LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
(“the Group”, “Liquid” or “Liquid Intelligent Technologies”)
FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2021

Another good quarter of strategic progress and financial performance

27 January 2022

Leading pan-African technology solutions group Liquid Intelligent Technologies, a business of Cassava Technologies, today announces its financial results for the third quarter ended 30 November 2021

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

Financial highlights:

- Revenue of USD 171.7 million, up 6.3% year-on-year, driven by good growth across Digital Solutions and Data Technologies as well as an improved Voice performance
- Adjusted EBITDA[1] of USD 77.2 million, up 35.9% year-on-year, benefiting from the revenue growth and improved operating margins, with gross profit margin up 6.5pp to 71.9%
- Strong liquidity position maintained with cash generated from operations of USD 61.5 million (Q3 2020-21: USD 56.0 million)
- Net debt[2] was USD 751.4 million, resulting in a net debt to adjusted EBITDA[1,2,3] ratio of 2.42x compared to the 4.50x covenant threshold

Group financials	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (%)	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	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
Cash generated from operations	165.7	149.1	11.1	61.5	56.0	9.8
Net Debt	751.4	796.3	(5.6)	751.4	796.3	(5.6)
Net Debt / adjusted EBITDA (x)	2.42	3.26	n/a	2.42	3.26	n/a

[1] Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, impairment and amortisation, and is also presented having adjusted for the following items: restructuring costs, acquisition and other investment costs, net foreign exchange (loss)/gain, hyperinflation monetary gain and share of profit from associate.
[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, Nic Rudnick, commented:

"This has been another good quarter of financial performance and strategic progress. We continue to experience good growth in Digital Solutions as well as Data Technologies, while our Voice business has reflected some more encouraging signs in recent months as we target better performing markets.

Our fibre network continues to expand across the interior of the continent and we were pleased to launch the first cross border connection between the DRC and Brazzaville in the Congo using wireless optical communication technology. Furthermore, we have now established a new Asia to the Americas Internet transit route from the Indian Ocean at Mombasa, Kenya to Muanda in the DRC on the Atlantic Coast.

Finally, I was also pleased that we were awarded, for the tenth consecutive year, 'The Best MEA Wholesale Carrier' at the Global Carrier Awards, the award continues to demonstrate our position as the provider of Africa's leading independent fibre network."

Group Chairman, Strive Masiyiwa, added:
"In what remains an uncertain operating environment, it was encouraging to see the consistently robust performance of Liquid Intelligent Technologies maintained into the third quarter. This performance continues to demonstrate the resilient demand for the Group's connectivity and digital solutions offerings.

From a strategic perspective, the new partnership with Orange which will expand the network reach into important new territories in West Africa is particularly exciting as is the exclusive launch of Microsoft's OneVoice on Teams in Africa. These agreements will facilitate Liquid in providing high-speed connectivity and digital services to existing and new customers in more than 20 African countries."

There will be an investor call at 14:00 GMT today, further details can be found on our website.

For further information please contact:
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About Liquid Intelligent Technologies

Liquid Intelligent Technologies is a business of Cassava Technologies, a pan-African technology group present in more than 20 countries, mainly in sub-Saharan Africa. Liquid has firmly established itself as the leading provider of pan-African digital infrastructure with an extensive fibre broadband network covering over 100,000 kms. Liquid Intelligent Technologies is also leveraging its digital network to provide Cloud and Cyber Security solutions through strategic partnerships with leading global players. Liquid Intelligent Technologies is a comprehensive technology solutions group that provides customised digital solutions to public and private sector enterprises and SMEs across the continent. https://www.liquid.tech/

OPERATIONAL AND FINANCIAL REVIEW

Liquid Intelligent Technologies is a technology and digital solutions provider across more than 20 countries primarily in Eastern, Southern and South Africa that serves carrier, enterprise and retail customers with high-speed, reliable connectivity and digital services. We have built Africa's largest independent fibre network of more than 100,000 kms.

Key performance indicators (KPIs)

The following table sets out the Group's key performance indicators for Q3 2021-22:

Key performance indicators	Q1 2020-21	Q2 2020-21	Q3 2020-21	Q4 2020-21	FY 2020-21	Q1 2021-22	Q2 2021-22	Q3 2021-22
Total fibre network (Kms) [1]	90,922	92,120	93,196	96,620	96,620	100,017	100,402	100,629
Average churn rate (%) [2]	0.69%	1.60%	0.73%	0.50%	0.88%	0.79%	0.68%	0.83%
Monthly recurring revenue (%) [3]	93.8%	89.0%	97.1%	83.4%	90.4%	93.0%	88.8%	95.0%
Total capacity on subsea assets (Gbps) [4]	582	582	582	582	582	621	621	621

[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 usage in the period normalised into a monthly amount and expressed as a percentage of total revenue in the same period.
[4] Capacity, in gigabit per second, purchased by, activated by, or reserved for, Liquid Intelligent Technologies on subsea cables (incl. IRUs).

The resumption of building work on our key projects increased our footprint and the company closed the third quarter with a network spanning 100,629 kilometres.

Churn remained comfortably below 1% at 0.83% albeit slightly higher year-on-year and versus the prior quarter.

Following a drop in the second quarter as a higher proportion of contracts won in the period included an element of NRR, our MRR increased quarter-on-quarter to 95.0%.

Subsea capacity remained stable at 621 Gbps in the third quarter, a reflection of the ongoing demand for inter-continental connectivity.

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.

Digital Solutions - Encompasses our Cloud and Cyber Security products, as this segment grows it will include other complementary digital products.

Data Technologies - This segment includes revenue from agreements with subsea cable providers, hosting of landing stations and providing the gateway to large, global network provision agreements as well as network roaming and managed services revenue. In time this segment will expand to include other innovations and innovative technologies in Africa.

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

Data Centre - Revenues generated from the Data Centres which in prior periods were held within the Liquid Telecommunications Holdings Group, but from the start of the current financial year are no longer part of this Group following its sale to the new group holding company.

Revenue

Revenue per segment	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (%)	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (%)
Network	346.4	270.8	27.9	108.8	106.1	2.5
Digital Solutions	47.5	32.2	47.5	16.1	13.4	20.1
Data Technologies	53.7	41.9	28.2	19.3	15.1	27.8
Voice Traffic	73.5	95.3	(22.9)	27.5	20.6	33.5
Data Centre	-	17.0	(100.0)	-	6.3	(100.0)
Total Revenue	**521.1**	**457.2**	**14.0**	**171.7**	**161.5**	**6.3**

Total revenue for the third quarter was up 6.3% year-on-year to USD 171.7 million (Q3 2020-21: USD 161.5 million) driven by strong performances in Data Technologies and Digital Solutions, in particular in South Africa and Rest of World. Revenue further benefited from a positive contribution from Voice as we focus on better performing markets. Zimbabwe also continues to see good organic growth despite a recent adverse movement in the exchange rate and as it starts to annualise tougher comparators. Growth was adversely impacted by the removal of ADC (Africa Data Centres) revenue, excluding the ADC revenue in the prior year, third quarter revenue growth would have been 10.6%.

In the third quarter, the average rate for the South African Rand to the US Dollar was 14.60 against 16.96 for the same period in the prior year and as such revenue has benefited from the stronger exchange rate.

On a year-to-date basis, total revenue was USD 521.1 million, up 14.0% year-on-year compared to the first nine months of the prior year (Q3 YTD 2020-21: USD 457.2 million). Excluding the ADC revenue in the prior year, year-to-date revenue growth would have been 18.4%.

Network

Network revenue in the third quarter grew moderately year-on-year to USD 108.8 million (Q3 2020-21: USD 106.1 million) with the prior year benefiting from the sale of IRUs and dark fibre in Rest of World and East Africa. Good revenue growth in Rest of Africa due to new connections in Kenya and Zambia, and improved sales in Zimbabwe, offset the more modest sales in Rest of World.

Network revenue year-to-date was USD 346.4 million, up 27.9% year-on-year compared to the first nine months of the prior year (Q3 YTD 2020-21: USD 270.8 million).

Digital Solutions

Digital Solutions, encompassing our Cloud, Cyber Security and other digital service offerings delivered further growth, with revenue for the third quarter of USD 16.1 million (Q3 2020-21: USD 13.4 million). We continue to see a strong appetite for our Microsoft and other cloud-based solutions across all geographies as businesses move away from traditional on-premise hosting.

On a year-to-date basis, Digital Solutions revenue of USD 47.5 million was up 47.5% year-on-year compared to the first nine months of the prior year (Q3 YTD 2020-21: USD 32.2 million).

Data Technologies

Covering all our sea-to-land connections and subsea capacity, Data Technologies experienced a good performance in the third quarter with growth delivered across all geographies with Rest of World and South Africa providing particularly strong contributions. Third quarter revenue was up 27.8% year-on-year to USD 19.3 million (Q3 2020-21: USD 15.1 million) due to new connections in the Rest of World.

Data Technologies revenue for the first nine months of USD 53.7 million increased 28.2% year-on-year compared to the first nine months of the prior year (Q3 YTD 2020-21: USD 41.9 million).

Voice

Voice revenue in the third quarter improved year-on-year by 33.5% to USD 27.5 million (Q3 2020-21: USD 20.6 million) due to a focus on better performing markets and the improved South African Rand exchange rate. Overall voice minutes continue to decline in line with the global trend.

On a year-to-date basis, Voice revenue of USD 73.5 million declined 22.9% year-on-year compared to the first nine months of the prior year (Q3 YTD 2020-21: USD 95.3 million).

Data Centre

Following the sale of the Data Centre business to the new group holding company, revenue will no longer be reported within the Liquid Telecommunications Holdings Group.

