LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
(“the Group”, “Liquid” or “Liquid Intelligent Technologies”)
FINANCIAL RESULTS FOR THE FULL YEAR AND FOURTH QUARTER ENDED 28 FEBRUARY 2022

Continued strategic execution and strong financial performance

28 June 2022

Leading pan-African technology solutions group Liquid Intelligent Technologies, a business of Cassava Technologies, today announces its financial results for the year ended 28 February 2022

Strategic highlights:

- The network surpassed 100,000 kilometres, reinforcing our position as the provider of Africa’s largest independent fibre network
- Announced a partnership with Meta (Facebook) to build an extensive long-haul and metro fibre network in the DRC
- Investment in Equiano subsea cable; will provide a significant increase to our existing subsea capacity
- Digital Solutions delivered a strong year of growth; exclusive launch of Microsoft’s One Voice for Operator connect in Africa
- Delivered good operating and financial improvements in South Africa

Financial highlights:

- Full year revenue up 9.2% year-on-year at USD 711.7 million (FY 2020-21: USD 651.9 million), driven by good growth across the Network, Digital Solutions and Data Technologies segments
- Strong Adjusted EBITDA[1] growth of 24.3% for the full year, at USD 299.5 million (FY 2020-21: USD 241.0 million), reflecting a 7.2pp increase in the gross profit margin to 74.4%, driven by an increasing contribution from Zimbabwe
- Cash generated from operations in the year totalled USD 258.5 million (FY 2020-21: USD 261.9 million) and USD 92.8 million for the final quarter (Q4 2020-21: USD 112.8 million)
- Net debt[2] at the end of the year was USD 802.0 million, resulting in a net debt to adjusted EBITDA[1,2,3] ratio of 2.68x compared to the 4.50x covenant threshold

Group Financials	For the twelve-month period ended:			For the three-month period ended:		
	28 Feb 2022 (USDm)	28 Feb 2021 (USDm)	YoY (%)	28 Feb 2022 (USDm)	28 Feb 2021 (USDm)	YoY (%)
Revenue	711.7	651.9	9.2	190.7	194.6	(2.0)
Adjusted EBITDA	299.5	241.0	24.3	72.5	82.4	(12.0)
Cash generated from operations	258.5	261.9	(1.3)	92.8	112.8	(17.7)
Net Debt	802.0	777.9	3.1	802.0	777.9	3.1
Net Debt / adjusted EBITDA (x)	2.68	3.23	n/a	2.68	3.23	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, fair value gain on derivatives and gain on disposal of investments at fair value through other comprehensive income, 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 a year of continued strategic execution and strong financial performance. We have relentlessly executed on our strategic priorities over the course of the year, including: the rebrand in all operating countries to Liquid Intelligent Technologies; the strong growth in our Cloud and Cybersecurity offerings; the launch of a partnership with Meta/Facebook to build an extensive long-haul and metro fibre network in the DRC; the launch of the shortest East to West fibre route across Africa; and as a result, surpassing 100,000 kilometres of fibre network, which reinforces our position as Africa's largest independent fibre network.

This strategic progress has helped to deliver a strong financial performance with revenue and adjusted EBITDA growth of more than 9% and 24% respectively and that despite the ongoing decline in voice revenue and the removal of contributions from Africa Data Centres in the current year. It was particularly pleasing to see that South Africa, our largest territory, also delivered good growth in revenue and profits and a significant improvement in churn.

Finally, I wanted to pass on my thanks to colleagues across the Group who continue to play a crucial role in providing our essential technology solutions to our customers and in turn, helping to deliver these results."

Group Chairman, Strive Masiyiwa, added:
"This is a really strong set of results and reflects the strategic progress that Liquid is making as it pushes ahead with commercialising its existing infrastructure whilst evolving its offerings to include more digital solutions.

Liquid's partnerships with Meta/Facebook, to build a long-haul and metro network in the DRC, and with Microsoft, to exclusively launch One Voice for Operator connect in Africa, already demonstrate that the Group is a trusted partner to global technology companies, and enables it to position itself as a leading African technology solutions company at the forefront of digital transformation in Africa.

Another partnership that I am particularly proud to highlight is with UNICEF. Starting in Kenya but rolling out across the continent, Liquid is partnering with UNICEF to help bridge the digital divide in Africa by supporting Giga's work to connect every school to the Internet and every young person to information, opportunity, and choice."

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

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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 more than 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:

Key performance indicators	FY 2020-21	Q1 2021-22	Q2 2021-22	Q3 2021-22	Q4 2021-22	FY 2021-22
Total fibre network (Kms) [1]	96,620	100,017	100,402	100,629	101,724	101,724
Average churn rate (%) [2]	0.88%	0.79%	0.68%	0.83%	0.45%	0.69%
Monthly recurring revenue (%) [3]	90.4%	93.0%	88.8%	95.0%	85.0%	90.0%
Total capacity on subsea assets (Gbps) [4]	582	621	621	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).

We completed over 5,000 kms of build in the year, reflecting the opening up of restrictions and a return to active builds, in particular with our long-haul and metro builds in the DRC.

Churn showed a significant improvement in the final quarter at 0.45%, resulting in an average churn rate for the full year of 0.69%. We continue to focus our attention on customer satisfaction and providing competitive propositions in the market.

MRR remained at high levels over the course of the year and was broadly flat year-on-year at 90.0% (FY 2020-21: 90.4%)

Subsea capacity remained stable at 621 Gbps, 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 Cybersecurity 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 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 twelve-month period ended:			For the three-month period ended:		
	28 Feb 2022	28 Feb 2021	YoY	28 Feb 2022	28 Feb 2021	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Network	479.4	405.3	18.3	133.2	134.4	(0.9)
Digital Solutions	59.2	46.3	27.9	11.7	14.1	(17.0)
Data Technologies	75.1	57.7	30.2	21.3	15.8	34.8
Voice	98.0	118.9	(17.6)	24.5	23.6	3.8
Data Centre	0.0	23.7	(100.0)	0.0	6.7	(100.0)
Total Revenue	**711.7**	**651.9**	**9.2**	**190.7**	**194.6**	**(2.0)**

Total revenue for the full year was USD 711.7 million, up 9.2% on the prior year (FY 2020-21: USD 651.9 million) driven by strong performances in Networks, Digital Solutions and Data Technologies, particularly in South Africa and Zimbabwe. The growth rate would have been 13.3% excluding the Data Centre revenue in the prior year.

Although the Group benefitted from an improved ZAR:USD exchange rate in South Africa during the year (the average rate for the South African Rand to the US Dollar in FY 2021-22 was 14.82 against 16.40 for the prior year), the underlying business grew, driven by dark fibre sales and an increase in managed services against the prior year. Offsetting this increase was a decline in voice revenue, in line with global trends, and the exclusion of the data centre revenues, following the split out of this business at the start of the year.

Fourth quarter revenue was USD 190.7 million, slightly down on the same quarter last year (Q4 2020-21: USD 194.6 million) due to the removal of ADC revenue and a weaker South African Rand to US Dollar exchange rate in the quarter (the average rate in Q4 2021-22 was 15.53 against 14.92 for the same quarter in the prior year).

Network

Network revenue had a strong performance in FY 2021-22, up 18.3% to USD 479.4 million (FY 2020-21: USD 405.3 million) with major contributions from South Africa, as described above, as well the DRC and Tanzania, due to sales on new routes and opportunities won from competitors. Zambia saw particularly strong growth in LTE and Zimbabwe revenue was boosted by the annualisation of prior year tariff increases.

Fourth quarter Network revenue was broadly flat year-on-year at USD 133.2 million (Q4 2020-21: USD 134.4 million) as strong performances in South Africa and Zimbabwe were offset by Rest of Africa and Rest of World, both of which benefitted from higher NRR in the prior year.

Digital Solutions

Digital Solutions, encompassing our Cloud, Cybersecurity and other digital service offerings continued to deliver significant growth, resulting in full year revenue of USD 59.2 million (FY 2020-21: USD 46.3 million), driven by an increase in demand for all products across our portfolio.

The reported revenue for Digital Solutions in the fourth quarter of USD 11.7 million (Q4 2020-21: USD 14.1 million) was adversely impacted by the reallocation of USD 4.9 million of revenue from Digital Solutions into Network in the current year. This reallocation better aligns the types of revenues reported in each segment. However, on an underlying basis revenue was 17.7% higher against the same period last year.

