase in activity, resulting from year-on-year increases in RGS, Active data users, and active MFS users of 11.9%, 8.1%, and 13.4%, respectively. We also reflect a year-on-year increase of $1.3 million in revenue from the sale of devices and customer equipment, mainly related to our device financing products. Our infrastructure segment in Madagascar achieved a year-on-year increase in revenue of $0.2 million (or 4.6%), primarily as a result of annual price resets in our colocation contracts.

The aggregate year-on-year revenue growth for the three month period ended March 31, 2025, is partially offset by aggregate negative foreign exchange translation impacts of $7.3 million (or 2.0%), primarily from negative impacts in our Madagascar, Togo, and Senegal operations of $3.7 million (or 3.6%), $2.9 million (or 4.1%), and $1.8 million (or 4.0%), respectively; owing to the year-on-year strengthening of the US Dollar against the local currencies of those markets. The aggregate negative foreign exchange impact in Madagascar, Togo, and Senegal, is partially offset by an aggregate positive foreign exchange translation impact of $1.1 million from our Tanzania and Uganda operations.

Without the impact of foreign exchange translation impacts, we would have reflected year-on-year revenue growth in our Togo and Senegal operations of $3.1 million (or 4.5%) and $0.9 million (or 2.2%) for the quarter, primarily resulting from increased RGS, and Active data user, partially offset by a decrease in ARPU in those operations.

Revenue by segment is presented below:

For the three month period ended:	**March 31, 2025 USD**	March 31, 2024 USD	Movement USD	Movement %
Mobile and fixed-line communications	**287,849,552**	250,873,949	36,975,603	14.7%
Infrastructure	**14,488,776**	15,431,495	(942,719)	(6.1%)
Digital and mobile financial services	**71,403,336**	55,944,494	15,458,842	27.6%
Other	**(28,887)**	73,042	(101,929)	(139.5%)
	373,712,777	**322,322,980**	**51,389,797**	**15.9%**

Operating costs

Total operating costs increased by $50.2 million year-on-year for the three month period ended March 31, 2025, to $303.1 million in Q1 2025 compared to $252.9 million in Q1 2024. The year-on-year increase includes an amount of $6.3 million related to Telma Comoros, without which the like-for-like year-on-year increase is $43.9 million, or 17.4%.

The year-on-year increase of $43.9 million is primarily comprised of an increase in costs of devices and equipment of $7.9 million, an increase in technology operation costs of $7.4 million, an increase in commission to sales agents of $6.1 million, an increase in government and regulatory costs of $5.5 million, an increase in staff costs of $3.5 million, an increase in provisions for bad debts and nano-loan defaults of $2.9 million, an increase in advertising and distribution costs of $2.6 million, increases in each of non-technical professional fees as well as depreciation and amortization of $1.1 million, and an increase in other operating costs of $5.1 million.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating costs (continued)

In all cases excluding the impact of Telma Comoros:

- The year-on-year increase in cost of devices and equipment is primarily related to increased device sales in Madagascar and Tanzania, through our device financing schemes in those markets, which reflect an aggregate year-on-year increase in revenues from the sale of devices and customer equipment of $10.8 million for the same period. The increase also includes increased cost of equipment sold to our datacenter clients as part of their installations in our datacenters.
- the year-on-year increase in technology operating costs is primarily driven by increases in site maintenance costs and materials, and by an increase in technical professional fees which is primarily due to network monitoring and optimization costs on account of our increased network size, particularly in Madagascar and Tanzania. Our increase in costs of maintenance and materials reflect our increased network size (particularly the addition of over 600 telecommunication sites in Tanzania), and include significant one-off costs related to repairs of sites and fiber in Madagascar on account of a particularly hard cyclone season in Q1 2025. These costs also reflect increase maintenance costs on Silver Links on accounts of increased subsea capacity which is subject to annual maintenance charges.
- the year-on-year increase in respect of commissions to sales agents is primarily driven by increased sales (especially mobile money services), which drive our increased revenues in the same period; but which reflect slightly lower year-on-year percentage increases than our revenue, as we benefit from economies of scale.
- the year-on-year increase in government and regulatory costs is primarily driven by new revenue-based levies imposed by the regulators in Togo (in respect of mobile and fixed revenues) and in Madagascar (in respect of mobile money revenues). We also reflect regular annual increases in frequency fees and regulatory costs from increased activity and sales volumes in our Mobile and fixed-line communications as well as Digital and mobile financial services segments, as reflected by the increase in revenue in those segments and by the increase in RGS and Active MFS users.
- the year-on-year increase in respect of staff costs is primarily driven by a general increase in staff numbers, particularly at the group level, and an increase in average wages and welfare benefits, such as medical insurance, in our operating entities. We also reflect a year-on-year increase in travel costs for primarily driven by group staff travel into the operating markets.
- the year-on-year increase in the net costs, associated with the write-off and impairment of financial and contract assets, mainly results from credit loss provisions in respect of nano-loan customers and device finance customers which have both increased year-on-year, as the value of nano-loans granted has increased year-on-year and the value of revenue from the sale of devices and customer equipment has increased by $11.8 million year-on-year.

  The value of nano-loans extended to customers has increased by 77.5% year-on-year for the three month period ended March 31, 2025.
- the year-on-year increase in advertising and distribution costs primarily reflects the cost of the rebranding performed in November 2024, for which we continued to incur costs in respect of advertising campaigns and promotional merchandise.
- The year-on year increase in other operating expenses is primarily driven by increases in general IT expenses, donations, and shared service and call center costs. We also reflect a one-off cost in Q1 2025, related to the termination of a subsea IRU capacity agreement in Tanzania.

Other operating income, and non-operating income and expenses

Other operating income was $2.2 million for the three month period ended March 31, 2025, compared to $4.1 million for the three month period ended March 31, 2024. The year-on-year decrease of $1.8 million includes a decrease in other income in Madagascar, related to our non-telecom device sales, and a decrease in the release of government grants of $1.1m resulting from a one-off re-assessment of the period over which the grant obligations remain applicable, in the prior year period.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

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

Net non-operating income decreased by $0.4 million year-on-year, from a decrease in net gains on modifications or terminations of lease contracts.

Net finance costs

Our net finance costs for the three month period ended March 31, 2025, were $70.8 million, compared to $38.1 million in the prior year comparative period; representing a year-on-year increase of $32.7 million.

The year-on-year increase includes net finance costs of $0.2 million owing to the inclusion of the results of Telma Comoros, without which we would reflect a year-on-year increase of $32.5 million in net finance costs for the period.

This increase is primarily due to an increase in net foreign exchange losses of $34.0 million, primarily from a year-on-year increase in the devaluations of our local currencies in Madagascar and Tanzania against the euro and US Dollar respectively. The Malagasy ariary reflected a 3.2% devaluation against the euro in Q1 2025, compared to a 6.4% strengthening in Q1 2024, while the Tanzanian shilling reflected a devaluation against the US Dollar of 8.3% in Q1 2025 compared to a devaluation of 2.5% in Q1 2024.

We also reflect an increase in interest on bank loans of $2.1 million, primarily as a result of drawdowns against group facilities by Axian Telecom, and local facilities in Madagascar and Uganda in the 12 months to March 31, 2025.

This aggregate increase in finance costs is partially offset by an increase in net fair valuation gains on derivative instruments of $3.6 million in the same period; primarily reflecting the valuation of the embedded derivative in the Notes.

Share of profit in joint ventures and associates

Our share of profit in joint ventures and associates decreased year-on-year by $3.7 million for the three month period ended March 31, 2025, as a result of a decrease in profits from Telecom Comoros of $0.4 million; having becoming a subsidiary in June 2024 and thus having nil profits or losses for Q1 2025, and from a decrease in aggregate profits from BNI Madagascar and IOFHL of $2.6 million, after our investments in these companies were distributed to Axian Telecom Holding and Management Plc in December 2024.

We also reflect a decrease in profits from Telecom Reunion Mayotte, primarily as a result of increased costs in that operation in Q1 2025 following a severe cyclone season.

Income tax

Income tax charge decreased by $8.0 million year-on-year for the three month period ended March 31, 2025, comprised of decreases in current income tax expense, and withholding tax expense of $1.5 million and $0.6 million respectively, and a year-on-year increase in deferred tax credits of $5.8 million.

