LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED

(“the Group”, “Liquid” or “Liquid Intelligent Technologies”)

FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 NOVEMBER 2024

Strong financial performance sustained; balance sheet strengthened

30 January 2025
Leading pan-African technology solutions group, Liquid Intelligent Technologies, a business of Cassava Technologies, announces financial results for the third quarter and nine months ended 30 November 2024

Strategic highlights:

- Closing of first equity tranche of USD 90 million; continued progress on second tranche of USD 135 million
- Signed new facilities to refinance and upsize our South African Rand Term Loan
- Liquid Networks and the Western Cape Government launched partnership to drive digital transformation in South Africa and increased its resilience in its cross-border capacity between Kenya and Uganda
- Liquid C2 expanded its cyber security to provide holistic data and asset protection for East African businesses and built on its strategic partnership with Cloudflare to introduce enhanced cyber security solutions

Financial highlights:

- Reported revenue grew 7.0% year-on-year in the first nine months driven by strong performance across the Group, notably in the C2 and Network segments
- Adjusted EBITDA[1] increased 16.6% year-on-year in the first nine months to USD 206.4 million driven by broad-based growth across the Group
- Cash generated from operations increased 17.4% year-on-year in the first nine months to USD 161.6 million driven by strong EBITDA growth, lower capex and working capital improvements
- Net debt to Adjusted EBITDA[1,2,3] came in at 3.25 times compared to 3.33 times in the prior year

Group Financials	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2024 (USDm)	30 Nov 2023 (USDm)	YoY (%)	30 Nov 2024 (USDm)	30 Nov 2023 (USDm)	YoY (%)
Revenue	528.6	494.2	7.0	164.3	167.3	(1.8)
Adjusted EBITDA	206.4	177.0	16.6	51.0	55.3	(7.8)
Cash generated from operations	161.6	137.7	17.4	52.4	51.5	1.7
Net debt	931.5	861.6	8.1	931.5	861.6	8.1
Net debt / Adjusted EBITDA (x)	3.25	3.33	n/a	3.25	3.33	n/a

[1] Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, impairment and amortisation, and is also presented before recognising the following items: acquisition and other investment costs, restructuring costs, gain on bargain purchase, interest income, interest costs, finance costs, net foreign exchange (loss)/gain and hyperinflation monetary gain
[2] Net debt is defined as gross debt less unrestricted cash and cash equivalents
[3] Adjusted EBITDA for the last twelve months

Group Chief Executive Officer, Hardy Pemhiwa, commented:
"The end of 2024 was a significant period for the Group as we enhanced our capital structure and welcomed new shareholders. I am delighted that in December 2024 we announced the strengthening of our balance sheet with the refinance and upsize of our South African Rand term loan. The signing of this refinancing enabled us to close the first tranche of new equity of USD 90 million into Cassava Technologies, with the majority of this capital flowing into the bond perimeter.

These are two significant milestones in our debt refinance programme that we set out in June last year. The multi-tenor nature of our signed ZAR facility delivers on key lending priorities by creating a staggered maturity profile and providing better currency correlation between our earnings and liabilities.

These two milestones position us well as we look ahead to the refinancing of our bond in 2025.

Operationally, we delivered a strong, broad-based performance in the first nine months, including a good improvement in cash generation. Our South African business has continued to perform strongly with growth of more than 25% in revenue and 21% in EBITDA. Across the Group, we continue to execute diligently on our cost optimisation programme and continue to track in line with our savings target of USD 10 million this year."

Group Chairman, Strive Masiyiwa, added:
"The addition of new, strategic, shareholders, is a further confirmation of the exciting future for Liquid. The Board and I look forward to working closely with the Development Finance Corporation, Google and FinnFund in the coming years. This funding is a key part of the Group's plans to strengthen our balance sheet, drive sustainable, profitable growth, and cement our position as a global technology company of African heritage.

In addition, the completion of the ZAR refinance as well as the wider Group's business reorganisation positions Liquid for robust growth.

This has been a pivotal period for the Group. We expect the enhancements to our capital structure will enable the business to unlock immense value and catalyse strong growth to help bridge the digital divide on the continent, enabling us to fulfil our vision of a digitally connected future that leaves no African behind."

There will be an investor call today at 14:00 GMT, you can register for the event here. Further details and information about Liquid Intelligent Technologies can be found on our website at www.liquid.tech.

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Next scheduled announcement: The Group is scheduled to publish Q4 FY 2024-25 results in May/June 2025.

About Liquid Intelligent Technologies
Liquid Intelligent Technologies is a business of Cassava Technologies, a pan-African technology group with operations in over 25 countries in Africa. Liquid has firmly established itself as the leading provider of pan-African digital infrastructure with a 110,000 km-long fibre broadband network and satellite connectivity that provides high-speed access to the Internet anywhere in Africa. Liquid is also leveraging its digital network to provide Cloud and Cyber Security solutions through strategic partnerships with leading global players. Liquid is a comprehensive technology solutions group that provides customised digital solutions to public and private sector enterprises and SMEs across the continent.

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OPERATIONAL AND FINANCIAL REVIEW

Liquid Intelligent Technologies is a technology, digital solutions and broadband data connectivity provider to enterprise and retail customers across more than 25 countries primarily in Central, Eastern and Southern Africa.

Key performance indicators (KPIs)

The following table sets out the Group's key performance indicators:

Key performance indicators	Q1 2023-24	Q2 2023-24	Q3 2023-24	Q4 2023-24	FY 2023-24	Q1 2024-25	Q2 2024-25	Q3 2024-25
Total fibre network (Kms) [1]	106,037	107,597	107,750	107,844	107,844	107,900	108,086	108,441
Average churn rate (%) [2]	0.53%	0.45%	0.41%	0.43%	0.46%	0.44%	0.60%	0.67%
Monthly recurring revenue (%) [3]	88.0%	88.8%	89.9%	71.4%	84.0%	81.9%	85.2%	92.1%
Cloud seats YoY growth (%) [4]	66.6%	50.2%	41.2%	17.2%	17.2%	15.0%	9.6%	6.0%
Total capacity on subsea assets (Gbps) [5]	3,104	3,125	3,125	3,519	3,519	3,841	3,841	4,341

[1] Total fibre network in kilometres (incl. backbone, metro and FTTX) through which fibre is installed. Multiple kilometres of fibre cables or ducts within the same trench/overhead line are counted individually. Includes both owned and leased capacity through partnerships.
[2] Average churn rate represents the monthly recurring revenue that was lost during the period following a price reduction or termination of service due to disconnections, downgrades, price reduction and non–renewals, divided by the total revenue for the period.
[3] Monthly recurring revenue is the total of all recurring revenue usage in the period normalised into a monthly amount and expressed as a percentage of total revenue in the same period.
[4] Year-on-year growth for the equivalent period in the number of paid for Cloud license seats.
[5] Capacity, in gigabits per second, purchased by, activated by, or reserved for, Liquid Intelligent Technologies on subsea cables (incl. IRUs).

Our pan-continental network build is largely complete and therefore the new fibre builds in the period remained low. We added 355 kilometres to reach 108,441 kilometres as we focus on monetising our existing footprint with more targeted network densification and in the third quarter this was focused on South Africa, Zimbabwe, the DRC and Kenya.

Delivering on our customer satisfaction promise remains integral to our long-term success. We remain laser focused on providing value to our customers via competitive and comprehensive digital solutions. As a result, our churn remained market leading and comfortably below 1% at 0.67% in the third quarter, albeit a small increase versus the prior year (Q3 FY 2023-24: 0.41%).

We maintained a high level of monthly recurring revenue (MRR) during the third quarter at 92.1%, an increase on the prior year (Q3 FY 2023-24: 89.9%) which included USD 7.1 million of NRR revenue related to ECG infrastructure sales. We remain determined to retain a high level of MRR to deliver more consistent and predictable revenue streams.

Our year-on-year growth in Cloud seats was 6.0%, driven by the strong performance of Cloudmania in all geographies as well as underlying market growth. This is a key part of our strategy of delivering digital services to existing and new customers over our digital infrastructure.

Subsea capacity increased to 4,341 Gbps in the third quarter largely due to the launch of and access to Meta's 2Africa undersea cable as well as additional capacity on Google's Equiano cable.

Segments

Network - These revenue streams are at the core of the company and this segment includes revenue from all our owned and leased fibre infrastructure, including the long-haul Cape to Cairo, East to West and South Africa NLD (National Long Distance) routes as well as Metro and FTTH networks.

C2 - This encompasses our cloud and cyber security offerings including managed services, as this segment grows it will include other complementary digital products.

Dataport - This segment includes revenue from agreements with subsea cable providers, satellite services, hosting of landing stations and providing the gateway to large, global network provision agreements.

Voice - This segment is primarily revenue from international voice interconnects between mobile network operators and international telecom carriers into and out of Africa.

Revenue

Revenue by Segment	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2024	30 Nov 2023	YoY	30 Nov 2024	30 Nov 2023	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Network	376.5	349.8	7.6	114.7	119.8	(4.3)
C2	86.3	70.0	23.3	29.1	24.1	20.7
Dataport	26.9	29.1	(7.6)	8.4	8.1	3.7
Voice	38.9	45.3	(14.1)	12.1	15.3	(20.9)
Total Revenue	**528.6**	**494.2**	**7.0**	**164.3**	**167.3**	**(1.8)**

Total revenue in the third quarter was USD 164.3 million (Q3 FY 2023-24: USD 167.3 million), a decrease of 1.8% year-on-year, however, the prior year included USD 7.1 million of low margin infrastructure non-recurring revenue (NRR) related to the ECG project. Excluding this total revenue grew 2.4% driven by the Network, C2 and Dataport segments across the Group.

The year-on-year impact in the third quarter due to exchange rate movements was a headwind of USD 1.6 million as positive impacts from strengthening of the South African Rand (USD 5.0 million) and the Kenya Shilling (USD 2.9 million) were more than offset by the headwinds related to the Zambia Kwacha (USD 6.9 million) and other currencies (USD 2.6 million). Excluding these impacts and the sale of infrastructure related to ECG, total revenue grew 3.6%.

On a geographic basis, there was strong broad-based growth with the exceptions of Zambia, due to the adverse FX impact, and the largely Voice driven Rest of World region.

The South Africa business continued to grow excluding the impact of ECG infrastructure sales and the exchange rate tailwind. On a reported basis, the South African business' revenue declined 2.7% year-on-year in the third quarter but grew 9.5% excluding the ECG infrastructure sales and by 0.7% when also excluding the FX benefit.

The Zimbabwean business grew strongly, up 13.5% year-on-year in the third quarter, in part due to the benefit from tariff reviews in the prior year and a more recent period of exchange rate stability, but also due to robust underlying performance. The new currency, introduced in April 2024, has remained relatively stable during the first nine months, however, it has experienced an increased rate of deterioration more recently. We continue to monitor this closely and the telecoms industry continues to engage the regulator on tariff reviews to offset any sustained deterioration.

Rest of Africa grew 4.0% year-on-year on a reported basis and by 24.8% excluding USD 7.4 million of exchange rate headwinds, predominantly related to the Zambian Kwacha, with the underlying growth driven by particularly strong performances in Zambia, Egypt and Tanzania.

On a year-to-date basis, total revenue was USD 528.6 million, 7.0% higher year-on-year (Q3 YTD 2023-24: USD 494.2 million) driven by strong performances in Network and C2, offset by the ongoing decline in Voice and the timing of deals in Dataport.

The year-on-year impact due to exchange rates in the first nine months was a headwind of USD 8.9 million as positive impacts related to the South African Rand (USD 4.5 million) and the Kenya Shilling (USD 4.0 million) were more than offset by the headwinds related to the Zambia Kwacha (USD 14.8 million) and other currencies (USD 2.6 million).

Network

Network revenue in the third quarter, which includes all intra- and inter-country fibre activity, decreased by 4.3% year-on-year to USD 114.7 million (Q3 FY 2023-24: USD 119.8 million), however, the prior year included a benefit related to the sale of infrastructure for the Eastern Cape Government project of USD 7.1 million. Excluding this and the exchange rate headwinds noted above, Network revenue increased 3.1% year-on-year from strong growth in Zimbabwe and Rest of Africa, partly offset by declines in Rest of World.