Data Technologies

Data Technologies revenue grew strongly to USD 75.1 million, up 30.2% for the full year (FY 2020-21: USD 57.7 million). This was driven by new connections in South Africa and Rest of World and favourable exchange rates.

Revenue for Data Technologies in the fourth quarter was USD 21.3 million, up 34.8% compared to the fourth quarter of the prior year (Q4 2020-21: USD 15.8 million) due to the reasons outlined above.

Voice

As the global trend for voice minutes continues to fall, we experienced a reduction in Voice revenue for the year of USD 20.9 million, or 17.6%, to USD 98.0 million (FY 2020-21: USD 118.9 million). Our focus for the year has been on higher margin destinations, as a result despite the revenue decline absolute Voice margin was broadly stable year-on-year.

In the fourth quarter, Voice revenue was USD 24.5 million, up 3.8% against the final quarter last year (Q4 2020-21: USD 23.6 million) resulting from reduced lockdown restrictions allowing workforces to return to an office environment.

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 twelve-month period ended:			For the three-month period ended:		
	28 Feb 2022	28 Feb 2021	YoY	28 Feb 2022	28 Feb 2021	YoY
	(USDm)	(USDm)	(% / pp)	(USDm)	(USDm)	(%)
Revenue	711.7	651.9	9.2	190.7	194.6	(2.0)
Costs per quarterly financial statements	(182.0)	(213.8)	14.9	(48.2)	(51.8)	6.9
Gross Profit	**529.7**	**438.1**	**20.9**	**142.5**	**142.8**	**(0.2)**
Gross Profit Margin (%)	74.4%	67.2%	7.2pp	74.7%	73.4%	1.3pp

The strong revenue growth, focused cost control and the benefit of an increased contribution from Zimbabwe has resulted in a 7.2pp increase in the gross profit margin to 74.4%. Absolute gross profit for FY 2021-22 was USD 529.7 million (FY 2020-21: USD 438.1 million, 67.2% gross profit margin).

In Q4, the gross profit margin increased marginally year-on-year to 74.7%, resulting in a gross profit of USD 142.5 million (Q4 2020-21: USD 142.8 million, 73.4% gross profit margin).

Total Overheads and Other Income

Total Overheads and Other Income	For the twelve-month period ended:			For the three-month period ended:		
	28 Feb 2022 (USDm)	28 Feb 2021 (USDm)	YoY (%)	28 Feb 2022 (USDm)	28 Feb 2021 (USDm)	YoY (%)
Other income	11.1	4.0	177.5	6.5	3.6	80.6
Selling, distribution and marketing costs	(22.2)	(13.8)	(60.9)	(5.7)	(11.2)	49.1
Expected credit loss provision	1.9	(11.6)	116.4	(6.8)	(1.6)	(325.0)
Administrative costs	(98.5)	(83.9)	(17.4)	(31.5)	(26.0)	(21.2)
Staff costs	(122.5)	(92.1)	(33.0)	(32.5)	(25.2)	(29.0)
Dividend received	0.0	0.3	n/a	0.0	0.0	n/a
Total Overheads and Other Income	**(230.2)**	**(197.1)**	**(16.8)**	**(70.0)**	**(60.4)**	**(15.9)**
% to Total Revenue	32.3%	30.2%	-2.1pp	36.7%	31.0%	-5.7pp

Total Overheads and Other Income for the year was USD 230.2 million (FY 2020-21: USD 197.1 million), an increase of 16.8%. This resulted from an increase in selling, distribution, marketing and administrative costs as COVID-19 restrictions have lifted across our operating territories. In addition, we had an increase in staff costs of 33.0% as we strengthened the sales organisation, insourced a number of fibre maintenance and support contracts and experienced the impact of a stronger South African Rand. The positive credit loss provision in the year related to a bad debt provision release resulting from a settlement with a large South African customer.

In the fourth quarter, Total Overheads and Other Income was USD 70.0 million compared with USD 60.4 million in the same quarter last year, driven by staff and administrative costs as described above.

Adjusted EBITDA and Profit

Adjusted EBITDA and Profit	For the twelve-month period ended:			For the three-month period ended:		
	28 Feb 2022 (USDm)	28 Feb 2021 (USDm)	YoY (%)	28 Feb 2022 (USDm)	28 Feb 2021 (USDm)	YoY (%)
Adjusted EBITDA	**299.5**	**241.0**	24.3	**72.5**	**82.4**	(12.0)
Depreciation, impairment and amortisation	(135.7)	(123.6)	(9.8)	(42.6)	(36.9)	(15.4)
Dividend received	0.0	(0.3)	n/a	0.0	0.0	n/a
Operating Profit	**163.8**	**117.1**	39.9	**29.9**	**45.5**	(34.3)
Dividend received	0.0	0.3	n/a	0.0	0.0	n/a
Restructuring costs	0.0	(5.4)	n/a	0.0	(0.3)	n/a
Acquisition and other investment costs	0.0	(0.6)	n/a	0.0	(0.1)	n/a
Fair value gain on derivatives assets	2.1	0.0	n/a	(9.5)	0.0	n/a
Gain on disposal of investments at Fair Value Through Other Comprehensive Income	1.1	0.0	n/a	0.0	0.0	n/a
Interest income	18.3	2.0	815.0	9.7	0.6	1,516.7
Finance costs	(72.8)	(99.7)	27.0	(21.2)	(40.7)	47.9
Foreign exchange loss	(114.1)	(386.0)	70.4	(47.1)	(51.7)	8.9
Monetary Adjustment - IAS 29	121.5	391.9	(69.0)	40.9	64.3	(36.4)
Share of profit of associate	0.0	0.1	n/a	0.0	0.1	n/a
Profit before tax	**119.9**	**19.7**	**508.6**	**2.7**	**17.7**	**(84.7)**
Tax expense	(61.7)	(34.0)	(81.5)	(26.9)	(20.1)	(33.8)
Profit / (loss) for the period	**58.2**	**(14.3)**	**507.0**	**(24.2)**	**(2.4)**	**(908.3)**

Adjusted EBITDA increased year-on-year by 24.3% to USD 299.5 million (FY 2020-21: USD 241.0 million) driven by stronger revenues and the higher gross margin. In the fourth quarter, adjusted EBITDA was down year-on-year to USD 72.5 million (Q4 2020-21: USD 82.4 million) as a result of a more stable gross margin and higher administration and staff costs.

Depreciation, impairment and amortisation increased in FY 2021-22 to USD 135.7 million (FY 2020-21: USD 123.6 million) as we completed certain routes and brought them into service. The resulting activations were higher in the fourth quarter leading to a depreciation, impairment and amortisation charge of USD 42.6 million (FY 2020-21: USD 36.9 million).

Finance costs were significantly lower in FY 2021-22 at USD 72.8 million (FY 2020-21: USD 99.7 million) reflecting the annualised benefit of the new funding structure. Finance costs in the fourth quarter were USD 21.2 million against USD 40.7 million in the fourth quarter of the prior year reflecting the same changes outlined above.

Zimbabwe benefitted from more stable exchange rates, although the official and unofficial rates are starting to diverge, and if this continues it is likely to adversely impact FY 2022-23 results. The ZWL$:USD exchange rate at 28 February 2022 was 124.0:1 against a rate of 83.9:1 in the prior year. This has resulted in a foreign exchange loss of USD 114.1 million (FY 2020-21: USD 386.0 million). CPI has increased in the year to 4,483.06 (FY 2020-21: 2,698.89) giving a monetary adjustment for the year of USD 121.5 million down on the prior year (FY 2020-21: USD 391.9 million).

Cash generated from operations

Cashflow	For the twelve-month period ended:			For the three-month period ended:		
	28 Feb 2022 (USDm)	28 Feb 2021 (USDm)	YoY (%)	28 Feb 2022 (USDm)	28 Feb 2021 (USDm)	YoY (%)
Cash generated from operations	**258.5**	**261.9**	(1.3)	**92.8**	**112.8**	(17.7)
Tax paid	(46.0)	(16.5)	(178.8)	(20.1)	(9.2)	(118.5)
Net cash generated from operating activities	**212.5**	**245.4**	**(13.4)**	**72.7**	**103.6**	**(29.8)**
Net cash used in investing activities	(98.6)	(96.4)	(2.3)	(46.9)	(40.1)	(17.0)
Net cash used in financing activities	(103.2)	(67.5)	(52.9)	(34.9)	(0.4)	(8,625.0)
Net increase / (decrease) in cash and cash equivalents	**10.7**	**81.5**	**(86.9)**	**(9.0)**	**63.0**	**(114.3)**

Cash generated from operations was slightly lower year-on-year at USD 258.5 million (FY 2020-21: USD 261.9 million) resulting from the working capital outflow of USD 51.8 million (FY 2020-21: USD 20.2 million inflow). The FY 2021-22 working capital outflow was largely due to the impact of the ongoing challenges in the economic environment of Zimbabwe, driving suppliers to request upfront payments to secure pricing. In addition, we have seen a slowdown in payments from customers in some countries and we continue to keep this under close review.

