LIQUID
INTELLIGENT TECHNOLOGIES

Q3 FY22 Results

27 January 2022

Disclaimer

The information in this presentation (the "Presentation") is the property of Liquid Telecommunications Holdings Limited. Save as specifically agreed in writing by Liquid Telecommunications Holdings Limited and certain of its subsidiaries (the “Company” and the “Group”), the Presentation must not be copied, reproduced, distributed or passed, in whole or in part, to any other person.

This information is given in good faith based upon the latest information available to Liquid Telecommunications Holdings Limited, no representation or warranty, expressed or implied, is or will be made and, save in the case of fraud, no responsibility or liability is or will be accepted by any member of the Group or by any of their respective direct or indirect shareholders, officers, servants or agents, representatives, advisers, financing parties or affiliates as to or in relation to the fairness or completeness of the Presentation or the information forming the basis of this Presentation or for any reliance placed on the Presentation by any person whatsoever. In particular, but without prejudice to the generality of the foregoing, no representation or warranty is given as to the achievement or reasonableness of any future projections, targets, estimates or forecasts contained in the Presentation. The contents of which must not be taken as establishing any contractual or other commitment binding upon Liquid Telecommunications Holdings Limited or any of its subsidiary or associated companies.

To the extent this Presentation contains forward looking information, these forward-looking statements can be identified by the use of forward-looking terminology, including, but not limited to, the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “plans”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places and include, but are not limited to, statements regarding the Group’s intentions, beliefs or current expectations concerning, amongst other things, results of operations, financial condition, liquidity, prospects, growth and strategies.

By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance and the actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in or suggested by the forward-looking statements set out in this Presentation. In addition, even if the results of operations, financial condition and liquidity of the Group, and the development of the industry in which the Group operates, are consistent with the forward-looking statements set out in this Presentation, those results or developments may not be indicative of results or developments in subsequent periods. Liquid Telecommunications Holdings Limited is under no obligation to revise, update, modify or amend the information in this document or to otherwise notify a third-party recipient if any information, opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate regardless of whether those statements are affected as a result of new information, future events or otherwise.

Presenters

Kate Hennessy
Group Chief Financial Officer

Q322 highlights

Another good quarter of strategic progress and financial performance

Strategic highlights

- Exclusively launched Microsoft's OneVoice for Operator Connect in Africa
- Announced a partnership with Orange to expand our network reach into West Africa
- Launched the shortest East to West fibre route across Africa enabling a new Asia to the Americas Internet transit route
- Named best MEA Wholesale Carrier for 10th Consecutive Year at the Global Carrier Awards

Financial highlights

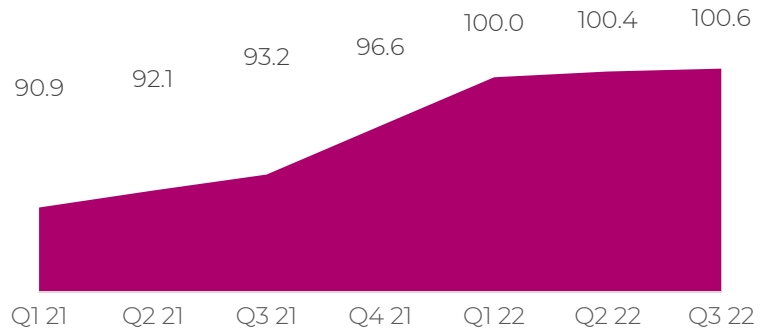
- Revenue of USD 171.7 million, up 6.3% YoY, driven by Digital Solutions and Data Technologies as well as an improved Voice performance
- Adjusted EBITDA[1] of USD 77.2 million, up 35.9% YoY from the revenue growth and improved operating margins
- Strong liquidity position maintained; cash generated from operations of USD 61.5 million (Q3 2020-21: USD 56.0 million)
- Net debt[2] was USD 751.4 million; net debt to adjusted EBITDA[1,2,3] ratio of 2.4x compared to the 4.5x covenant threshold

Source: Company information
[1] Adjusted for impairment expenses, restructuring costs, FX losses, hyperinflation monetary gains and share of profits of associate
[2] Net debt is defined as gross debt less unrestricted cash and cash equivalents.
[3] Adjusted EBITDA for the last twelve months.