Reported South African Network revenue declined 6.0% year-on-year in the third quarter, however the prior year included the infrastructure sale referred to above, excluding this and the exchange rate tailwind of USD 5.0 million, underlying revenue declined 2.0% year-on-year, albeit the region is now annualising against far stronger comparators.

Underlying Zimbabwean Network revenue increased through strong customer base growth. The business also benefited from the benefit of two tariff reviews in the first quarter and a further review in November.

In Rest of Africa, Network revenue decreased 1.9% on a reported basis as broad based growth across the region was offset by adverse exchange rate movements totalling USD 7.4 million. Excluding this, Rest of Africa Network revenue would have increased by 23.0% year-on-year benefiting from by strong underlying growth in Zambia, Egypt and Tanzania.

On a year-to-date basis, Network revenue was USD 376.5 million compared to USD 349.8 million in the same period last year, an increase of 7.6%. This strong growth benefited from further demand for dark fibre and IRU deals from MNOs in Kenya, tariff reviews in Zimbabwe and strong growth in South Africa, including the benefit of ECG infrastructure sales, offset by the adverse exchange rate movements in Rest of Africa.

C2

C2 revenue in the third quarter, which largely comprises our cloud and cyber security offerings as well as other digital services, continued to grow strongly, up 20.7% year-on-year to USD 29.1 million (Q3 FY 2023-24: USD 24.1 million).

Growth benefited from the 6.0% year-on-year increase in Cloud seats as well as high levels of renewals, with continued strong growth in Zimbabwe and Rest of Africa, particularly in Egypt, as well as good performances via our indirect channels for our Application and Azure platforms. We experienced good underlying market growth and the benefit from the pass through of USD linked rate increases. There continues to be a strong appetite for our cloud offerings as more businesses transition to integrated cloud solutions across most applications and platforms.

On a year-to-date basis, C2 revenue was USD 86.3 million compared to USD 70.0 million in the same period last year, a 23.3% increase year-on-year, driven by strong growth across all regions.

Dataport

Dataport revenue in the third quarter, covering all our sea-to-land connections, subsea capacity and satellite services, increased 3.7% year-on-year to USD 8.4 million (Q3 FY 2023-24: USD 8.1 million). This increase was driven by growth in Rest of Africa.

On a year-to-date basis, Dataport revenue was USD 26.9 million compared to USD 29.1 million in the same period last year, a decrease of 7.6% year-on-year largely resulting from large NRR contract wins in Rest of Africa in the prior year, primarily in the DRC, which has become a challenging environment to operate in. Dataport continues to build up a strong pipeline, however, these deals are typically large and non-recurring, resulting in fluctuating trends.

Voice

Voice revenue in the third quarter, continued to be impacted by global traffic trends away from traditional voice activity, resulting in revenue declining 20.9% year-on-year to USD 12.1 million (Q3 FY 2023-24: USD 15.3 million). Though there is a decline in overall revenue and minutes, we continue to focus on higher margin destinations to limit gross profit erosion.

On a year-to-date basis, Voice revenue was USD 38.9 million compared to USD 45.3 million for the same period last year.

Gross Profit

Gross Profit	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2024	30 Nov 2023	YoY	30 Nov 2024	30 Nov 2023	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Revenue	528.6	494.2	7.0	164.3	167.3	(1.8)
Costs per quarterly financial statements	(163.8)	(138.4)	(18.4)	(45.6)	(49.4)	7.7
Gross Profit	**364.8**	**355.8**	**2.5**	**118.7**	**117.9**	**0.7**
Gross Profit Margin (%)	69.0%	72.0%	-3.0pp	72.2%	70.5%	1.8pp

Absolute gross profit for the third quarter was USD 118.7 million, 0.7% higher year-on-year (Q3 FY 2023-24: USD 117.9 million) and gross profit margin was 72.2% compared to 70.5% in the prior year, with the increase largely resulting from the impact of low margin ECG infrastructure sales in the prior year which more than offset the increased mix from the growing C2 segment.

On a year-to-date basis, gross profit was USD 364.8 million, 2.5% higher year-on-year (Q3 YTD FY 2023-24: USD 355.8 million) and the gross profit margin was lower year-on-year at 69.0% (Q3 YTD FY 2023-24: 72.0%) as a result of the higher levels of low margin ECG infrastructure sales in the first half of the current year.

Total Overheads and Other Income

Total Overheads and Other Income	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2024	30 Nov 2023	YoY	30 Nov 2024	30 Nov 2023	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Other income	3.0	3.9	(23.1)	1.3	1.6	(18.8)
Selling, distribution and marketing costs	(7.6)	(8.3)	8.4	(3.1)	(3.4)	8.8
Expected credit loss provision	3.7	(3.5)	205.7	(3.7)	(0.9)	(311.1)
Administrative costs	(71.2)	(70.1)	(1.6)	(30.2)	(25.2)	(19.8)
Staff costs	(86.3)	(100.8)	14.4	(32.0)	(34.7)	7.8
Total Overheads and Other Income	**(158.4)**	**(178.8)**	**11.5**	**(67.7)**	**(62.6)**	**(8.1)**
% to Total Revenue	30.0%	36.2%	6.2pp	41.2%	37.4%	-3.8pp

Total Overheads and Other Income for the third quarter were USD 67.7 million (Q3 FY 2023-24: USD 62.6 million), 8.1% higher year-on-year as the prior year benefited from a significant improvement in debtors in South Africa and Zimbabwe resulting in a favourable movement in bad debt provisions. The current year is further impacted by VAT and license tax provisions in Central and Southern Africa of USD 8.0 million.

We continue to pivot from a geographical/OPCO led to a Business Unit/Product led operating model and this is driving the implementation of our cost optimisation programme. This has largely resulted in reductions in staff and administrative costs. We are confident that this programme will deliver our indicated savings of USD 10.0 million in the current year relative to FY 2023-24, with an incremental USD 15.0 million of savings in FY 2025-26.

On a year-to-date basis, Total Overheads and Other Income amounted to USD 158.4 million compared to USD 178.8 million for the same period last year. In addition to realising the benefits of the cost optimisation programme, we continue to be focused on cost control generally and have had some upside from exchange rate movements. As a result, overheads as a percentage of revenue have materially reduced to 30.0% compared to 36.2% in the same period of the prior year.

Adjusted EBITDA and Profit

Adjusted EBITDA	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2024	30 Nov 2023	YoY	30 Nov 2024	30 Nov 2023	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Adjusted EBITDA	**206.4**	**177.0**	**16.6**	**51.0**	**55.3**	**(7.8)**
Depreciation, impairment and amortisation	(86.8)	(90.0)	3.6	(28.3)	(29.0)	2.4
Operating Profit	**119.6**	**87.0**	**37.5**	**22.7**	**26.3**	**(13.7)**
Acquisition and other investment costs	-	(0.1)	(100.0)	-	(0.1)	(100.0)
Restructuring costs	(3.0)	-	(100.0)	(0.2)	-	(100.0)
Gain on bargain purchase	-	0.3	(100.0)	-	-	n/a
Interest income	17.2	15.8	8.9	6.3	5.2	21.2
Finance costs	(73.7)	(54.1)	(36.2)	(26.7)	(17.5)	(52.6)
Foreign exchange loss	(274.3)	(276.9)	0.9	(134.8)	(50.3)	(168.0)
Monetary adjustment - IAS 29	64.8	280.4	(76.9)	(12.7)	38.6	(132.9)
Share of profit of associate	-	-	n/a	-	-	n/a
(Loss) / profit before tax	**(149.4)**	**52.4**	**(385.1)**	**(145.4)**	**2.2**	**(6,709.1)**
Tax credit / (expense)	7.8	(39.8)	119.6	23.9	(13.2)	281.1
(Loss) / profit for the period	**(141.6)**	**12.6**	**(1,223.8)**	**(121.5)**	**(11.0)**	**1,004.5**

Adjusted EBITDA in the third quarter was USD 51.0 million, 7.8% lower compared to the same period in the prior year (Q3 FY 2023-24: USD 55.3 million) resulting from the higher level of Overheads in the quarter relative to the prior year, as detailed above.

On a year-to-date basis, Adjusted EBITDA was USD 206.4 million compared to USD 177.0 million for the same period last year, an increase of 16.6% and largely reflecting the strong contribution from South Africa and Zimbabwe in the first half as well as the benefits of the cost optimisation programme.

Depreciation, impairment and amortisation costs in the third quarter were slightly lower year-on-year at USD 28.3 million (Q3 FY 2023-24: USD 29.0 million). The year-on-year reduction in both the third quarter and on a year-to-date basis was largely driven by exchange rate movements.

Finance costs of USD 26.7 million in the third quarter and USD 73.7 million in the first nine months were higher year-on-year (Q3 FY 2023-24: USD 17.5 million, Q3 YTD FY 2023-24: USD 54.1 million) and reflected the interest on the Bond and Revolving Credit Facility (RCF), the amortising ZAR term loan, local debt in Zambia, and leases.

The foreign exchange loss in the first nine months of USD 274.3 million (Q3 YTD FY 2023-24: USD 276.9 million) was mainly due to adverse exchange rate movements in Zimbabwe and Zambia. Prior to the change of currency in Zimbabwe, the closing exchange rate on 5th April 2024 was ZWL$:USD 33,886.7:1. CPI in Zimbabwe for 31 March 2024 was 380,237.6 which resulted in a monetary adjustment in the first nine months of USD 64.8 million (Q3 YTD FY 2023-24: USD 280.4 million). After the change of currency and as of 30 November 2024, the closing exchange rate was ZWG:USD 25.5:1 and the average rate was ZWG:USD 15.7:1. This contributed to the loss after tax for the first nine months of USD 141.6 million (Q3 YTD FY 2023-24: profit after tax of USD 12.6 million).

Cash generated from operations

Cash Flows	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2024 (USDm)	30 Nov 2023 (USDm)	YoY (%)	30 Nov 2024 (USDm)	30 Nov 2023 (USDm)	YoY (%)
Cash generated from operations	**161.6**	**137.7**	17.4	**52.4**	**51.5**	1.7
Tax paid	(18.1)	(28.1)	35.6	(6.4)	(12.3)	48.0
Net cash generated from operating activities	**143.5**	**109.6**	**30.9**	**46.0**	**39.2**	**17.3**
Net cash used in investing activities	(34.9)	(37.7)	7.4	(9.3)	(1.7)	(447.1)
Net cash used in financing activities	(95.4)	(77.8)	(22.6)	(40.3)	(39.4)	(2.3)
Net increase / (decrease) in cash and cash equivalents	**13.2**	**(5.9)**	**323.7**	**(3.5)**	**(1.9)**	**(84.2)**

Cash generated from operations for the third quarter improved year-on-year to USD 52.4 million (Q3 FY 2023-24: USD 51.5 million) due to improved working capital movements.

Net cash used in investing activities in the quarter amounted to USD 9.3 million (Q3 FY 2023-24: USD 1.7 million). The year-on-year increase resulted from a disposal of the Eastern Cape Government project assets of USD 14.6 million in the prior year, capex for which had largely been incurred in the first half of FY 2023-24. The cash used on investing activities in the quarter was largely on network infrastructure, maintenance and customer connections in Kenya, the DRC, South Africa and Zimbabwe.

Cash used in financing activities is largely related to interest, lease and debt payments. In the third quarter, financing activities amounted to USD 40.3 million, broadly flat on the same period in the prior year (Q3 FY 2023-24: USD 39.4 million).

On a year-to-date basis, cash generated from operations was USD 161.6 million (Q3 YTD FY 2023-24: USD 137.7 million), an increase of 17.4%, due to the strong EBITDA growth, lower capex and working capital improvements.

Net cash used in investing activities in the first nine months was 7.4% lower than the prior year due to reduced investment on network expansion as we increasingly focus discretionary capex on shorter payback customer connection capex.

Interest, lease and debt payments in the first nine months totalled USD 95.4 million (Q3 YTD FY 2023-24: USD 77.8 million), with the year-on-year increase due to the RCF drawdown in the prior year.