The increase in tax paid is driven by both the increasing profit and higher contribution from Zimbabwe.

Cash generated from operations in the final quarter was USD 92.8 million (Q4 2020-21: USD 112.8 million) for the same reasons as described above.

Net cash spent on investing activities for the year was up 2.3% year-on-year to USD 98.6 million (FY 2020-21: USD 96.4 million), with the small increase including the acquisition of an IRU on the Equiano subsea cable. Cash spent on investing activities in the fourth quarter was USD 46.9 million (Q4 2020-21: USD 40.1 million).

Cash outflow under financing activity for the year was USD 103.2 million (FY 2020-21: USD 67.5 million) and reflected normal course of business lease payments and the repayment of debt and interest. The outflow in the fourth quarter of USD 34.9 million was broadly in line with the prior year after removing the net inflow related to the refinancing.

Capital investment and network developments

Capital expenditure increased 23.8% year-on-year to USD 117.8 million (FY 2020-21: USD 95.9 million). The majority of the investment has been focused on the acceleration of our build programmes in the DRC, further investment in NLD as well as the Eastern and Western Capes in South Africa, and we have secured a fibre pair on the Equiano subsea cable, although the capacity for this will not be active until later in FY23.

Gross and net debt

Gross and Net Debt	As at 28 Feb 2022 (USDm)
Total Gross Debt	**956.6**
Long term borrowings (incl interest accrued)	809.5
Short term portion of long-term borrowings (incl interest accrued)	33.1
Unamortised arrangement fees	16.6
Leases - LT	66.4
Leases - ST	31.0
Less: Unrestricted cash	**(154.6)**
Net Debt	**802.0**
Last twelve months EBITDA	**299.4**
Last twelve months interest	**72.8**
Covenants:	
Gross Debt / LTM EBITDA (x)	3.19
Net Debt / LTM EBITDA (x)	2.68
Interest / LTM EBITDA (x)	4.11
Debt Service Cover Ratio (DSCR)	2.37

We continue to maintain a strong liquidity position, with unrestricted cash at the end of the year of USD 154.6 million (FY 2020-21: USD 163.9 million). A strong performance in Zimbabwe has resulted in a closing cash balance in the country of USD 80.3 million (FY 2020-21: USD 44.0 million). The company continues to explore means of expatriating and re-investing this cash.

Together, the USD 620.0 million Senior Secured Notes, USD 198.4 million South African Rand term loan, USD 7.0 million Zambian debt, and USD 97.4 million of lease liabilities contribute to a gross debt figure of USD 956.6 million. Taking the above cash position into account and including accrued interest and amortising fees, net debt at the end of the year was USD 802.0 million, giving a net debt to EBITDA ratio of 2.68x, 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)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE 12 MONTHS AND 3 MONTHS ENDED

28 FEBRUARY 2022

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 12 months and 3 months ended 28 February 2022

	Notes	12 months ended 28/02/2022 USD'000 (Audited)	12 months ended 28/02/2021 USD'000 (Audited)	3 months ended 28/02/2022 USD'000 (Unaudited)	3 months ended 28/02/2021 USD'000 (Unaudited)
Revenue	3,28	711,724	651,890	190,656	194,648
Interconnect related costs		(70,553)	(94,480)	(17,135)	(12,787)
Data and network related costs		(144,941)	(150,050)	(38,826)	(46,815)
Other income		11,118	4,017	6,463	3,638
Selling, distribution and marketing costs		(22,252)	(13,759)	(5,723)	(11,157)
Expected credit loss provision		1,906	(11,605)	(6,776)	(1,589)
Administrative expenses		(65,043)	(53,218)	(23,680)	(18,248)
Staff costs		(122,461)	(92,115)	(32,466)	(25,218)
Depreciation, impairment and amortisation		(135,724)	(123,599)	(42,637)	(36,853)
Operating profit		**163,774**	**117,081**	**29,876**	**45,619**
Dividend received		-	292	-	-
Restructuring costs	4	(20)	(5,422)	-	(283)
Acquisition and other investment costs		(40)	(574)	-	(108)
Fair value gain on derivatives assets	22	2,119	-	(9,486)	-
Gain on disposal of investments at Fair Value Through Other Comprehensive Income	22	1,090	-	-	-
Interest income	5	18,320	2,048	9,699	555
Finance costs	6	(72,784)	(99,699)	(21,192)	(40,729)
Foreign exchange loss	2.2	(114,103)	(385,988)	(47,134)	(51,678)
Hyperinflation monetary gain	2.2	121,541	391,917	40,937	64,331
Share of profits of associate		20	63	6	56
Profit before taxation		119,917	19,718	2,706	17,763
Tax expense	7	(61,693)	(34,047)	(26,944)	(20,059)
Profit / (loss) for the period		**58,224**	**(14,329)**	**(24,238)**	**(2,296)**
Other comprehensive income / (loss)					
Items that may be reclassified subsequently to profit or loss:					
Translation (loss) / gain on accounting for foreign entities		(15,465)	5,088	(21,288)	13,271
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	2.2.2	8,484	4,209	3,494	(5,233)
		(6,981)	9,297	(17,794)	8,038
Profit / (loss) and other comprehensive income for the year		**51,243**	**(5,032)**	**(42,032)**	**5,742**
Profit / (loss) attributable to:					
Owners of the company		57,618	(14,755)	(23,319)	(2,933)
Non-controlling interest		606	426	(919)	637
		58,224	**(14,329)**	**(24,238)**	**(2,296)**
Profit / (loss) and other comprehensive income attributable to:					
Owners of the company		50,722	(5,340)	(41,162)	5,074
Non-controlling interest		521	308	(870)	668
		51,243	**(5,032)**	**(42,032)**	**5,742**
Earnings per share					
Basic (Cents per share)	24	46.15	(11.88)	(18.67)	(2.37)

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 28 February 2022

	Notes	28/02/2022 USD'000	28/02/2021 USD'000
Non-current assets			
Goodwill	8	129,182	129,364
Intangible assets	9	77,605	131,594
Property, plant and equipment	10	706,237	679,626
Right-of-Use assets	11	168,687	86,767
Investment in associate		632	615
Investments at Fair Value Through Other Comprehensive Income (FVTOCI)	22	15,314	23,814
Deferred tax assets		31,471	31,595
Investments at amortised cost		35	49
Long-term receivables	18	155,742	13
Net derivative assets	22	2,119	-
Pre-commencement lease payments		33,000	-
Total non-current assets		1,320,024	1,083,437
Current assets			
Inventories		24,572	25,288
Trade and other receivables	13	237,944	186,764
Taxation		3,344	2,798
Cash and cash equivalents	12	154,553	163,898
Restricted cash and cash equivalents	12	9,090	8,740
Assets classified as held for sale	25	-	126,838
Total current assets		429,503	514,326
Total assets		1,749,527	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)		23,151	(121,379)
Foreign currency translation reserve		(12,912)	(6,016)
Total equity attributable to owners of the parent		470,669	333,035
Non-controlling interests		2,522	2,001
Total equity		473,191	335,036
Non-current liabilities			
Long term borrowings	14	809,516	823,246
Long term lease liabilities	15	66,420	59,948
Long term intercompany borrowings	18	428	-
Long term provisions		8,239	9,027
Deferred revenue	17	68,565	48,295
Deferred tax liabilities		47,763	26,281
Total non-current liabilities		1,000,931	966,797
Current liabilities			
Short term portion of long-term borrowing	14	33,093	2,859
Short term portion of long-term lease liabilities	15	31,009	36,711
Trade and other payables	16	148,206	159,763
Short term provisions		33,408	23,490
Deferred revenue	17	24,433	44,219
Taxation		5,256	8,796
Liabilities directly associated with assets classified as held for sale	25	-	20,092
Total current liabilities		275,405	295,930
Total equity and liabilities		1,749,527	1,597,763

Approved by the Board of Directors and authorised for issue on 27 June 2022.