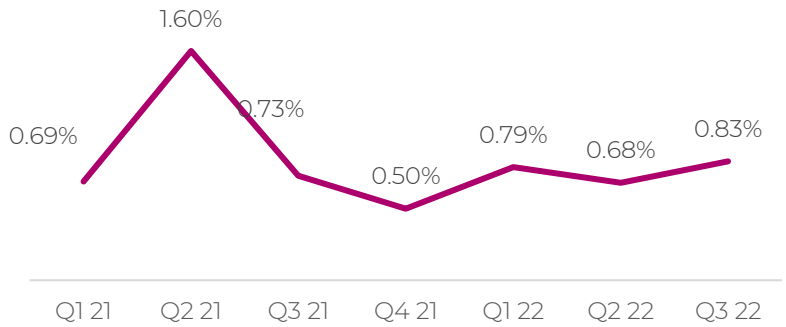
LIQUID
INTELLIGENT TECHNOLOGIES

Q322 key performance indicators

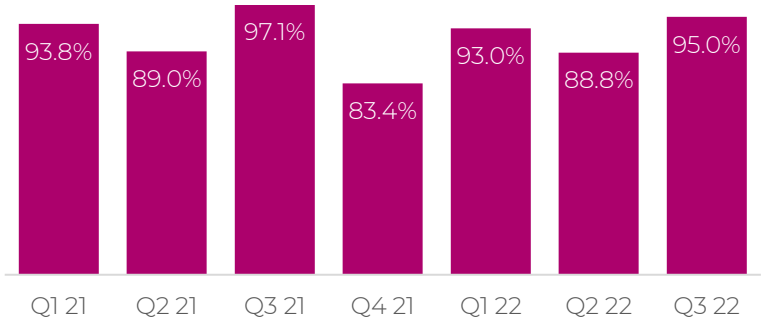
Total fibre network (kms 000)[1]



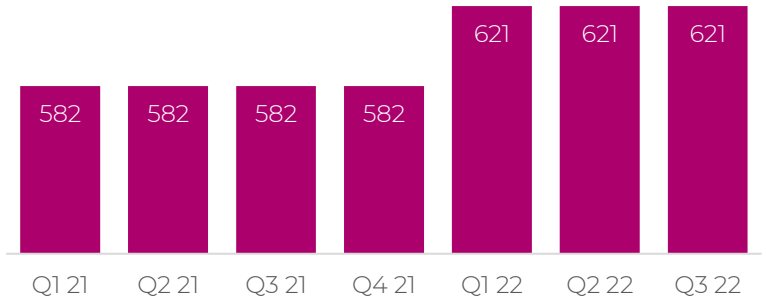
Average churn rate[2]



Monthly recurring revenue[3]



Subsea capacity (Gbps)[4]