Gross Profit

Gross Profit	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (% / pp)	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (%)
Revenue	521.1	457.2	14.0	171.7	161.5	6.3
Costs per quarterly financial statements	(133.9)	(162.0)	17.3	(48.3)	(55.9)	13.6
Gross Profit	**387.2**	**295.2**	**31.2**	**123.4**	**105.6**	**16.9**
Gross Profit Margin (%)	74.3%	64.6%	9.7pp	71.9%	65.4%	6.5pp

Gross profit continued to benefit from the growth in revenue, both on an absolute and a margin basis. Gross profit of USD 123.4 million in the quarter was up 16.9% year-on-year and yielded a strong margin of 71.9% (Q3 2020-21: USD 105.6 million, 65.4% margin), a 6.5pp improvement on the third quarter in the prior year.

Overall, for the first nine months, gross profit was USD 387.2 million, up 31.2% on the same period in the prior year (Q3 YTD 2020-21: USD 295.2 million). The Q3 year-to-date gross profit margin was 74.3% (Q3 YTD 2020-21: 64.6%).

Total Overheads and Other Income

Total Overheads and Other Income	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (%)	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (%)
Other income	4.6	0.4	1,050.0	2.2	0.3	633.3
Selling, distribution and marketing costs	(7.8)	(12.6)	38.1	(0.4)	(2.5)	84.0
Administrative costs	(67.0)	(57.9)	(15.7)	(17.5)	(22.0)	20.5
Staff costs	(90.0)	(66.9)	(34.5)	(30.6)	(24.6)	(24.4)
Dividend received	0.0	0.3	n/a	0.0	0.0	n/a
Total Overheads and Other Income	**(160.2)**	**(136.7)**	**(17.2)**	**(46.3)**	**(48.8)**	**5.1**
% to Total Revenue	30.7%	29.9%	(0.8)pp	27.0%	30.2%	3.3pp

Total overheads and other income in the third quarter was 5.1% lower year-on-year at USD 46.3 million (Q3 2020-21: USD 48.8 million). This was driven by lower selling, distribution, marketing and administrative costs as activity reduced due to COVID-19 lockdowns. This saving was partially offset by an increase in staff costs of 24.4% largely due to increased headcount to bolster our sales organisation, predominantly in South Africa, the insourcing of a number of contracts relating to fibre maintenance and support and the strengthening of the South African Rand.

On a year-to-date basis, total overheads and other income was USD 160.2 million (Q3 YTD 2020-21: USD 136.7 million), an increase of 17.2% driven by our re-branding costs, the impact of the stronger exchange rates in the current year and the insourcing of maintenance and support contracts as referred to above. In the longer term, the overall expenditure associated with these contracts is expected to fall.

Adjusted EBITDA and profit

Adjusted EBITDA	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (%)	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (%)
Adjusted EBITDA	**227.0**	**158.5**	43.2	**77.2**	**56.8**	35.9
Depreciation, impairment and amortisation	(93.1)	(86.7)	(7.4)	(31.2)	(37.1)	15.9
Dividend received	-	(0.3)	n/a	-	-	n/a
Operating Profit	**133.9**	**71.5**	87.3	**46.0**	**19.7**	133.5
Dividend received	-	0.3	n/a	-	-	n/a
Restructuring costs	-	(5.1)	n/a	-	(0.2)	n/a
Acquisition and other investment costs	-	(0.5)	n/a	-	(0.4)	n/a
Interest income	20.2	1.5	1,246.7	2.8	0.5	460.0
Finance costs	(51.6)	(59.0)	12.5	(17.3)	(20.0)	13.5
Foreign exchange loss	(67.0)	(334.3)	80.0	(65.2)	(30.8)	(111.7)
Monetary Adjustment - IAS 29	80.6	327.6	(75.4)	26.2	60.2	(56.5)
Share of profit of associate	-	-	n/a	-	-	n/a
Profit / (loss) before tax	**116.1**	**2.0**	**5,705.0**	**(7.5)**	**29.0**	**(125.9)**
Tax expense	(34.7)	(14.0)	(147.9)	(20.5)	(6.3)	(225.4)
Profit / (loss) for the period	**81.4**	**(12.0)**	**778.3**	**(28.0)**	**22.7**	**(223.3)**

The combination of higher revenue and gross profit margin with lower costs for the third quarter has resulted in adjusted EBITDA for the period increasing 35.9% to USD 77.2 million (Q3 2020-21: USD 56.8 million).

Adjusted EBITDA for the first nine months was USD 227.0 million (Q3 YTD 2020-21: USD 158.5 million).

The depreciation, impairment and amortisation charge for the third quarter decreased to USD 31.2 million (Q3 2020-21: USD 37.1 million) largely due to the deterioration in the Zimbabwean exchange rate.

Finance costs, reflecting the new funding structure and improved interest rates totalled USD 17.3 million in the third quarter (Q3 2020-21: USD 20.0 million).

Although Zimbabwe has seen a period of stability in its CPI and exchange rate over the past few quarters, it has more recently started to experience some adverse movements. During the third quarter the foreign exchange loss increased to USD 65.2 million compared to a loss of USD 30.8 million in Q3 2020-21. This included Zimbabwe foreign exchange losses using a ZWL$:USD exchange rate of 105.7:1 against a rate of 81.8:1 in the same period of the prior year.

CPI in Zimbabwe for the third quarter was 3,760.86 (Q3 2020-21: 2,374.24) giving a monetary adjustment for the quarter of USD 26.2 million down on the same period of the prior year (Q3 2020-21: USD 60.2 million). The timing mismatch between the deterioration in the exchange rate and the uplift in the CPI has resulted in a net loss after tax in the third quarter.

Cash generated from operations

Cashflow	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (%)	30 Nov 2021 (USDm)	30 Nov 2020 (USDm)	YoY (%)
Cash generated from operations	**165.7**	**149.1**	11.1	**61.5**	**56.0**	9.8
Tax paid	(25.9)	(7.3)	(254.8)	(14.3)	(5.0)	(186.0)
Net cash generated from operating activities	**139.8**	**141.8**	**(1.4)**	**47.2**	**51.0**	**(7.5)**
Net cash used in investing activities	(51.7)	(56.2)	8.0	(17.3)	(17.5)	1.1
Net cash used in financing activities	(68.3)	(67.1)	(1.8)	(35.4)	(54.4)	34.9
Net increase / (decrease) in cash and cash equivalents	**19.7**	**18.4**	**7.1**	**(5.5)**	**(21.0)**	**(73.8)**

The Group continued to demonstrate strong cash generation in the third quarter, despite ongoing working capital challenges. Cash generated from operations was USD 61.5 million (Q3 2020-21: USD 56.0 million) including a working capital movement in line with the USD 9.0 million outflow in the same period last year. We continue to focus on our working capital, but there remain some market challenges in Zimbabwe where upfront payments are expected in the normal course of business and the tighter economic environment in Zambia has put pressure on some of our debtors.

Cash generated from operations in the first nine months was USD 165.7 million (Q3 YTD 2020-21: USD 149.1 million).

Net cash spent on investing activities was flat in the third quarter year-on-year at USD 17.3 million (Q3 2020-21: USD 17.5 million) and comprised spend on infrastructure.

Total investing activities year-to-date cash outflow was USD 51.7 million (Q3 YTD 2020-21: USD 56.2 million).

Payments under financing activity in the third quarter comprised leases and the repayment of debt and interest, totalling USD 35.4 million (Q3 YTD 2020-21: USD 54.4 million).

Year-to-date interest, lease and debt payments totalled USD 68.3 million (Q3 YTD 2020-21: USD 67.1 million).

Capital investment and network developments

We have seen increases in capital expenditure in the quarter as our build-out programmes continue, in particular in the DRC and South Africa. Investment in the third quarter amounted to USD 26.8 million (Q3 2020-21: USD 18.1 million). Year-to-date capital expenditure was USD 62.2 million (Q3 YTD 2020-21: USD 59.5 million). This investment was incurred in South Africa on the Eastern and Western Cape contracts and in DRC as we expand the East to West link through the interior of the country.

Gross and net debt

Gross and Net Debt	Q3 Nov 21 (USDm)
Total Gross Debt	**918.2**
Long term borrowings (incl interest accrued)	811.9
Short term portion of long-term borrowings (incl interest accrued)	9.4
Unamortised arrangement fees	16.5
Leases - LT	49.0
Leases - ST	31.4
Less: Unrestricted cash	**(166.8)**
Net Debt	**751.4**
Last twelve months EBITDA	**310.0**
Last twelve months interest	**70.9**
Covenants:	
Gross Debt / LTM EBITDA (x)	2.96
Net Debt / LTM EBITDA (x)	2.42
Interest / LTM EBITDA (x)	4.37
Debt Service Cover Ratio (DSCR)	2.43

The Group continues to maintain a strong cash position with a closing cash balance of USD 176.3 million (Q3 2021-22: USD 192.0 million), of which USD 166.8 million was unrestricted. Of this USD 79.1 million is held in Zimbabwe as it continues to generate strong liquidity in a good operating environment. The company continues to explore means of expatriating and re-investing this cash.

Together, the USD 620.0 million Senior Secured Notes, USD 198.1 million South African Rand term loan, USD 7.7 million Zambian debt, and USD 80.4 million of lease liabilities result in a gross debt figure of USD 918.2 million. Taking the above cash position into account and including accrued interest and amortising fees, net debt at the end of the third quarter was USD 751.4 million, giving a net debt to EBITDA ratio of 2.42x, comfortably within the 4.5x threshold.