Eric Venpin
Director

Mike Mootien
Alternate Director to Gaetan Lan

	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 under common control		-	-	-	129	(9,380)	(166)	(9,417)
Change in ownership		-	-	-	-	-	(167)	(167)
Scrip dividend paid		-	-	-	-	(40,637)	-	(40,637)
Profit / (loss) and total comprehensive (loss) / income for the year		-	-	-	9,415	(14,755)	308	(5,032)
(Loss) / profit for the period		-	-	-	-	(14,755)	426	(14,329)
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		-	-	-	4,209	-	-	4,209
Translation gain / (loss) on accounting for foreign entities		-	-	-	5,206	-	(118)	5,088
At 28 February 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	-	-	-	-	86,626	-	86,626
Disposal of subsidiary under common control		-	-	-	-	602	-	602
Dividend	21	-	-	-	-	(316)	-	(316)
(Loss) / profit and total comprehensive (loss) / income for the year		-	-	-	(6,896)	57,618	521	51,243
Profit for the period		-	-	-	-	57,618	606	58,224
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		-	-	-	8,484	-	-	8,484
Translation loss on accounting for foreign entities		-	-	-	(15,380)	-	(85)	(15,465)
At 28 February 2022 (Audited)		**3,716**	**276,714**	**180,000**	**(12,912)**	**23,151**	**2,522**	**473,191**

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the 12 months and 3 months ended 28 February 2022

	Notes	12 months ended 28/02/2022 USD'000 (Audited)	12 months ended 28/02/2021 USD'000 (Audited)	3 months ended 28/02/2022 USD'000 (Unaudited)	3 months ended 28/02/2021 USD'000 (Unaudited)
Cash flows from operating activities:					
Profit before tax		119,917	19,718	2,706	17,763
Adjustments for:					
Depreciation, impairment and amortisation		135,724	123,599	42,637	36,853
Write off of Intangible assets		-	371	-	371
Dividend received		-	(292)	-	-
Bad debts (reversal) / provision		(1,240)	2,998	7,159	4,534
Fair value adjustment on derivatives	22	(2,119)	-	9,486	-
Gain on disposal of investments at Fair Value Through Other Comprehensive Income	22	(1,090)	-	-	-
Increase in provisions		9,553	3,020	2,203	1,367
Foreign exchange loss		116,061	386,717	49,118	51,931
Hyperinflation monetary gain		(121,541)	(391,917)	(40,936)	(64,331)
Profit / (loss) on disposal of fixed assets		609	(130)	409	(101)
Interest income	5	(18,320)	(2,048)	(9,699)	(555)
Finance costs	6	72,784	99,699	21,192	40,729
Share of profit from associate		(20)	(63)	(6)	(56)
		310,318	241,672	84,269	88,505
Working capital changes:					
(Increase) / decrease in inventories		(3,474)	(3,114)	6,173	2,367
(Increase) / decrease in trade and other receivables		(39,492)	(18,178)	(25,600)	2,349
Increase / (decrease) in trade and other payables		(9,389)	8,519	18,933	(1,024)
Increase in deferred revenue		529	32,953	9,058	20,571
Cash generated from operations		258,492	261,852	92,833	112,768
Income tax paid		(45,993)	(16,489)	(20,055)	(9,193)
Net cash generated from operating activities		212,499	245,363	72,778	103,575
Cash flows from investing activities:					
Interest income		18,320	2,037	9,700	553
Dividend received		-	292	-	-
Proceeds from sale of investments		9,590	-	-	-
Acquisition of business operations		-	1,442	-	-
Disposal of subsidiary company		(357)	-	(357)	-
Acquisition of investments		-	(4,301)	-	(4,301)
Purchase of property, plant and equipment	10	(80,380)	(87,747)	(25,684)	(26,182)
Proceeds on disposal of property, plant and equipment		3,483	4,255	1,921	-
Pre-commencement lease payments		(33,000)	-	(33,000)	-
Purchase of intangible assets	9	(14,135)	(14,105)	(4,813)	(11,938)
Proceeds on disposal of intangible assets		2,918	1,734	2,704	1,724
Decrease / (increase) in other long-term receivables		9	-	(1)	-
Increase in long-term receivables from affiliated entities		(5,063)	-	2,646	-
Net cash used in investing activities		(98,615)	(96,393)	(46,884)	(40,144)
Cash flows from financing activities:					
Dividend paid		(310)	(289)	(300)	-
Finance costs paid		(38,431)	(94,145)	(5,539)	(58,859)
Decrease in lease liabilities		(58,576)	(37,352)	(27,239)	(9,650)
(Decrease) / increase in borrowings		(6,326)	64,266	(1,863)	68,107
Increase in long term intercompany borrowing		441	-	29	-
Net cash used in financing activities		(103,202)	(67,520)	(34,912)	(402)
Net increase / (decrease) in cash and cash equivalents		10,682	81,450	(9,018)	63,029
Cash and cash equivalents at beginning of the period		172,638	85,003	176,252	82,174
Translation of cash with respect to foreign subsidiaries		(19,677)	6,185	(3,591)	27,435
Cash and cash equivalents at end of the period	12	**163,643**	**172,638**	**163,643**	**172,638**
Represented by:					
Cash and cash equivalents	12	154,553	163,898	154,553	163,898
Restricted cash and cash equivalents	12	9,090	8,740	9,090	8,740
		163,643	**172,638**	**163,643**	**172,638**

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 was granted a Category 2 – Global Business Licence Company as from 29 January 2007. The company's Global Business Licence (category 2) 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 throughout the world, whilst the group's business is to develop a global telecommunications and technology business with a focus on Africa. This has remained unchanged since the prior year.

These consolidated interim financial statements are presented in United States Dollars (USD) as this is the currency in which the majority of the group's transactions are denominated. The functional currencies of the subsidiaries are: United States Dollars, Mauritian Rupee, South African Rand, Pound Sterling, Zambian Kwacha, Kenyan Shilling, Ugandan Shilling, Rwandan Franc, Botswana Pula, Nigerian Naira, Tanzanian Shilling, United Arab Emirates Dirham 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

It is over two years now since the World Health Organisation declared COVID-19 a pandemic. The outbreak of the global disease resulted in many extensive restrictions across the globe which have had far reaching social and economic consequences. Although the spread of the virus continues, with a number of variants evolving, the extensive roll out of vaccination programmes and other public health measures have meant that restrictions are being lifted in most countries. The situation remains under review by governments on all continents, but it is expected that COVID-19 will be downgraded to 'endemic' status and will be managed as part of everyday life going forward.

Since the initial outbreak, the group has continued to prioritise the health, well-being and safety of staff, customers, partners and the public as it delivers essential telecommunications and digital services to its customers. Our early response planning and ongoing monitoring of local conditions have allowed us to respond in a way that protects both our people and our ability to sustain and grow the business.

The group is now following local government guidance in all the territories in which we operate, allowing us to return our staff to work premises and enable customer site visits as necessary in a structured and controlled manner. We have also kept under review other areas which are potentially impacted by the after-effects of COVID-19, such as customers' ability to pay on time and the supply of consumables and equipment necessary for the delivery of our services.

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

Russia-Ukraine conflict

On 24 February 2022, Russia invaded Ukraine in an internationally condemned act of aggression. This conflict is ongoing with a devastating impact on human life in the region. Globally the impact is being felt through increasing fuel prices, widening sanctions against Russia and its citizens and instability in the financial markets. The group has been monitoring the situation and assessing any potential impact on its business model. It is likely that higher fuel costs will be passed on globally by energy suppliers, product manufacturers and in logistics and transportation services. The group has factored such price increases into its forward looking plans.

2. Accounting policies

Basis of preparation

The condensed consolidated interim financial statements for the twelve months ended 28 February 2022 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.

2.1 Going concern

The directors have reviewed the consolidated cash flow projections of the group and company for the twelve months from the date of signing of the consolidated financial statements. Taking into account the available cash position as of 28 February 2022, including the impact of the currency changes 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.