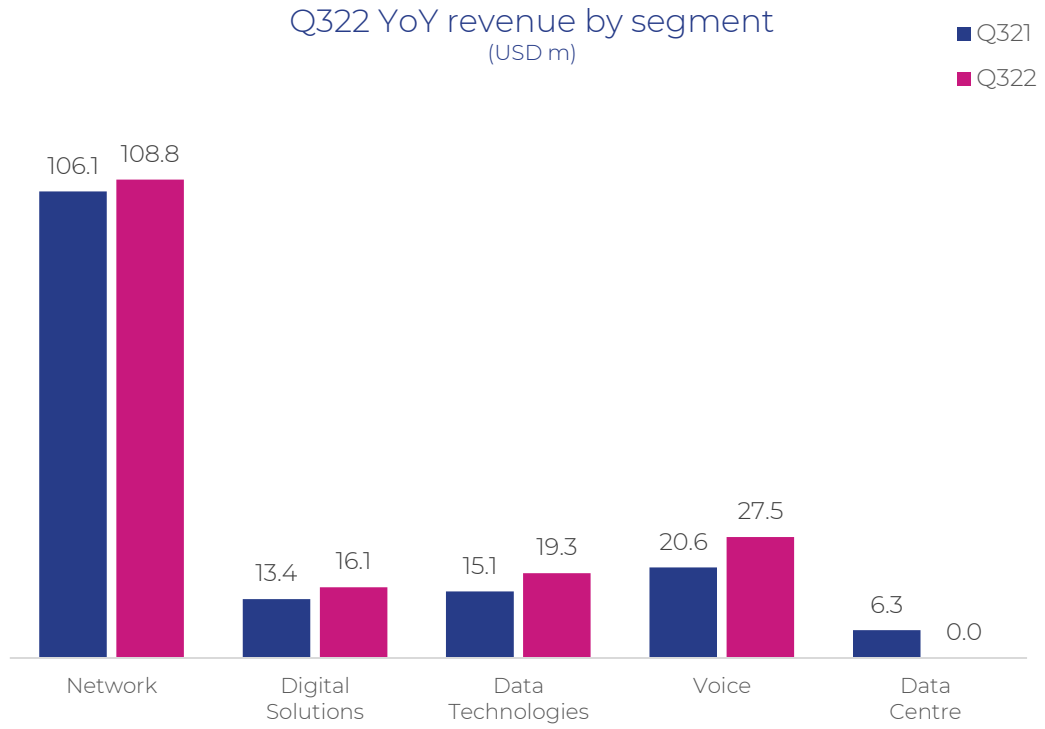
Source: Company information

[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 month following a price reduction or termination of service due to disconnections, downgrades, price reduction and non–renewals, divided by the total revenue for the month. [3] Monthly recurring revenue is the total of all recurring revenue in the period normalised into a monthly amount and expressed as a percentage of total revenue in the same period. [4] Capacity, in gigabits per second, purchased by, activated by, or reserved for, Liquid Intelligent Technologies on subsea cables (incl. IRUs).

LIQUID INTELLIGENT TECHNOLOGIES

Q322 YoY revenue by segment

- **Network revenue grew moderately YoY with good growth in Rest of Africa and Zimbabwe offsetting Rest of World. Note, the prior year benefited from the one-off sale of IRUs and dark fibre**
- **Digital Solutions delivered further growth and we continue to see good demand for our Microsoft and other cloud-based solutions across all geographies**
- **Data Technologies grew strongly in the third quarter with growth delivered across all geographies with Rest of World and South Africa providing particularly strong contributions**
- **Voice revenue improved YoY due to a focus on better performing markets and the improved South African Rand exchange rate**
- **Data Centre revenue is no longer reported within LT Holdings**



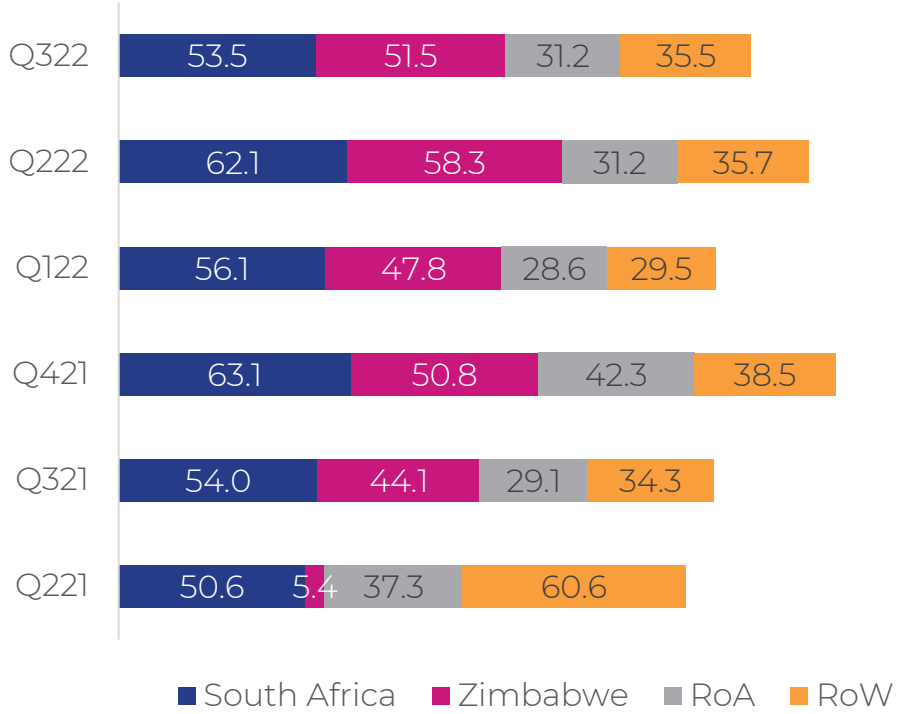
Source: Company information

LIQUID INTELLIGENT TECHNOLOGIES

Quarterly revenue by geography

- **South African revenue was broadly flat as growth across all segments was offset by the removal of the ADC revenue**
- **Another quarter of stable inflation and CPI helped to deliver good growth in Zimbabwe driven by Network**
- **Rest of Africa revenue grew due to modest growth across all segments with the prior year benefiting from the timing of one-off dark fibre deals**
- **Rest of World increased marginally YoY as the improved voice revenue was offset by IRU sales in the prior year**