Strive Masiyiwa	Nic Rudnick	Kate Hennessy
Group Chairman	Chief Executive Officer	Chief Finance Officer

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED

(trading as)

LIQUID
INTELLIGENT TECHNOLOGIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE 9 MONTHS AND 3 MONTHS ENDED

30 NOVEMBER 2021

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 9 months and 3 months ended 30 November 2021

LIQUID INTELLIGENT TECHNOLOGIES

	Notes	9 months ended		3 months ended	
		30/11/2021	30/11/2020	30/11/2021	30/11/2020
		USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Revenue	3,28	521,067	457,243	171,734	161,535
Interconnect related costs		(53,418)	(81,693)	(21,405)	(21,028)
Data and network related costs		(106,117)	(103,236)	(34,491)	(43,003)
Other income		4,615	379	2,205	288
Selling, distribution and marketing costs		(7,847)	(12,617)	(350)	(2,543)
Administrative expenses		(41,363)	(34,969)	(9,931)	(13,740)
Staff costs		(89,995)	(66,897)	(30,565)	(24,466)
Depreciation, impairment and amortisation		(93,086)	(86,746)	(31,219)	(37,082)
Operating profit		**133,856**	**71,464**	**45,978**	**19,961**
Dividend received		-	292	-	-
Restructuring costs	4	(22)	(5,139)	-	(223)
Acquisition and other investment costs		-	(466)	-	(396)
Interest income	5	20,224	1,493	2,757	538
Finance costs	6	(51,592)	(58,970)	(17,272)	(20,033)
Foreign exchange loss	2.2	(66,969)	(334,310)	(65,190)	(30,833)
Hyperinflation monetary gain	2.2	80,605	327,586	26,163	60,193
Share of profits of associate		14	7	5	5
Profit / (loss) before taxation		116,116	1,957	(7,559)	29,212
Tax expense	7	(34,749)	(13,988)	(20,498)	(6,335)
Profit / (loss) for the period		**81,367**	**(12,031)**	**(28,057)**	**22,877**
Other comprehensive income / (loss)					
Items that may be reclassified subsequently to profit or loss:					
Translation (loss) / gain on accounting for foreign entities		(32,617)	(8,184)	(38,440)	44,063
Gain on disposal of investment at FVTOCI		1,090	-	-	-
Impact of application of Hyperinflation accounting on opening balances	2.2.2	4,990	9,443	1,612	1,511
Other comprehensive (loss) / income		(26,537)	1,259	(36,828)	45,574
Profit / (loss) and other comprehensive income for the year		**54,830**	**(10,772)**	**(64,885)**	**68,451**
Profit / (loss) attributable to:					
Owners of the company		79,842	(11,821)	(28,742)	23,401
Non-controlling interest		1,525	(210)	685	(524)
		81,367	**(12,031)**	**(28,057)**	**22,877**
Profit / (loss) and other comprehensive income attributable to:					
Owners of the company		53,439	(10,412)	(65,487)	69,082
Non-controlling interest		1,391	(360)	602	(631)
		54,830	**(10,772)**	**(64,885)**	**68,451**
Earnings per share					
Basic (Cents per share)	24	63.94	(9.54)	(23.02)	18.87

LIQUID INTELLIGENT TECHNOLOGIES

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 November 2021

	Notes	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Non-current assets			
Goodwill	8	122,326	129,364
Intangible assets	9	126,086	131,594
Property, plant and equipment	10	689,316	679,626
Right-of-Use assets	11	87,439	86,767
Investment in associate		587	615
Investments	22	15,315	23,814
Deferred tax assets		30,462	31,595
Investments at Fair Value Through Other Comprehensive Income (FVTOCI)		39	49
Long-term receivables from affiliated entities	18	199,911	-
Other Long-term receivables		-	13
Total non-current assets		**1,271,481**	**1,083,437**
Current assets			
Inventories		32,173	25,288
Trade and other receivables	13	189,674	186,764
Taxation		4,652	2,798
Cash and cash equivalents	12	166,750	163,898
Restricted cash and cash equivalents	12	9,502	8,740
Assets classified as held for sale	25	-	126,838
Total current assets		**402,751**	**514,326**
Total assets		**1,674,232**	**1,597,763**
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
Retained earnings / (Accumulated losses)		51,006	(121,379)
Foreign currency translation reserve		(33,509)	(6,016)
Total equity attributable to owners of the parent		**477,927**	**333,035**
Non-controlling interests		3,392	2,001
Total equity		**481,319**	**335,036**
Non-current liabilities			
Long term borrowings	14	800,279	823,246
Long term lease liabilities	15	48,984	59,948
Long-term payable to affiliated entities	18	400	-
Long-term provisions		8,371	9,027
Deferred revenue	17	61,061	48,295
Deferred tax liabilities		39,514	26,281
Total non-current liabilities		**958,609**	**966,797**
Current liabilities			
Short term portion of long-term borrowing	14	9,404	2,859
Short term portion of long-term lease liabilities	15	31,428	36,711
Trade and other payables	16	132,948	159,763
Short-term provisions		30,270	23,490
Deferred revenue	17	20,816	44,219
Taxation		9,438	8,796
Liabilities directly associated with assets classified as held for sale	25	-	20,092
Total current liabilities		**234,304**	**295,930**
Total equity and liabilities		**1,674,232**	**1,597,763**

Approved by the Board of Directors and authorised for issue on 26 January 2022.

Eric Venpin
Director

Mike Mootien
Alternate Director to Gaetan Lan

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 9 months ended 30 November 2021

LIQUID INTELLIGENT TECHNOLOGIES

	Notes	Share capital	Share premium	Convertible preference shares	Foreign currency translation reserve	Retained earnings / (Accumulated losses)	Non-controlling interest	Total equity
		USD'000	USD'000	USD	USD'000	USD'000	USD'000	USD'000
At 1 March 2020 (Audited)		3,638	251,446	180,000	(15,560)	(56,607)	2,026	364,943
Issue of share capital and share premium		78	25,268	-	-	-	-	25,346
Acquisition of subsidiary		-	-	-	101	(9,440)	(190)	(9,529)
Change in ownership		-	-	-	-	-	(167)	(167)
Loss for the period		-	-	-	-	(11,821)	(210)	(12,031)
Impact of application of Hyperinflation accounting on opening balances		-	-	-	9,443	-	-	9,443
Translation loss on accounting for foreign entities		-	-	-	(8,034)	-	(150)	(8,184)
Scrip dividend paid						(40,635)	-	(40,635)
At 30 November 2020		**3,716**	**276,714**	**180,000**	**(14,050)**	**(118,503)**	**1,309**	**329,186**
At 1 March 2021 (Audited)		3,716	276,714	180,000	(6,016)	(121,379)	2,001	335,036
Profit on disposal of businesses under common control	25	-	-	-	-	91,469	-	91,469
Profit for the period		-	-	-	-	79,842	1,525	81,367
Impact of application of Hyperinflation accounting on opening balances		-	-	-	4,990	-	-	4,990
Translation loss on accounting for foreign entities		-	-	-	(32,483)	-	(134)	(32,617)
Gain on disposal of investment at FVTOCI		-	-	-	-	1,090	-	1,090
Dividend	21	-	-	-	-	(16)	-	(16)
At 30 November 2021		**3,716**	**276,714**	**180,000**	**(33,509)**	**51,006**	**3,392**	**481,319**

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the 9 months and 3 months ended 30 November 2021

	Notes	9 months ended 30/11/2021 USD'000 (Unaudited)	9 months ended 30/11/2020 USD'000 (Unaudited)	3 months ended 30/11/2021 USD'000 (Unaudited)	3 months ended 30/11/2020 USD'000 (Unaudited)
Cash flows from operating activities:					
Profit/(loss) before tax		116,116	1,957	(7,559)	29,212
Adjustments for:					
Depreciation, impairment and amortisation		93,086	86,746	31,219	37,082
Dividend received		-	(292)	-	-
Bad debts (reversal) / provision		(8,399)	(1,536)	(11,137)	4,652
Fair value adjustment on derivatives		(11,604)	-	-	-
Increase in provisions		7,350	1,653	3,258	4,604
Foreign exchange loss		66,943	334,786	66,082	31,417
Hyperinflation monetary gain		(80,605)	(327,586)	(26,164)	(60,193)
Loss / (profit) on disposal of fixed assets		200	(29)	236	(5)
Interest income	5	(8,620)	(1,493)	(2,757)	(538)
Finance costs	6	51,592	58,970	17,272	20,033
Share of profit from associate		(14)	(7)	(4)	(5)
		226,045	153,169	70,446	66,259
Working capital changes:					
(Increase) / decrease in inventories		(9,647)	(5,481)	1,637	(5,078)
Increase in trade and other receivables		(13,892)	(20,527)	(2,932)	(25,675)
(Decrease) / increase in trade and other payables		(19,930)	7,022	1,939	21,556
(Decrease) / increase in deferred revenue		(8,529)	12,382	1,325	5,522
(Decrease) / increase in accruals		(8,392)	2,521	(10,910)	(6,610)
Cash generated from operations		165,655	149,086	61,505	55,974
Income tax paid		(25,938)	(7,296)	(14,348)	(4,995)
Net cash generated from operating activities		139,717	141,790	47,157	50,979
Cash flows from investing activities:					
Interest income		8,620	1,484	2,757	529
Acquisition of subsidiary companies		-	1,442	-	-
Dividend received		-	292	-	-
Proceeds from sale of investments		9,590	-	9,590	-
Purchase of property, plant and equipment	10	(54,696)	(61,565)	(25,323)	(20,750)
Proceeds on disposal of property, plant and equipment		1,562	4,255	792	4,057
Purchase of intangible assets	9	(9,322)	(2,167)	(2,222)	(1,391)
Proceeds on disposal of intangible assets		214	10	3	10
Decrease / (increase) in other Long-term receivables		10	-	(3)	-
Increase in long-term receivables from affiliated entities		(7,709)	-	(2,869)	-
Net cash used in investing activities		(51,731)	(56,249)	(17,275)	(17,545)
Cash flows from financing activities:					
Dividend paid		(10)	(289)	(10)	-
Finance costs paid		(32,892)	(35,286)	(25,508)	(1,767)
Decrease in lease liabilities		(31,337)	(27,702)	(11,359)	(9,727)
Decrease in borrowings		(4,463)	(3,841)	1,137	(42,900)
Increase in long-term payable to affiliated entities		412	-	342	-
Net cash used in financing activities		(68,290)	(67,118)	(35,398)	(54,394)
Net increase / (decrease) in cash and cash equivalents		19,696	18,423	(5,516)	(20,960)
Cash and cash equivalents at beginning of the period		172,638	85,003	192,002	105,700
Translation of cash with respect to foreign subsidiaries		(16,082)	(21,250)	(10,234)	(2,564)
Cash and cash equivalents at end of the period	12	**176,252**	**82,176**	**176,252**	**82,176**
Represented by:					
Cash and cash equivalents	12	166,750	80,936	166,750	80,936
Restricted cash and cash equivalents	12	9,502	1,240	9,502	1,240
		176,252	**82,176**	**176,252**	**82,176**

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, 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 period.