Capital investment and network developments

Capital expenditure in the third quarter was slightly higher year-on-year at USD 10.8 million (Q3 FY 2023-24: USD 7.8 million), however on a year-to-date basis capex was 24.0% lower year-on-year. Furthermore, as the build of our network is largely complete, a greater share of the investment compared to the prior year was focused on customer connections including on the NLD routes in South Africa, as well as in Zimbabwe, the DRC and Kenya.

Gross and Net Debt

Gross and Net Debt	As at 30 Nov 2024 (USDm)
Total Gross Debt	**986.2**
Long term borrowings (excl derivative)	751.1
Short term portion of long-term borrowings	61.4
Unamortised arrangement fees	6.0
Leases - LT	132.3
Leases - ST	35.4
Less: Unrestricted cash	**(54.7)**
Net Debt	**931.5**
Last twelve months EBITDA	286.7
Last twelve months interest	99.5
Covenants:	
Gross Debt / LTM EBITDA (x)	3.44
Net Debt / LTM EBITDA (x)	3.25
Interest / LTM EBITDA (x)	2.88
Debt Service Cover Ratio (DSCR)	2.12

Unrestricted cash at the end of the third quarter was USD 54.7 million (FY 2023-24: USD 56.7 million), of this, USD 15.2 million was held in Zimbabwe (FY 2023-24: USD 11.2 million). We continue to ensure that we have sufficient liquidity with a strong focus on working capital management.

Gross debt was USD 986.2 million at the end of the third quarter, higher than the FY 2023-24 year end (USD 950.0 million) due to the increased leases related to the ECG project, further drawdowns on the RCF, as well as some exchange rate impacts.

Considering the above cash position, net debt at the end of November was USD 931.5 million, giving a net debt to Adjusted EBITDA ratio of 3.25x, compared to the 3.50x covenant threshold and 3.47x position at the end of FY 2023-24.

Strive Masiyiwa	Hardy Pemhiwa	Lorraine Harper
Group Chairman	Group Chief Executive Officer	Group Chief Finance Officer

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED

(trading as)

LIQUID INTELLIGENT TECHNOLOGIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE 9 MONTHS ENDED

30 November 2024

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 9 months ended 30 November 2024

		9 months ended		3 months ended	
	Notes	**30/11/2024**	**30/11/2023**	**30/11/2024**	**30/11/2023**
		USD'000	**USD'000**	**USD'000**	**USD'000**
		(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Revenue	3	528,600	494,245	164,252	167,255
Interconnect related costs		(27,294)	(33,941)	(8,452)	(11,834)
Data and network related costs		(161,147)	(130,730)	(45,497)	(46,598)
Net other income	4	2,968	3,845	1,389	1,557
Selling, distribution and marketing costs		(7,596)	(8,325)	(3,136)	(3,414)
Expected credit loss reversed / (provision)		3,708	(3,546)	(3,668)	(855)
Administrative expenses		(46,527)	(43,817)	(21,895)	(16,126)
Staff costs		(86,344)	(100,771)	(31,956)	(34,668)
Depreciation, impairment and amortisation		(86,800)	(89,987)	(28,328)	(29,015)
Operating profit		**119,568**	**86,973**	**22,709**	**26,302**
Dividend received		25	44	22	-
Restructuring costs		(2,964)	-	(206)	-
Acquisition and other investment costs		-	(106)	-	(60)
Gain on bargain purchase		-	272	-	-
Interest income	5	17,168	15,818	6,263	5,164
Finance costs	6	(73,704)	(54,053)	(26,685)	(17,499)
Foreign exchange loss		(274,279)	(276,868)	(134,751)	(50,338)
Hyperinflation monetary gain / (loss) (up to 5 April 2024)		64,834	280,360	(12,671)	38,640
Share of profits of associate		15	12	4	4
(Loss) / profit before taxation		**(149,337)**	**52,452**	**(145,315)**	**2,213**
Tax credit / (expense)	7	7,787	(39,831)	23,862	(13,188)
(Loss) / profit for the period		**(141,550)**	**12,621**	**(121,453)**	**(10,975)**
Other comprehensive income / (expense)					
Items that may be reclassified subsequently to profit or loss:					
Translation gain / (loss) on accounting for foreign entities		75,259	(1,330)	39,008	3,448
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		40,612	(44,244)	(1,020)	728
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss / gain on investments in equity instruments designated as FVTOCI		(569)	1,543	(645)	(933)
Total other comprehensive income / (expense), net of tax		115,302	(44,031)	37,343	3,243
Total comprehensive expense		**(26,248)**	**(31,410)**	**(84,110)**	**(7,732)**
(Loss) / income attributable to:					
Owners of the company		(141,129)	13,021	(121,418)	(10,912)
Non-controlling interest		(421)	(400)	(35)	(63)
		(141,550)	**12,621**	**(121,453)**	**(10,975)**
Total comprehensive expense attributable to:					
Owners of the company		(25,778)	(30,847)	(84,035)	(7,649)
Non-controlling interest		(470)	(563)	(75)	(83)
		(26,248)	**(31,410)**	**(84,110)**	**(7,732)**
(Loss) / earnings per share					
Basic (Cents per share)	24	(113.03)	10.43	(97.24)	(8.74)

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 November 2024

	Notes	30/11/2024	29/02/2024
		USD'000	USD'000
		(Unaudited)	(Audited)
Non-current assets			
Goodwill	8	77,727	73,990
Intangible assets	9	58,777	60,131
Property, plant and equipment	10	428,279	483,704
Right-of-Use assets	11	226,526	216,956
Investment in associate		589	540
Investments at Fair Value Through Other Comprehensive Income (FVTOCI)	22	17,042	15,362
Deferred tax assets		57,460	41,869
Investments at amortised cost		39	41
Long-term receivables	20	156,158	143,074
Pre-commencement lease payments		10,000	9,565
Total non-current assets		**1,032,597**	**1,045,232**
Current assets			
Inventories		32,077	50,399
Trade and other receivables	13	335,219	258,944
Taxation		4,202	5,277
Cash and cash equivalents	12	54,692	56,654
Restricted cash and cash equivalents	12	442	422
Total current assets		**426,632**	**371,696**
Total assets		**1,459,229**	**1,416,928**
Equity and liabilities			
Capital and reserves			
Share capital		3,716	3,716
Share premium		276,714	276,714
Convertible preference shares		180,000	180,000
Investment revaluation reserve		(553)	16
Accumulated losses		(198,745)	(57,616)
Foreign currency translation reserve		(163,322)	(279,242)
Total equity attributable to owners of the parent		**97,810**	**123,588**
Non-controlling interests		(940)	86
Total equity		**96,870**	**123,674**
Non-current liabilities			
Long term borrowings	14	753,032	742,252
Long term lease liabilities	15	132,321	116,804
Long term provisions		5,641	6,372
Deferred revenue	17	55,056	56,967
Deferred tax liabilities		3,841	4,615
Other long term payables		77	-
Total non-current liabilities		**949,968**	**927,010**
Current liabilities			
Short term portion of long term borrowings	14	71,116	80,987
Short term portion of long term lease liabilities	15	35,356	20,441
Trade and other payables	16	225,642	199,889
Short term provisions		17,169	13,912
Deferred revenue	17	48,180	40,443
Taxation		14,928	10,572
Total current liabilities		**412,391**	**366,244**
Total equity and liabilities		**1,459,229**	**1,416,928**

Approved by the Board of Directors and authorised for issue on 29 January 2025

Eric Venpin
Director

Mike Mootien
Director

	Notes	Share capital	Share premium	Convertible preference shares	Investment revaluation reserve	Foreign currency translation reserve	Accumulated losses	Non-controlling interest	Total equity
		USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 01 March 2023 (Audited)		**3,716**	**276,714**	**180,000**	**-**	**(217,565)**	**(64,098)**	**1,146**	**179,913**
Dividend	21	-	-	-	-	-	-	(360)	(360)
Income / (expense) and total comprehensive income / (expense) for the period		-	-	-	1,543	(45,411)	13,021	(563)	(31,410)
Profit / (loss) for the period		-	-	-	-	-	13,021	(400)	12,621
Fair value gain on investments in equity instruments designated as FVTOCI		-	-	-	1,543	-	-	-	1,543
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		-	-	-	-	(44,244)	-	-	(44,244)
Translation loss on accounting for foreign entities		-	-	-	-	(1,167)	-	(163)	(1,330)
At 30 November 2023 (Unaudited)		**3,716**	**276,714**	**180,000**	**1,543**	**(262,976)**	**(51,077)**	**223**	**148,143**
At 01 March 2024 (Audited)		**3,716**	**276,714**	**180,000**	**16**	**(279,242)**	**(57,616)**	**86**	**123,674**
Dividend	21	-	-	-	-	-	-	(556)	(556)
Income / (expense) and total comprehensive income / (expense) for the period		-	-	-	(569)	115,920	(141,129)	(470)	(26,248)
Loss for the period		-	-	-	-	-	(141,129)	(421)	(141,550)
Fair value loss on investments in equity instruments designated as FVTOCI	22	-	-	-	(569)	-	-	-	(569)
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		-	-	-	-	40,612	-	-	40,612
Translation gain / (loss) on accounting for foreign entities		-	-	-	-	75,308	-	(49)	75,259
At 30 November 2024 (Unaudited)		**3,716**	**276,714**	**180,000**	**(553)**	**(163,322)**	**(198,745)**	**(940)**	**96,870**

	Notes	9 months ended 30/11/2024 USD'000 (Unaudited)	9 months ended 30/11/2023 USD'000 (Unaudited)	3 months ended 30/11/2024 USD'000 (Unaudited)	3 months ended 30/11/2023 USD'000 (Unaudited)
Cash flows from operating activities:					
(Loss) / profit before tax		(149,337)	52,452	(145,315)	2,213
Adjustments for:					
Depreciation, impairment and amortisation		86,800	89,987	28,329	29,015
Dividend received		(25)	(44)	(22)	-
Expected credit loss (reversal) / provision		(7,077)	543	940	(185)
Increase in provisions		3,986	10,209	5,559	5,573
Foreign exchange loss		231,996	274,579	115,481	49,179
Hyperinflation monetary (gain) / loss		(64,834)	(280,360)	12,670	(38,640)
Profit on disposal of property, plant and equipment		(970)	(434)	(1,142)	(425)
Profit on disposal of Right-of-Use assets		210	-	210	-
Interest income	5	(17,168)	(15,818)	(6,263)	(5,164)
Finance costs	6	73,704	54,053	26,685	17,499
Gain on bargain purchase		-	(272)	-	-
Share of profit from associate		(15)	(12)	(4)	(4)
		157,270	184,883	37,128	59,061
Working capital changes:					
Decrease / (increase) in inventories		6,211	(25,096)	2,359	(25,361)
Increase in trade and other receivables		(82,053)	(34,457)	(14,157)	29,259
Increase / (decrease) in trade and other payables		76,157	1,764	22,400	(12,507)
Increase in deferred revenue		4,049	10,603	4,698	1,060
Cash generated from operations		161,634	137,697	52,428	51,512
Income tax paid		(18,105)	(28,107)	(6,355)	(12,324)
Net cash generated from operating activities		143,529	109,590	46,073	39,188
Cash flows from investing activities:					
Interest income		1,434	1,608	887	565
Dividend received		25	44	22	-
Net cash inflow on acquisition of subsidiary		-	148	-	-
Purchase of investment at FVTOCI	22 (i)	(3,357)	(2,365)	(3,357)	83
Disposal of investment at FVTOCI	22 (i)	-	1,808	-	(557)
Purchase of property, plant and equipment		(28,976)	(39,760)	(9,222)	(5,927)
Proceeds on disposal of property, plant and equipment		1,935	18,055	1,315	17,194
Purchase of intangible assets	9	(5,317)	(5,033)	(1,553)	(1,774)
Increase in other long-term receivables		-	-	2,709	164
Pre-commencement lease payments		(435)	(901)	-	(68)
Increase in long-term receivables from related parties		(165)	(11,338)	(64)	(11,338)
Net cash used in investing activities		(34,856)	(37,734)	(9,263)	(1,658)
Cash flows from financing activities:					
Dividend paid		(623)	(360)	(133)	-
Finance costs paid		(52,427)	(51,855)	(23,934)	(23,515)
Decrease in lease liabilities		(39,083)	(44,348)	(16,129)	(12,247)
(Decrease) / increase in borrowings		(3,340)	18,753	(100)	(3,650)
Net cash used in financing activities		(95,473)	(77,810)	(40,296)	(39,412)
Net increase / (decrease) in cash and cash equivalents		13,200	(5,954)	(3,486)	(1,882)
Cash and cash equivalents at beginning of the period		57,076	88,818	68,730	60,519
Translation of cash with respect to foreign subsidiaries		(15,142)	(24,855)	(10,110)	(628)
Cash and cash equivalents at end of the year	12	**55,134**	**58,009**	**55,134**	**58,009**
Represented by:					
Cash and cash equivalents	12	54,692	57,582	54,692	57,582
Restricted cash and cash equivalents	12	442	427	442	427
		55,134	**58,009**	**55,134**	**58,009**

1. General information

Liquid Telecommunications Holdings Limited (trading as Liquid Intelligent Technologies), is a private company incorporated in Mauritius on the 26 January 2007 and is the holder of a Category 2 – Global Business Licence Company as from 29 January 2007, which was converted to a Global Business Company licence on 30 June 2021. Its registered office is situated at 10th floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, Mauritius. The company's main activity is to carry on the business of a holding company in respect of subsidiary companies across Africa and certain other countries across the rest of the world, whilst the group's business is to develop a global telecommunications and technology business with a focus on Africa. This has remained unchanged since the prior year.