Quarterly revenue progression by geography
(USD m)



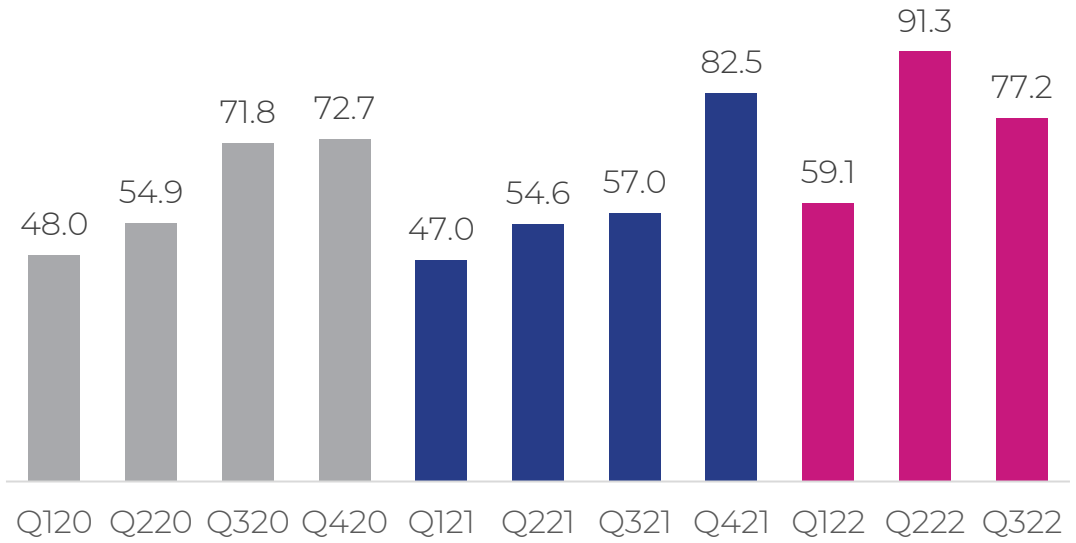
Source: Company information

LIQUID
INTELLIGENT TECHNOLOGIES

Adjusted EBITDA

All figures USD m unless stated	Q322	Q321	YoY
Revenue	171.7	161.5	6.3%
Gross profit	123.4	105.6	16.9%
Gross profit margin (%)	*71.9%*	*65.4%*	*6.5pp*
Overheads and other income	(46.3)	(48.8)	5.1%
Adjusted EBITDA[1]	77.2	56.8	35.9%
Adjusted EBITDA[1] margin (%)	*45.0%*	*35.2%*	*9.8pp*