The year-on-year decrease in current income tax expense is primarily driven by the year-on-year decrease in operating and taxable profits, which are reflected by the decreased year-on-year Adjusted EBITDA for our Madagascar and Togo markets the same periods, while brought forward assessed losses in our Tanzania operations partially offset the impact of increased taxable profits.

These aggregate decreases in current income tax in our Madagascar and Togo markets are partially offset by an increase in income tax in our Mauritian entities, partially as a result of increased taxable income and partially as a result of the classification of the tax expense as current income tax in Q1 2025, whereas in Q1 2024 a portion was classified as withholding tax.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Income tax (continued)

The increase in net deferred income tax credits is primarily driven by an increase in net deferred tax assets related to unrealized foreign exchange losses and lease liabilities, primarily in our Tanzania operations, and an increase in deferred tax assets related to provisions for receivables and nano-loans, primarily in our Tanzania and Madagascar operations.

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

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

Loss or profit for the period

Our profit for the period decreased by $29.4 million year-on-year for the three month period ended March 31, 2025, including a year-on-year increase in net profits associated with Telma Comoros of $1.8 million, without which we reflect a year-on-year decrease in net profits of $31.2 million.

The decrease in profits excluding Telma Comoros result mainly from higher net finance costs, which increased by $32.5 million year-on-year on account of increased foreign exchange losses. We also reflected lower operating profits, which decreased by $2.8 million mainly on account of one-off costs incurred in Q1 2025, and a decrease in share of profit in associates of $3.7 million. These aggregate decreases are partially offset by an $8.1 million decrease in income tax expense for Q1 2025.

Adjusted EBITDA

Our Adjusted EBITDA for the three month period ended March 31, 2025 increased year-on-year by $1.8 million (or 1.2%), to $149.7 million in Q1 2025, compared to $147.9 million in the prior year comparative period. Our Adjusted EBITDA for Q1 2025 includes Adjusted EBITDA from Telma Comoros of $4.0 million, without which we reflect a year-on-year decrease of $2.2 million, or -1.5%.

The year-on-year decrease in Adjusted EBITDA, excluding Telma Comoros, reflects the year-on-year decrease in operating profits (excluding non-cash operating costs such as depreciation and amortization), driven primarily by one-off operating costs incurred in Q1 2025, as discussed above. The year-on-year increase in revenue was more than offset by year-on-year increase in operating costs, resulting primarily from increased device costs, government and regulatory costs (on account of new duties in Togo and Madagascar), commissions to sales agents, provisions for financial and contract assets, advertising and distribution costs, and technology operation costs. As discussed above, the increases in advertising and distribution costs and technology operation costs include significant one-off items in Q1 2025 which are not expected to recur in future periods.

Our year-on-year Adjusted EBITDA for Q1 2025, is also adversely impacted by aggregate foreign exchange translation impacts of $3.7 million (or 2.5%), primarily from our Madagascar, Togo, and Senegal operations which reflect adverse foreign exchange transaction impacts in the period of $2.0 million (or 3.8%), $1.4 million (or 4.6%), and $0.7 million (or 4.2%), respectively.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Statements of cash flow and liquidity

The Group had cash and cash equivalents (net of bank overdrafts) of $95.9 million as at March 31, 2025 (December 31, 2024: $110.5 million), of which a total of $39.0 million (December 31, 2024: $44.4 million) was held in either USD or Euro.

Net cash generated from operating activities

Net cash generated from operating activities decreased by $56.2 million year-on-year for the three month period ended March 31, 2025. The year-on-year decrease is primarily as a result of year-on-year movements in working capital, whereby the current year period reflects net cash outflows from working capital changes of $37.1 million compared to net cash inflows of $20.2 million in the prior year comparative period; a year-on-year cash outflows movement of $57.3 million. This decrease is mainly driven by advance payments for regulatory costs, which this year were made in advance in most of our markets, resulting in increases in deferred expenses. The year-on-year cash outflows impact is partially offset by a year-on-year increase in operating profits, as adjusted for non-cash items, resulting in a year-on-year increase of $6.8 million in cash generated from operations before working capital changes. We also reflect year-on-year increases in aggregate interest paid in respect of borrowings and leases of $2.3 million, and a year-on-year increase in tax paid of $3.6 million for the same period.

Net cash used in investing activities

Net cash outflows used in investing activities decreased by $38.7 million year-on-year for the three month period ended March 31, 2025, primarily due to a year-on-year decrease in aggregate cash outflows for the purchase of property, plant and equipment, and intangible assets of $39.7 million. This positive cash flow impact is partially offset by increases in cash outflows from the acquisition of financial asset investments of $0.5 million and by a decrease in cash proceeds from the sale of property, plant and equipment of $0.4 million for the same period.

The cash outflows from the purchase of property, plant and equipment, and intangible assets for the three month period ended March 31, 2025, include an aggregate decrease in creditors for capital expenditure of $33.9 million, reflecting significant settlements of these creditor balances in our Tanzania, Senegal, and Togo operations, as well as for our infrastructure operations. We also reflect aggregate additions of property, plant and equipment, and intangible assets of $42.5 million in the period, related to our network expansion plans in Madagascar, acquisition of network monitoring software in Senegal, as well as tower construction activities in Uganda, Madagascar, DRC, and Tanzania.

Net cash used in financing activities

We had net cash inflows from financing activities of $5.5 million for the three month period ended March 31, 2025, compared with net cash outflows of $20.1 million in the prior year comparative period; a year-on-year net cash inflow impact of $25.6 million. This year-on-year net cash inflow impact is primarily related to net receipts and repayment of borrowings (including the payment of loan costs), which reflected net cash inflows of $40.6 million in the current period, compared to net cash outflows of $5.3 million in the prior year comparative period; a year-on-year positive cash flow impact of $45.9 million.

This positive cash flow impact is partially offset by an increase of $13.7 million in dividends paid and an increase of $6.6 million in cash outflows for the payment of lease liabilities, net of incentives received. The increase in the amount of lease payments, net of incentives received, is driven in part by an increased number of leases for tower space and land for Owned Towers, and also includes payments made in advance in respect of some tower space leases.

Refer to note 14 for more information regarding facilities and borrowings drawn down and repaid during the three month period ended March 31, 2025.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the three month period ended March 31, 2025

	3 month period ended March 31, 2025 USD	March 31, 2024 USD
Revenue (Note 3)	**373,712,777**	322,322,980
Cost of devices and equipment (Note 5)	**(15,189,244)**	(7,093,018)
Cost of interconnection and roaming (Note 5)	**(9,310,460)**	(9,328,621)
Government and regulatory costs (Note 5)	**(26,492,156)**	(20,751,425)
Advertising and distribution costs (Note 5)	**(6,590,905)**	(3,807,343)
Commission to sales agents (Note 5)	**(49,771,162)**	(43,171,348)
Net impairment losses on financial and contract assets (Note 5)	**(7,189,578)**	(4,342,078)
Technology operation costs (Note 5)	**(34,370,674)**	(25,577,389)
Staff costs (Note 5)	**(39,290,288)**	(34,789,941)
Other operating expenses (Note 5)	**(29,742,284)**	(23,874,823)
Derecognition of financial assets (Note 5)	**(228,328)**	(132,494)
Professional fees, non-technical (Note 5)	**(7,943,137)**	(6,570,318)
Depreciation and amortization (Note 5)	**(76,708,400)**	(74,003,008)
(Impairment)/reversal of impairment of non-financial assets (Note 5)	**(382,233)**	558,603
Other income (Note 4)	**2,230,849**	4,064,837
Net gain on financial assets at fair value through profit or loss (Note 5)	**152,316**	-
OPERATING PROFIT	**72,887,093**	**73,504,614**
Finance income (Note 6)	**19,116,146**	22,309,348
Finance costs (Note 6)	**(89,866,268)**	(60,367,350)
Non-operating income (Note 4)	**249,710**	629,129
Share of profit in joint ventures and associates	**1,383,398**	5,068,760
PROFIT BEFORE INCOME TAX	**3,770,079**	**41,144,501**
Income tax expense (Note 7)	**(3,998,669)**	(11,955,324)
(LOSS)/PROFIT FOR THE PERIOD	**(228,590)**	**29,189,177**
(Loss)/profit for the period attributable to:		
- Owners of the Company	**3,171,911**	22,461,185
- Non-controlling interest	**(3,400,501)**	6,727,992
	(228,590)	**29,189,177**