These consolidated interim financial statements are presented in United States Dollars (USD) as this is the currency in which the majority of the group's transactions are denominated. The functional currencies of the subsidiaries are: United States Dollars, Mauritian Rupee, South African Rand, Pound Sterling, Zambian Kwacha, Kenyan Shilling, Ugandan Shilling, Rwandan Franc, Botswana Pula, Nigerian Naira, Tanzanian Shilling, United Arab Emirates Dirham, Egyptian Pound and Zimbabwean dollar (ZWL$, equivalent to the Real Time Gross Settlement - "RTGS") which was replaced by a new structured currency, known as the Zimbabwe Gold (ZWG), as from 5 April 2024. See more details on note 2.2.

2. Accounting policies

Basis of preparation

The condensed consolidated interim financial statements for the 9 months ended 30 November 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

2.1 Going concern

The directors have reviewed the consolidated cash flow projections of the group for the twelve months from the date of signing of the consolidated interim financial statements, taking into account the available cash position, the cash flow projections (which include discretionary capital expenditure), the repayment of existing obligations, undrawn committed loan funding, the provision of financial support to subsidiaries where necessary and the status of equity investment and funding projects set out below. The directors consider that the operations provide sufficient financial sustainability to enable the business to continue in existence for the twelve months from the date of signing of the consolidated interim financial statements.

In making their assessment, the directors have considered a number of geographic, economic and operational risks. These include the potential impact of the instability of financial markets, volatility of currency markets, particularly the South African Rand, the economic situation in Zimbabwe, the inability of customers to pay and supply chain shortages on the operations, the achievability of the business plan, the completion of in-flight equity investment and funding projects and the available cashflow for the twelve months from the date of signing of the consolidated financial statements. Based on the base case consolidated cashflow projections of the group, and after assessing these factors the directors have assessed that the group and company have sufficient liquidity and headroom on their covenants and have prepared the financial statements on the going concern basis. The directors however recognise there are key assumptions around trading and growth which are dependent on the success of certain strategic initiatives.

The going concern assumption is supported by the following key considerations:

<u>Funding facilities</u>

The group is currently funded by a combination of equity, USD 620.0 million Senior Secured Notes (maturity September 2026), a USD 60.0 million Revolving Credit Facility ("RCF") (maturity March 2026), of which USD 50.9 million was outstanding at 30 November 2024, a USD 220.0 million equivalent South African Rand term loan (maturity March 2026), of which USD 145.6 million was outstanding at 30 November 2024 and a RCF in Zambia, of which USD 1.9 million was outstanding at 30 November 2024. Refer to note 14 - *Short term portion of long term borrowings and long term borrowings* for more details.

<u>Cash position</u>

As at 30 November 2024, the group had an unrestricted cash position of USD 54.7 million (29 February 2024: USD 56.7 million). Of this amount, USD 15.2 million (29 February 2024: USD 11.2 million) is held in Zimbabwe.

<u>Operational performance</u>

For the period ended 30 November 2024, the group reported an operating profit of USD 119.6 million (30 November 2023: 87.0 million) and a net cash inflow from operating activities of USD 143.5 million (30 November 2023: USD 109.6 million). This demonstrates the group's ability to generate sufficient cash flow to enable it to support its underlying business operations and invest in new projects, even after taking into account the impact of the currency changes in Zimbabwe.

<u>Re-financing</u>

Subsequent to the 9-month period ended 30 November 2024, the group has successfully signed new facilities to refinance its South African Rand term loan on a multi-tenor basis. The new facilities, equivalent to USD 220 million in South African Rands, are being provided by Standard Bank of South Africa, Rand Merchant Bank, Nedbank of South Africa, and International Finance Corporation (IFC). The utilization of these facilities is now subject to the satisfaction of certain conditions precedent. Refer to note 25 – *Contingent liabilities* for more details.

<u>Equity Capital Funding</u>

The group is participating in a wider re-organisation designed to bring together the network, data centre, renewable energy, fintech and digital platforms businesses under a new group holding company, Cassava Technologies Limited. This re-organisation will enhance the group's ability to offer a full suite of technology products to our customers.

2.1 Going concern (continued)

Equity Capital Funding (continued)

As part of the re-organisation, new equity investment that will result in cash inflows of USD 225.0 million in the twelve months from the date of signing of the consolidated interim financial statements, is being sourced from new and existing investors. Subsequent to the 9-month period ended 30 November 2024, the group reorganization took place (on 12 December) and the first tranche of the equity investment for USD 90.0 million was concluded. Proceeds from this investment will be deployed in Liquid Telecommunications Holdings Limited and the other Group companies to fund business growth and provide operational liquidity.

2.2 Zimbabwean currency and hyperinflation accounting

Following changes to the currency in Zimbabwe in February 2019, the economic conditions were deemed to be those of a hyperinflationary environment. As a result, local accounting bodies determined that the principles of IAS 29 - *Financial Reporting in Hyperinflationary Economies* should be applied. The group has applied hyperinflation accounting to all periods presented in these financial statements, effective from 1 October 2018, up to 5 April 2024, when the ZWG was issued and the conditions of a hyperinflationary environment were deemed to have ceased.

More details on the currency changes and the adoption of hyperinflation accounting are set out in notes 2.2.1 and 2.2.2 below.

2.2.1 Zimbabwean currency

On 1 October 2018, the Reserve Bank of Zimbabwe (RBZ) directed all banks to ring-fence nostro foreign currency accounts (FCAs) by separating them into two categories; namely Nostro FCAs and RTGS FCAs. Authorities maintained that the US dollar represented in the RTGS system was at a 1:1 exchange ratio. On 20 February 2019, the RBZ announced that with effect from 22 February 2019, the RTGS would be recognised as an official currency and that an interbank foreign exchange market would be established to formalise trading in RTGS balances with other currencies. The official rate of RTGS:USD on launch was 2.5. The Zimbabwean currency was then renamed the Zimbabwean Dollar (ZWL$).

On 5 April 2024, the Reserve Bank of Zimbabwe issued a new structured currency, known as the Zimbabwe Gold (ZWG). This structured currency is pegged to a specific exchange rate or currency basket and backed by a bundle of foreign exchange assets. The ZWG replaced the previous hyperinflationary currency, the Zimbabwe Dollar (ZWL$), and eventually, the group discontinued the application of IAS 29 - *Financial Reporting in Hyperinflationary Economies in Zimbabwe* on 5 April 2024. The new currency is envisaged to bring about economic stability and growth. The impact of the new currency structure has been included in our going concern assessment as detailed in note 2.1 above.

The ZWG is deemed a stable currency and is backed by the Zimbabwean Central Bank with 2.5 tonnes of gold amongst other commodities. The group has therefore discontinued the application of IAS 29 - *Financial Reporting in Hyperinflationary Economies* in Zimbabwe as the ZWG, which replaced the ZWL$, is not a hyperinflationary currency. This has been confirmed by the Public Accountants and Auditors Board ("PAAB") that conditions in Zimbabwe were no longer indicative of a hyperinflationary economy following the introduction of the ZWG. At 30 November 2024, the Zimbabwean operations have been translated into USD in accordance with IAS 21 - *The Effects of Changes in Foreign Exchange Rates* using a closing rate of ZWG:USD of 25.5:1 for the statement of financial position and an average rate of ZWG:USD of 15.7:1 for the statement of profit or loss. Of the USD 274.3 million (30 November 2023: USD 276.9 million) of net foreign exchange loss in the consolidated statement of profit and loss, Zimbabwe contributed USD 277.6 million (30 November 2023: USD 248.3 million). The net foreign exchange loss arises mainly on the retranslation of USD denominated intra-group debt at the statement of financial position date.

2.2.2 Hyperinflation accounting

Prior to the introduction of the ZWG, local economic conditions in Zimbabwe have continued to react to the deterioration in the ZWL$:USD exchange rate. Over the course of the financial year ended 29 February 2020, the group observed that the conditions in Zimbabwe were indicative of a hyperinflationary economy. This was confirmed in a statement released on 11 October 2019 by the PAAB, which is mandated to regulate Auditing and Accounting standards in Zimbabwe. The PAAB advised that following broad market consensus within the Accounting and Auditing professions, the factors and characteristics to apply the financial reporting in IAS 29 - *Financial Reporting in Hyperinflationary Economies in Zimbabwe* had been met. Furthermore, the International Practices Task Force ("IPTF") of the Centre of Audit Quality ("CAQ") monitors inflation in certain countries and reported Zimbabwe's three-year cumulative inflation rate as exceeding 100% in its previous reports and the latest report being 9 November 2023.

Based on these reports, and because Zimbabwe's functional currency was ZWL$, the group concluded that hyperinflation accounting is applicable to accounting periods ended on or after 1 July 2019 and until there are indicators that allow the group to discontinue doing so. The group has applied hyperinflation accounting to all periods presented in these financial statements, effective from 1 October 2018, up to 5 April 2024, when the ZWG was issued. The adjustment for the impact of foreign exchange on opening balance under hyperinflation accounting of the Zimbabwe entities at 1 March 2024 resulted in a foreign exchange gain of USD 40.6 million (31 March 2023: exchange loss of USD 44.2 million) which has been recognised directly in other comprehensive income, in accordance with IAS 21 - *The Effects of Changes in Foreign Exchange Rates.*

The retranslation of balances in accordance with IAS 29 requires the use of a general price index ("GPI") that reflects changes in general purchasing power. Following the introduction of new regulations by the Zimbabwean government in March 2023, the official published Zimbabwe Consumer Price Index ("CPI") as the GPI was discontinued with the last publication in January 2023.

Since February 2023 and up to 31 March 2024, we have continued to use the exchange rate movement as a proxy of the GPI. The group has discontinued the application of IAS 29 - *Financial Reporting in Hyperinflationary Economies* in Zimbabwe at 5 April 2024, when the ZWG was issued. The movement from 29 February 2024 to 31 March 2024 was 47.90% for which the group has applied the movement in GPI for determining the CPI and therefore the CPI for 31 March 2024 was 380,237.64 (31 May 2023: 44,428.60).

The gains on the net monetary position of USD 64.8 million (30 November 2023: USD 280.4 million) have been recognised in the consolidated statement of profit or loss.

As described on note 2.2.1 above, the ZWL$ was replaced by the ZWG on 5 April 2024 and the group discontinued the application of IAS 29. At 30 November 2024, the Zimbabwean operations have been translated into USD in accordance with IAS 21 - *The Effects of Changes in Foreign Exchange Rates* using a closing rate of ZWG:USD of 25.5:1 for the statement of financial position and an average rate of ZWG:USD of 15.7:1 for the statement of profit or loss.