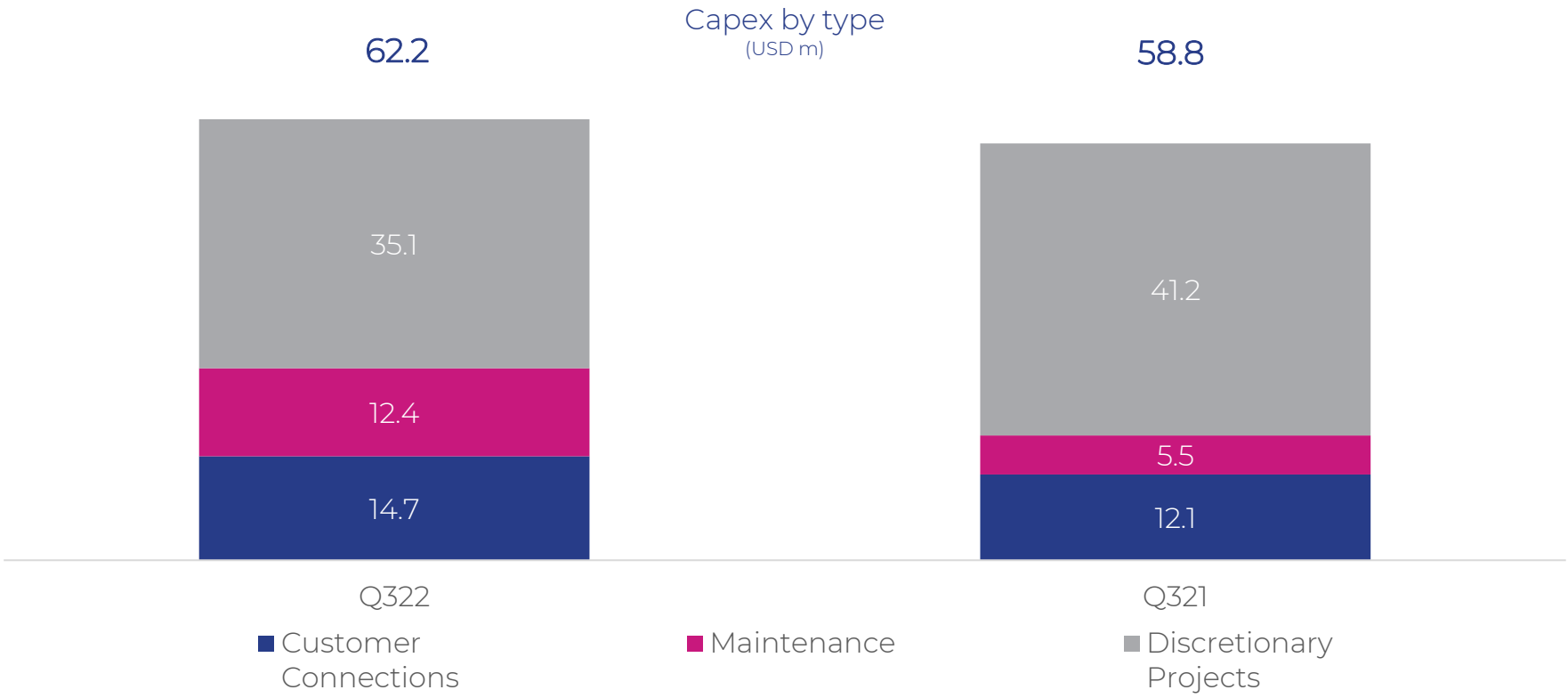
Quarterly adjusted EBITDA[1] trend
(USD m)



Source: Company information
[1] Adjusted for impairment expenses, restructuring costs, FX losses, hyperinflation monetary gains and share of profits of associate

