LIQUID
INTELLIGENT TECHNOLOGIES

Q3 24 Results

25 January 2024

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Presenters and Agenda

Hardy Pemhiwa
Chief Executive Officer

1. Strategic Update

Eric Thompson
Chief Financial Officer

2. Financial Review

Hardy Pemhiwa

1. Strategic Update

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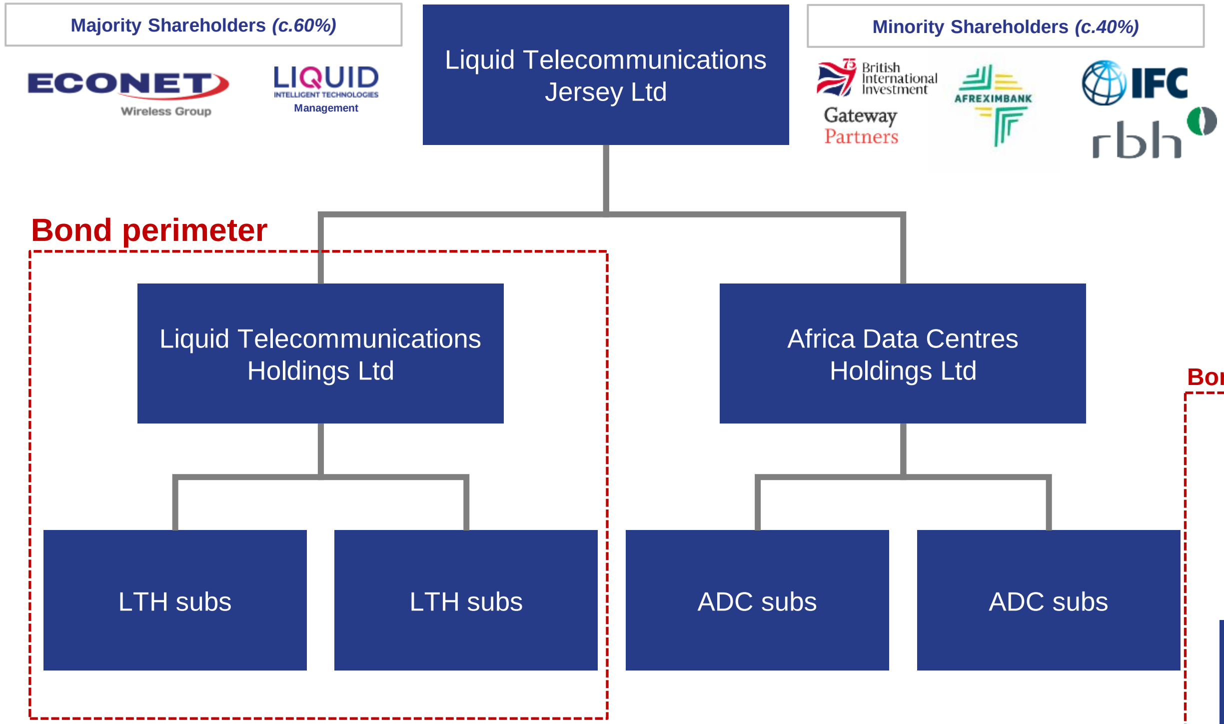
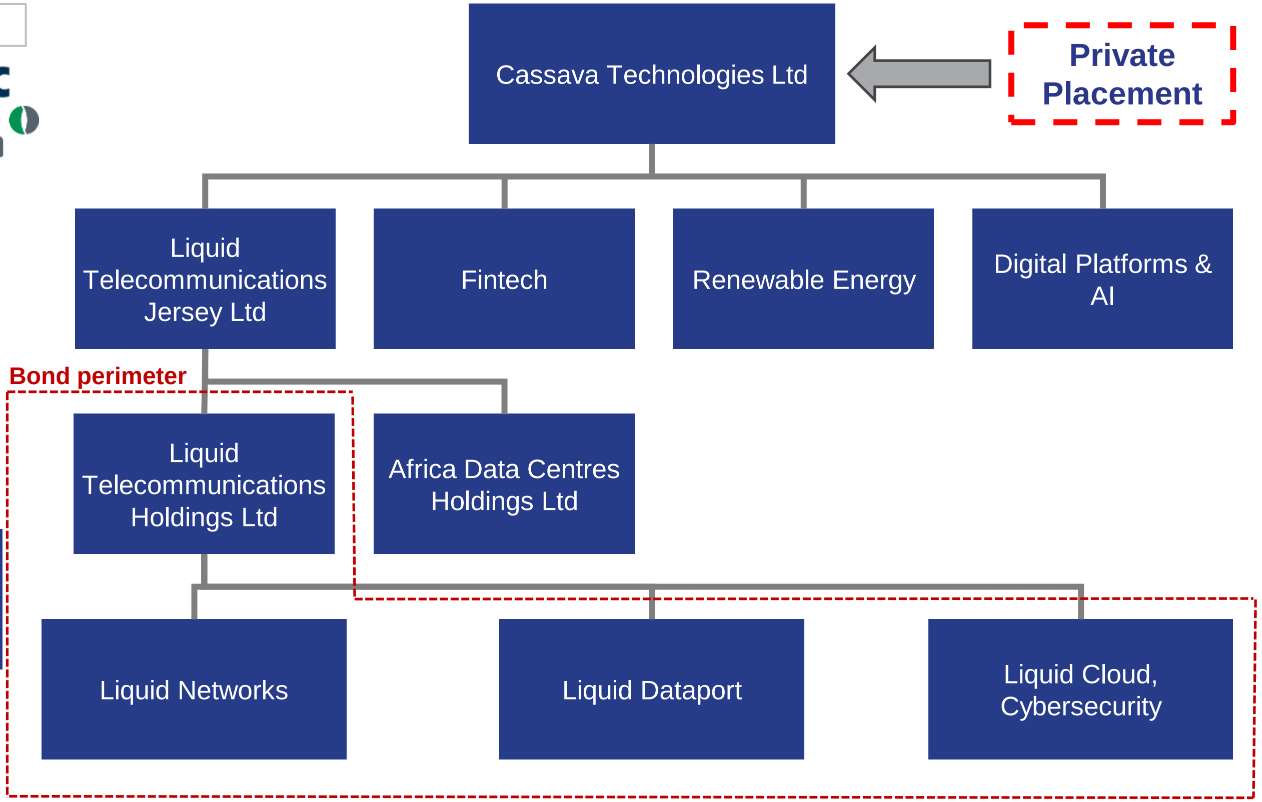
Group Restructure