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the three month period ended March 31, 2025

	3 month period ended March 31, 2025 USD	March 31, 2024 USD
(LOSS)/PROFIT FOR THE PERIOD	**(228,590)**	29,189,177
OTHER COMPREHENSIVE INCOME		
Items that may be re-classified to profit or loss		
Exchange differences on translation of foreign subsidiaries	**8,147,163**	(4,650,669)
Exchange differences on translation of foreign joint ventures	**1,908,567**	(231,011)
Total items that may be reclassified to profit or loss, net of tax	**10,055,730**	**(4,881,680)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**9,827,140**	**24,307,497**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
- Owners of the Company	**8,777,636**	15,844,657
- Non - controlling interest	**1,049,504**	8,462,840
	9,827,140	**24,307,497**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2025

	March 31, 2025 USD	December 31, 2024 USD
ASSETS		
Non-current assets		
Property, plant and equipment (Note 8)	**1,121,133,280**	1,135,016,452
Intangible assets (Note 9)	**289,561,514**	296,989,105
Interests in joint ventures and associates (Note 10)	**43,353,092**	40,061,127
Deferred tax assets	**42,141,266**	44,129,937
Trade and other receivables	**9,437,099**	11,291,529
Deposits receivable	**4,537,779**	4,246,173
Loans receivable	**12,904,905**	12,654,434
Right-of-use assets (Note 11)	**562,492,937**	615,815,368
Goodwill	**248,748,985**	251,016,347
Financial assets at fair value through profit or loss	**14,659,573**	13,690,293
Financial assets at fair value through OCI	**16,236,407**	17,582,430
Embedded derivative assets	**7,900,000**	3,200,000
Treasury bonds	**906,615**	1,016,623
	2,374,013,452	**2,446,709,818**
Current assets		
Inventories	**25,528,927**	22,738,802
Loan receivables	**40,152,245**	35,920,063
Trade and other receivables	**351,917,385**	303,305,175
Income tax receivable (Note 7)	**7,786,796**	9,702,119
Cash at bank (Note 12)	**169,824,346**	166,234,317
Restricted cash	**416,977,754**	405,658,457
	1,012,187,453	**943,558,933**
Total assets	**3,386,200,905**	**3,390,268,751**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at March 31, 2025

	March 31, 2025 USD	December 31, 2024 USD
EQUITY AND LIABILITIES		
Equity and reserves		
Stated capital	**1,372,564**	1,372,564
Reorganization reserves	**76,230,230**	76,230,230
Other reserves	**12,056,191**	12,102,716
Legal reserves	**8,946,918**	8,946,918
Translation reserves	**(4,620,071)**	(10,272,321)
Retained earnings	**83,458,290**	80,286,379
Equity attributable to owners of the Company	**177,444,122**	**168,666,486**
Non-controlling interest	**83,469,242**	83,154,340
Total equity	**260,913,364**	**251,820,826**
LIABILITIES		
Non-current liabilities		
Borrowings (Note 14)	**460,717,766**	416,673,305
Bond borrowings (Note 14)	**415,460,326**	416,030,602
Trade and other payables (Note 13)	**60,028,328**	64,283,184
Government grants	**23,213,911**	24,468,067
Provisions	**49,547,219**	47,910,815
Lease liability (Note 11)	**708,831,280**	769,808,236
Deposits payable	**7,867,928**	7,588,423
Deferred tax liability	**5,956,700**	16,753,516
Retirement benefit obligations	**6,979,963**	6,643,253
	1,738,603,421	**1,770,159,401**
Current liabilities		
Trade and other payables (Note 13)	**1,099,298,081**	1,089,383,189
Client savings accounts	**4,826,118**	4,535,935
Borrowings (Note 14)	**78,411,093**	72,371,952
Bond borrowings (Note 14)	**4,732,291**	11,594,467
Provisions	**12,341,476**	13,336,931
Lease liability (Note 11)	**48,265,516**	44,371,810
Bank overdraft (Note 12)	**73,876,487**	55,753,296
Government grants	**1,127,122**	1,266,557
Dividend payable	**43,363,479**	56,359,239
Income tax payable (Note 7)	**20,434,858**	19,307,870
Deposits payable	**7,599**	7,278
	1,386,684,120	**1,368,288,524**
Total liabilities	**3,125,287,541**	**3,138,447,925**
Total equity and liabilities	**3,386,200,905**	**3,390,268,751**

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital USD	Retained Earnings USD	Other reserves[1] USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2024	1,372,564	153,593,943	59,839,904	**214,806,411**	90,525,447	**305,331,858**
Comprehensive income:						
Profit for the year	-	92,598,973	-	**92,598,973**	21,726,396	**114,325,369**
Other comprehensive loss for the year, net of tax	-	-	(9,894,213)	**(9,894,213)**	(7,532,157)	**(17,426,370)**
Total comprehensive income for the year	**-**	**92,598,973**	**(9,894,213)**	**82,704,760**	**14,194,239**	**96,898,999**
Transactions with owners in their capacity as owners:						
Transfer to other reserves	-	(33,753,696)	33,753,696	**-**	-	**-**
Issue of shares to NCI	-	-	-	**-**	373,912	**373,912**
Dividend declared	-	(128,209,715)	-	**(128,209,715)**	(21,939,258)	**(150,148,973)**
Distribution of shares in subsidiaries and associates	-	(3,943,126)	3,308,156	**(634,970)**	-	**(634,970)**
Total transactions with owners	**-**	**(165,906,537)**	**37,061,852**	**(128,844,685)**	**(21,565,346)**	**(150,410,031)**
At December 31, 2024	**1,372,564**	**80,286,379**	**87,007,543**	**168,666,486**	**83,154,340**	**251,820,826**

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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Stated Capital USD	Retained Earnings USD	Other reserves[1] USD	Equity attributable to owners of the parent USD	Non-controlling interest USD	Total Equity USD
At January 1, 2025	1,372,564	80,286,379	87,007,543	**168,666,486**	83,154,340	**251,820,826**
Comprehensive income:						
Loss for the period	-	3,171,911	-	**3,171,911**	(3,400,501)	**(228,590)**
Other comprehensive income for the period, net of tax	-	-	5,605,725	**5,605,725**	4,450,005	**10,055,730**
Total comprehensive income for the period	**-**	**3,171,911**	**5,605,725**	**8,777,636**	**1,049,504**	**9,827,140**
Transactions with owners in their capacity as owners:						
Dividend declared	**-**	**-**	**-**	**-**	(734,602)	**(734,602)**
Total transactions with owners	**-**	**-**	**-**	**-**	**(734,602)**	**(734,602)**
At March 31, 2025	**1,372,564**	**83,458,290**	**92,613,268**	**177,444,122**	**83,469,242**	**260,913,364**

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the three month ended March 31, 2025

	3 month period ended	
	March 31, 2025 USD	March 31, 2024 USD
Cash flows from operating activities		
Cash flows from operations (Note 15)	**118,886,384**	169,436,545
Interest paid on lease liabilities	**(22,695,772)**	(21,405,934)
Interest paid on loans, bonds and other borrowings	**(22,591,182)**	(21,552,801)
Interest received	**3,250,526**	2,903,959
Tax paid	**(11,719,730)**	(8,064,510)
Net cash generated from operating activities	**65,130,226**	**121,317,259**
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit or loss	**(730,043)**	(200,000)
Proceeds from disposal of property, plant and equipment	**118,828**	486,111
Purchase of property, plant and equipment	**(72,388,911)**	(112,182,124)
Acquisition of investment in subsidiaries (net of cash acquired) (Note 18)	**18,377**	-
Purchase of intangible assets	**(5,146,504)**	(5,034,193)
Dividend received from investment in joint ventures	**-**	235,735
Loan paid to related parties	**-**	(227,989)
Repayment made by related parties	**5,533**	17,323
Net deposits paid	**(182,354)**	(199,255)
Corporate bonds matured	**148,367**	155,171
Net cash used in investing activities	**(78,156,707)**	**(116,949,221)**
Cash flows from financing activities		
Proceeds from issue of shares / NCI Investment	**-**	75,182
Additional borrowings	**55,408,474**	14,508,851
Repayment of borrowings	**(12,791,790)**	(19,838,386)
Repayment of principal on lease liabilities (net of incentives received)	**(21,381,338)**	(14,761,146)
Dividend paid	**(13,734,602)**	-
Payment of loan transaction costs	**(2,007,977)**	-
Premium on settlement of swap derivative liability	**-**	(124,214)
Net cash flow generated/(used in) from financing activities	**5,492,767**	**(20,139,713)**
Net decrease in cash and cash equivalents	**(7,533,714)**	**(15,771,675)**
Effect of exchange rate on cash and cash equivalents	**(6,999,448)**	(279,446)
Cash and cash equivalents at beginning of the period	**110,481,021**	127,824,925
Cash and cash equivalents at end of the period (Note 12)	**95,947,859**	**111,773,804**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

The ultimate holding company of the Group, as at March 31, 2025, is Axian Telecom, a private company limited by shares incorporated under the laws of Mauritius on June 20, 2003, under the name Société Financière Malgache Ltée. The Company holds a Global Business License under the Financial Services Act 2007 and is regulated by the Financial Services Commission.