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 and Zimbabwean dollar (ZWL$, equivalent to the Real Time Gross Settlement - "RTGS").

ADC restructure

A new holding company for the Liquid group was formed during the year ended 28 February 2021 (Liquid Telecommunications (Jersey) Limited) which now holds both Liquid Telecommunications Holdings Limited ("Liquid Group") and Africa Data Centre Holdings Limited ("ADC Group'') (a new Data centre holding company).

In line with the strategy outlined in the prior year, the group has transferred the assets and liabilities of the Data centre line of business from the Liquid Group to the ADC group. The disposal took place on the 4 March 2021. See *note 25 - Assets Held for Sale* for more details.

Refinancing of USD 730 million 8.5% Senior Secured Notes

As outlined in the prior year, the refinancing of the USD 730 million 8.5% Senior Secured Notes was completed on 4 March 2021. Full details of the transaction can be found in note 14.

Response to COVID-19 pandemic

On 11 March 2020 the World Health Organisation declared COVID-19 a pandemic. The outbreak of the global disease resulted in various restrictions, including quarantine obligations being imposed by certain governments.

The group's top priority is to help protect the health, well-being and safety of staff, customers, partners and the public whilst ensuring that the smooth delivery of communications solutions continues during the COVID-19 pandemic. The group believes that 'every individual on the African continent has the right to be connected'. This enduring belief is guiding the group's response to the current crisis. The health and safety of our people and those of our customers, suppliers and other business partners is paramount. The group has implemented robust contingency planning across the business to protect the health of our people and those with whom the group comes into contact. This includes, but is not limited to, implementing the advice of the authorities, particularly the World Health Organisation and other reliable sources.

As the situation evolves, the group continues to work closely with our employees, partners and suppliers to support ongoing business operations and serve our customers' needs.

As a strategic supplier to our customers, the group has been executing plans to ensure network and system continuity as the situation evolves. The group has remote working capability in place for all major processes and systems for our key personnel. All personnel are able to work remotely at short notice when necessary while maintaining full business functionality.

The directors continue to keep the situation and the impact of the pandemic on the business under review.

2. Accounting policies

Basis of preparation

The condensed consolidated interim financial statements for the nine months ended 30 November 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting.*

The preparation of consolidated 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. Accounting policies (continued)

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 condensed consolidated interim financial statements. Taking into account the available cash position as of 30 November 2021, including the economic conditions in Zimbabwe, the cash flow projections for the period (which include discretionary capital expenditure), the repayment of existing obligations and loan funding, the directors are satisfied that the group has access to adequate cash resources to settle obligations as they fall due. They also consider that the operations provide sufficient financial sustainability to enable the business to continue in existence for the foreseeable future.

In making their assessment, the directors have considered the potential impact of the COVID-19 pandemic on the operations, business plan and cashflow for the the remainder of the financial year 2022 and the following period. Although the longer term impact of the pandemic is not yet known, the potential impact of the following factors have been taken into account: instability of financial markets, volatility of currency markets, particularly the South African Rand, inability of customers to pay and supply chain shortages. Even after assessing these factors, the directors consider the group has sufficient liquidity and headroom on its covenants.

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

Funding facilities

The group is currently funded by a combination of equity, USD 620 million Senior Secured Notes (maturity September 2026), an undrawn USD 60 million Revolving Credit Facility ("RCF") (maturity February 2026), a ZAR 3.3 billion term loan (maturity February 2026) and USD 23.3 million of locally provided term loans (maturity in the financial year 2025) in Zambia, of which USD 7.7 million is outstanding at 30 November 2021. Securing the new funding has removed the re-financing risk for the group and the lower coupon will benefit the cash flow, contributing to improved liquidity.

Cash position

As at 30 November 2021, the group has an unrestricted cash position of USD 166.8 million (28 February 2021: USD 163.9 million). Of this amount, USD 79.1 million (28 February 2021: USD 44.0 million) is held in Zimbabwe. The group has translated the ZWL$ denominated cash in Zimbabwe at the statement of financial position date at a ZWL$:USD exchange rate of 105.7:1 (28 February 2021: 83.9:1). Cash held in Zimbabwe is used to locally fund operational expenses and capital expenditure.

Operational performance

For the period ended 30 November 2021 the group reported an operating profit of USD 133.9 million (30 November 2020: USD 71.5 million) and a net cash inflow from operating activities of USD 139.7 million (30 November 2020: USD 141.8 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 devaluation in Zimbabwe.

Based on the assessment made and for the reasons set out above, the directors are of the opinion that the adoption of the going concern assumption in the preparation of the financial statements for the period ended 30 November 2021 is appropriate.

2.2 Zimbabwean currency and hyperinflation accounting

Following changes to the currency in Zimbabwe in February 2019, the economic conditions are now those of a hyperinflationary environment. As a result, local accounting bodies have determined that the principles of IAS 29 - *Financial Reporting in Hyperinflationary Economies* should be applied. The group has continued the application of hyperinflation accounting during the period ended 30 November 2021, with effect from 1 October 2018 for its Zimbabwean subsidiaries.

More details on the currency changes and the adoption of hyperinflation accounting are set out in note 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 on launch was 2.5. The Zimbabwean currency is now denominated as the Zimbabwean Dollar (ZWL$).

2. Accounting policies (continued)

2.2 Zimbabwean currency and hyperinflation accounting (continued)

2.2.1 Zimbabwean currency (continued)

During the period ended 30 November 2021, there has been further movement in the ZWL$:USD rate and the group has used a rate of ZWL$:USD 105.7:1 (28 February 2021: ZWL$:USD 83.9:1) to translate both the statement of profit or loss and the statement of financial position at 30 November 2021. Of the USD 67.0 million (30 November 2020: USD 334.3 million) of net foreign exchange loss in the consolidated statement of profit and loss, Zimbabwe contributed USD 66.9 million of net foreign exchange loss (30 November 2020: USD 329.1 million) which arises mainly on the retranslation of USD denominated intra-group debt at the statement of financial position date.

2.2.2 Hyperinflation accounting

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 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 Public Accountants and Auditors Board ("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. Hyperinflation accounting is applicable to accounting periods ended on or after 1 July 2019 and so the group has continued the application the requirements of IAS 29 in its consolidated financial statements for the period to 30 November 2021, effective from 1 October 2018. The gains on the net monetary position relating to the opening balances of the Zimbabwe subsidiaries at 1 March 2021 of USD 5.0 million (01 March 2020: USD 9.4 million) have been recognised directly in the consolidated statement of other comprehensive income.

The application of hyperinflationary accounting results in certain assets, liabilities, revenues and costs being reported in inflation adjusted terms as at 30 November 2021.

The restatement of balances in accordance with IAS 29 requires the use of a general price index that reflects changes in general purchasing power. The group has used the official published Zimbabwe Consumer Price Index (“CPI”) as the general price index. The gain on the net monetary position of USD 80.6 million (30 November 2020: gains of USD 327.6 million) have been recognised in the consolidated statement of profit or loss through 'Hyperinflation monetary gain' based on a CPI of 3,760.86 (30 November 2020: 2,374.24).

In addition, IAS 29 requires the translation of the results at closing rate rather than average rate. The closing rate of ZWL$:USD 105.7:1 has been used.

The directors continue to monitor the economic conditions in Zimbabwe.

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 28 February 2021.

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 28 February 2021. In addition, the following significant accounting judgements and critical estimates have also been made:

Material judgements

Revenue Recognition

In making their judgement, the directors considered the detailed criteria for the recognition of revenue set out in IFRS 15 *Revenue from Contracts with Customers* and whether the group had transferred control of the goods and rendered the services to the customer, which would result in the satisfaction of the performance obligation. The directors are satisfied that control has been transferred and that recognition of the revenue in the current period is appropriate.

Classification and measurement of financial instruments

• Classification of financial assets: The group uses judgement in the assessment of the business models within which the non-equity financial assets are held and the assessment of whether the contractual terms of such financial assets are solely payments of principal and interest on the principal amounts outstanding.

2. Accounting policies (continued)

2.4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Material judgements (continued)

Classification and measurement of financial instruments (continued)

• Impairment: The loss allowances for financial assets are based on the use of forward-looking information and on the assumptions about risk and probability of default and expected loss rates. The group uses judgement and estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions, as well as forward looking estimates at the end of each reporting period.

Identification of leases and lease term

In making their judgement, the directors considered the detailed criteria for the recognition of leases as set out in IFRS 16 *Leases* . The group, at the inception of the contract, assesses whether the contract contains a lease by considering if the contract conveys a right of control to use the identified asset for a period of time in exchange for consideration. The group considers whether the contract involves the use of an identified asset, whether the group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period and also if the group has the right to direct the use of the asset.