Current Group Structure



Group Structure Post Re-Organisation



Source: Company information

Refinance Plan Update

Intentions

- Move away from a single maturity
- Optimise capital structure to align to our business and operating models
    - Reduction in gross leverage
    - Increase in ZAR borrowings
- Well prepared and ready to act at short notice
- We will continue to provide regular progress updates

Source: Company information

Eric Thompson

2. Financial Review

LIQUID INTELLIGENT TECHNOLOGIES

Q3 24 Financial Highlights

Sustained strong revenue growth excluding the impact of FX movements

- Reported revenue grew 11.4% YoY in the first nine months and 7.0% YoY in the third quarter driven by strong performances across the Group, notably in Network and C2
  - In South Africa, excluding the impact of FX, total revenue continued to accelerate, up 20.9% in the first nine months and 28.5% in the third quarter
- Adjusted EBITDA[1] increased 13.2% YoY on a YTD basis to USD 177.0m driven by broad based growth across the Group, including an increased contribution in Liquid South Africa
- Cash generated from operations decreased 11.6% YoY in the first nine months to USD 137.7m due to increased prepayments to mitigate FX
- Net debt[2] amounted to USD 861.6m, leading to a net debt to adjusted EBITDA[1,2,3] of 3.33x, compared to 3.68 times in the equivalent period last year

Source: Company information

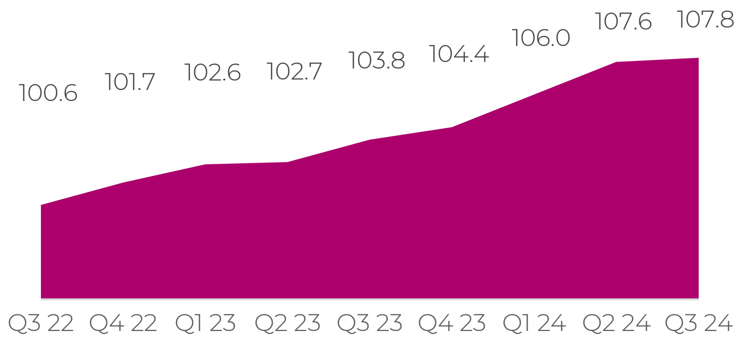
[1] Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, impairment and amortisation, and is also presented before recognising the following items: gain on bargain purchase, acquisition and other investment costs, fair value gain on derivative assets, net foreign exchange (loss)/gain and hyperinflation monetary gain..