The ultimate holding company of Axian Telecom, as at March 31, 2025, is Axian Telecom Holding and Management plc ("Axian Telecom Holding"), a public company incorporated under the Companies Law, DIFC Law No.5 of 2018, under the registration number 7891.

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements do not constitute statutory accounts and thus do not fully comply with International Financial Reporting Standards ("IFRS"), specifically, they do not comply with IFRS 34 "*Interim Financial Reporting*". The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Group's audited financial statements for the year ended December 31, 2024.

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

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

The financial statements were approved by the board of directors on June 9, 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE

	3 month period ended	
	March 31, 2025 USD	March 31, 2024 USD
Mobile services	**212,410,728**	191,822,089
Fixed services	**23,008,795**	20,923,126
Interconnection/Roaming/MVNO	**14,907,942**	13,280,111
Customer Equipment and Infrastructure	**15,970,986**	4,140,289
Operator Infrastructure services	**7,756,447**	8,090,809
Commissions received on electronic money activities	**77,890,704**	62,762,999
Content and value-added services	**7,632,282**	6,370,880
Other revenue	**1,248,167**	664,145
Hosting and rental of sites	**10,200,741**	9,651,385
Trademark and license fees	**-**	120,368
Administration and general management fees	**33,000**	-
Digital solutions and other support services	**2,652,985**	4,496,779
	373,712,777	**322,322,980**

4. OTHER INCOME AND EXPENSES

	3 month period ended	
	March 31, 2025 USD	March 31, 2024 USD
Other income		
Gain on disposal of property, plant, and equipment	**103,351**	226,123
Release of government grant	**1,218,730**	2,337,935
Insurance claims received	**134,616**	20,721
Other income	**774,152**	1,480,058
	2,230,849	**4,064,837**

	3 month period ended	
	March 31, 2025 USD	March 31, 2024 USD
Non-operating income		
Amortization of deferred gain on sale of PPE	**237,666**	236,327
Gain on lease modification and termination of contract	**12,044**	392,802
	249,710	**629,129**

AXIAN TELECOM

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. OPERATING COSTS

	3 month period ended March 31, 2025 USD	March 31, 2024 USD
Cost of equipment, devices	**13,055,392**	5,294,551
Provision for device inventories	**589**	59,025
Prepaid cards and accessories	**2,133,263**	1,739,442
Cost of devices and equipment	**15,189,244**	**7,093,018**
Interconnection fees	**8,554,735**	8,857,756
Roaming fees (paid to service providers or clearing houses)	**755,725**	470,865
Cost of interconnection and roaming	**9,310,460**	**9,328,621**
Telecom operator and regulatory fees	**12,127,161**	11,718,053
Frequency fees	**6,748,066**	5,829,115
Excise duty	**7,616,929**	3,204,257
Government and regulatory costs	**26,492,156**	**20,751,425**
Advertising and distribution costs	**6,590,905**	**3,807,343**
Commission to sales agents	**49,771,162**	**43,171,348**
Reversal of impairment of financial assets	**-**	(71,366)
Impairment of loans to clients	**4,425,415**	3,039,235
Loss allowance on trade receivables	**2,764,163**	1,374,209
Net impairment on financial and contract assets	**7,189,578**	**4,342,078**
Transmission fees	**5,292,165**	4,343,815
Content and value-added service (VAS) charges	**2,130,108**	1,752,429
Backbone charges	**-**	56,727
Satellite and bandwidth charges	**927,809**	535,705
Site energy	**9,548,867**	9,140,784
Site and network repairs and maintenance	**5,049,917**	2,334,106
Professional fees, technical	**2,932,104**	2,129,231
Reversal expenses for short term and low value leases, technical sites*	**403,449**	384,715
Maintenance of materials, software and network	**8,086,255**	4,899,877
Technology operation costs	**34,370,674**	**25,577,389**
Payroll and social charges	**36,150,090**	32,351,645
Travel expenses	**2,606,783**	2,026,082
Training	**490,841**	191,875
Provision for retirement benefit obligations	**42,574**	220,339
Staff costs	**39,290,288**	**34,789,941**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. OPERATING COSTS (CONTINUED)

	3 month period ended	
	March 31, 2025 USD	March 31, 2024 USD
Write-off of financial assets	**228,328**	**132,494**
Professional fees, non-technical	**7,943,137**	**6,570,318**
Depreciation of property, plant & equipment	**46,104,739**	44,369,204
Amortization of intangible assets	**13,462,860**	12,902,652
Depreciation of rights of use assets	**17,140,801**	16,731,152
Depreciation and amortization	**76,708,400**	**74,003,008**
Impairment/(reversal of impairment) of inventory	**382,233**	(558,603)
Net impairment of non-financial assets	**382,233**	**(558,603)**
Other operating expenses**	**29,742,284**	**23,874,823**
Net gain on financial assets at fair value through profit or loss	**(152,316)**	**-**
Total operating costs	**303,056,533**	**252,883,203**

*Rental credits for short term or low value leases represent the reversal of rent expense for leases accounted for as short-term in previous periods which are now accounted for under IFRS 16 – *Leases.* Rental expense costs previously recognized in this line item are now reversed and accounted for as depreciation of right-of use asset.
**Other operating expenses are comprised of the following significant items, among other items: general IT expenses, bank charges, utility costs, security and cleaning costs, insurance costs, operating levies and taxes, penalties, and provisions for litigations.

6. FINANCE INCOME AND EXPENSE

	3 month period ended	
	March 31, 2025 USD	March 31, 2024 USD
Finance income		
Foreign exchange gain	**10,009,832**	17,552,768
Interest income	**3,499,853**	3,226,396
Gain on fair valuation of derivatives	**4,700,000**	1,300,000
Other finance income	**906,461**	230,184
	19,116,146	**22,309,348**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. FINANCE INCOME AND EXPENSE (CONTINUED)

	3 month period ended	
	March 31, 2025 USD	March 31, 2024 USD
Finance costs		
Foreign exchange loss	**(44,538,914)**	(18,050,622)
Interest on bank loans	**(7,360,003)**	(5,251,039)
Interest on listed bonds	**(8,055,048)**	(8,111,256)
Interest on loans and amounts payable to related parties	**(2,931,985)**	(2,884,573)
Interest on bank overdraft	**(668,853)**	(668,698)
Interest on lease liabilities	**(22,916,310)**	(23,446,379)
Interest expense on provision for dismantling costs	**(613,273)**	(552,980)
Loss on fair valuation of derivatives	**-**	(161,755)
Other interest charges	**(2,781,882)**	(1,240,048)
	(89,866,268)	**(60,367,350)**
Net finance costs	**(70,750,122)**	**(38,058,002)**

7. INCOME TAX

a) Income tax expense

	3 month period ended	
	March 31, 2025 USD	March 31, 2024 USD
Current income tax	**14,027,468**	15,496,617
Withholding tax	**17,168**	665,556
Deferred tax credit	**(10,045,967)**	(4,206,849)
	3,998,669	**11,955,324**

As at March 31, 2025, 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.