Further, judgements are made when determining the appropriate lease term and whether it is reasonably certain that a termination or extension option will be exercised, and in relation to any incremental borrowing rate used.

The directors are satisfied that leases have been appropriately identified and that the lease terms have been correctly measured.

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. Refer to note 26 for *Contingent liabilities* disclosure.

Deferred taxation assets

The group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Assessing the recoverability of deferred tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the group operates could limit the ability of the company to obtain tax deductions in future periods.

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.

Residual value and useful life

The group depreciates its assets over their estimated useful lives taking into account residual values which, in compliance with IAS 16 Property, plant and equipment (revised), are re-assessed on an annual basis. The actual lives and residual values of these assets can vary depending on a variety of factors.

Technological innovation, product life cycles and maintenance programmes all impact the useful lives and residual values of the assets. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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).

Following the group's strategic re-positioning during the year ended 28 February 2021, the group categorises its revenue streams as shown below:

- Network - primarily revenue from long haul and metro networks;
- Digital solutions - primarily revenue from cloud services, managed services and cybersecurity services;
- Data technologies - primarily revenue from roaming services and other innovations and undersea assets;
- Voice traffic - primarily revenue from international voice interconnects between mobile network operators and international telecom carriers; and
- Data centre - primarily revenue from the group's data centres.

For comparison, the previous revenue streams were:

- Wholesale data and other services - primarily data services sold to African mobile network operators and international telecom operators;
- Enterprise data and other services - primarily data services sold to medium to large enterprises in Africa;
- Retail data and other services - primarily data services sold to consumers and small businesses in Africa; and
- Wholesale voice traffic - primarily revenue from international voice interconnects between mobile network operators and international telecom carriers.

The new revenue streams have also been reflected in the comparatives.

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:

- 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 27.1 - 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 2021.

	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	112,520	145,854	84,311	36,485	-	(33,216)	345,954
Digital Solutions	30,395	11,642	4,728	6,292	-	(5,538)	47,519
Data Technologies	26,926	762	9,133	51,112	-	(34,198)	53,735
Voice Traffic	7,358	146	11	66,988	-	(1,010)	73,493
Data Centre	69	-	156	225	-	(84)	366
Inter-segmental revenue	(5,471)	(849)	(7,363)	(60,363)	-	74,046	-
Group External Revenue	**171,797**	**157,555**	**90,976**	**100,739**	**-**	**-**	**521,067**
Adjusted EBITDA	58,115	100,702	24,288	59,549	(15,287)	(425)	226,942
Depreciation, impairment and amortisation							(93,086)
Restructuring costs							(22)
Acquisition and other investment costs							-
Interest income							20,224
Finance costs							(51,592)
Foreign exchange loss							(66,969)
Hyperinflation monetary gain							80,605
Share of profits of associate							14
Profit before taxation							**116,116**
Tax expense							(34,749)
Profit for the period							**81,367**

The following is an analysis of the group's revenue and results by reportable segment for the 9 months ended 30 November 2020.

	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	96,636	75,273	81,911	37,028	-	(20,077)	270,771
Digital Solutions	22,457	6,303	2,830	3,720	-	(3,090)	32,220
Data Technologies	22,562	39	9,796	41,408	-	(31,882)	41,923
Voice Traffic	4,773	-	12	92,769	-	(2,230)	95,324
Data Centre	12,961	-	4,070	233	-	(259)	17,005
Inter-segmental revenue	(5,696)	(1,141)	(6,811)	(43,890)	-	57,538	-
Group External Revenue	**153,693**	**80,474**	**91,808**	**131,268**	**-**	**-**	**457,243**
Adjusted EBITDA	49,932	35,967	29,244	51,082	(15,550)	7,827	158,502
Depreciation, impairment and amortisation							(86,746)
Restructuring costs							(5,139)
Acquisition and other investment costs							(466)
Interest income							1,493
Finance costs							(58,970)
Foreign exchange loss							(334,310)
Hyperinflation monetary gain							327,586
Share of profits of associate							7
Profit before taxation							**1,957**
Tax expense							(13,988)
Loss for the period							**(12,031)**

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 2021.

	South Africa USD'000	Zimbabwe USD'000	Rest of Africa USD'000	Rest of the World USD'000	Central Administration Costs USD'000	Eliminations USD'000	Total USD'000
Network	33,506	47,572	28,440	9,964	-	(10,809)	108,673
Digital Solutions	10,028	3,943	1,784	2,314	-	(1,955)	16,114
Data Technologies	9,285	210	2,972	18,523	-	(11,647)	19,343
Voice Traffic	2,479	60	6	25,268	-	(340)	27,473
Data Centre	23	-	59	76	-	(27)	131
Inter-segmental revenue	(1,797)	(293)	(2,049)	(20,639)	-	24,778	-
Group External Revenue	**53,524**	**51,492**	**31,212**	**35,506**	**-**	**-**	**171,734**
Adjusted EBITDA	19,012	32,242	8,375	16,775	(42)	835	77,197
Depreciation, impairment and amortisation							(31,219)
Restructuring costs							-
Acquisition and other investment costs							-
Interest income							2,757
Finance costs							(17,272)
Foreign exchange loss							(65,190)
Hyperinflation monetary gain							26,163
Share of profits of associate							5
Loss before taxation							**(7,559)**
Tax expense							(20,498)
Loss for the period							**(28,057)**

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 30 November 2020.

	South Africa USD'000	Zimbabwe USD'000	Rest of Africa USD'000	Rest of the World USD'000	Central Administration Costs USD'000	Eliminations USD'000	Total USD'000
Network	33,123	40,335	25,828	13,668	-	(6,805)	106,149
Digital Solutions	7,994	3,878	1,228	1,605	-	(1,273)	13,432
Data Technologies	8,235	15	2,782	14,724	-	(10,694)	15,062
Voice Traffic	1,470	-	1	19,830	-	(711)	20,590
Data Centre	4,939	(48)	1,392	78	-	(59)	6,302
Inter-segmental revenue	(1,700)	(115)	(2,148)	(15,579)	-	19,542	-
Group External Revenue	**54,061**	**44,065**	**29,083**	**34,326**	**-**	**-**	**161,535**
Adjusted EBITDA	16,214	21,970	6,463	16,876	(2,988)	(1,492)	57,043
Depreciation, impairment and amortisation							(37,082)
Restructuring costs							(223)
Acquisition and other investment costs							(396)
Interest income							538
Finance costs							(20,033)
Foreign exchange loss							(30,833)
Hyperinflation monetary gain							60,193
Share of profits of associate							5
Profit before taxation							**29,212**
Tax expense							(6,335)
Profit for the period							**22,877**

4. Restructuring costs

At the start of the 9 months period to 30 November 2021, the group continued to restructure its operations, primarily in Liquid Telecommunications Ltd, due to the development of a new operating model which sees the enhanced automation and digitalisation of the business. The following restructuring costs have been incurred.

	9 months ended		3 months ended	
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Redundancy costs	20	3,943	-	199
Employee support costs	-	357	-	8
Legal fees	2	210	-	1
Other costs	-	629	-	15
	22	**5,139**	**-**	**223**

5. Interest income

	9 months ended		3 months ended	
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest received - bank / external	2,177	1,149	659	477
Interest received - inter-group (note 18)	6,443	344	2,098	61
Fair value gain on derivative assets (note 22)	11,604	-	-	-
	20,224	**1,493**	**2,757**	**538**

6. Finance costs

	9 months ended		3 months ended	
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on bank overdraft and loans	16,745	2,934	5,748	1,330
Finance cost on Senior Secured Notes	25,291	46,538	8,241	15,514
Finance arrangement fees amortised	2,987	2,654	897	885
Interest on lease liabilities	6,473	6,844	2,360	2,304
Interest paid - inter-group (note 18)	96	-	26	-
	51,592	**58,970**	**17,272**	**20,033**

7. Taxation

	9 months ended		3 months ended	
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current taxation	26,445	6,329	7,089	3,957
Deferred taxation charge	3,087	5,391	11,352	1,512
Withholding taxation	5,217	2,268	2,057	866
	34,749	**13,988**	**20,498**	**6,335**

	9 months ended		3 months ended	
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit before taxation	116,116	1,957	(7,559)	29,212
Taxation at domestic rate for foreign subsidiaries in tax paying jurisdictions	47,033	6,578	(3,284)	13,000
Tax effect of non-deductible expenses	17,201	81,352	32,239	27,031
Tax effect of non-taxable income	(5,114)	(1,925)	(1,087)	(717)
Tax effect of foreign tax credit	(3,917)	(4,176)	(15)	(1,610)
Effect of tax losses not recognised as deferred tax assets	1,393	9,619	1,057	(19,913)
Tax effect of utilised unrecognised tax losses	(7,762)	(2,615)	(4,270)	(371)
Tax effect on IAS 29 adjustments	(19,302)	(77,113)	(6,199)	(11,951)
Withholding taxation	5,217	2,268	2,057	866
	34,749	**13,988**	**20,498**	**6,335**

7. Taxation (continued)

The company's Global Business Licence (category 2) was converted to a Global Business Company licence on 30 June 2021. Taxation is calculated at the rates prevailing in the respective jurisdictions:

	30/11/2021 USD'000 (Unaudited)	30/11/2020 USD'000 (Unaudited)
Mauritius (tax credit of 80%, depending on type of income)	15%	15%
South Africa	28%	28%
Kenya	30%	30%
United Kingdom	19%	19%
Tanzania	30%	30%
Zambia	35%	35%
Zimbabwe	25.75%	25.75%

8. Goodwill

	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Cost		
Opening balance	129,364	125,771
Foreign exchange (loss)/gain	(8,194)	765
Adjustments - IAS 29	1,156	2,828
Closing balance	**122,326**	**129,364**

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.