[2] Net debt is defined as gross debt less unrestricted cash and cash equivalents.

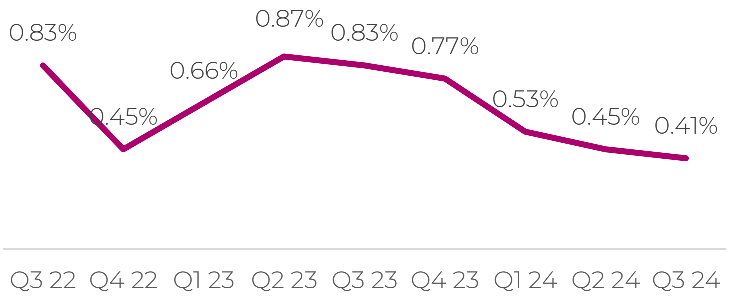
[3] Adjusted EBITDA for the last twelve months.

Key Performance Indicators

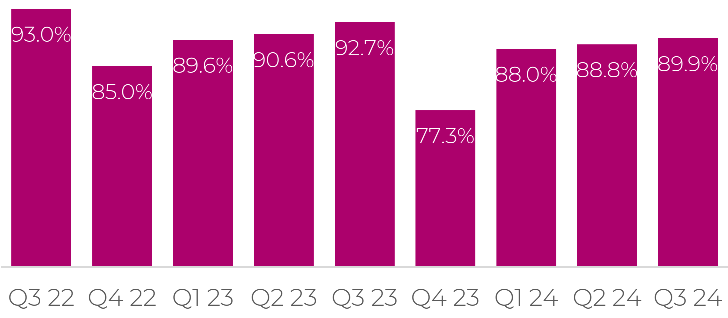
Total fibre network (kms 000)[1]



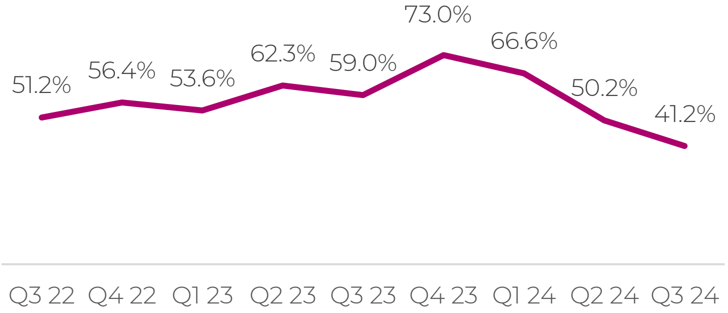
Average churn rate[2]



Monthly recurring revenue[3]



Cloud seats growth[4]