Our subsidiaries in Madagascar, Togo, Comoros, Uganda, Kenya, Senegal, and Tanzania are subject to income tax on their income at 20% (Madagascar), 27% (Togo), 35% (Comoros) and 30% (Uganda, Kenya, Senegal and Tanzania) respectively (2024: 20%, 27%, 35% and 30% (for Madagascar, Togo, Comoros, Uganda, Kenya, Senegal and Tanzania)). Therefore, the income tax rate for the Group is in the range of 15% - 35% (2024: 15% - 35%). Local law in Madagascar further provides that all loss-making entities should be liable to a minimum tax of 5% of revenue.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX (CONTINUED)

b) Net tax liability payable/(receivable)

	March 31, 2025 USD	December 31, 2024 USD
At January 1,	**9,605,751**	(4,637,272)
Acquisition through business combination (Note 18)	**190,579**	91,686
Distribution/disposal of shares in subsidiaries and associates	**-**	(4,507)
Charge during the period/year	**14,027,468**	70,377,384
Interest paid	**-**	(55,747)
Tax paid	**(11,719,730)**	(55,528,065)
Translation difference	**543,994**	(637,728)
At March 31/December 31	**12,648,062**	**9,605,751**

Analyzed as follows:

Income tax receivable	**(7,786,796)**	(9,702,119)
Income tax payable	**20,434,858**	19,307,870
	12,648,062	**9,605,751**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT

	Materials USD	Land and Building USD	Technical Equipment USD	Others[1] USD	Assets in Progress USD	**Total USD**
Cost						
At January 1, 2024	68,850,237	364,815,053	1,664,801,930	22,996,601	149,122,134	2,270,585,955
Reclassification adjustments[2]	-	-	-	(27,758)	13,734,340	13,706,582
Acquisition through business combinations (Note 18)	727,981	12,858,764	7,470,660	111,278	2,586,856	23,755,539
Distribution of shares in subsidiaries and associates	(16,993)	-	(52,200)	-	-	(69,193)
Additions	4,043,295	298,454	2,730,927	709,577	312,306,861	320,089,114
Transfer from assets in progress	14,784,302	88,631,297	210,096,064	1,655,727	(315,167,390)	-
Transfer to intangible assets[3]	-	-	(5,008,821)	-	(469,788)	(5,478,609)
Disposals and scrap	(1,136,564)	(1,325,103)	(13,294,975)	(989,219)	(2,473,999)	(19,219,860)
Provision for dismantling	-	3,842,685	(527,863)	-	-	3,314,822
Translation difference	(1,678,668)	(1,606,105)	(75,174,182)	840,808	(7,252,972)	(84,871,119)
At December 31, 2024	**85,573,590**	**467,515,045**	**1,791,041,540**	**25,297,014**	**152,386,042**	**2,521,813,231**
Acquisition through business combinations (Note 18)	**47,722**	**-**	**128,477**	**-**	**-**	**176,199**
Additions	**593,232**	**944,510**	**944,465**	**96,497**	**35,962,594**	**38,541,298**
Transfer from assets in progress	**10,621,201**	**16,440,988**	**11,553,494**	**334,966**	**(38,950,649)**	**-**
Transfer to intangible assets[4]	**-**	**-**	**-**	**-**	**(106,927)**	**(106,927)**
Disposals and scrap	**(440,786)**	**-**	**(7,330)**	**(157,857)**	**-**	**(605,973)**
Provision for dismantling	**-**	**-**	**532,516**	**-**	**-**	**532,516**
Translation difference	**509,420**	**4,467,768**	**23,042,898**	**692,007**	**28,019**	**28,740,112**
At March 31, 2025	**96,904,379**	**489,368,311**	**1,827,236,060**	**26,262,627**	**149,319,079**	**2,589,090,456**

[1] The category 'Others' comprises IT equipment, furniture and fixtures, and motor vehicles.
[2] Togocom and its subsidiaries, and Stellar IX SA made a reclassification from advance payments (in trade and other receivables) to work in progress during the year ended December 31, 2024.
[3] Saga Africa Holdings Limited SA and its subsidiaries, as well as Sanko SA, have made some changes in the presentation of the intangible assets to and from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2024.
[4] Stellar IX SAU and Honora Tanzania Public Limited Company, have reclassified work in progress previously recognized as property, plant and equipment, to intangible assets. The work in progress had been incorrectly classified by nature upon initial recognition.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Materials USD	Land and Building USD	Technical Equipment USD	Others[1] USD	Assets in Progress USD	**Total USD**
Accumulated depreciation						
At January 1, 2024	(50,805,754)	(154,942,980)	(1,082,242,060)	(14,652,095)	-	(1,302,642,889)
Distribution of shares in subsidiaries and associates	2,969	-	17,916	-	-	20,885
Charge for the year	(8,104,305)	(29,494,648)	(131,271,975)	(3,076,103)	-	(171,947,031)
Impairment[6]	(15,248)	(809)	(324,315)	-	(798,957)	(1,139,329)
Disposals and scrap	1,316,226	1,025,884	11,486,911	1,639,811	2,473,999	17,942,831
Transfer to intangible assets[7]	-	-	127,386	-	-	127,386
Translation difference	1,900,844	3,794,213	65,205,914	(34,620)	(24,983)	70,841,368
At December 31, 2024	**(55,705,268)**	**(179,618,340)**	**(1,137,000,223)**	**(16,123,007)**	**1,650,059**	**(1,386,796,779)**
Charge for the period	**(3,009,850)**	**(14,507,667)**	**(27,850,433)**	**(736,789)**	**-**	**(46,104,739)**
Disposals and scrap	**431,685**	**-**	**1,012**	**157,799**	**-**	**590,496**
Translation difference	**(1,522,900)**	**(3,803,647)**	**(29,983,638)**	**(301,754)**	**(34,215)**	**(35,646,154)**
At March 31, 2025	**(59,806,333)**	**(197,929,654)**	**(1,194,833,282)**	**(17,003,751)**	**1,615,844**	**(1,467,957,176)**
Net book value						
At March 31, 2025	**37,098,046**	**291,438,657**	**632,402,778**	**9,258,876**	**150,934,923**	**1,121,133,280**
At December 31, 2024	29,868,322	287,896,705	654,041,317	9,174,007	154,036,101	1,135,016,452

[6] As part of its network improvement programs, the Group undertook the replacement of several pieces of equipment deemed outdated. Upon conducting physical inspections, it was identified that certain items of property, plant and equipment had suffered a loss in value attributable to wear and tear, technological obsolescence, or physical deterioration beyond normal servicing. As a result, the Group has included an impairment loss of USD 1,139,329 (2023: USD 6,319,010) for the year ended 31 December 2024.
[7] Saga Africa Holdings Limited SA and its subsidiaries, as well as Sanko SA, have made some changes in the presentation of the intangible assets to and from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. INTANGIBLE ASSETS

	Software USD	License USD	Assets in progress[5] USD	IRU USD	International bandwidth capacity USD	Networking USD	Others[1] USD	Customer related assets USD	Brand USD	**Total USD**
Cost										
At January 1, 2024	52,344,018	272,905,757	27,134,382	25,489,293	13,668,517	23,056,592	5,367	62,107,832	15,777,134	492,488,892
Reclassification adjustments[2]	-	-	-	(748,695)	-	1,671,133	-	-	-	922,438
Reclassification to PPE[3]	4,094	-	6,345	5,008,821	-	-	459,349	-	-	5,478,609
Acquisition through business combinations (Note 18)	9,030,139	-	-	-	-	-	-	4,222,565	1,070,938	14,323,642
Distribution of shares in subsidiaries and associates	(4,096)	-	-	-	-	-	-	-	-	(4,096)
Additions	1,181,985	25,735,351	31,933,822	548,437	-	365,758	40,342	-	-	59,805,695
Transfer from assets in progress	9,843,333	1,786,953	(28,388,205)	-	-	16,757,919	-	-	-	-
Disposals and scrap	(53,827)	(25,784)	(13,068)	(181)	-	-	-	-	-	(92,860)
Translation difference	(3,349,758)	(13,079,021)	(221,736)	747,808	-	(1,954,377)	191,178	(1,668,382)	2,896,948	(16,437,340)
At December 31, 2024	**68,995,888**	**287,323,256**	**30,451,540**	**31,045,483**	**13,668,517**	**39,897,025**	**696,236**	**64,662,015**	**19,745,020**	**556,484,980**
Reclassification from PPE[4]	**116,679**	**1,606**	**(11,358)**	**-**	**-**	**-**	**-**	**-**	**-**	**106,927**
Additions	**379,568**	**61,565**	**1,920,128**	**592,197**	**-**	**898,990**	**78,595**	**-**	**-**	**3,931,043**
Transfer from assets in progress	**563,266**	**23,654**	**(586,920)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Translation difference	**2,286,433**	**6,226,080**	**199,060**	**(1,786,239)**	**-**	**1,676,610**	**(32,963)**	**(2,849,241)**	**(992,928)**	**4,726,812**
At March 31, 2025	**72,341,834**	**293,636,161**	**31,972,450**	**29,851,441**	**13,668,517**	**42,472,625**	**741,868**	**61,812,774**	**18,752,092**	**565,249,762**