LIQUID
INTELLIGENT TECHNOLOGIES

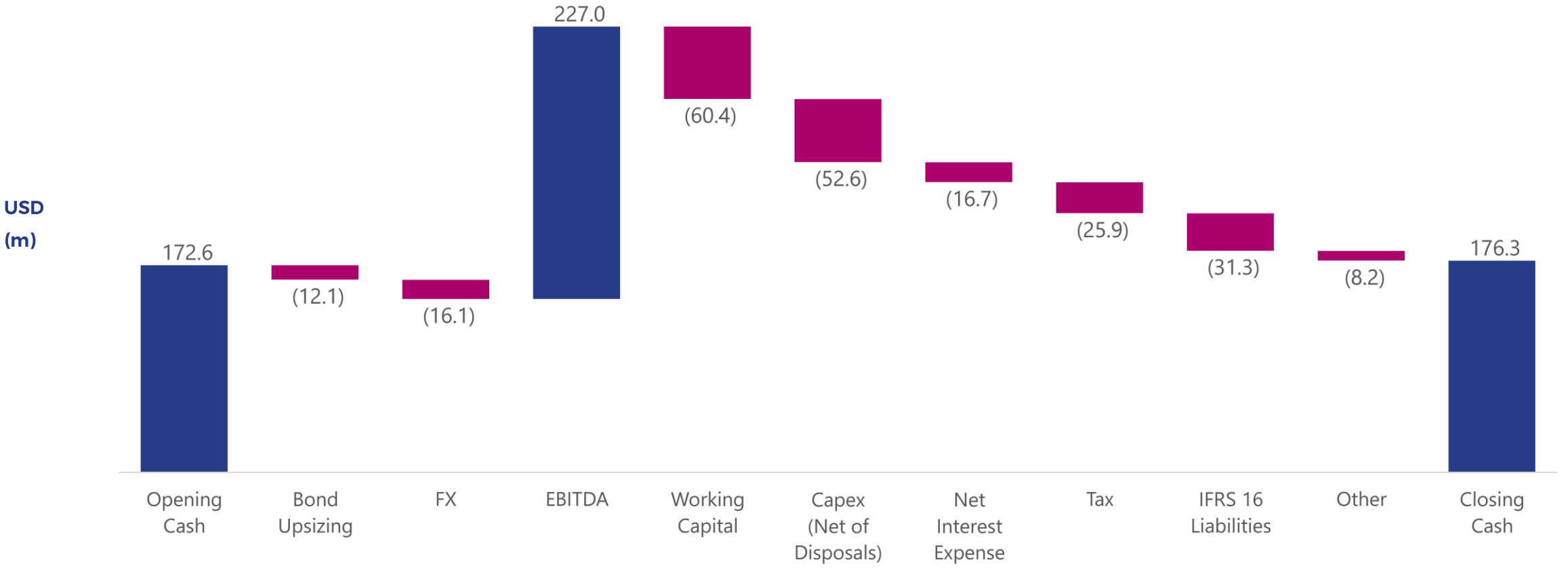
Capex in Q3 FY22



Source: Company information

LIQUID INTELLIGENT TECHNOLOGIES

Cash flow YTD

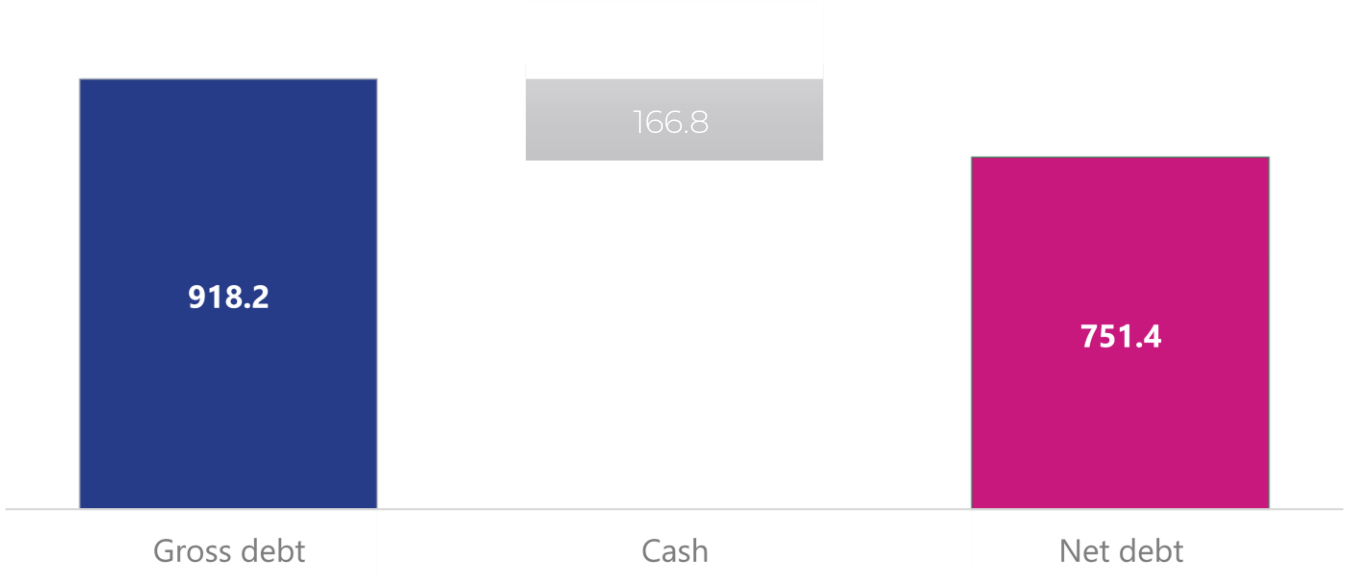


Source: Company information

LIQUID
INTELLIGENT TECHNOLOGIES

Debt and leverage

Post IFRS16 Gross and Net Debt
USDm



Reported leverage	**2.4x**
Covenant threshold	**4.5x**

Source: Company information

LIQUID
INTELLIGENT TECHNOLOGIES

FY22 Outlook considerations

Revenue	• FX tailwind at existing rates • No ADC contribution: USD 23.5 million in FY21
Adjusted EBITDA	• Focus on strong cost control • Monitoring the Zimbabwean exchange rate • No ADC contribution: USD 11.6 million in FY21
Capex	• Increase YoY driven by investment in key growth projects • Full year capex expected to be below USD 150 million • No ADC Capex: USD 17.3 million in FY21