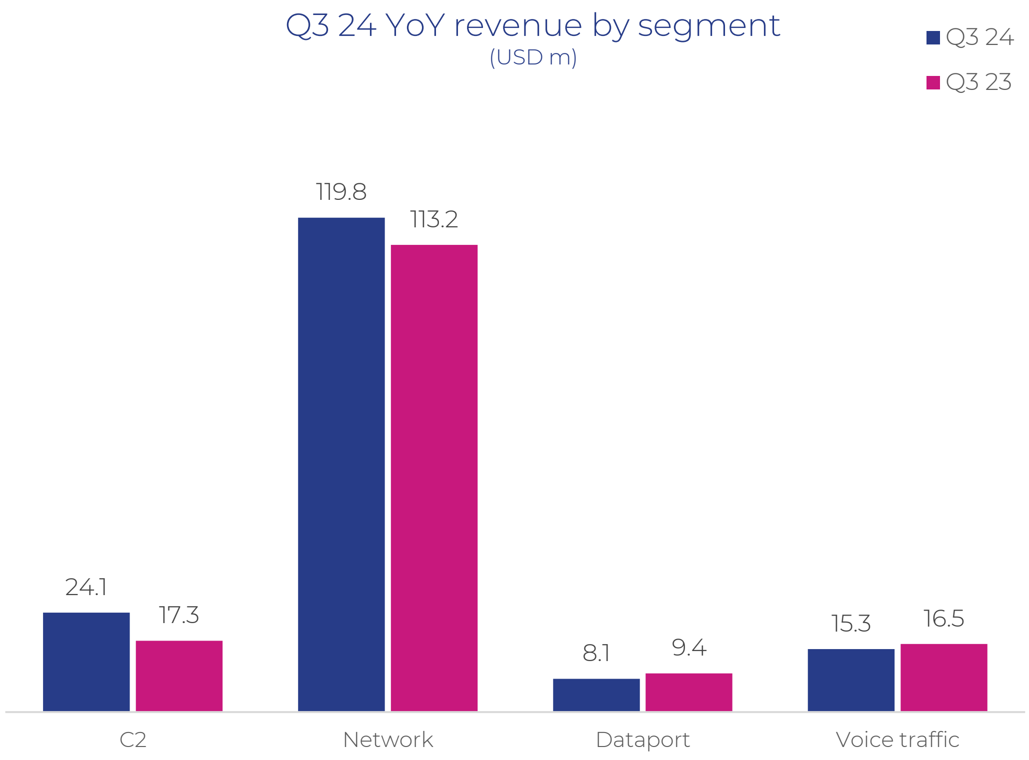
Source: Company information

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

Q3 24 YoY Revenue by Segment

Good growth in C2 and Network

- C2 continued to grow strongly, up 39.3% YoY
  - Driven by a 41.2% increase in Cloud seats and the benefit of rate increases across all geographies and strong performance in our indirect channel, Cloudmania, in Rest of World
- Reported Network revenue increased 5.8% YoY
  - Ex-Zimbabwe and the FX impact in South Africa, revenue grew 9.9%, incl. a strong contribution from South Africa driven by increased sites, capacity upgrades and a sale of infrastructure (USD 7.1m) all related to the ECG project
  - On a constant currency basis, Rest of Africa grew 4.9% YoY, driven by dark fibre and IRU deals
- Dataport revenue declined 13.8% YoY largely due a large contract win in the prior year
- Voice revenue declined 7.3% YoY having been impacted by the global trend away from traditional voice traffic