[1] The category 'Others' comprises IT equipment, furniture and fixtures, and motor vehicles.
[2] Saga Africa Holdings Limited SA and its subsidiaries, as well as Honora Tanzania Public Limited Company have made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the year ended December 31, 2024.
[3] Saga Africa Holdings Limited SA and its subsidiaries, as well as Sanko SA, have made some changes in the presentation of the intangible assets to and from property, plant and equipment on reviewing the nature of each intangible assets for the year ended December 31, 2024.
[4] Stellar IX SAU and Honora Tanzania Public Limited Company, have reclassified work in progress previously recognized as property, plant and equipment, to intangible assets. The work in progress had been incorrectly classified by nature upon initial recognition.
[5] Assets in progress relate to assets (mainly licenses and software) purchased but not yet brought into use.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. INTANGIBLE ASSETS (CONTINUED)

	Software USD	License USD	Assets in progress[5] USD	IRU USD	International bandwidth capacity USD	Networking USD	Others[1] USD	Customer related assets USD	Brand USD	**Total USD**
Accumulated amortization										
At January 1, 2024	(39,660,283)	(129,760,524)	-	(5,929,537)	(2,660,038)	(979,372)	(5,367)	(21,596,622)	(4,607,430)	(205,199,173)
Reclassification adjustments[6]	(1,683,268)	1,683,523	-	(882,481)	-	(40,212)	-	-	-	(922,438)
Reclassification from PPE[7]	-	-	-	(127,386)	-	-	-	-	-	(127,386)
Distribution of shares in subsidiaries and associates	196	-	-	-	-	-	-	-	-	196
Amortization charge for the year	(6,145,807)	(18,490,133)	-	(4,162,327)	(900,525)	(5,727,865)	(20,271)	(12,042,707)	(6,728,541)	(54,218,176)
Impairment[8]	-	-	(13,068)	-	-	-	-	-	(6,620,616)	(6,633,684)
Disposals and scrap	3,008	-	13,068	181	-	-	-	-	-	16,257
Translation difference	2,297,910	8,138,309	-	(549,813)	-	425,426	(153,400)	(781,470)	(1,788,433)	7,588,529
At December 31, 2024	**(45,188,244)**	**(138,428,825)**	**-**	**(11,651,363)**	**(3,560,563)**	**(6,322,023)**	**(179,038)**	**(34,420,799)**	**(19,745,020)**	**(259,495,875)**
Amortization charge for the year	**(1,628,097)**	**(4,742,005)**	**-**	**(2,070,638)**	**(225,131)**	**(1,656,738)**	**(18,103)**	**(3,122,148)**	**-**	**(13,462,860)**
Translation difference	**(1,529,418)**	**(5,301,896)**	**-**	**833,282**	**-**	**(333,806)**	**(5,149)**	**2,614,546**	**992,928**	**(2,729,513)**
At March 31, 2025	**(48,345,759)**	**(148,472,726)**	**-**	**(12,888,719)**	**(3,785,694)**	**(8,312,567)**	**(202,290)**	**(34,928,401)**	**(18,752,092)**	**(275,688,248)**
Net book value										
At March 31, 2025	**23,996,075**	**145,163,435**	**31,972,450**	**16,962,722**	**9,882,823**	**34,160,058**	**539,578**	**26,884,373**	**-**	**289,561,514**
At December 31, 2024	23,807,644	148,894,431	30,451,540	19,394,120	10,107,954	33,575,002	517,198	30,241,216	-	296,989,105

[6] Saga Africa Holdings Limited SA and its subsidiaries, as well as Honora Tanzania Public Limited Company have made changes in the presentation of the intangible assets on reviewing the nature of each intangible asset during the three month period ended March 31, 2025.
[7] Saga Africa Holdings Limited SA and its subsidiaries, as well as Sanko SA, have made some changes in the presentation of the intangible assets to and from property, plant and equipment on reviewing the nature of each intangible assets for the three month period ended March 31, 2025.
[8] Following the rebranding of our mobile and mobile money operations in November 2024, the Zantel brand, the Tigo brand, the Telma Comoros brand, and the Free brand were fully impaired as at 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. INTEREST IN JOINT VENTURES AND ASSOCIATES

	March 31, 2025 USD	December 31, 2024 USD
At January, 1	**40,061,127**	73,213,174
Distribution of shares in subsidiaries and associates	**-**	(25,849,306)
Share of profit in joint ventures and associates	**1,383,398**	21,284,475
Share of translation reserves	**1,908,567**	(3,404,237)
Dividend received	**-**	(17,161,620)
Gain on deconsolidation of associate	**-**	864,981
Transfer to investment in subsidiary	**-**	(8,886,340)
At March 31/December 31	**43,353,092**	**40,061,127**

Details pertaining to the investment in joint ventures and associates at March 31, 2025 and December 31, 2024 are as follows:

Name of Company	**Country of Incorporation /place of activity**	**Class of shares held**	**% Holding**		**Direct/ Indirect**	**Relationship**	**Activities**
			Mar 31, 2025	Dec 31, 2024			
Telecom Reunion Mayotte	France	Ordinary	**50.0%**	**50.0%**	Indirect	Joint venture	Holding Company
Telco OI	France	Ordinary	**50.0%**	**50.0%**	Indirect	Joint venture	Telecommunications
Société d'Exploration et de Promotion Iliad Axian	Reunion	Ordinary	**50.0%**	**50.0%**	Indirect	Joint venture	Real estate

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.

11. RIGHT OF USE ASSETS AND LIABILITIES

	March 31, 2025 USD	December 31, 2024 USD
Right of use assets		
At January, 1	**615,815,368**	642,375,938
Additions during the year	**3,927,757**	41,739,426
Acquisition through business combination (Note 18)	**-**	1,804,234
Disposals, termination, and modifications during the period/year	**(10,379)**	(3,034,155)
Distribution of shares in subsidiaries and associates	**-**	(101,754)
Remeasurements	**(17,928,788)**	(2,040,859)
Amortization charge during the period/year	**(17,140,801)**	(67,859,331)
Translation difference	**(22,170,220)**	2,931,869
At March 31/December 31	**562,492,937**	**615,815,368**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. RIGHT OF USE ASSETS AND LIABILITIES (CONTINUED)

Lease liabilities

At January, 1	**814,180,046**	810,904,281
Additions during the period/year	**3,927,757**	44,662,743
Acquisition through business combination (Note 18)	**-**	1,803,733
Disposals, termination, and modifications during the period/year	**(12,433)**	(3,820,354)
Distribution of shares in subsidiaries and associates	**-**	(109,371)
Remeasurements	**(17,938,778)**	(1,075,862)
Interest expense for the period/year	**22,916,310**	94,874,020
Principal paid on lease liabilities	**(21,381,338)**	(39,888,878)
Interest paid on lease liabilities	**(22,695,772)**	(92,069,683)
Translation difference	**(21,898,996)**	(1,100,583)
At March 31/December 31	**757,096,796**	**814,180,046**
Of which non-current	**708,831,280**	769,808,236
Of which current	**48,265,516**	44,371,810

12. CASH AND CASH EQUIVALENTS

	March 31, 2025 USD	December 31, 2024 USD
Cash at bank	**169,824,346**	166,234,317
Bank overdraft	**(73,876,487)**	(55,753,296)
	95,947,859	**110,481,021**