Source: Company information

LIQUID
INTELLIGENT TECHNOLOGIES
Q&A

Appendix

LIQUID
INTELLIGENT TECHNOLOGIES

Q322 Income statement

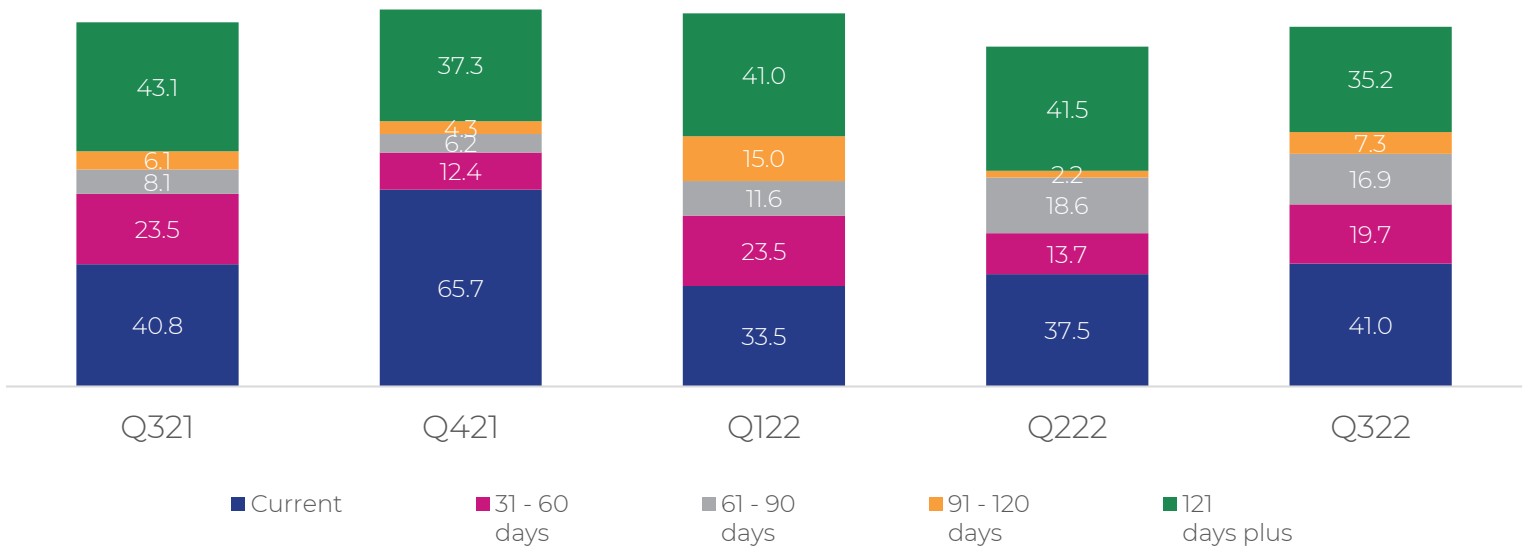
All figures USD m unless stated	Q322 YTD	Q321 YTD	YoY %	Q322 QTD	Q321 QTD	YoY %
Revenue	521.1	457.2	14.0	171.7	161.5	6.3
Adjusted EBITDA	227.0	158.5	43.2	77.2	56.8	35.9
Adjusted EBITDA margin %	*43.6%*	*34.7%*	*8.9pp*	*45.0%*	*35.2%*	*9.8pp*
Depreciation, amortisation and impairment	(93.1)	(86.7)	(7.4)	(31.2)	(37.1)	15.9
Operating profit	**133.9**	**71.5**	**87.3**	**46.0**	**19.7**	**133.5**
Finance costs	(51.6)	(59.0)	12.5	(17.3)	(20.0)	13.5
Net foreign exchange (loss) / gain	(67.0)	(334.3)	80.0	(65.2)	(30.8)	(111.7)
Hyperinflation monetary adjustment	80.6	327.3	(75.4)	26.2	60.2	(56.5)
Other[1]	(14.5)	(17.5)	17.1	(17.7)	(6.4)	(176.6)
Profit / (loss) for the period	**81.4**	**(12.0)**	**778.3**	**(28.0)**	**22.7**	**(223.3)**

Source: Company information

[1] Includes dividend received, restructuring costs, acquisition and other investment costs, interest income, share of profit of associate and tax expense

Aged debtor analysis

Aged debtor analysis by quarter
(USD m)



Source: Company information