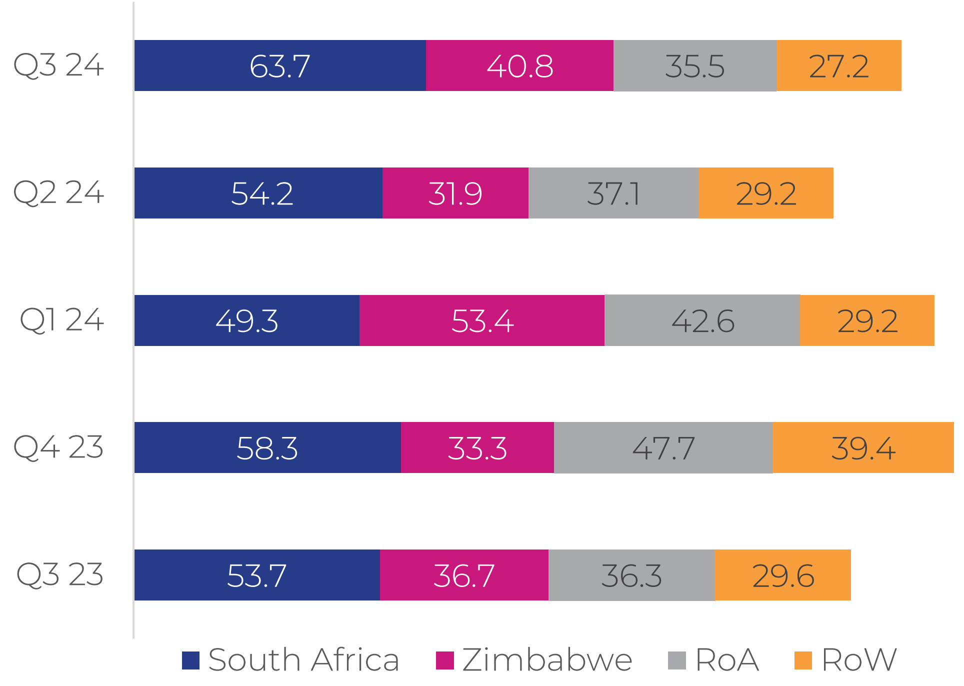
Source: Company information

Quarterly Revenue by Geography

Strong South African momentum sustained

- In South Africa, reported revenue increased 18.6% YoY, excluding the USD 5.2m impact of FX, revenue grew 28.3%
  - This included a sale of infrastructure related to the ECG project of USD 7.1m. The strong underlying growth of 15.1% was driven by increased sites and capacity upgrades on the Western & Eastern Cape Government contracts
- Zimbabwe increased 11.2% YoY, a lower level of growth than prior quarters benefit from recent tariff increases reduces
- Rest of Africa revenue declined 2.2% YoY, impacted by adverse FX rates in Kenya (USD 2.4m) and Zambia (USD 2.9m), excluding these headwinds revenue grew by 12.5% driven by broad based growth across segments and countries
- Rest of World revenue declined 8.1% largely due to a strong prior year comparator driven by IRU/dark fibre deals

Quarterly revenue progression by geography
(USD m)