2.3 Accounting policies

The accounting policies applied by the group in the preparation of the condensed interim consolidated financial statements presented are in accordance with IFRS and are consistent with those applied by the group in the preparation of the consolidated financial statements for the year ended 29 February 2024.

2.4 Critical accounting judgements and key sources of estimation uncertainty

The significant accounting judgements and critical estimates applied by the group in the preparation of these condensed consolidated interim financial statements presented are in accordance with IFRS and are consistent with those applied by the group in the preparation of the consolidated financial statements for the year ended 29 February 2024. In addition, the following significant accounting judgements and critical estimates have also been made:

Key judgements

Revenue Recognition

Management enters into contracts with customers from time to time that include unique contractual terms and other elements that fall outside of the group's general contract terms and conditions. The principal judgements are:
• Whether these bespoke contracts have an embedded lease, and should be accounted for under IFRS 16 – *Leases* rather than IFRS 15 – *Revenue from Contracts with Customers,* given that some of these contracts provide for the right of use over specifically identified fibre line channels, rather than capacity.
• The timing of recognition of revenue - whether at a point in time or over time.

The directors considered the detailed criteria for the recognition of revenue, and are satisfied that the accounting treatment is appropriate in the current year.

Contingent liabilities

Management applies its judgement to the fact patterns and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or provision or disclosed as a contingent liability. Where this judgement relates to uncertain tax positions, the group draws on its experience in settling previous open tax issues, having taken into account the basis for the challenge, the evidence available and the technical arguments. Refer to note 25 for *Contingent liabilities* disclosure.

Key estimates

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value of the recoverable amount.

3. Segment information

The group's operating and reportable segments are based on geographical areas. The group's core business is situated within Africa and management has aggregated African countries where the individual country revenue, profit/loss before tax and assets fall below 10% of group total (Rest of Africa). The group also has other operations based outside of Africa which have been aggregated into a separate segment (Rest of the World).

The group categorises its revenue streams as shown below:

- Network - primarily revenue from long haul metro networks and roaming services;
- C2 - primarily revenue from cloud services, managed services and cybersecurity services;
- Dataport - primarily revenue from undersea assets, international wholesale, international enterprise and VSAT; and
- Voice traffic - primarily revenue from international voice interconnects between mobile network operators and international telecom carriers.

The measure of reporting profit for each operating segment, which also represents the basis on which the Chief Operating Decision Maker reviews segment results, is Adjusted EBITDA.

Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, amortisation, and impairment, and is also presented before recognising the following items:

- Gain on bargain purchase
- Restructuring costs
- Acquisition and other investment costs
- Net foreign exchange loss
- Hyperinflation monetary gain (see note 2.2.2)
- Share of profits of associate

A reconciliation of Operating profit, as shown in the consolidated statement of profit or loss, to Adjusted EBITDA (see above) is shown in note 26.1 - *Reconciliation.*

3. Segment information (continued)

The following is an analysis of the group's revenue and results by reportable segment for the 9 months ended 30 November 2024 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	159,114	118,287	89,034	48,352	-	(38,305)	376,482
C2	42,934	15,422	18,238	25,296	-	(15,579)	86,311
Dataport	5,509	1,291	8,270	19,082	-	(7,217)	26,935
Voice traffic	7,804	76	11	34,094	-	(3,113)	38,872
Inter-segmental revenue	(6,127)	(2,102)	(4,016)	(51,969)	-	64,214	-
Group External Revenue	**209,234**	**132,974**	**111,537**	**74,855**	**-**	**-**	**528,600**
Adjusted EBITDA	71,200	76,354	32,427	47,805	(15,961)	(5,432)	206,393
Depreciation, impairment and amortisation							(86,800)
Restructuring costs							(2,964)
Interest income							17,168
Finance costs							(73,704)
Foreign exchange loss							(274,279)
Hyperinflation monetary gain							64,834
Share of profits of associate							15
Loss before taxation							**(149,337)**
Tax credit							7,787
Loss for the period							**(141,550)**

The following is an analysis of the group's revenue and results by reportable segment for the 9 months ended 30 November 2023 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	124,645	114,103	95,850	59,224	-	(44,051)	349,771
C2	37,914	10,589	12,972	22,794	-	(14,217)	70,052
Dataport	5,798	2,202	10,594	18,785	-	(8,233)	29,146
Voice traffic	5,397	52	17	40,859	-	(1,049)	45,276
Inter-segmental revenue	(6,546)	(794)	(4,229)	(55,981)	-	67,550	-
Group External Revenue	**167,208**	**126,152**	**115,204**	**85,681**	**-**	**-**	**494,245**
Adjusted EBITDA	58,837	61,268	29,022	48,983	(18,823)	(2,283)	177,004
Depreciation, impairment and amortisation							(89,987)
Gain on bargain purchase							272
Acquisition and other investment costs							(106)
Interest income							15,818
Finance costs							(54,053)
Foreign exchange loss							(276,868)
Hyperinflation monetary gain							280,360
Share of profits of associate							12
Profit before taxation							**52,452**
Tax expense							(39,831)
Profit for the period							**12,621**

*Central administration costs include certain staff and other stewardship costs not allocated to other business lines.

3. Segment information (continued)

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 30 November 2024 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	46,224	40,467	29,097	10,260	-	(11,386)	114,662
C2	13,665	6,652	6,350	7,719	-	(5,333)	29,053
Dataport	1,472	398	2,654	5,996	-	(2,100)	8,420
Voice traffic	2,738	29	1	10,471	-	(1,122)	12,117
Inter-segmental revenue	(2,097)	(1,181)	(1,217)	(15,446)	-	19,941	-
Group External Revenue	**62,002**	**46,365**	**36,885**	**19,000**	**-**	**-**	**164,252**
Adjusted EBITDA	18,725	25,948	10,656	1,441	(5,292)	(419)	51,059
Depreciation, impairment and amortisation							(28,328)
Restructuring costs							(206)
Interest income							6,263
Finance costs							(26,685)
Foreign exchange loss							(134,751)
Hyperinflation monetary loss							(12,671)
Share of profits of associate							4
Loss before taxation							**(145,315)**
Tax credit							23,862
Loss for the period							**(121,453)**

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 30 November 2023 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	49,152	37,340	29,661	18,648	-	(14,960)	119,841
C2	13,500	3,168	4,764	7,584	-	(4,961)	24,055
Dataport	1,719	613	2,421	6,053	-	(2,771)	8,035
Voice traffic	1,757	9	5	13,802	-	(249)	15,324
Inter-segmental revenue	(2,410)	(291)	(1,388)	(18,852)	-	22,941	-
Group External Revenue	**63,718**	**40,839**	**35,463**	**27,235**	**-**	**-**	**167,255**
Adjusted EBITDA	22,965	17,935	7,370	14,032	(8,478)	1,493	55,317
Depreciation, impairment and amortisation							(29,015)
Acquisition and other investment costs							(60)
Interest income							5,164
Finance costs							(17,499)
Foreign exchange loss							(50,338)
Hyperinflation monetary gain							38,640
Share of profits of associate							4
Profit before taxation							**2,213**
Tax expense							(13,188)
Loss for the period							**(10,975)**

*Central administration costs include certain staff and other stewardship costs not allocated to other business lines.

4. Net other income

	9 months ended		3 months ended	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Management fees income (note 18)	1,988	2,815	553	885
Loss on disposal of Right-of-Use assets	(210)	-	(223)	-
Sundry income/ (expense) (non-operating income that does not meet the recognition criteria of revenue under IFRS 15)	220	596	(83)	247
Profit on disposal of property, plant and equipment	970	434	1,142	425
	2,968	**3,845**	**1,389**	**1,557**

5. Interest income

	9 months ended		3 months ended	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest received - bank / external	1,434	1,608	887	565
Interest received - inter-group (note 18)	15,734	14,210	5,376	4,599
	17,168	**15,818**	**6,263**	**5,164**

6. Finance costs

	9 months ended		3 months ended	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on bank overdraft and loans	20,160	17,185	7,260	5,602
Finance cost on Senior Secured Notes	25,575	25,575	8,525	8,525
Finance arrangement fees amortised	2,725	2,712	914	902
Interest on lease liabilities	24,975	8,334	9,900	2,386
Interest paid - inter-group (note 18)	269	247	86	84
	73,704	**54,053**	**26,685**	**17,499**

7. Taxation

	9 months ended		3 months ended	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current taxation	17,915	23,367	9,902	9,846
Deferred taxation (credit) / charge	(33,392)	9,867	(35,656)	1,781
Withholding taxation	7,690	6,597	1,892	1,561
	(7,787)	**39,831**	**(23,862)**	**13,188**

The tax credit of USD 7.8 million represents an effective tax rate of 5.2%. The group’s effective tax rate is largely driven by the impact of :

(a) An IAS 29 adjustment relating to Zimbabwe
(b) Non-deductible expenses
(c) Tax losses not recognised as deferred tax assets.

8. Goodwill

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
Cost		
Opening balance	73,990	76,576
Foreign exchange gain / (loss)	3,737	(2,586)
Closing balance	**77,727**	**73,990**

Goodwill acquired in a business combination is allocated at acquisition to the Cash Generating Units (CGU's) that are expected to benefit from that business combination.

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
Liquid Telecommunications Limited	2,850	2,850
Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe (see below)	5,581	5,581
Liquid Telecommunications Holdings South Africa (Pty) Limited	61,511	57,774
Liquid Telecommunications Zambia Limited	2,201	2,201
Raha Tanzania Holdings Limited	5,584	5,584
	77,727	**73,990**

Goodwill is tested at least annually for impairment as required by IAS 36 - *Impairment of assets.* The recoverable amounts of the cash generating units (CGU) were determined based on the value in use calculations. The calculations mainly used cash flow projections based on financial budgets covering a three to five-year period. Each CGU is considered to be the operating company, as this is the lowest level of identifiable assets that generate cash inflows, independent from other assets or groups of assets.

For the 9 months ended 30 November 2024:

The following approach and key assumptions were used for the value in use calculations:

• The cash flows used are based on Board approved budgets and only take into account cash flows arising from the current asset base and not from any future developments in technology, acquisitions or change in business model and this includes certain cash flows which are anticipated but not yet fully contracted.
• Assessments are performed on a value in use basis, using a 5-year discounted cash flow method extrapolated beyond the budget period using a terminal growth rate, as set out below.
• Growth rates: the group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The average growth rates used ranged from 1.0% to 4.3% (29 February 2024: 0.5% to 5.8%).
• Discount rates: The country specific Weighted Average Cost of Capital ("WACC") is used as the discount rate which ranges from 11.7% to 22.4% (post-tax) (29 February 2024: 11.5% to 22.0%). The discount rates used reflect both time value of money and other specific risks relating to the relevant CGU and operating country.

Specifically in relation to Liquid Telecommunications Holdings South Africa (Pty) Limited ("LTHSA"), in the period ended 30 November 2024, there was no impairment in LTHSA (29 February 2024: no impairment) and the following assumptions were applied:

• A terminal growth rate of 4.3% (29 February 2024: 4.3%) was applied in line with inflation forecasts for South Africa over a comparable period.
• LTHSA's WACC of 14.5% (29 February 2024: 16.3%) was used as the discount rate. On a pre-tax basis, this rate is 15.3% (29 February 2024: 17.1%).

Sensitivity analysis

The group also performed a sensitivity analysis on three key inputs to the impairment assessment for LTHSA's goodwill and the results are shown below:

• An increase of 10% in the above terminal growth rate would result in no impairment and a decrease of 10% would still result in no impairment (29 February 2024: USD 4.5 million).
• An increase of 10% in the above WACC would result in an impairment of USD 35.4 million (29 February 2024: impairment of USD 32.6 million) and a decrease of 10% would result in no impairment, with headroom.
• An increase of 10% in the EBITDA forecasts in each period would result in no impairment (29 February 2024: no impairment), with significant headroom. A reduction of 10% in the EBITDA forecasts in each period would result in an impairment of USD 37.0 million (29 February 2024: full impairment) of the carrying value for the goodwill.