	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Liquid Telecommunications Limited	2,850	2,850
Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe	1,441	1,441
Zimbabwe Online (Private) Limited	4,068	3,669
Liquid Telecommunications Holdings South Africa (Pty) Limited	105,937	113,374
Liquid Telecommunications Zambia Limited	2,201	2,201
Raha Tanzania Holdings Limited	5,584	5,584
Transaction Payment Solutions Indian Ocean Limited	245	245
	122,326	**129,364**

Goodwill is tested at least annually for impairment. 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.

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

• Growth rates: the group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The average growth rates used ranged from 0.5% to 5.0%.
• Discount rates: discount rates ranged from 11.0% to 14.4%. The discount rates used reflect both time value of money and other specific risks relating to the relevant CGU and operating country.

LIQUID INTELLIGENT TECHNOLOGIES

9. Intangible assets

	Operating Licence USD'000	Computer Software USD'000	Fibre Optical - IRU USD'000	Customer Relationships USD'000	Work in Progress USD'000	Data centres USD'000	Other Intangible Assets USD'000	Total USD'000
Cost:								
At 1 March 2020 (Audited)	28,371	41,362	112,445	32,952	3,086	24	41,472	259,712
Acquisition of subsidiaries	-	176	-	-	-	-	-	176
Purchases during the year	2,749	3,424	7,431	-	501	-	-	14,105
Disposals during the year	-	(151)	(1,823)	-	(42)	-	-	(2,016)
Transfers	250	320	-	-	(570)	-	-	-
Transfers from Property, plant and equipment (note 10)	294	(676)	-	-	-	-	8,712	8,330
Impairment	-	(471)	-	-	-	-	-	(471)
Write off	-	-	(1,791)	-	-	-	-	(1,791)
Transfer to Assets classified as held for sale (note 25)	-	-	-	-	-	(23)	-	(23)
Foreign exchange differences	(5,463)	(111)	(2)	1,513	-	(1)	31	(4,033)
Adjustments - IAS 29	5,264	1,053	-	-	-	-	-	6,317
At 28 February 2021 (Audited)	31,465	44,926	116,260	34,465	2,975	-	50,215	280,306
Purchases during the year	145	2,405	488	-	3,565	-	2,719	9,322
Disposals during the year	-	(42)	-	-	(198)	-	-	(240)
Transfers	-	127	-	-	(127)	-	-	-
Transfers from Property, plant and equipment (note 10)	-	982	-	-	-	-	-	982
Write off	-	(4,702)	-	-	-	-	-	(4,702)
Foreign exchange differences	(2,519)	(2,563)	(404)	(2,955)	-	-	(1,750)	(10,191)
Adjustments - IAS 29	2,156	804	-	-	-	-	-	2,960
At 30 November 2021 (Unaudited)	31,247	41,937	116,344	31,510	6,215	-	51,184	278,437
Accumulated amortisation:								
At 1 March 2020 (Audited)	9,517	33,513	53,005	11,474	-	2	24,876	132,387
Acquisition of subsidiaries	-	104	-	-	-	-	-	104
Amortisation	1,749	3,933	7,325	3,086	-	-	438	16,531
Disposals during the year	-	(151)	(132)	-	-	-	-	(283)
Transfers from fixed assets (note 10)	-	(676)	13	-	-	-	428	(235)
Write offs	-	-	(1,420)	-	-	-	-	(1,420)
Transfer to Assets classified as held for sale (note 25)	-	-	-	-	-	(2)	-	(2)
Impairment	-	(153)	-	-	-	-	-	(153)
Foreign exchange differences	(1,784)	38	69	484	-	-	390	(803)
Adjustments - IAS 29	1,865	721	-	-	-	-	-	2,586
At 28 February 2021 (Audited)	11,347	37,329	58,860	15,044	-	-	26,132	148,712
Amortisation	1,643	3,804	4,966	2,545	-	-	324	13,282
Disposals during the year	-	-	(26)	-	-	-	-	(26)
Write offs	-	(4,702)	-	-	-	-	-	(4,702)
Foreign exchange differences	(1,112)	(1,981)	(478)	(922)	-	-	(1,671)	(6,164)
Adjustments - IAS 29	901	348	-	-	-	-	-	1,249
At 30 November 2021 (Unaudited)	12,779	34,798	63,322	16,667	-	-	24,785	152,351
Carrying amount:								
At 28 February 2021 (Audited)	20,118	7,597	57,400	19,421	2,975	-	24,083	131,594
At 30 November 2021 (Unaudited)	18,468	7,139	53,022	14,843	6,215	-	26,399	126,086

During the year ended 28 February 2021, Computer software was impaired by USD 0.3 million relating to redundant technology.

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	Data centres USD'000	Fibre infrastructure USD'000	Total USD'000
Cost:									
At 1 March 2020 (Audited)	57,631	12,192	32,407	95,081	10,816	56,899	95,769	1,076,817	1,437,612
Acquisition of subsidiaries	-	52	206	-	47	2,241	(2,241)	-	305
Additions during the year	211	362	1,206	2,335	1,884	38,727	1,042	41,980	87,747
Disposals during the year	-	(1)	(139)	(5)	(59)	(372)	-	(4,693)	(5,269)
Write offs	-	(5)	(71)	(548)	3	-	-	9	(612)
Transfer to Assets classified as held for sale (note 25)	(36,118)	-	-	-	-	(20,246)	(90,708)	-	(147,072)
Transfers	(129)	-	74	3,887	-	(18,739)	2,289	12,618	-
Transfer to Intangible assets (note 9)	-	-	-	-	-	(294)	676	(8,712)	(8,330)
Transfer from Inventory	-	-	2	-	-	(58)	-	-	(56)
Foreign exchange differences	(2,951)	(3,229)	(1,700)	(10,410)	(5,485)	(7,249)	(6,827)	(306,006)	(343,857)
Adjustments - IAS 29	2,896	2,881	1,827	5,220	4,193	7,024	-	275,493	299,534
At 28 February 2021 (Audited)	21,540	12,252	33,812	95,560	11,399	57,933	-	1,087,506	1,320,002
Additions during the year	-	224	1,182	2,006	1,686	31,335	-	18,264	54,697
Disposals during the year	(197)	(5)	(47)	(522)	(79)	(48)	-	(15,870)	(16,768)
Transfers	3	8	260	10,070	-	(38,857)	-	28,516	-
Transfer to Intangible assets (note 9)	-	-	-	-	-	(982)	-	-	(982)
Transfer to Inventory	-	-	-	(64)	-	(17)	-	-	(81)
Foreign exchange differences	(1,908)	(975)	(1,769)	(3,982)	(1,310)	(2,610)	-	(105,561)	(118,115)
Adjustments - IAS 29	1,184	1,318	878	2,575	2,088	2,973	-	115,270	126,286
At 30 November 2021 (Unaudited)	20,622	12,822	34,316	105,643	13,784	49,892	-	1,128,125	1,365,204
Accumulated depreciation									
At 1 March 2020 (Audited)	12,924	10,163	25,473	84,922	9,778	(2,257)	27,557	527,672	696,232
Acquisition of subsidiaries	-	48	186	-	32	-	-	-	266
Depreciation	1,109	652	3,303	8,227	686	-	6,668	53,943	74,588
Disposals during the year	-	-	(97)	(5)	(35)	-	-	(1,007)	(1,144)
Write offs	-	(5)	(71)	(548)	3	-	-	9	(612)
Transfer to Assets classified as held for sale (note 25)	(14,149)	-	-	-	-	-	(26,006)	-	(40,155)
Transfers	7,195	(4)	-	(7)	-	-	(7,184)	-	-
Transfer to Intangible assets (note 9)	-	-	-	-	-	-	676	(441)	235
Foreign exchange differences	263	(2,663)	(1,167)	(9,315)	(5,050)	-	(1,711)	(141,777)	(161,420)
Adjustments - IAS 29	-	1,484	1,019	4,896	3,161	-	-	61,826	72,386
At 28 February 2021 (Audited)	7,342	9,675	28,646	88,170	8,575	(2,257)	-	500,225	640,376
Depreciation	288	676	2,709	6,465	837	-	-	46,036	57,011
Disposals during the year	-	(2)	(37)	(46)	-	-	-	(14,918)	(15,003)
Foreign exchange differences	(509)	(720)	(1,527)	(2,775)	(972)	-	-	(43,419)	(49,922)
Adjustments - IAS 29	-	989	623	2,096	1,553	-	-	38,165	43,426
At 30 November 2021 (Unaudited)	7,121	10,620	30,412	93,950	9,993	(2,257)	-	526,049	675,888
Carrying amount:									
At 28 February 2021 (Audited)	14,198	2,577	5,166	7,390	2,824	60,190	-	587,281	679,626
At 30 November 2021 (Unaudited)	13,501	2,202	3,904	11,693	3,791	52,149	-	602,076	689,316

Refer to note 14 for details of security over property, plant and equipment.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 9 months and 3 months ended 30 November 2021