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. TRADE AND OTHER PAYABLES

	March 31, 2025 USD	December 31, 2024 USD
Non-current		
Trade payables	**46,761,942**	49,750,839
Deferred revenue	**13,209,882**	13,285,138
Other payables	**56,504**	1,247,207
	60,028,328	**64,283,184**
Current		
Trade payables	**477,296,666**	458,469,252
Other payables	**62,230,777**	60,502,405
Deferred revenue	**51,735,573**	56,987,287
VAT payable	**95,934,753**	104,942,761
Mobile financial services floats	**406,164,107**	401,899,766
Amounts payable to entities under common control*	**5,936,205**	6,581,718
	1,099,298,081	**1,089,383,189**
Total trade and other payables	**1,159,326,409**	**1,153,666,373**

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

14. BORROWINGS

	March 31, 2025 USD	December 31, 2024 USD
Non-current		
Bank loans (a)	**279,890,581**	240,625,853
Listed bonds	**415,460,326**	416,030,602
Loans payable to related parties and shareholders	**180,827,185**	176,047,452
	876,178,092	**832,703,907**
Current		
Bank loans (a)	**78,094,303**	72,072,769
Listed bonds	**4,732,291**	11,594,467
Loans payable to related parties and shareholders	**316,790**	299,183
	83,143,384	**83,966,419**
Total borrowings	**959,321,476**	**916,670,326**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS (CONTINUED)

(a) Bank loans	March 31, 2025 USD	December 31, 2024 USD
Bank of Africa Madagascar ('BOA')	**10,799,724**	11,397,947
Banque Malgache de L'Ocean Indien ('BMOI')	**15,310,775**	16,224,695
BRED Madagasikara	**13,076,896**	13,916,617
BNI Banque de l'Industrie Madagascar ('BNI')	**13,255,312**	8,554,608
Stanbic Bank Uganda	**40,608,724**	32,505,959
CRDB Bank Tanzania	**-**	34,555
National Bank of Commerce Tanzania ('NBC')	**5,945,688**	8,002,597
Syndicated loan from 4 banks of Senegal:		
- Société Générale de Banques au Sénégal	**5,585,019**	6,103,943
- Banque Internationale pour le commerce et l'industrie du Sénégal	**5,319,066**	5,813,280
- CBAO Senegal	**7,175,995**	7,846,450
- Orabank Sénégal	**8,482,527**	9,284,418
Ecobank Togo	**19,828,383**	18,595,564
Société Générale Bénin	**19,757,731**	18,527,894
Cofina Sénégal, Compagnie Financière Africaine	**99,082**	-
International Finance Corporation ('IFC')	**21,168,386**	18,099,680
NMB Bank Tanazania	**7,145,312**	-
JP Morgan Chase Bank, London ('JP Morgan')	**121,223,221**	112,076,403
Banque pour L'Industrie et le Commerce Des Comores ('BIC')	**-**	1,697,146
British International Investment ('BII')	**30,134,314**	24,028,966
Consortium of SB, SCB, RMB, SBM, and MCB (see point 6 below)	**13,081,359**	-
Foreign Currency Adjustment	**(12,630)**	(12,100)
Total bank loans	**357,984,884**	**312,698,622**
Loans payable within one year	**78,094,303**	**72,072,769**
Loans payable after one year	**279,890,581**	**240,625,853**

Axian Telecom Notes

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

Bank loans

The bank loans of the Group companies are repayable monthly, quarterly, semi-annually, or annually at fixed or variable interest rates varying between 5.0% and 16.7%.

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

During the three month period ended March 31, 2025, Telecom Malagasy S.A. has not drawn down any additional amount and made aggregate capital repayments amounting to MGA 10.9 billion (approximately USD 2.3 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS (CONTINUED)

Bank loans (continued)

2. Towerco of Africa S.A.

On January 27, 2025, Towerco of Africa S.A. entered into a new loan facility agreement with BNI for an amount of MGA 25.0 billion (approximately USD 5.3 million) to finance network expansion. The facility has a duration of 7 years with a capital repayment moratorium of one year and bears a variable interest rate equivalent to the Malagasy Central Bank rate minus margin of 8.65% per annum. Repayments are made on a monthly basis. During the three month period ended March 31, 2025, Towerco of Africa S.A. made aggregate payments amounting to MGA 5.9 billion (approximately USD 1.3 million) against the outstanding principal of its existing loan facilities.

3. Towerco of Africa Uganda Limited

During the three month period ended March 31, 2025, Towerco of Africa Uganda Limited drew down an additional amount of UGX 33.1 billion (approximately USD 9.0 million) through the accordion facility from the Stanbic Bank Uganda Limited’s facility and did not make any aggregate capital repayment.

4. Honora Tanzania Public Limited Company (“Honora Tanzania Plc”)

During the three month ended March 31, 2025, Honora Tanzania Plc has not drawn down any additional amount against the CRDB Bank Plc’s LC facility and made aggregate payments of EUR 0.03 million (approximately USD 0.04 million). Honora Tanzania Public Limited Company has utilized TZS 1.1 billion against the NBC Bank Ltd.’s facility (approximately USD 0.4 million) and made payments of TZS 5.1 billion (approximately USD 2.0 million) during the three month period ended March 31, 2025.

During the period from the initial drawdown to March 31, 2025, Honora Tanzania Public Limited Company has utilized EUR 10.5 million against the NMB’s facility (approximately USD 11.3 million) and made payments of EUR 3.8 million (approximately USD 4.1 million).

5. Maya Africa Holding Limited

On February 13, 2025, Maya Africa Holding Limited entered into a new loan facility agreement with Cofina Sénégal, Compagnie Financière Africaine for an amount of EUR 0.09 million (approximately USD 0.1 million) to be use for financing arrangements. The facility has a duration of 6 months with renewal option. The facility bears no interest and full capital repayment will be made at end of the initial 6 months. During the three month period ended March 31, 2025, Maya Africa Holding Limited made capital payments of EUR 3.0 million (approximately USD 3.1 million) against its existing facilities.

6. Axian Telecom - Term facilities agreement

During the three month period ended March 31, 2025, Axian Telecom drew down an amount of USD 8.4 million exclusively under Facility B of its arrangement with JP Morgan and made no capital repayment.

During the three month period ended March 31, 2025, Axian Telecom drew down an additional amount of USD 6.0 million against the BII facility and made no repayment.

On October 14, 2023, Axian Telecom entered into a credit facility agreement with Standard Bank of South Africa Limited, Isle of Man Branch (“SB”), FirstRand Bank Limited (acting through its Rand Merchant Bank division) (“RMB”), The Mauritius Commercial Bank Limited (“MCB”), Standard Chartered Bank, Dubai International Financial Centre Branch (“SCB”), and Standard Bank (Mauritius) Limited (“SBM”), to avail a term loan facility of up to USD 150.0 million. During the quarter ended March 31, 2025, Axian Telecom made a drawdown of USD 15.0 million against this facility and made no capital repayment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS (CONTINUED)

Bank loans (continued)

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

	Carrying value USD	Total cash flows USD	Cash flows within 1 year USD	Cash flows between 1 and 2 years USD	Cash flows between 3 and 4 years USD	Cash flows after 5 years USD
Borrowings	**539,128,859**	**742,519,557**	**112,484,510**	**157,360,532**	**421,414,237**	**51,260,278**
Listed bonds	**420,192,617**	**481,950,000**	**30,975,000**	**450,975,000**	**-**	**-**