2. Accounting policies (continued)

2.1 Going concern (continued)

In making their assessment, the directors have considered the potential impact of the COVID-19 pandemic, and the Russia-Ukraine conflict on the operations, business plan and cashflow for the financial year 2023, including the instability of financial markets, volatility of currency markets, particularly the South African Rand and the economic situation in Zimbabwe, 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 March 2026), a USD 220 million equivalent South African Rand term loan (maturity March 2026) and USD 23.3 million of locally provided term loans (maturity in the financial year 2025) in Zambia, of which USD 7.0 million is outstanding at 28 February 2022. Securing the new funding in the prior financial year 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 28 February 2022, the group has an unrestricted cash position of USD 154.6 million (28 February 2021: USD 163.9 million). Of this amount, USD 80.3 million (28 February 2021: USD 44.0 million) is held in Zimbabwe. Following the continuing devaluation of the currency 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 124.0:1 (28 February 2021: 83.9:1). Cash held in Zimbabwe is used to locally fund operational expenses and capital expenditure.

Operational performance

For the year ended 28 February 2022, the group reported an operating profit of USD 162.3 million (28 February 2021: 117.1 million) and a net cash inflow from operating activities of USD 204.7 million (28 February 2021: USD 245.4 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 28 February 2022 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 28 February 2022, 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$).

During the year ended 28 February 2022, there has been further movement in the ZWL$:USD rate and the group has used a rate of ZWL$:USD 124.0:1 (28 February 2021: ZWL$:USD 83.9:1) to translate both the statement of profit or loss and the statement of financial position at 28 February 2022. Of the USD 114.1 million (28 February 2021: USD 386.0 million) of net foreign exchange loss in the consolidated statement of profit and loss, Zimbabwe contributed USD 133.7 million (28 February 2021: USD 377.0 million). The net foreign exchange loss arises mainly on the retranslation of USD denominated intra-group debt at the statement of financial position date.

2.2.2 Hyperinflation accounting

Local economic conditions in Zimbabwe have continued to react to the deterioration in the ZWL$:USD exchange rate. Over the course of the financial year ended 29 February 2020, the group observed that the conditions in Zimbabwe were indicative of a hyperinflationary economy. This was confirmed in a statement released on 11 October 2019 by the 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. Furthermore, the International Practices Task Force (“IPTF”) of the Centre of Audit Quality (“CAQ”) monitors inflation in certain countries and reported Zimbabwe’s three-year cumulative inflation rate as exceeding 100% in its 19 November 2019, 10 November 2020, 18 May 2021 and 6 November 2021 reports.

2. Accounting policies (continued)

2.2 Zimbabwean currency and hyperinflation accounting (continued)

2.2.2 Hyperinflation accounting (continued)

Based on these reports, the group has concluded that hyperinflation accounting is applicable to accounting periods ended on or after 1 July 2019. The group has applied hyperinflation accounting to all periods presented in these financial statements, effective from 1 October 2018. The impact of foreign exchange on opening balance adjustment under hyperinflation accounting of the Zimbabwe entities at 1 March 2021 of USD 8.5 million (28 February 2021: USD 4.2 million) has been recognised directly in the statement of comprehensive income.

The application of hyperinflationary accounting results in certain assets, liabilities, revenues and costs being reported in inflation adjusted terms as at 28 February 2022.

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 gains on the net monetary position of USD 126.2 million (28 February 2021: USD 391.9 million) have been recognised in the consolidated statement of profit or loss through 'Hyperinflation monetary gain' based on a CPI of 4,483.06 (28 February 2021: 2,698.89).

In addition, IAS 29 requires the translation of the results at closing rate rather than average rate. The closing rate of ZWL$:USD 124.0:1 (28 February 2021: ZWL$:USD 83.9:1) has been used.

The comparative amounts in the consolidated financial statements have not been restated as the presentation currency of the group is that of a non-hyperinflationary economy.

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 2022.

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 2022. In addition, the following significant accounting judgements and critical estimates have also been made:

Key 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.

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.

Key estimates

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.

3. Segment information

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

The group categorises its revenue streams as shown below:

- Network - primarily revenue from long haul 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.

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
- Fair value gain on derivatives
- Gain on disposal of investments at Fair Value Through Other Comprehensive Income
- 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 12 months ended 28 February 2022.

	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	160,549	201,319	117,054	43,071	-	(43,122)	478,871
Digital Solutions	34,822	15,924	6,604	9,613	-	(7,772)	59,191
Data Technologies	34,946	1,069	12,197	72,297	-	(45,438)	75,071
Voice Traffic	9,670	164	15	89,541	-	(1,356)	98,034
Data Centre	114	-	231	301	-	(89)	557
Inter-segmental revenue	(7,268)	(1,109)	(12,162)	(77,238)	-	97,777	-
Group External Revenue	**232,833**	**217,367**	**123,939**	**137,585**	**-**	**-**	**711,724**
Adjusted EBITDA	85,145	126,265	37,524	72,569	(16,663)	(5,342)	299,498
Depreciation, impairment and amortisation							(135,724)
Restructuring costs							(20)
Acquisition and other investment costs							(40)
Fair value gain on derivatives assets							2,119
Gain on disposal of investments at Fair Value Through Other Comprehensive Income							1,090
Interest income							18,320
Finance costs							(72,784)
Foreign exchange loss							(114,103)
Hyperinflation monetary gain							121,541
Share of profits of associate							20
Profit before taxation							**119,917**
Tax expense							(61,693)
Profit for the period							**58,224**

The following is an analysis of the group's revenue and results by reportable segment for the 12 months ended 28 February 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	137,813	123,533	120,654	54,320	-	(31,081)	405,239
Digital Solutions	31,917	9,260	4,385	5,694	-	(4,926)	46,330
Data Technologies	31,382	60	12,801	55,859	-	(42,361)	57,741
Voice Traffic	5,830	-	13	115,655	-	(2,594)	118,904
Data Centre	18,201	-	5,619	314	-	(458)	23,676
Inter-segmental revenue	(8,385)	(1,575)	(9,371)	(62,089)	-	81,420	-
Group External Revenue	**216,758**	**131,278**	**134,101**	**169,753**	**-**	**-**	**651,890**
Adjusted EBITDA	78,585	64,632	42,879	75,836	(21,162)	202	240,972
Depreciation, impairment and amortisation							(123,599)
Restructuring costs							(5,422)
Acquisition and other investment costs							(574)
Interest income							2,048
Finance costs							(99,699)
Foreign exchange loss							(385,988)
Hyperinflation monetary gain							391,917
Share of profits of associate							63
Profit before taxation							**19,718**
Tax expense							(34,047)
Loss for the period							**(14,329)**

3. Segment information (continued)

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 28 February 2022.

	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	48,025	55,467	32,743	6,586	-	(9,905)	132,916
Digital Solutions	4,427	4,282	1,876	3,321	-	(2,234)	11,672
Data Technologies	8,020	307	3,064	21,185	-	(11,240)	21,336
Voice Traffic	2,312	18	4	22,553	-	(346)	24,541
Data Centre	45	-	75	76	-	(5)	191
Inter-segmental revenue	(1,796)	(260)	(4,799)	(16,875)	-	23,730	-
Group External Revenue	**61,033**	**59,814**	**32,963**	**36,846**	**-**	**-**	**190,656**
Adjusted EBITDA	27,028	25,563	13,235	13,019	(1,416)	(4,916)	72,513
Depreciation, impairment and amortisation							(42,637)
Restructuring costs							-
Fair value gain on derivatives assets							(9,486)
Interest income							9,699
Finance costs							(21,192)
Foreign exchange loss							(47,134)
Hyperinflation monetary gain							40,937
Share of profits of associate							6
Profit before taxation							**2,706**
Tax expense							(26,944)
Loss for the period							**(24,238)**

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 28 February 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	41,178	48,260	38,744	17,293	-	(11,004)	134,471
Digital Solutions	9,459	2,957	1,555	1,974	-	(1,836)	14,109
Data Technologies	8,820	21	3,004	14,450	-	(10,479)	15,816
Voice Traffic	1,058	-	1	22,886	-	(364)	23,581
Data Centre	5,240	-	1,549	81	-	(199)	6,671
Inter-segmental revenue	(2,688)	(434)	(2,560)	(18,200)	-	23,882	-
Group External Revenue	**63,067**	**50,804**	**42,293**	**38,484**	**-**	**-**	**194,648**
Adjusted EBITDA	28,655	28,665	13,636	24,753	(5,612)	(7,625)	82,472
Depreciation, impairment and amortisation							(36,853)
Restructuring costs							(283)
Acquisition and other investment costs							(108)
Interest income							555
Finance costs							(40,729)
Foreign exchange loss							(51,678)
Hyperinflation monetary gain							64,331
Share of profits of associate							56
Profit before taxation							**17,763**
Tax expense							(20,059)
Loss for the period							**(2,296)**