11. Right-of-Use assets

	Land and buildings USD'000	Computer equipment USD'000	Furniture and fittings USD'000	Network equipment USD'000	Motor vehicles USD'000	Fibre infrastructure USD'000	Total USD'000
Cost:							
At 1 March 2020 (Audited)	70,382	23	-	38,481	1,678	18,061	128,625
Additions during the year	29,429	-	16	9,958	57	4,829	44,289
Disposals during the year	(373)	(22)	-	(1,721)	-	-	(2,116)
Transfer to Assets classified as held for sale (note 25)	(10,481)	-	-	-	-	-	(10,481)
Foreign exchange differences	(11,078)	(1)	-	(23)	37	490	(10,575)
Adjustments - IAS 29	(1,629)	-	-	-	-	-	(1,629)
At 28 February 2021 (Audited)	76,250	-	16	46,695	1,772	23,380	148,113
Additions during the year	2,528	-	44	6,543	135	1,296	10,546
Foreign exchange differences	(6,463)	-	-	2,393	(83)	(745)	(4,898)
Adjustments - IAS 29	17,976	-	-	-	-	-	17,976
At 30 November 2021 (Unaudited)	89,667	-	60	40,574	1,824	23,931	156,056
Accumulated depreciation:							
At 1 March 2020 (Audited)	10,902	-	-	12,767	566	7,048	31,283
Depreciation	10,215	-	-	11,971	517	7,489	30,192
Disposals during the year	(8)	(1)	-	(72)	-	-	(81)
Transfer to Assets classified as held for sale (note 25)	(696)			-	-	-	(696)
Foreign exchange differences	(111)	1	-	(5)	35	717	637
Adjustments - IAS 29	11	-	-	-	-	-	11
At 28 February 2021 (Audited)	20,313	-	-	24,661	1,118	15,254	61,346
Depreciation	9,187	-	-	7,625	335	5,396	22,543
Foreign exchange differences	(1,374)	-	-	938	(59)	(1,008)	(1,503)
Adjustments - IAS 29	2,300	-	-	-	-	-	2,300
At 30 November 2021 (Unaudited)	29,767	-	-	18,459	1,394	18,997	68,617
At 28 February 2021 (Audited)	55,937	-	16	22,034	654	8,126	86,767
At 30 November 2021 (Unaudited)	59,900	-	60	22,115	430	4,934	87,439

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

	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Cash and bank balances	166,370	163,419
Money market deposits	380	479
Cash and cash equivalents	**166,750**	**163,898**
Restricted cash and cash equivalents	**9,502**	**8,740**
Total cash and cash equivalents	**176,252**	**172,638**

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

Cash and cash equivalents include USD 79.1 million (28 February 2021: USD 44.0 million) in Zimbabwe held in cash, short term deposits and similar instruments. These amounts have been translated at the rate of ZWL$:USD of 105.7:1 (28 February 2021: ZWL$:USD 83.9:1). See *note 2.2 - Zimbabwean currency for more detailed disclosure on ZWL$.*

The group has restricted cash for the following purposes:

	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Guarantees	7,500	7,502
Customer deposits held	2,002	1,238
	9,502	**8,740**

13. Trade and other receivables

	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Trade receivables	129,615	157,755
Allowance for doubtful debts	(38,142)	(46,950)
Affiliated entities (note 18)	28,634	15,045
Total trade and affiliated entities receivables, net of allowance for doubtul debts	**120,107**	**125,850**
Short-term inter-company receivables (note 18)	2,210	910
Sundry debtors	30,983	29,392
Deposits paid	6,078	5,525
Prepayments	30,296	25,087
	189,674	**186,764**

The average credit period for the group is 30 days. In determining the recoverability of a trade receivable, the group makes use of forward-looking information and 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 repayable within six months.

	Ageing of past due but not impaired	
	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
31 - 60 days	19,735	12,429
61 - 90 days	16,923	6,162
91 - 120 days	7,256	4,335
121 + days	35,168	37,266
Total ageing of past due but not impaired	**79,082**	**60,192**
Current items	41,025	65,658
Total trade and affiliated entities receivables, net of allowance for doubtul debts	**120,107**	**125,850**

In addition to the current items not yet due of USD 41.0 million (28 February 2021: USD 65.7 million) for the group, the trade receivables and affiliated entities 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 allowance for doubtful debts, 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

	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Long term borrowings:		
Stanbic Bank of Zambia Limited	6,961	6,817
USD 620 million 5.5% Senior Secured Notes	607,078	605,219
Net derivative assets (note 22)	(11,604)	-
ZAR 3.3 billion term loan	197,844	211,210
	800,279	**823,246**
Short term portion of long term borrowings (including interest accrued):		
Stanbic Bank of Zambia Limited	696	2,859
USD 620 million 5.5% Senior Secured Notes	8,241	-
USD 60 million revolving credit facility	201	-
ZAR 3.3 billion term loan	266	-
	9,404	**2,859**

On 22 February 2021, Liquid Telecommunications Financing Plc ("LTF'') launched a tender offer for the USD 730 million 2022 Senior Secured Notes issued in 2017. The tender premium was 102.25 and any Notes not tendered were redeemed at par on 13 July 2021. The tender offer closed on 26 February with 76.55% of noteholders taking up the tender. Concurrent with the tender process, on 24 February 2021, Liquid Telecommunications Financing Plc announced the issue of USD 620 million of new 5.5NC2 Senior Secured Notes. Settlement for both transactions took place on 4 March 2021.

The new Senior Secured Notes bear interest, payable half yearly, at the rate of 5.5% and are payable at maturity in September 2026. The Notes are issued by Liquid Telecommunications Financing Plc 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 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.

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 is 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. 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%.

In addition to the new bond and term loan, the group has a USD 60 million Revolving Credit Facility agreement between the company, JP Morgan Chase Bank N.A., London branch, Standard Finance (Isle of Man) and Standard Chartered Bank (Mauritius) 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 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 facility is denominated in USD, bears interest at the rate of LIBOR plus 4.25%, subject to certain adjustments for the net leverage ratio and is to be utilised for general corporate purposes.

Liquid Telecommunications Zambia Limited has USD 23.3 million of term loans denominated in local currency (Zambian Kwacha). As at 30 November 2021, the outstanding balance on all term loans is USD 7.7 million.

15. Lease liabilities

	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Long term portion of lease liabilities	48,984	59,948
Short term portion of lease liabilities	31,428	36,711
	80,412	**96,659**

16. Trade and other payables

	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Trade accounts payable	50,993	65,100
Payable balance to affiliated entities (note 18)	5,690	3,111
Short-term inter-company payables (note 18)	13,951	14,380
Accruals	51,332	61,081
Staff payables	3,466	3,106
Transaction taxes due in various jurisdictions	6,916	5,370
Other short term payables	600	7,615
	132,948	**159,763**

The average credit period on purchases of goods is 30 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.

Amount payable to affiliated entities 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

	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Long term portion of deferred revenue	61,061	48,295
Short term portion of deferred revenue	20,816	44,219
	81,877	**92,514**

Deferred revenue mainly relates to revenue billed in advance which includes deferred revenue on any Indefeasible-Rights-of-Use (IRU) 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, and Steward Bank 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) and East Africa Data Centre Limited (Kenya) and are referred to as ''Africa Data Centres related group companies'';

• Liquid Technologies Infrastructure Finance SARL; and

• Liquid Telecommunications (Jersey) Ltd.

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 transactions between related parties are entered into at arm's length in accordance with the group's transfer pricing policies. During the year, the group and company entered into the following trading transactions with related parties:

18. Related party transactions and balances (continued)

	9 months ended		3 months ended	
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of goods and services				
Econet Global related group companies	95,972	45,203	31,291	22,553
Purchase of goods and services				
Econet Global related group companies	19,376	26,739	6,441	14,109
Management fees paid				
Liquid Telecommunications (Jersey) Ltd	180	180	60	60
Management fees received				
Africa Data Centres related group companies	768	-	275	-
Econet Global related group companies	59	45	22	21
	827	**45**	297	21
Scrip Dividend paid				
Econet Global related group companies	-	18,078	-	-
Other shareholders	16	22,557	-	-
	16	**40,635**	**-**	**-**
Interest income				
Econet Global related group companies	160	344	53	61
Africa Data Centres related group companies	6,283	-	2,045	-
	6,443	**344**	2,098	61
Finance costs				
Liquid Technologies Infrastructure Finance SARL	96	-	26	-
Administration fees paid				
DTOS Limited	227	253	79	141

The group has the following balances at the period / year end:

	30/11/2021	28/02/2021
	USD'000	USD'000
	(Unaudited)	(Audited)
Short term intercompany receivables		
Africa Data Centres related group companies	1,541	459
Econet Global related group companies	669	451
	2,210	910
Short term intercompany payables		
Liquid Technologies Infrastructure Finance SARL	7,477	11,684
Africa Data Centres related group companies	6,474	2,696
	13,951	**14,380**
Receivables balances from affiliated entities		
Econet Global Limited (Mauritius)	4,999	4,998
Liquid Technologies Infrastructure Finance SARL	613	1,248
Liquid Telecommunications (Jersey) Ltd	3,796	-
Econet Global Related Group Companies	18,121	8,799
Africa Data Centres related group companies	1,105	-
	28,634	**15,045**
Payable balance to affiliated entities		
Econet Global related group companies	5,342	3,103
Liquid Telecommunications (Jersey) Ltd	-	8
Liquid Technologies Infrastructure Finance SARL	348	-
	5,690	**3,111**
Acquisition of controlling interest in subsidiary		
Econet Global Related Group Companies	-	8,974
Long-term receivables from affiliated entities		
Africa Data Centres related group companies	199,911	-
Long-term payable to affiliated entities		
Africa Data Centres related group companies	400	-

19. Capital commitments

	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
At 30 November 2021 the group was committed to making the following capital commitments:		
Authorised and contracted	59,372	37,420

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

20. Events after reporting date

There have been no events after reporting date.

21. Dividend paid

Period ended 30 November 2021:

Zanlink Ltd, a subsidiary of the group, declared a dividend during the period. USD 16,000 is attributable to the non-controlling interests of the subsidiary out of which USD 10,000 has been paid.