Other CGUs

• Sensitivity analysis

The group has conducted an analysis of the sensitivity of the impairment test to changes in the country specific Weighted Average Cost of Capital ("WACC") (being the key assumption) used to determine the recoverable amount for each CGU to which goodwill is allocated. Except for Liquid Telecommunications Holdings South Africa (Pty) Limited (as described above), an increase of 10% in the WACC would result in no impairment (29 February 2024: no impairment), with headroom. A decrease of 10% would still result in no impairment (29 February 2024: no impairment), with significant headroom.

9. Intangible assets

	Operating Licence	Computer Software	Customer Relationships	Work in Progress	Other Intangible Assets*	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:						
At 01 March 2023 (Audited)	32,394	36,352	26,350	3,104	47,122	145,322
Acquisition of subsidiary	-	-	82	-	-	82
Purchases during the period	640	4,992	-	2,306	-	7,938
Disposals during the year	(640)	(1,186)	-	(84)	-	(1,910)
Transfers	-	2,226	-	(2,226)	-	-
Impairment	-	-	-	(58)	-	(58)
Foreign exchange differences	(4,481)	(2,743)	(1,719)	4	(2,035)	(10,974)
Adjustments - IAS 29	3,477	1,231	-	-	-	4,708
At 28 February 2024 (Audited)	31,390	40,872	24,713	3,046	45,087	145,108
Purchases during the period	933	3,625	-	759	-	5,317
Transfers	2,719	829	-	(829)	(2,719)	-
Foreign exchange differences	(2,356)	(187)	2,249	-	2,046	1,752
Adjustments - IAS 29	1,790	935	-	-	-	2,725
Transfer from Property, plant and equipment (note 10)	146	850	-	(34)	-	962
At 30 November 2024 (Unaudited)	34,622	46,924	26,962	2,942	44,414	155,864
Accumulated amortisation:						
At 01 March 2023 (Audited)	12,124	28,131	18,673	-	22,180	81,108
Amortisation	1,951	4,518	2,794	-	461	9,724
Disposals during the year	(640)	(1,186)	-	-	-	(1,826)
Foreign exchange differences	(2,328)	(2,144)	(776)	-	(1,547)	(6,795)
Adjustments - IAS 29	1,863	903	-	-	-	2,766
At 28 February 2024 (Audited)	12,970	30,222	20,691	-	21,094	84,977
Amortisation	1,593	4,685	1,635	-	270	8,183
Transfer from Property, plant and equipment (note 10)	17	887	-	-	-	904
Foreign exchange differences	(1,658)	312	946	-	1,812	1,412
Adjustments - IAS 29	1,081	530	-	-	-	1,611
At 30 November 2024 (Unaudited)	14,003	36,636	23,272	-	23,176	97,087
Carrying amount:						
At 28 February 2024 (Audited)	18,420	10,650	4,022	3,046	23,993	60,131
At 30 November 2024 (Unaudited)	20,619	10,288	3,690	2,942	21,238	58,777

* This mainly comprises the brand and spectrum assets arising on the acquisition of Liquid Telecommunications South Africa (Pty) Limited.

10. Property, plant and equipment

	Land and buildings USD'000	Furniture and fittings USD'000	Computer equipment USD'000	Network equipment USD'000	Motor vehicles USD'000	Work in progress USD'000	Fibre infrastructure USD'000	Total USD'000
Cost:								
At 01 March 2023 (Audited)	16,027	9,527	28,237	93,659	9,788	40,383	898,939	1,096,560
Acquisition of subsidiary	-	4	97	-	-	-	-	101
Additions during the period	231	2,159	2,110	3,797	761	14,991	41,436	65,485
Disposals during the period	(1,007)	(2,775)	(2,702)	(30,589)	(197)	(1,282)	(34,818)	(73,370)
Transfer from Right-of-Use assets (note 11)	-	-	-	515	-	-	-	515
Reclassification	-	-	-	-	-	2,257	-	2,257
Impairment	-	-	-	-	-	-	(1,285)	(1,285)
Write offs	-	-	-	-	-	(5)	-	(5)
Transfers	-	68	34	27,410	-	(27,927)	415	-
Transfers to inventory	-	-	(5)	-	-	-	(6,688)	(6,693)
Transfer from inventory	-	-	4	-	-	263	-	267
Foreign exchange differences	(2,493)	(1,890)	(2,001)	(12,556)	(4,219)	(7,834)	(227,641)	(258,634)
Adjustments - IAS 29	1,913	1,674	930	1,571	3,780	6,274	192,738	208,880
At 29 February 2024 (Audited)	14,671	8,767	26,704	83,807	9,913	27,120	863,096	1,034,078
Additions during the period	-	620	595	1,494	79	21,791	6,967	31,546
Disposals during the period	-	(94)	(233)	(22)	(312)	(490)	(1,843)	(2,994)
Impairment	-	(30)	(16)	(68)	-	(72)	(106)	(292)
Transfers	-	37	51	2,055	60	(18,067)	15,864	-
Transfer to intangible assets (note 9)	-	-	37	(691)	11	-	(319)	(962)
Transfer to inventory	-	-	-	-	-	(46)	-	(46)
Foreign exchange differences	(1,149)	(1,731)	(237)	2,279	(3,940)	(5,608)	(166,684)	(177,070)
Adjustments - IAS 29	985	923	530	809	2,011	3,379	100,432	109,069
At 30 November 2024 (Unaudited)	14,507	8,492	27,431	89,663	7,822	28,007	817,407	993,329
Accumulated depreciation								
At 01 March 2023 (Audited)	5,729	7,768	25,478	88,285	6,697	(2,257)	438,817	570,517
Acquisition of subsidiaries	-	3	54	-	-	-	-	57
Depreciation	279	666	1,243	7,649	559	-	46,458	56,854
Disposals during the period	(845)	(2,773)	(2,673)	(30,093)	(166)	-	(13,371)	(49,921)
Transfers	-	-	-	2,565	-	-	(2,565)	-
Reclassification	-	-	-	249	-	2,257	-	2,506
Foreign exchange differences	(230)	(1,303)	(1,482)	(9,052)	(2,392)	-	(96,752)	(111,211)
Adjustments - IAS 29	-	897	309	1,165	2,068	-	77,133	81,572
At 29 February 2024 (Audited)	4,933	5,258	22,929	60,768	6,766	-	449,720	550,374
Depreciation	211	651	1,132	5,621	523	-	33,888	42,026
Disposals during the period	-	(44)	(210)	(10)	(131)	-	(1,633)	(2,028)
Impairment	-	-	(1)	(14)	-	-	-	(15)
Transfer to Intangible assets (note 9)	-	(22)	(6)	(554)	4	-	(326)	(904)
Foreign exchange differences	320	(1,006)	271	566	(2,135)	-	(69,162)	(71,146)
Adjustments - IAS 29	-	544	221	768	1,040	-	44,170	46,743
At 30 November 2024 (Unaudited)	5,464	5,381	24,336	67,145	6,067	-	456,657	565,050
Carrying amount:								
At 29 February 2024 (Audited)	9,738	3,509	3,775	23,039	3,147	27,120	413,376	483,704
At 30 November 2024 (Unaudited)	9,043	3,111	3,095	22,518	1,755	28,007	360,750	428,279

11. Right-of-Use assets

	Land and buildings	Furniture and fittings	Network equipment	Motor vehicles	Fibre infrastructure	Fibre Optical - IRU	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:							
At 01 March 2023 (Audited)	101,169	-	52,324	2,081	87,247	148,285	391,106
Additions during the period	8,580	-	11,905	-	45,849	5,856	72,190
Disposals during the period*	(10,086)	-	(20,396)	-	(2,588)	(462)	(33,532)
Transfer from pre-commencement lease payments**	-	-	-	-	-	200	200
Transfer to Property, plant and equipment (note 10)	-	-	-	-	-	(515)	(515)
Write offs	(1,039)	-	-	-	-	-	(1,039)
Transfers	-	-	-	-	76	(76)	-
Transfers to inventory	-	-	-	-	(449)	-	(449)
Foreign exchange differences	(43,780)	-	(2,505)	(134)	(3,502)	(1,785)	(51,706)
Adjustments - IAS 29	15,447	-	-	-	-	-	15,447
At 29 February 2024 (Audited)	70,291	-	41,328	1,947	126,633	151,503	391,702
Additions during the period	3,107	234	1,826	1,512	42,806	1,909	51,394
Disposals during the period*	(2,906)	-	(2,534)	-	(633)	(909)	(6,982)
Transfers	(4,068)	-	-	-	4,068	-	-
Foreign exchange differences	(13,964)	(9)	(1,804)	85	5,178	1,296	(9,218)
Adjustments - IAS 29	7,539	-	-	-	-	-	7,539
At 30 November 2024 (Unaudited)	59,999	225	38,816	3,544	178,052	153,799	434,435
Accumulated depreciation:							
At 01 March 2023 (Audited)	37,073	-	31,999	1,675	31,575	67,465	169,787
Depreciation	9,153	-	11,523	193	18,046	8,058	46,973
Disposals during the period*	(5,615)	-	(20,370)	-	(2,274)	(13)	(28,272)
Reclassification	-	-	-	-	-	(249)	(249)
Write offs	(1,039)	-	-	-	-	-	(1,039)
Transfers	-	-	-	-	57	(57)	-
Foreign exchange differences	(7,562)	-	(1,453)	(100)	(1,824)	(1,432)	(12,371)
Adjustments - IAS 29	(83)	-	-	-	-	-	(83)
At 29 February 2024 (Audited)	31,927	-	21,699	1,768	45,580	73,772	174,746
Depreciation	7,762	125	7,595	211	14,750	5,862	36,305
Disposals during the period*	(2,215)	-	(2,534)	-	(593)	(656)	(5,998)
Transfers	(2,686)	-	-	-	2,686	-	-
Foreign exchange differences	373	(5)	(1,213)	91	2,479	844	2,569
Adjustments - IAS 29	287	-	-	-	-	-	287
At 30 November 2024 (Unaudited)	35,448	120	25,547	2,070	64,902	79,822	207,909
At 29 February 2024 (Audited)	38,364	-	19,629	179	81,053	77,731	216,956
At 30 November 2024 (Unaudited)	24,551	105	13,269	1,474	113,150	73,977	226,526

*relates to lease modifications or cancellations.
** During the year ended 29 February 2024, USD 0.2 m was transferred from pre-commencement lease payments to Right-of-Use assets as the assets were brought into use.

12. Cash and cash equivalents, and restricted cash and cash equivalents

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
Cash and bank balances	47,613	55,850
Money market deposits	7,079	804
Cash and cash equivalents	**54,692**	**56,654**
Restricted cash and cash equivalents	**442**	**422**
Total cash and cash equivalents	**55,134**	**57,076**

The cash and cash equivalents are mainly denominated in USD, GBP, KES, ZAR and ZWG and are located in Mauritius, United Kingdom, Kenya, South Africa and Zimbabwe.

Cash and cash equivalents include USD 15.2 million (29 February 2024: USD 11.2 million) in Zimbabwe held in cash, short term deposits and similar instruments. These amounts have been translated at the rate of ZWG:USD of 25.5:1 (29 February 2024: ZWL$:USD of 14,912.8:1). See note 2.2 - *Zimbabwean currency* for more details.

The group has restricted cash for the following purposes:

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
Guarantees	1	1
Customer deposits held	441	421
	442	**422**

13. Trade and other receivables

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
Trade receivables from external parties	130,610	130,824
Trade receivables from related parties (note 18)	64,873	35,652
Expected credit loss provision	(29,142)	(39,051)
Total trade and related parties receivables, net of expected credit loss provision	**166,341**	**127,425**
Short term inter-company and other related party receivables (note 18)	69,647	51,498
Sundry debtors	56,214	45,149
Deposits paid	4,115	3,781
Prepayments	38,902	31,091
	335,219	**258,944**

Sundry debtors mainly include accrued income, VAT receivable and non-operating receivables.

The standard credit period for the group is 30 days. In determining the recoverability of a trade receivable, the group makes use of forward-looking information based on the assumptions about risk and probability of default and expected loss rates. The group assesses the recoverability on both a collective and individual basis.

Before accepting any new customer, the group ascertains the creditworthiness and identity of the customer by means of an external credit scoring system and customer acceptance forms which are required to be filled in by any new customer. The creditworthiness of customers is reviewed throughout the period.