4. Restructuring costs

During the year ended 28 February 2022, 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

	12 months ended		3 months ended	
	28/02/2022	28/02/2021	28/02/2022	28/02/2021
	USD'000 (Audited)	USD'000 (Audited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Redundancy costs	20	4,191	-	248
Employee support costs	-	368	-	11
Legal fees	-	213	(2)	3
Other costs	-	650	-	21
	20	**5,422**	**(2)**	**283**

5. Interest income

	12 months ended		3 months ended	
	28/02/2022	28/02/2021	28/02/2022	28/02/2021
	USD'000 (Audited)	USD'000 (Audited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Interest received - bank / external	2,864	1,645	687	496
Interest received - inter-group (note 18)	15,456	403	9,012	59
	18,320	**2,048**	**9,699**	**555**

6. Finance costs

	12 months ended		3 months ended	
	28/02/2022	28/02/2021	28/02/2022	28/02/2021
	USD'000 (Audited)	USD'000 (Audited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Interest on bank overdraft and loans	21,737	2,751	4,992	(184)
Finance cost on Senior Secured Notes	34,100	62,050	8,809	15,513
Finance arrangement fees amortised	4,269	3,538	1,282	885
Total net refinancing costs	-	21,462	-	21,462
Interest on lease liabilities	12,555	9,889	6,082	3,044
Interest paid - inter-group (note 18)	123	9	27	9
	72,784	**99,699**	**21,192**	**40,729**

7. Taxation

	12 months ended		3 months ended	
	28/02/2022	28/02/2021	28/02/2022	28/02/2021
	USD'000 (Audited)	USD'000 (Audited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Current taxation	34,395	17,246	7,950	10,916
Deferred taxation charge	17,602	12,469	14,515	7,079
Withholding taxation	9,696	4,332	4,479	2,064
	61,693	**34,047**	**26,944**	**20,059**

	12 months ended		3 months ended	
	28/02/2022	28/02/2021	28/02/2022	28/02/2021
	USD'000 (Audited)	USD'000 (Audited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Profit before taxation	119,917	19,718	2,706	17,763
Taxation at domestic rate for foreign subsidiaries in tax paying jurisdictions	26,332	8,760	(3,751)	2,182
Tax effect of non-deductible expenses	69,794	129,687	35,686	48,335
Tax effect of non-taxable income	(5,713)	155	(599)	2,080
Tax effect of foreign tax credit	(2,581)	(6,735)	1,336	(2,559)
Effect of tax losses not recognised as deferred tax assets	9,053	5,112	7,638	(4,507)
Tax effect of utilised unrecognised tax losses	(14,444)	(14,748)	(6,682)	(12,133)
Tax effect on IAS 29 adjustments	(30,444)	(92,516)	(11,142)	(15,403)
Withholding taxation	9,696	4,332	4,458	2,064
	61,693	**34,047**	**26,944**	**20,059**

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:

	28/02/2022 (Unaudited)	28/02/2021 (Audited)
Mauritius (tax credit of 80%, depending on type of income)	15%	15%
South Africa (27% for years ending on or after 31 March 2023)	28%	28%
Kenya	30%	30%
United Kingdom	19%	19%
Tanzania	30%	30%
Zambia	35%	35%
Zimbabwe	25.75%	25.75%

8. Goodwill

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Cost		
Opening balance	129,364	125,771
Impairment	(245)	-
Foreign exchange (loss)/gain	(1,596)	765
Adjustments - IAS 29	1,659	2,828
Closing balance	**129,182**	**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.

	28/02/2022 USD'000 (Audited)	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	4,140	3,669
Liquid Telecommunications Holdings South Africa (Pty) Limited	112,966	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
	129,182	**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.

*During the year ended 28 February 2022, the goodwill in Transaction Payment Solutions Indian Ocean Limited was found to be irrecoverable and has been impaired.

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.

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 / (to) 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
Disposal of subsidiaries	(62)	-	-	-	-	-	-	(62)
Purchases during the year	988	3,113	488	-	6,827	-	2,719	14,135
Disposals during the year	-	(2,799)	(2,658)	-	(198)	-	-	(5,655)
Transfers	-	846	121	-	(846)	-	(121)	-
Reclassification	-	-	-	-	-	-	(372)	(372)
Transfer from Property, plant and equipment (note 10)	-	1,050	-	-	-	-	-	1,050
Write off	-	(4,633)	-	-	-	-	-	(4,633)
Foreign exchange differences	(2,347)	(878)	740	(163)	-	-	(432)	(3,080)
Adjustments - IAS 29	3,086	1,136	-	-	-	-	-	4,222
Transfer to Right-of-Use assets (note 11)	-	-	(114,951)	-	-	-	-	(114,951)
At 28 February 2022 (Audited)	33,130	42,761	-	34,302	8,758	-	52,009	170,960
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 (to) / from Property, plant and equipment (note 10)	-	(676)	-	-	-	-	441	(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	58,847	15,044	-	-	26,145	148,712
Amortisation	2,283	4,702	6,012	3,352	-	-	579	16,928
Disposals during the year	-	(2,737)	-	-	-	-	-	(2,737)
Transfer to Right-of-Use assets (note 11)	-	-	(65,312)	-	-	-	-	(65,312)
Transfer to Property, plant and equipment (note 10)	-	-	(46)	-	-	-	-	(46)
Write offs	-	(4,633)	-	-	-	-	-	(4,633)
Foreign exchange differences	(1,022)	(438)	486	(98)	-	-	(270)	(1,342)
Adjustments - IAS 29	1,290	495	-	-	-	-	-	1,785
At 28 February 2022 (Audited)	13,898	34,718	(13)	18,298	-	-	26,454	93,355
Carrying amount:								
At 28 February 2021 (Audited)	20,118	7,597	57,413	19,421	2,975	-	24,070	131,594
At 28 February 2022 (Audited)	19,232	8,043	13	16,004	8,758	-	25,555	77,605

No impairment was required following the review of the carrying value of intangible assets by the directors for the year ended 28 February 2022 (28 February 2021: Nil).

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	-	-	-	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	-	(16,498)	48	12,618	-
Transfer (to) / from 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
Disposal of subsidiaries	-	-	-	-	-	1,043	-	-	1,043
Additions during the year	3	705	1,678	3,340	1,685	33,261	-	39,708	80,380
Disposals during the year	(196)	(81)	(220)	(291)	(96)	(562)	-	(15,718)	(17,164)
Write offs	-	-	-	-	-	(322)	-	-	(322)
Transfers	3	8	318	11,441	-	(45,259)	-	33,489	-
Transfer to intangible assets (note 10)	-	-	-	-	-	(1,050)	-	-	(1,050)
Transfer (to)/from inventory (note 19)	-	-	(13)	(598)	-	122	-	(86)	(575)
Foreign exchange differences	(1,284)	(1,306)	(951)	(3,938)	(2,074)	(3,819)	-	(116,809)	(130,181)
Adjustments - IAS 29	1,698	506	(1,547)	3,288	2,237	4,255	-	150,964	161,401
At 28 February 2022 (Audited)	21,764	12,084	33,077	108,802	13,151	45,602	-	1,179,054	1,413,534
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) / from 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	377	1,226	4,175	8,818	1,562	-	-	65,270	81,428
Disposals during the year	(11)	(62)	(165)	(263)	(34)	-	-	(12,538)	(13,073)
Write offs	-	-	(2)	-	-	-	-	-	(2)
Transfers	-	2	(2)	-	-	-	-	-	-
Transfer from Intangible assets (note 9)	-	-	-	-	-	-	-	46	46
Foreign exchange differences	(37)	(910)	(707)	(3,433)	(1,556)	-	-	(40,742)	(47,385)
Adjustments - IAS 29	-	130	(1,687)	2,950	1,343	-	-	43,171	45,907
At 28 February 2022 (Audited)	7,671	10,061	30,258	96,242	9,890	(2,257)	-	555,432	707,297
Carrying amount:									
At 28 February 2021 (Audited)	14,198	2,577	5,166	7,390	2,824	60,190	-	587,281	679,626
At 28 February 2022 (Audited)	14,093	2,023	2,819	12,560	3,261	47,859	-	623,622	706,237

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

No impairment was required following the review of the carrying value of Property, plant and equipment by the directors for the year ended 28 February 2022 (28 February 2021: Nil).