15. CASH FLOW FROM OPERATING ACTIVITIES

	3 month period ended March 31, 2025 USD	March 31, 2024 USD
Cash flows from operating activities:		
Profit before income tax	**3,770,079**	41,144,501
Adjustments:		
Amortization of right-of-use assets	**17,140,801**	16,731,152
Depreciation of property, plant and equipment	**46,104,739**	44,369,204
Amortization of intangible assets	**13,462,860**	12,902,652
Gain on disposal of property, plant and equipment	**(103,351)**	(226,123)
Loss on disposal of intangible assets	**-**	41,800
Release of deferred profits on sale of property, plant and equipment	**(237,666)**	(236,327)
Reversal of provision on litigations	**26,688**	25,762
Write-back of government grants	**(1,218,730)**	(2,337,935)
Share of profit in associates and joint ventures	**(1,383,398)**	(5,068,760)
Interest expense on lease liability	**22,916,310**	23,446,379
Net interest expense on provision for dismantling costs	**613,273**	552,980
Other finance costs (excluding realized foreign exchange)	**56,336,022**	18,656,500
Finance income	**(4,406,314)**	(3,456,580)
Gain on fair valuation of derivatives	**(4,700,000)**	(1,138,245)
Write-off of financial assets	**228,328**	132,494
Provision for impairment of receivables	**2,764,163**	1,374,209
Impairment of loans receivable and other financial assets	**4,425,415**	2,967,869
Provision/(reversal of provision) for slow moving inventories	**382,822**	(499,578)
Provision for retirement benefits obligation	**42,574**	220,339
Gain on lease modification	**(12,044)**	(392,802)
Fair value gain on financial assets at fair value through profit or loss	**(152,316)**	-
Cash generated from operating activities before working capital changes	**156,000,255**	**149,209,491**
Changes in working capital:		
(Increase)/ decrease in inventories	**(3,018,559)**	2,730,703
Increase in trade and other receivables	**(47,673,066)**	(1,494,307)
Increase in trade and other payables	**21,593,307**	23,953,041
Increase in loans to customers	**(8,185,518)**	(5,226,238)
Increase in deposits from customers	**197,843**	263,855
Settlement of Litigations	**(27,878)**	-
Net cash generated from operating activities	**118,886,384**	**169,436,545**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. NON-IFRS MEASURES

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

	3 month period ended	
	March 31, 2025 USD	March 31, 2024 USD
Profit for the period	**(228,590)**	29,189,177
Adjustments:		
Income tax expense	**3,998,669**	11,955,324
Finance income	**(19,116,146)**	(22,309,348)
Finance costs	**89,866,268**	60,367,350
Depreciation of property, plant and equipment	**46,104,739**	44,369,204
Amortization of right of use assets	**17,140,801**	16,731,152
Amortization of intangible assets	**13,462,860**	12,902,652
EBITDA	**151,228,601**	**153,205,511**
Share of net profit in joint ventures and associates	**(1,383,398)**	(5,068,760)
Gain on disposal of property, plant and equipment and intangible assets	**(103,351)**	(226,123)
Adjusted EBITDA	**149,741,852**	**147,910,628**

17. SEGMENTAL REPORTING

Business Segments

For the three month period ended March 31, 2025, and for the year ended December 31, 2023, internal reports reviewed by the Chief Operating Decision Makers (i.e the Directors) in order to allocate resources to the segments and to assess their performance, are comprised of the following segments: mobile and fixed line communications, infrastructure, digital and mobile financial services, and other (which includes holding companies and their associated income and costs). The following disclosures are made with respect to segmental reporting, including a reconciliation of profit before tax for the period to Adjusted EBITDA for each segment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. SEGMENTAL REPORTING (CONTINUED)

Summarized financial information for the three month period ended March 31, 2025:

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	**Total USD**
Revenue	**287,849,552**	**14,488,776**	**71,403,336**	**(28,887)**	**373,712,777**
Profit/(loss) for the period before tax	**10,595,268**	**(16,175,878)**	**33,189,451**	**(23,838,762)**	**3,770,079**
Adjustments:					
Finance income	(2,866,984)	(863,417)	(3,317,098)	(12,068,647)	**(19,116,146)**
Finance costs	63,594,709	6,303,715	427,497	19,540,347	**89,866,268**
Depreciation of property, plant and equipment	36,821,457	9,165,137	98,620	19,525	**46,104,739**
Amortization of right of use assets	15,900,909	825,386	285,282	129,224	**17,140,801**
Amortization of intangible assets	12,806,735	369,680	244,579	41,866	**13,462,860**
EBITDA	**136,852,094**	**(375,377)**	**30,928,331**	**(16,176,447)**	**151,228,601**
Share of net profit in joint ventures and associates	-	-	-	(1,383,398)	**(1,383,398)**
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(101,118)	(2,767)	534	-	**(103,351)**
Adjusted EBITDA	**136,750,976**	**(378,144)**	**30,928,865**	**(17,559,845)**	**149,741,852**

	Mobile and fixed-line communications USD	Infrastructure USD	Digital and mobile financial services USD	Other USD	**Total USD**
Segment assets	2,378,248,926	411,143,545	502,774,515	94,033,919	**3,386,200,905**
Segment liabilities	(1,693,019,837)	(206,599,046)	(395,387,872)	(830,280,786)	**(3,125,287,541)**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS

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

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

Aptus Solutions Limited (“Aptus”)

On March 31, 2025, the Group, through its subsidiary Axian Telecom Fibre Ltd, completed the acquisition of 100% of the share capital of Aptus, a company providing fibre to the home (“FTTH”), fibre to the business (“FTTB”), and wholesale fibre capacity services in Tanzania, and trading as GOfiber. The total consideration was USD 4.8 million.

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

	Fair values Aptus Solutions Limited USD
ASSETS	
Property, plant and equipment	176,199
Inventories	154,388
Trade and other receivables	696,491
Cash and cash equivalents	546,377
Total assets	**1,573,455**
LIABILITIES	
Trade and other payables	562,129
Income tax payables	190,579
Total liabilities	**752,708**
Cost of investment	4,848,000
Net assets at date of acquisition	(820,747)
Goodwill	**4,027,253**

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Aptus Solutions Limited ("Aptus") (continued)

	Aptus Solutions Limited USD
Revenue - post acquisition	-
Net income - post acquisition	-
The cash flows associated with the business acquisitions are as follows:	
Purchase consideration [1]	4,848,000
Cash and cash equivalents acquired	(546,377)
Deferred consideration[1]	(4,320,000)
Cash inflow from acquisition, net of cash acquired	**(18,377)**

[1] The total value of purchase consideration represents the present value of the current and future payments due in respect of the acquisition. The total acquisition price of USD 4.8 million is payable in three installments: USD 0.5 million on completion, USD 3.8 million on April 2, 2025, and USD 0.5 million on May 23, 2025.

Telecom Comores Holding Limited and its subsidiaries

On May 31, 2024, Axian Telecom completed the acquisition of an additional 50% of the issued share capital of Telecom Comores Holding, being the parent company of our joint operations in Comoros (together with the parent company referred to as "Telma Comoros"). Axian Telecom thereafter directly and indirectly controlled 93.28% of the voting rights in Telma Comoros, allowing it to control and financially consolidate the operations of Telma Comoros. The operations of Telma Comoros are consolidated in these financial statements as from May 31, 2024.

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. ACQUISITIONS THROUGH BUSINESS COMBINATIONS (CONTINUED)

Telecom Comores Holding Limited and its subsidiaries (Continued)

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

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

	Telecom Comores Holding Limited and its subsidiaries USD
Revenue - post acquisition	20,196,341
Net income - post acquisition	833,501
The cash flows associated with the business acquisitions are as follows:	
Purchase consideration [1]	14,392,646
Cash and cash equivalents acquired	(8,036,026)
Bank overdraft acquired	12,819
Deferred consideration[1]	(3,815,388)
Cash outflow from acquisition, net of cash acquired	**2,554,051**

[1] The total value of purchase consideration represents the present value of the current and future payments due in respect of the acquisition. The total acquisition price of EUR 14.0 million is payable in three installments: EUR 5.0 million on completion, EUR 5.0 million on January 1, 2025, and EUR 4.0 million on January 1, 2026. The EUR 5.0 million due on January 1, 2025 was paid in December 2024, leaving only the present value of the EUR 4.0 million due on January 1, 2026 as deferred consideration at December 31, 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. SUBSEQUENT EVENTS

Utilization of existing loan facilities

Axian Telecom – The Standard Bank of South Africa Limited (USD 150.0 million facility)

On May 13, 2025, Axian Telecom drew down an additional amount of USD 15.0 million against the above facility for investment purpose.

Acquisition of beneficial ownership in JUMIA

On May 30, 2025, Axian Telecom filed a beneficial ownership report on Schedule 13D with the U.S. Securities and Exchange Commission (SEC), declaring its aggregate beneficial ownership of 8.0% in JUMIA Technologies AG (NYSE: JMIA) (JUMIA). The beneficial ownership was acquired subsequent to March 31, 2025.

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.