Period ended 30 November 2020:

Of the USD 40.6 million dividend paid, USD 40.3 million relates to a scrip dividend that, on 8 June 2020, Liquid Telecommunications Holdings Limited declared as a dividend in shares, or where a shareholder had an outstanding liability to Liquid Telecommunications Holdings Limited, by offset of that liability. Of the USD 40.3 million (30 November 2019: Nil) value of the dividend, USD 15.0 million was satisfied by the offset of a receivable balance due from Econet Global Limited (EGL) as at 29 February 2020 and the remainder satisfied by 2,620,950 shares at a value of USD 9.67 per share.

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 2021				
Investments	-	-	15,314	15,314
Derivative assets	-	13,483	-	13,483
Total (Unaudited)	**-**	**13,483**	**15,314**	**28,797**
28 February 2021				
Investments	-	-	23,814	23,814
Derivative assets	-	1,879	-	1,879
Total (Audited)	**-**	**1,879**	**23,814**	**25,693**

Investments

Investments in equity instruments designated as at FVTOCI*	30/11/2021 USD'000 (Unaudited)	28/02/2021 USD'000 (Audited)
Opening balance	23,814	10,814
Additions	-	13,000
Disposal	(8,500)	-
Closing balance	**15,314**	**23,814**

During the year ended 28 February 2021, the group acquired 1% of the share capital of Liquid Technologies Infrastructure Finance SARL for USD 13.0 million. Liquid Technologies Infrastructure Finance SARL will invest in fibre network infrastruture in the Democratic Republic of Congo.

In November 2021, the group disposed its shareholding in West Indian Ocean Cable Company Limited. A gain on disposal was recognised in other comprehensive income.

No impairment was required following the review of the carrying value of the investments by the directors for the period ended 30 November 2021 (28 February 2021: Nil).

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

Derivative assets

The following table details the group's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

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.

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 (3-month USD LIBOR).

	Within 1 year USD'000	1 to 2 years USD'000	2 to 5 years USD'000	More than 5 years USD'000	Total USD'000
Group - 30 November 2021					
Net settled: Embedded derivatives	-	-	13,483	-	13,483
Group - 28 February 2021					
Net settled: Embedded derivatives	-	-	1,879	-	1,879

	30/11/2021 USD'000 (Unaudited) Derivatives		28/02/2021 USD'000 (Audited) Derivatives	
	Assets	Liabilities	Assets	Liabilities
Opening balance	1,879	(1,879)	-	-
Initial recognition	-	-	1,879	(1,879)
Fair value change	11,604	-	-	-
Closing balance	13,483	(1,879)	1,879	(1,879)
Net settled : Embedded derivatives	11,604		-	

23. Non-cash transactions

In the current financial period, the non-cash portion of finance costs consists of USD 3.0 million (30 November 2020: USD 2.7 million) of amortised arrangement fees relating to the USD 620 million 5.5% Senior Secured Notes (30 November 2020: USD 730 million 8.5% Senior Secured Notes). Accrued interest of USD 8.9 million (30 November 2020 : USD 23.8 million) has been excluded from financing activities as at 30 November 2021.

24. Earnings per share

	9 months ended		3 months ended	
	30/11/2021 USD'000 (Unaudited)	30/11/2020 USD'000 (Unaudited)	30/11/2021 USD'000 (Unaudited)	30/11/2020 USD'000 (Unaudited)
Basic profit / (loss) per share (Cents per share)	63.94	(9.54)	(23.02)	18.87

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

Profit / (loss) attributable to owners of the company	79,842	(11,821)	(28,742)	23,401

	30/11/2021 USD'000 (Unaudited)	30/11/2020 USD'000 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic profit / (loss) per share for the period ended	124,857,914	123,945,435

At 30 November 2021, the share capital of 3.7 million represents 124,857,914 ordinary shares (30 November 2020: 123,945,435 ordinary shares).

25. Assets held for sale

In line with the strategy outlined in the prior year, the group has transferred the assets and liabilities of the Data centre line of business from the Liquid Group to the ADC group. The group entered into a sale agreeement with Africa Data Centre Holdings Limited (owned by Liquid Telecommunications (Jersey) Limited), which was completed on 4 March 2021, for the disposal of the ADC line of business carried out by the South African and Kenyan subsdiaries of the group for a consideration of USD 193.0 million.

A profit of USD 91.5 million arose on the disposal of the ADC assets, being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets and attributable goodwill upon the completion of the transaction in the subsequent reporting period. The profit has been disclosed in the consolidated statement of changes in equity.

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	30/11/2021	28/02/2021
	USD'000	USD'000
Assets classified as held for sale		
Intangible assets	-	21
Property, plant and equipment	-	106,917
Right-of-Use assets	-	9,785
Inventories	-	154
Trade and other receivables	-	2,865
Foreign exchange	-	7,096
	-	126,838
Liabilities directly associated with assets classified as held for sale		
Trade and other payables	-	7,231
Lease liabilities	-	11,267
Foreign exchange	-	1,594
	-	20,092
Net assets of disposal group	-	106,746

26. Contingent liability

Raha Limited - Fine

On 28 August 2020, the Tanzania Telecommunications Regulatory Authority issued a fine of TZS 11.9 billion (approximately USD 5.1 million) in respect of findings pursuant to the issue of a Compliance Order under section 48 of the Tanzania Communications Regulatory Authority Act on 21 August 2020. The Compliance Order set out alleged instances of non-compliance with conditions of the Telecommunications licence issued to Raha Limited (the "company") (a subsidiary in Tanzania), which the company disagrees with. The findings and fines result from a hearing held on 25 August 2020. The company made an appeal, on 23 October 2020, against the outcome of the hearing. On 24 September 2021, at the request of the Regulatory Authority, the company withdrew the appeal with the Tribunal. The company has since received a revised order amounting to USD 0.2 million from the Regulatory Authority.

Based on the above, there is no contingent liability.

27. Reconciliation

27.1 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	
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Operating profit	133,856	71,464	45,978	19,961
Add back:				
Depreciation, impairment and amortisation	93,086	86,746	31,219	37,082
Dividend received	-	292	-	-
Adjusted EBITDA (note 3)	**226,942**	**158,502**	**77,197**	**57,043**

27. Reconciliation (continued)

27.2 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 (Unaudited)	Reclassification of network costs USD'000 (Unaudited)	Revised statement of profit or loss USD'000 (Unaudited)
9 months ended 30 November 2021:			
Revenue	521,067	-	521,067
Interconnect related costs	(53,418)	-	(53,418)
Data and network related costs	(106,117)	25,674	(80,443)
Gross Profit	361,532	25,674	387,206
Other income	4,615	-	4,615
Selling, distribution and marketing costs	(7,847)	-	(7,847)
Administrative expenses	(41,363)	(25,674)	(67,037)
Staff costs	(89,995)	-	(89,995)
Adjusted EBITDA	**226,942**	**-**	**226,942**
9 months ended 30 November 2020:			
Revenue	457,243	-	457,243
Interconnect related costs	(81,693)	-	(81,693)
Data and network related costs	(103,236)	22,959	(80,277)
Gross Profit	272,314	22,959	295,273
Other income	379	-	379
Dividend received	292		292
Selling, distribution and marketing costs	(12,617)	-	(12,617)
Administrative expenses	(34,969)	(22,959)	(57,928)
Staff costs	(66,897)	-	(66,897)
Adjusted EBITDA	**158,502**	**-**	**158,502**
3 months ended 30 November 2021:			
Revenue	171,734	-	171,734
Interconnect related costs	(21,405)	-	(21,405)
Data and network related costs	(34,491)	7,589	(26,902)
Gross Profit	115,838	7,589	123,427
Other income	2,205	-	2,205
Dividend received	-		-
Selling, distribution and marketing costs	(350)	-	(350)
Administrative expenses	(9,931)	(7,589)	(17,520)
Staff costs	(30,565)	-	(30,565)
Adjusted EBITDA	**77,197**	**-**	**77,197**
3 months ended 30 November 2020:			
Revenue	161,535	-	161,535
Interconnect related costs	(21,028)	-	(21,028)
Data and network related costs	(43,003)	8,180	(34,823)
Gross Profit	97,504	8,180	105,684
Other income	288	-	288
Dividend received	-		-
Selling, distribution and marketing costs	(2,543)	-	(2,543)
Administrative expenses	(13,740)	(8,180)	(21,920)
Staff costs	(24,466)	-	(24,466)
Adjusted EBITDA	**57,043**	**-**	**57,043**

28. Prior period restatement

During the year ended 28 February 2021, the accounting relating to the Roaming contracts and to the costs associated with them was subject to further review. This review concluded that the application of IFRS 16 *Leases* to certain items should be amended from that presented in the prior year consolidated financial statements. In accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* , the group has restated the prior period comparative figures for Data and network related costs and Revenue and categorised these as a prior period error.

The impact of the review in the prior year is a reduction in both Data and network related costs and Revenue of USD 78.0 million for the 9 months ended 30 November 2020, USD 50.8 million for the 6 months ended 31 August 2020 and USD 25.9 million for the 3 months ended 31 August 2020. There is no impact to Operating profit/(loss), Adjusted EBITDA, profit after tax, the consolidated statement of financial position or the consolidated statement of cash flow.

The impact of this restatement on prior quarters is as follows:

	Revenue			Data and network related costs			
	Previously reported	IAS 8 Adjustment	As Restated	Previously reported	IAS 8 Adjustment	As Restated	Net Impact On Operating Profit
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Q1 FY21 - 31 May 2020	166,640	(24,900)	141,740	57,400	(24,900)	32,500	-
Q2 FY21 - 30 August 2020	179,901	(25,932)	153,969	53,664	(25,932)	27,732	-
Q3 FY21 - 30 November 2020	188,738	(27,203)	161,535	70,206	(27,203)	43,003	-
Q4 FY21 - 28 February 2021	224,188	(29,542)	194,646	76,357	(29,542)	46,815	-
FY21 - 28 February 2021	759,467	(107,577)	651,890	257,627	(107,577)	150,050	-