LIQUID INTELLIGENT TECHNOLOGIES

11. Right-of-Use assets

	Land and buildings	Computer equipment	Furniture and fittings	Network equipment	Motor vehicles	Fibre infrastructure	Fibre Optical - IRU	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	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	25,489	-	-	11,584	534	15,643	-	53,250
Disposals during the year	(1,572)	-	-	(17,565)	-	(4,145)	-	(23,282)
Foreign exchange differences	(6,682)	-	-	2,638	37	81	(171)	(4,097)
Adjustments - IAS 29	24,450	-	-	-	-	-	-	24,450
Transfer from intangible assets (note 9)	-	-	-	-	-	-	114,951	114,951
At 28 February 2022 (Audited)	117,935	-	16	43,352	2,343	34,959	114,780	313,385
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	17,738	-	-	7,566	455	10,109	-	35,868
Disposals during the year	(1,332)	-	-	(14,765)	-	(4,130)	-	(20,227)
Foreign exchange differences	(614)	-	-	770	11	150	(220)	97
Adjustments - IAS 29	2,302	-	-	-	-	-	-	2,302
Transfer from intangible assets (note 9)	-	-	-	-	-	-	65,312	65,312
At 28 February 2022 (Audited)	38,407	-	-	18,232	1,584	21,383	65,092	144,698
At 28 February 2021 (Audited)	55,937	-	16	22,034	654	8,126	-	86,767
At 28 February 2022 (Audited)	79,528	-	16	25,120	759	13,576	49,688	168,687

No impairment was required following the review of the carrying value of Right-of-Use assets by the directors for the year ended 28 February 2022 (28 February 2021: Nil).

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

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Cash and bank balances	154,121	163,419
Money market deposits	432	479
Cash and cash equivalents	**154,553**	**163,898**
Restricted cash and cash equivalents	**9,090**	**8,740**
Total cash and cash equivalents	**163,643**	**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 80.3 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$:USD of 124.0:1. See note 2.2 - *Zimbabwean currency* for more detailed disclosure on ZWL$.

The group has restricted cash for the following purposes:

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Guarantees	7,501	7,501
Customer deposits held	1,589	1,239
	9,090	**8,740**

USD 7.5 million of the total guarantees relates to a bank guarantee to a global technology company in connection to credit facilities for the use of capacity on their network.

13. Trade and other receivables

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Trade receivables	129,411	157,755
Allowance for doubtful debts	(44,874)	(46,950)
Affiliated entities (note 18)	29,423	15,045
Total trade and affiliated entities receivables, net of expected credit loss provision	**113,960**	**125,850**
Short-term inter-company receivables (note 18)	46,307	910
Sundry debtors	41,834	29,392
Deposits paid	4,832	5,525
Prepayments	31,011	25,087
	237,944	**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	
	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
31 - 60 days	18,959	12,429
61 - 90 days	8,891	6,162
91 - 120 days	5,732	4,335
121 + days	7,440	37,266
Total ageing of past due but not impaired	**41,022**	**60,192**
Current items	72,938	65,658
Total trade and affiliated entities receivables, net of expected credit loss provision	**113,960**	**125,850**

In addition to the current items not yet due of USD 72.9 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 expected credit loss provision, because, based on historical payment trends, current business relationship and forward looking market data, 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

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Long term borrowings:		
USD 620 million 5.5% Senior Secured Notes (i)	606,973	605,219
USD 220 million equivalent South African Rand term loan (ii)	198,350	211,210
Stanbic Bank of Zambia Limited (iii)	4,193	6,817
	809,516	**823,246**

14. Long term borrowings and short term portion of long-term borrowings (continued)

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Short term portion of long term borrowings (including interest accrued):		
USD 620 million 5.5% Senior Secured Notes (i)	17,050	-
USD 220 million equivalent South African Rand term loan (ii)	13,050	-
Stanbic Bank of Zambia Limited (iii)	2,795	2,859
USD 60 million revolving credit facility (iv)	198	-
	33,093	**2,859**

(i) 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 5.5 years 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.

(ii) On 25 February 2021, Liquid Telecommunications South Africa (Pty) Limited entered into a 5 year ZAR 3.3 billion term loan with the Standard Bank of South Africa Limited (acting through its corporate and investment banking division) and Standard Chartered Bank – Johannesburg branch. The term loan 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%.

(iii) Liquid Telecommunications Zambia Limited has USD 23.3 million (maturity in the financial year 2025) of term loans denominated in local currency (Zambian Kwacha). As at 28 February 2022, the outstanding balance on all term loans is USD 7.0 million. Liquid Telecommunications Holdings Limited guaranteed up to USD 13.0 million in aggregate of these facilities. The facility agreement also included a first ranking charge over certain assets including bank accounts and receivables of Liquid Telecommunications Zambia Limited. The facility bears interest at the rate of 23.5%. Capital and interest are repaid on a quarterly basis.

(iv) 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), Standard Chartered Bank (Mauritius) Limited and the Mauritius Commercial Bank Limited. The Revolving Credit Facility is secured and is guaranteed on a senior secured basis by, Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Financing Plc, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Holdings South Africa (Pty) Limited, Liquid Telecommunications South Africa (Pty) Limited 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.

15. Lease liabilities

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Long term portion of lease liabilities	66,420	59,948
Short term portion of lease liabilities	31,009	36,711
	97,429	**96,659**

16. Trade and other payables

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Trade accounts payable	61,786	65,100
Payable balance to affiliated entities (note 18)	7,661	3,111
Short-term inter-company payables (note 18)	9,586	14,380
Accruals	51,833	61,081
Staff payables	3,813	3,106
Transaction taxes due in various jurisdictions	8,875	5,370
Other short term payables	4,652	7,615
	148,206	**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

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Long term portion of deferred revenue	68,565	48,295
Short term portion of deferred revenue	24,433	44,219
	92,998	**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, Steward Bank Limited Cassava FinTech (Pty) Ltd, Distributed Power Africa Proprietary Limited, VAYA Africa Mauritius Ltd and Distributed Power Africa 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

• Liquid Intelligent Technologies Limited (Nigeria);

• Liquid Delta (Jersey) Limited; 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:

	12 months ended		3 months ended	
	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)	28/02/2022 USD'000 (Unaudited)	28/02/2021 USD'000 (Unaudited)
Sales of goods and services				
Econet Global related group companies	127,006	75,401	31,034	30,198
Purchase of goods and services				
Econet Global related group companies	27,315	33,212	7,939	6,473
Management fees paid				
Liquid Telecommunications (Jersey) Ltd	240	300	60	120
Management fees received				
Africa Data Centres related group companies	1,007	-	239	-
Econet Global related group companies	414	61	355	16
Liquid Telecommunications (Jersey) Ltd	60	-	60	(1)
	1,481	**61**	654	15
Dividend paid				
Econet Global related group companies	-	18,078	-	-
Other shareholders	316	22,559	-	2
	316	**40,637**	**-**	**2**
Interest income				
Econet Global related group companies	216	400	56	56
Liquid Intelligent Technologies Limited (Nigeria)	26	-	-	-
Africa Data Centres related group companies	15,214	3	8,956	3
	15,456	**403**	9,012	59
Finance costs				
Liquid Technologies Infrastructure Finance SARL	123	9	27	9
Administration fees paid				
DTOS Limited	292	336	65	83

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

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Short term intercompany receivables		
Africa Data Centres related group companies	45,569	459
Liquid Intelligent Technologies Limited (Nigeria)	7	-
Econet Global related group companies	731	451
	46,307	910

18. Related party transactions and balances (continued)

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
Short term intercompany payables		
Liquid Technologies Infrastructure Finance SARL	6,704	11,684
Liquid Telecommunications (Jersey) Ltd	2,882	-
Africa Data Centres related group companies	-	2,696
	9,586	**14,380**
Receivables balances from affiliated entities		
Econet Global Limited (Mauritius)	4,999	4,998
Liquid Technologies Infrastructure Finance SARL	613	1,248
Econet Global Related Group Companies	19,063	8,799
Liquid Delta (Jersey) Limited	28	-
Liquid Intelligent Technologies Limited (Nigeria)	180	-
Africa Data Centres related group companies	4,540	-
	29,423	**15,045**
Payable balance to affiliated entities		
Econet Global related group companies	4,429	3,103
Africa Data Centres related group companies	1,702	-
Liquid Telecommunications (Jersey) Ltd	-	8
Liquid Technologies Infrastructure Finance SARL	1,530	-
	7,661	**3,111**
Acquisition of controlling interest in subsidiary		
Econet Global Related Group Companies	-	8,974
Long-term receivables		
Africa Data Centres related group companies	153,737	-
Liquid Intelligent Technologies Limited (Nigeria)	2,005	-
	155,742	**-**
Long term intercompany borrowings		
Africa Data Centres related group companies	428	-

19. Capital commitments

	28/02/2022 USD'000 (Audited)	28/02/2021 USD'000 (Audited)
At 28 February 2022 the group was committed to making the following capital commitments:		
Authorised and contracted	33,001	37,420

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

20. Events after reporting date

- USD 7.5 million guarantee

USD 7.5 million of the total guarantees (as disclosed in note 12) were released on 4 March 2022 and the cash is now readily available.