The receivable balances from affiliated entities and other related parties are unsecured, interest free and are payable in accordance with the terms of the relevant agreements, under which payment terms range from 30 days to 6 months.

The following table details the risk profile of trade receivables and related parties receivables. Lifetime ECL on receivables are assessed individually.

	Current	Past due				Total
		31 - 60 days	61 - 90 days	91 - 120 days	> 120 days	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
As at 30 November 2024						
Trade and related parties receivables - Gross	43,821	41,859	19,341	7,306	83,156	195,483
Lifetime ECL	(2,138)	(402)	(1,726)	(3,115)	(21,761)	(29,142)
Trade and related parties receivables - Net	**41,683**	**41,457**	**17,615**	**4,191**	**61,395**	**166,341**
Default rate	4.9%	1.0%	8.9%	42.6%	26.2%	
As at 29 February 2024						
Trade and related parties receivables - Gross	41,951	20,990	11,133	11,776	80,626	166,476
Lifetime ECL	(925)	(579)	(563)	(474)	(36,510)	(39,051)
Trade and related parties receivables - Net	**41,026**	**20,411**	**10,570**	**11,302**	**44,115**	**127,425**
Default rate	2.2%	2.8%	5.1%	4.0%	45.3%	

The trade receivables and related parties balances disclosed above include amounts that are past due at the end of the reporting period, but for which the group has not recognised an expected credit loss provision, because there has been no significant change in the assumptions about risk and probability of default and the amounts are still considered recoverable.

14. Long term borrowings and short term portion of long term borrowings

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
Long term borrowings:		
USD 620 million 5.5% Senior Secured Notes (i)	614,908	612,736
Net settled: Embedded derivatives (note 22)	1,878	1,878
USD 220 million equivalent South African Rand term loan (ii)	136,107	127,315
Other long-term borrowings	139	323
	753,032	**742,252**
Short term portion of long term borrowings (including interest accrued):		
USD 620 million 5.5% Senior Secured Notes (i)	8,525	17,050
USD 220 million equivalent South African Rand term loan (ii)	9,540	17,554
Stanbic Bank of Zambia Limited Term loan (iii)	-	2,436
Stanbic Bank of Zambia Limited revolving loan (iii)	1,917	1,058
USD 60 million revolving credit facility (iv)	50,889	42,665
Other Short-term portion of long term borrowings	245	224
	71,116	**80,987**

(i) The USD 620.0 million 5.5% Senior Secured Notes bear interest, payable half yearly, at the rate of 5.5% and are payable at maturity in September 2026. The Notes were issued by Liquid Telecommunications Financing Plc on 24 February 2021 and are guaranteed on a Senior Secured basis by: Liquid Telecommunications Holdings Limited, Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Holdings South Africa (Pty) Limited, Liquid Telecommunications South Africa (Pty) Limited, Liquid Telecom DRC S.A. and Liquid Telecommunications Zambia Limited with various types of collateral. Such collateral includes (among other things): (i) share pledges and charges over assets, including bank accounts, (ii) assignment over present and future intercompany loans receivables and agreements (iii) assignment over receivables including trade debtors, intellectual property rights and insurances, and (iv) deed of hypothecation over trademarks.

(ii) On 25 February 2021, Liquid Telecommunications South Africa (Pty) Limited entered into a 5 year ZAR 3.3 billion term loan with the Standard Bank of South Africa Limited (acting through its corporate and investment banking division) and Standard Chartered Bank – Johannesburg branch. The term loan was initially split equally between an amortising tranche and a bullet repayment tranche, for which the interest rates are JIBAR plus 4.5% and 5.0% respectively. The syndicators of this loan are: Standard Bank of South Africa Limited, Sanlam Investment Management Pty Ltd, Sanlam Life Insurance Ltd, State Bank of India (SBI), Stanlib Asset Management and Liberty Group. In June 2021, Liquid Telecommunications South Africa (Pty) Limited refinanced a portion of the term loan, amounting to ZAR 1.0 billion, with the International Finance Corporation with interest payable quarterly at JIBAR plus 5%. Following the refinancing, the term loan is now split between an amortising tranche and two separate bullet repayment tranches, representing one third and two thirds respectively of the term loan.

The covenants relevant to this loan are Net Leverage Ratio, Interest cover and Debt Service Cover Ratio.

During August 2024, we engaged with our lending partners on a pre-emptive basis to provide the business with additional covenant headroom, in part due to the prospect of exchange rate volatility in certain markets as well as the timing of the first tranche of equity private placement. This request was approved on 15 August 2024 and as a result, the step down the threshold from 3.5x to 3.0x that was due to take place in August 2024 will now occur in February 2025. All other terms remain unchanged.

Subsequent to period end, the USD 220 million equivalent South African Rand term loan was refinanced. For more details, refer to note 25 - *Contingent liabilities.*

(iii) Stanbic Bank of Zambia Limited Term loan

Liquid Telecommunications Zambia Limited had USD 23.3 million (maturity in the financial year 2025) of term loans denominated in local currency (Zambian Kwacha). Liquid Telecommunications Holdings Limited guaranteed up to USD 13.0 million in aggregate of these facilities. The facility agreement also included a first ranking charge over certain assets including bank accounts and receivables of Liquid Telecommunications Zambia Limited. The facility bears interest at the rate of 23.5%. Capital and interest are repaid on a quarterly basis. The financial covenants for this facility are Total debt to EBITDA and Debt Service Ratio. The term loan has been fully repaid during the period ended 30 November 2024.

Stanbic Bank of Zambia Limited revolving credit facility

As of 30 November 2024, the outstanding amount on the Revolving Credit Facility contracted by Liquid Telecommunications Zambia Limited was USD 1.9 million. The effective interest rate is in the aggregate of the margin at 8% plus Bank of Zambia policy rate. The loan facility is unsecured.

(iv) In addition to the USD 620.0 million 5.5% Senior Secured Notes and the USD 220 million equivalent South African Rand term loan, the group has a USD 60.0 million Revolving Credit Facility agreement between the company, JP Morgan Chase Bank N.A., London branch, Standard Finance (Isle of Man), Standard Chartered Bank (Mauritius) Limited and the Mauritius Commercial Bank Limited. The Revolving Credit Facility is secured and is guaranteed on a senior secured basis by, Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Financing Plc, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Holdings South Africa (Pty) Limited, Liquid Telecommunications South Africa (Pty) Limited, Liquid Telecom DRC S.A. and Liquid Telecommunications Zambia Limited. The obligations under the Revolving Credit Facility are secured equally and ratably with the Senior Secured Notes by first priority liens over the security. The Revolving Credit facility is denominated in USD, bears interest at the rate of SOFR plus 4.25%, subject to certain adjustments for the net leverage ratio and is to be utilised for general corporate purposes. The facility holds the same covenant obligations as the South African term loan referenced above. The outstanding balance as at 30 November 2024 was USD 50.9 million.

15. Lease liabilities

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
Long term portion of lease liabilities	132,321	116,804
Short term portion of lease liabilities	35,356	20,441
	167,677	**137,245**

16. Trade and other payables

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
Trade accounts payable to external parties	124,588	119,724
Trade payable balance to related parties (note 18)	24,263	17,809
Accruals	54,904	49,492
Staff payables	2,954	4,679
Transaction taxes due in various jurisdictions	14,083	6,641
Other short-term payables	4,850	1,544
	225,642	**199,889**

The average credit period on purchases of goods and services is 30 to 60 days. No interest is charged on the trade payables for the first 60 days from the date of invoice. Thereafter, interest is generally charged at 2% per annum on the outstanding balance. The group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed terms.

The directors consider the carrying amount of trade and other payables to approximate their fair value.

Amounts payable to related parties and related company are unsecured, interest free and with no fixed date of repayment.

Accruals mainly relate to wholesale voice carrier amounts accrued for in the ordinary course of business and major capital expenditure for on-going fibre related projects.

17. Deferred revenue

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
Long-term portion of deferred revenue	55,056	56,967
Short-term portion of deferred revenue	48,180	40,443
	103,236	**97,410**

Deferred revenue mainly relates to revenue billed in advance which includes deferred revenue on any Indefeasible-Rights-of-Use (IRU), disclosed through Network and Dataport revenue streams disclosed in note 3, that will be amortised over a period of 10 to 15 years and other advance billings that will be amortised over a period of 1 to 3 years.

18. Related party transactions and balances

In addition to the subsidiary companies the following are related parties to the Liquid Telecommunications Holdings Limited group:

• Econet Wireless Private Limited (Zimbabwe), Econet Telecom Lesotho (Pty) Limited (Lesotho), Transaction Payment Solutions (Private) Limited (Zimbabwe), Econet South Africa (Pty) Limited, Steward Bank Limited and Econet Wireless Zimbabwe Limited and are referred to as "Econet Global related group companies";

• Africa Data Centres Holdings Limited (UK), African Data Centres (Pty) Limited (South Africa), Africa Data Centres SA Development (Pty) Limited (South Africa), ADC (Jersey) Limited, Africa Data Centres Lagos FZE (Nigeria) and East Africa Data Centre Limited (Kenya) and are referred to as ''Africa Data Centres related group companies'';

• Telrad Networks Limited (Israel), Oasis Communication Technologies Limited (Israel) and Magalcom Limited (Israel) and are referred to as ''Telrad related group companies'';

• Sasai Fintech Limited (Mauritius) and Sasai Fintech (PTY) Ltd (South Africa) and are referred to as ''Sasai related group companies'';

• VAYA Africa Mauritius Ltd (Mauritius) is referred to as ''Vaya related group companies'';

• Distributed Power Africa (Private) Limited (Zimbabwe) and Distributed Power Africa Services Proprietary Limited (South Africa) and are referred to as ''Econet Infraco related group companies'';

• Liquid Telecommunications (Jersey) Ltd, Liquid Technologies Infrastructure Finance SARL (Belgium), Liquid Intelligent Technologies Limited (Nigeria), Liquid Delta (Jersey) Limited and Liquid ECG Infraco (Pty) Ltd (South Africa) and are referred to as "Liquid (Jersey) and other related group of companies"

• DTOS Limited (Mauritius)

The above companies have been disclosed as related parties due to their common control.

Transactions between the group and its subsidiaries, which are related parties of the group, have been eliminated on consolidation and are not disclosed in the group note. The amounts outstanding are unsecured. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. During the year, the group entered into the following trading transactions with related parties:

	9 months ended		3 months ended	
	30/11/2024 USD'000 (Unaudited)	30/11/2023 USD'000 (Unaudited)	30/11/2024 USD'000 (Unaudited)	30/11/2023 USD'000 (Unaudited)
Sales of goods and services				
Econet Global related group companies	44,887	63,344	14,573	17,129
Africa Data Centres related group companies	383	242	144	98
Liquid (Jersey) and other related group of companies	32,678	7,329	2,703	7,197
	77,948	**70,915**	**17,420**	**24,424**

18. Related party transactions and balances (continued)

	9 months ended		3 months ended	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Purchase of goods and services				
Econet Global related group companies	13,669	17,439	4,412	5,480
Africa Data Centres related group companies	1,413	1,649	480	543
Liquid (Jersey) and other related group of companies	25,670	53	522	23
	40,752	**19,141**	**5,414**	**6,046**
Management fees expense				
Econet Global related group companies	**450**	**360**	**150**	**150**
Management fees income				
Africa Data Centres related group companies	404	496	148	129
Econet Global related group companies	-	77	-	9
Liquid (Jersey) and other related group of companies	1,584	2,242	405	747
	1,988	**2,815**	**553**	**885**
Dividend paid				
Other shareholders (net of taxes)	**556**	**360**	**96**	720
Interest income				
Econet Global related group companies	545	462	199	158
Liquid (Jersey) and other related group of companies	2,089	192	824	68
Africa Data Centres related group companies	13,100	13,556	4,353	4,373
	15,734	**14,210**	**5,376**	**4,599**
Finance costs				
Liquid (Jersey) and other related group of companies	**269**	**247**	**86**	**84**
Administration fees paid				
DTOS Limited	**287**	**340**	**86**	**115**

The group has the following balances at the period end:

	30/11/2024	29/02/2024
	USD'000	USD'000
	(Unaudited)	(Audited)
Short-term receivables from related parties		
Africa Data Centres related group companies	22,559	21,547
Liquid (Jersey) and other related group of companies	40,445	25,440
Econet Global related group companies	3,846	1,827
Econet Infraco related group companies	789	743
Sasai Related Group Companies	2,008	1,480
Strive Masiyiwa	-	461
	69,647	**51,498**
Trade receivables balances from affiliated entities and other related parties		
Econet Global Limited (Mauritius)	4,999	4,999
Econet Global Related Group Companies	23,626	20,327
Econet Infraco related group companies	10	7
Vaya Related Group Companies	598	436
Liquid (Jersey) and other related group of companies	26,702	3,032
Africa Data Centres related group companies	8,502	4,235
Strive Masiyiwa	436	2,616
	64,873	**35,652**
Trade payable balance to related parties		
Econet Global related group companies	902	774
Telrad Networks Ltd	67	351
Africa Data Centres related group companies	8,260	7,839
Sasai Related Group Companies	212	954
Liquid (Jersey) and other related group of companies	14,822	7,891
	24,263	**17,809**
Long-term receivables		
Africa Data Centres related group companies	150,110	128,095
Liquid (Jersey) and other related group of companies	3,837	11,838
	153,947	**139,933**

19. Capital commitments

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
At 30 November 2024, the group committed to the following capital commitments:		
Authorised and contracted		
Intangible assets	579	1,507
Property, plant and equipment	22,905	24,925
	23,484	**26,432**

The capital expenditure is to be financed from internal cash generation and existing funding facilities.