- Spectrum Auction

On 17 March 2022, Liquid Telecommunications South Africa (Pty) Limited (a subsidiary of LTJ) acquired 4MHz in the 3500MHz spectrum for ZAR 111 million in a spectrum auction that was conducted by the Independent Communications Authority of South Africa. This acquisition will increase the subsdiary's 5G spectrum holding to 60MHz. The bid amount was paid on 9 May 2022.

21. Dividend

Year ended 28 February 2022:

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.

• Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared a dividend during the year. USD 0.3 million is attributable to the non controlling interests of the subsidiary.

Year ended 28 February 2021:

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.

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).

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

	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
28 February 2022				
Investments at FVTOCI	-	-	15,314	15,314
Net derivative assets	-	3,998	-	3,998
Total (Audited)	**-**	**3,998**	**15,314**	**19,312**
28 February 2021				
Investments at FVTOCI	-	-	23,814	23,814
Net derivative assets	-	1,879	-	1,879
Total (Audited)	**-**	**1,879**	**23,814**	**25,693**

Investments at Fair Value Through Other Comprehensive Income (FVTOCI)

Investments in equity instruments designated as at FVTOCI	28/02/2022	28/02/2021
	USD'000	USD'000
	(Audited)	(Audited)
Opening balance	23,814	10,814
Additions	-	13,000
Disposal	(8,500)	-
Closing balance	**15,314**	**23,814**

In November 2021, following a strategic decision, the company disposed its shareholding in West Indian Ocean Cable Company Limited for USD 9.6 million. A gain on disposal of USD 1.1 million was recognised in the consolidated statement of profit or loss.

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.

Net 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 - Fair value measurement.*

The key assumptions used to estimate the fair value are:
1. the initial fair value of the Notes (being the issue price of 100% on the issue date);
2. the credit spread (implied from the issue price of the bond); and
3. the discount curve (3-month USD LIBOR).

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Group - 28 February 2022					
Net settled: Embedded derivatives	-	-	3,998	-	3,998
Group - 28 February 2021					
Net settled: Embedded derivatives	-	-	1,879	-	1,879

	28/02/2022 USD'000 (Audited) 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	2,119	-	-	-
Closing balance	3,998	(1,879)	1,879	(1,879)
Net settled : Embedded derivatives	2,119		-	

23. Non-cash transactions

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

During the year ended 28 February 2022:

• Zanlink Ltd, a subsidiary of the group, declared a dividend. USD 16,000 is attributable to the non-controlling interests of the subsidiary out of which USD 10,000 has been paid.
• On 1 November 2021, Liquid Intelligent Technologies Limited (previously known as Liquid Telecom West Africa Data Centre Nigeria Limited) was disposed of to Liquid Delta (Jersey) Limited a subsidiary of LTJ, the parent company of LTH, for a nominal value.

During the year ended 28 February 2021:

• Liquid Telecommunications Holdings Limited declared a dividend in shares. See note 21 - *Dividend* for more details.
• On 10 June 2020, the group entered into an agreement to purchase 71% shareholding in Worldstream (Pty) Ltd from Econet Global Limited for a non-cash consideration of USD 9.0 million. The acquisition was made through a common control transaction and recorded at cost.
• Of the USD 13.0 million addition to investments at FVTOCI, only USD 4.3 million has been paid during the year. The remaining balance is payable at year end.

24. Earnings per share

	12 months ended		3 months ended	
	28/02/2022	28/02/2021	28/02/2022	28/02/2021
	USD'000 (Audited)	USD'000 (Audited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Basic profit / (loss) per share (Cents per share)	46.15	(11.88)	(18.67)	(2.37)

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	57,618	(14,755)	(23,319)	(2,933)

	28/02/2022	28/02/2021
	USD'000 (Audited)	USD'000 (Audited)
Weighted average number of ordinary shares for the purpose of basic profit / (loss) per share for the period ended	124,857,914	124,173,555

At 28 February 2022, the share capital of 3.7 million represents 124,857,914 ordinary shares (28 February 2021: 124,173,555 ordinary shares).

25. Assets held for sale

In line with the strategy outlined in the prior financial 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 86.6 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:

	28/02/2022	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 liabilities

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.

Uncertain Tax Positions

The group has a number of tax audits underway across the various jurisdictions in which it operates. These audits are routine and often involve discussion and negotiation with the relevant authorities. When assessing the potential outcome of these audits, the group uses judgement based on past experience, industry practice and advice from local tax advisers. Where the assessment finds that a tax liability is probable, a tax provision is made through current tax. Where the group considers it has a robust position, no tax provision is made, however, these positions are kept under review as the audit process progresses and in some or all cases, the outcome of the audit and discussions with the tax authorities may be different to that anticipated by the group.

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*.

	12 months ended		3 months ended	
	28/02/2022	28/02/2021	28/02/2022	28/02/2021
	USD'000 (Audited)	USD'000 (Audited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Operating profit	163,774	117,081	29,876	45,619
Add back:				
Depreciation, impairment and amortisation	135,724	123,599	42,637	36,853
Dividend received	-	292	-	-
Adjusted EBITDA (note 3)	**299,498**	**240,972**	**72,513**	**82,472**

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 (Audited)	Reclassification of network costs USD'000 (Audited)	Revised statement of profit or loss USD'000 (Audited)
12 months ended 28 February 2022:			
Revenue	711,724	-	711,724
Interconnect related costs	(70,553)	-	(70,553)
Data and network related costs	(144,941)	33,481	(111,460)
Gross Profit	496,230	33,481	529,711
Other income	11,118	-	11,118
Selling, distribution and marketing costs	(22,252)	-	(22,252)
Expected credit loss provision	1,906	-	1,906
Administrative expenses	(65,043)	(33,481)	(98,524)
Staff costs	(122,461)	-	(122,461)
Adjusted EBITDA	**299,498**	**-**	**299,498**
12 months ended 28 February 2021:			
Revenue	651,890	-	651,890
Interconnect related costs	(94,480)	-	(94,480)
Data and network related costs	(150,050)	30,721	(119,329)
Gross Profit	407,360	30,721	438,081
Other income	4,017	-	4,017
Dividend received	292		292
Selling, distribution and marketing costs	(13,759)	-	(13,759)
Expected credit loss provision	(11,605)	-	(11,605)
Administrative expenses	(53,218)	(30,721)	(83,939)
Staff costs	(92,115)	-	(92,115)
Adjusted EBITDA	**240,972**	**-**	**240,972**
3 months ended 28 February 2022:			
Revenue	190,656	-	190,656
Interconnect related costs	(17,135)	-	(17,135)
Data and network related costs	(38,826)	7,807	(31,019)
Gross Profit	134,695	7,807	142,502
Other income	6,463	-	6,463
Selling, distribution and marketing costs	(5,723)	-	(5,723)
Expected credit loss provision	(6,776)	-	(6,776)
Administrative expenses	(23,680)	(7,807)	(31,487)
Staff costs	(32,466)	-	(32,466)
Adjusted EBITDA	**72,513**	**-**	**72,513**
3 months ended 28 February 2021:			
Revenue	194,648	-	194,648
Interconnect related costs	(12,787)	-	(12,787)
Data and network related costs	(46,815)	7,763	(39,052)
Gross Profit	135,046	7,763	142,809
Other income	3,638	-	3,638
Selling, distribution and marketing costs	(11,157)	-	(11,157)
Expected credit loss provision	(1,589)	-	(1,589)
Administrative expenses	(18,248)	(7,763)	(26,011)
Staff costs	(25,218)	-	(25,218)
Adjusted EBITDA	**82,472**	**-**	**82,472**

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 107.6 million for the 12 months ended 28 February 2021, 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	-