20. Long-term receivables

Long term intercompany receivables (note 18)	153,947	139,933
Other receivables	2,211	3,141
	156,158	**143,074**

The directors have assessed the Expected Credit Loss ("ECL'') on the long term intercompany receivables at group level and have concluded that the ECL is not material, hence no ECL has been accounted for.

Other receivables

On 16 March 2022, Liquid Telecommunications South Africa (Pty) Ltd, a subsidiary of the group, concluded an interest rate swap agreement with Standard Bank of South Africa Limited in relation to the long-term loan raised from various financial institutions. It swapped the floating 3 Months JIBAR to a fixed JIBAR of 6.79% for the amortising and bullet portions of the loans for their full tenor. The loans are due for settlement on 25 February 2026. The interest rate swap resulted in savings of USD 2.1 million in the group's finance costs for the current financial year. Unrealised savings on interest costs due to the interest rate swap of USD 2.2 million was recognised (29 February 2024: 3.1 million).

21. Dividend

Period ended 30 November 2024:

Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared and paid a dividend of USD 1.0 million. USD 0.3 million is attributable to the non-controlling interests of the subsidiary.

Worldstream (Pty) Ltd, a subsidiary of the group, declared and paid a dividend of USD 0.2 million. USD 0.1 million is attributable to the non-controlling interests of the subsidiary.

Zanlink Limited, a subsidiary of the group, declared and paid an interim dividend of USD 0.3 million during the period. USD 0.1 million is attributable to the non-controlling interests of the subsidiary.

Period ended 30 November 2023:

Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared and paid a dividend of USD 1.2 million. USD 0.4 million is attributable to the non-controlling interests of the subsidiary.

22. Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
30 November 2024				
Investments at FVTOCI (i)	1,728	-	15,314	17,042
Total (Unaudited)	**1,728**	**-**	**15,314**	**17,042**

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
29 February 2024				
Investments at FVTOCI (i)	48	-	15,314	15,362
Total (Audited)	**48**	**-**	**15,314**	**15,362**

(i) Investments at Fair Value Through Other Comprehensive Income (FVTOCI)

	30/11/2024 USD'000 (Unaudited)	29/02/2024 USD'000 (Audited)
Opening balance	15,362	15,314
Additions	3,357	953
Disposals	(289)	(1,772)
Fair value (loss) / gain	(569)	867
Foreign exchange loss	(819)	-
Closing balance	**17,042**	**15,362**

22. Fair value measurements recognised in the consolidated statement of financial position (continued)

(ii) Net settled: Embedded derivatives

The derivatives represent the fair value of the call options embedded within the terms of the Notes. The call options give the group the right to redeem the Notes at a date prior to the maturity date (4 September 2026), at a premium over the initial notional amount.

The options are fair valued using an option pricing model that is commonly used by market participants to value such options and makes the maximum use of market inputs, relying as little as possible on the group's specific inputs and making reference to the fair value of similar instruments in the market. Thus, it is considered a level 2 financial instrument in the fair value hierarchy of *IFRS 13 - Fair value measurement.*

The key assumptions used to estimate the fair value are:

1. the initial fair value of the Notes (being the issue price of 100% on the issue date);
2. the credit spread (implied from the issue price of the bond); and
3. the discount curve (Secured Overnight Financing Rate Data).

At 30 November 2024, the fair value of the embedded derivatives was nil (29 February 2024: nil).

23. Non-cash transactions

Transactions excluded from statements of cash flows

During the current financial year, the group and company entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

During the period ended 30 November 2024:

• Purchase of property, plant and equipment of the group included a non cash portion of USD 2.6 million.

During the period ended 30 November 2023:

• Purchase of property, plant and equipment of the group included a non cash portion of USD 3.1 million.

24. (Loss) / profit per share

	9 months ended		3 months ended	
	30/11/2024	**30/11/2023**	**30/11/2024**	**30/11/2023**
	USD'000 (Unaudited)	**USD'000 (Unaudited)**	**USD'000 (Unaudited)**	**USD'000 (Unaudited)**
(Loss) / profit per share (Cents per share)	(113.03)	10.43	(97.24)	(8.74)

The earnings and weighted average number of ordinary shares used in the calculation of basic (loss) / earnings per share are as follows:

(Loss) / profit attributable to owners of the company	(141,129)	13,021	(121,418)	(10,912)

	9 months ended	
	30/11/2024	**30/11/2023**
	USD'000 (Unaudited)	**USD'000 (Unaudited)**
Weighted average number of ordinary shares for the	124,857,914	124,857,914

At 30 November 2024, the share capital of USD 3.7 million represents 124,857,914 ordinary shares (30 November 2023: 124,857,914 ordinary shares).

25. Contingent liabilities

• **Uncertain Tax Positions**

The Group has a number of tax audits underway across the various jurisdictions in which it operates. These audits are routine and often involve discussion and negotiation with the relevant authorities. When assessing the potential outcome of these audits, the Group uses judgement based on past experience, industry practice and advice from local tax advisers. Where the assessment finds that a tax liability is probable, a tax provision is made through current tax. Where the Group considers it has a robust position to defend against the assessment, no tax provision is made, however, these positions are kept under review as the audit process progresses and, in some cases, the outcome of the audit and discussions with the tax authorities may be different to that anticipated by the Group. Although the Group currently has potential Uncertain Tax Positions across a number of jurisdictions (principally the DRC and Zimbabwe), it does not believe that these Uncertain Tax Positions will materialise in full. The Group has a history of negotiating final settlements at an amount which is significantly lower than that initially indicated by the Tax Authority. In recent periods, these settlement rates have averaged in the region of 15% - 20%.

Based on the value of potential tax exposures where uncertainty exists, and also based on our historical settlements with tax authorities, there is a potential of additional tax exposures liabilities between USD 4.0 million and USD 8.5 million, the exact timing and value of which is unknown and cannot be measured with any reliability.

• **Re-financing of the USD 220.0 million equivalent South African Rand term**

Subsequent to the 9-month period ended 30 November 2024, the group has successfully signed new facilities to refinance its South African Rand term loan on a multi-tenor basis. The new facilities, equivalent to USD 220 million in South African Rands, are being provided by Standard Bank of South Africa, Rand Merchant Bank, Nedbank of South Africa, and International Finance Corporation (IFC). The utilization of these facilities is now subject to the satisfaction of certain conditions precedent.

26. Reconciliation

26.1 Reconciliation of Operating profit to Adjusted EBITDA

Below is a reconciliation of Operating profit, as shown in the consolidated statement of profit or loss, to Adjusted EBITDA reported in note 3 - *Segment information.*

	9 months ended		3 months ended	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Operating profit	119,568	86,973	22,709	26,302
Add back:				
Depreciation, impairment and amortisation	86,800	89,987	28,328	29,015
Dividend received	25	44	22	-
Adjusted EBITDA (note 3)	**206,393**	**177,004**	**51,059**	**55,317**

26.2 Reconciliation of consolidated statement of profit or loss to management profit or loss

The group has standardised its consolidated statement of profit or loss to comply with IAS 1 nature of expense method of presentation. The change resulted in reclassification from Data and network related costs to Administrative expenses.

A reconciliation of the consolidated statement of profit or loss and management profit or loss is included below:

	Consolidated statement of profit or loss USD'000	Reclassification of network costs USD'000	Revised statement of profit or loss USD'000
9 months ended 30 November 2024 (Unaudited):			
Revenue	528,600	-	528,600
Interconnect related costs	(27,294)	-	(27,294)
Data and network related costs	(161,147)	24,630	(136,517)
Gross Profit	340,159	24,630	364,789
Other income	2,968	-	2,968
Dividend received	25		25
Selling, distribution and marketing costs	(7,596)	-	(7,596)
Expected credit loss reversal	3,708	-	3,708
Administrative expenses	(46,527)	(24,630)	(71,157)
Staff costs	(86,344)	-	(86,344)
Adjusted EBITDA	**206,393**	**-**	**206,393**
9 months ended 30 November 2023 (Unaudited):			
Revenue	494,245	-	494,245
Interconnect related costs	(33,941)	-	(33,941)
Data and network related costs	(130,730)	26,248	(104,482)
Gross Profit	329,574	26,248	355,822
Other income	3,845	-	3,845
Dividend received	44		44
Selling, distribution and marketing costs	(8,325)	-	(8,325)
Expected credit loss provision	(3,546)	-	(3,546)
Administrative expenses	(43,817)	(26,248)	(70,065)
Staff costs	(100,771)	-	(100,771)
Adjusted EBITDA	**177,004**	**-**	**177,004**
3 months ended 30 November 2024 (Unaudited):			
Revenue	164,252	-	164,252
Interconnect related costs	(8,452)	-	(8,452)
Data and network related costs	(45,497)	8,349	(37,148)
Gross Profit	110,303	8,349	118,652
Other income	1,389	-	1,389
Dividend received	22	-	22
Selling, distribution and marketing costs	(3,136)	-	(3,136)
Expected credit loss provision	(3,668)	-	(3,668)
Administrative expenses	(21,895)	(8,349)	(30,244)
Staff costs	(31,956)	-	(31,956)
Adjusted EBITDA	**51,059**	**-**	**51,059**
3 months ended 30 November 2023 (Unaudited):			
Revenue	167,255	-	167,255
Interconnect related costs	(11,834)	-	(11,834)
Data and network related costs	(46,598)	9,062	(37,536)
Gross Profit	108,823	9,062	117,885
Other income	1,557	-	1,557
Selling, distribution and marketing costs	(3,414)	-	(3,414)
Expected credit loss provision	(855)	-	(855)
Administrative expenses	(16,126)	(9,062)	(25,188)
Staff costs	(34,668)	-	(34,668)
Adjusted EBITDA	**55,317**	**-**	**55,317**

27. Events after the reporting period

Equity injection

The group is participating in a wider re-organisation designed to bring together the network, data centre, renewable energy, fintech and digital platforms businesses under a new group holding company, Cassava Technologies Limited. This re-organisation will enhance the group's ability to offer a full suite of technology products to our customers. Subsequent to the 9-month period ended 30 November 2024, the group reorganization took place (on 12 December) and the first tranche of the equity investment for USD 90.0 million was concluded. Proceeds from this investment will be deployed in Liquid Telecommunications Holdings Limited and the other Group companies to fund business growth and provide operational liquidity.

The above event is treated as a non adjusting event after the reporting date in accordance with IAS 10 - *Events after the reporting period.*

28. Immediate, intermediate and ultimate holding companies

The directors regard Liquid Telecommunications (Jersey) Limited, incorporated in Jersey, as the immediate holding company, Econet New Arx Limited as the intermediate holding company and Econet Global Limited as the ultimate holding company, both incorporated in Mauritius.