Source: Company information

Q3 YTD Summary Income Statement

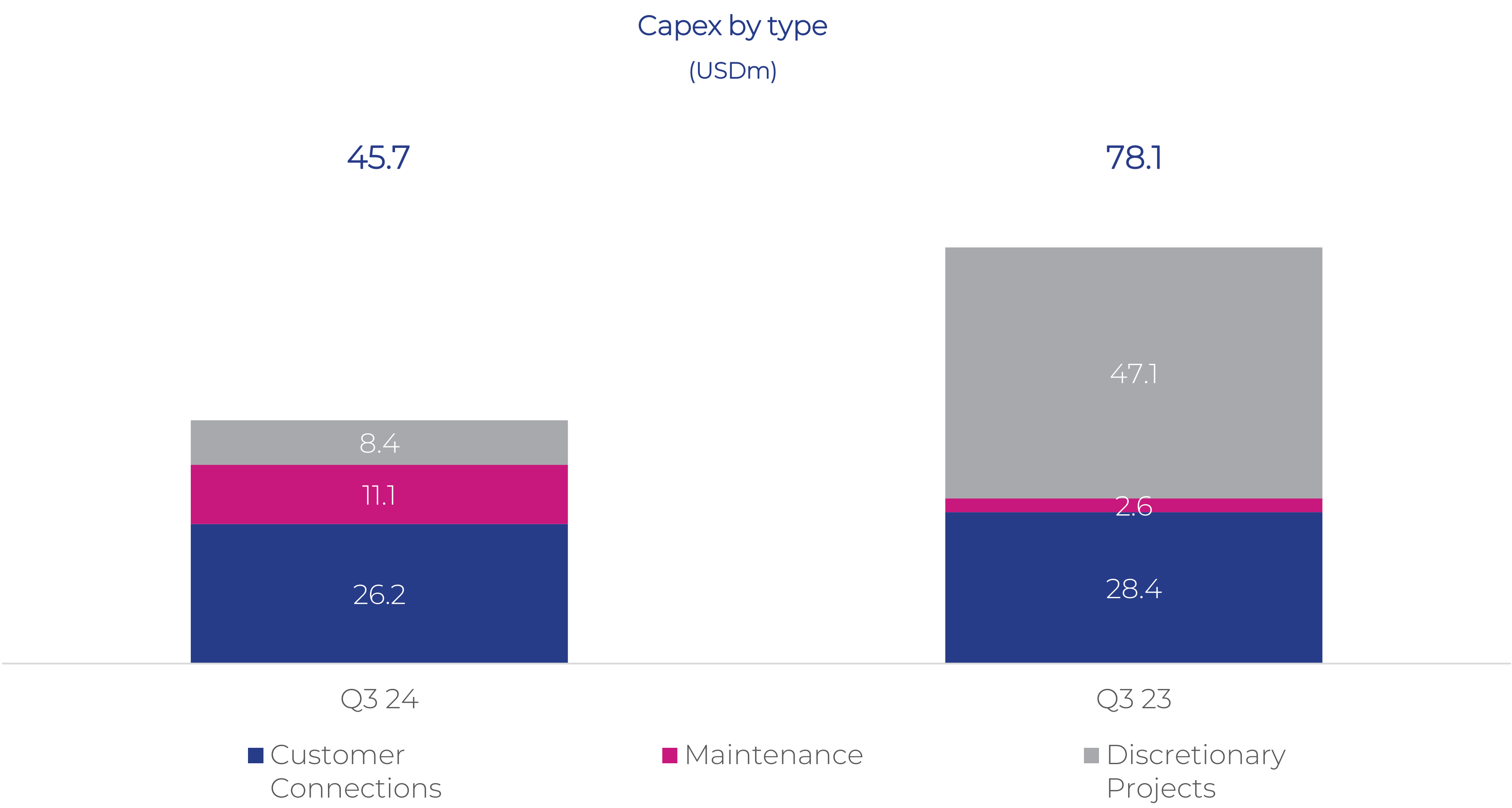
Continued good momentum

All figures USD m unless stated	Q3 24 YTD	Q3 23 YTD	YoY
Revenue	494.2	443.8	11.4%
Gross profit	355.8	317.9	11.9%
Gross profit margin (%)	*72.0%*	*71.6%*	*0.4pp*
Overheads and other income	(178.8)	(161.5)	(10.6)%
Adjusted EBITDA	177.0	156.4	13.2%
Adjusted EBITDA margin (%)	*35.8%*	*35.2%*	*0.6pp*

Source: Company information

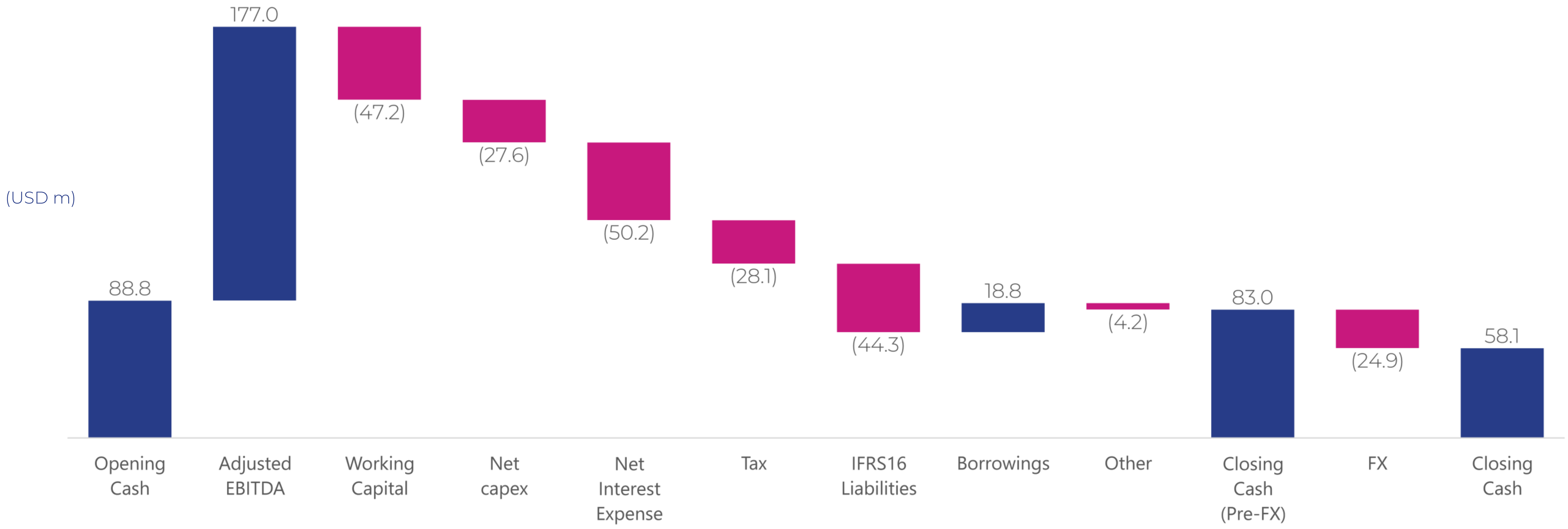
Capex YTD Q3 24

Reduction in discretionary capex



Source: Company information

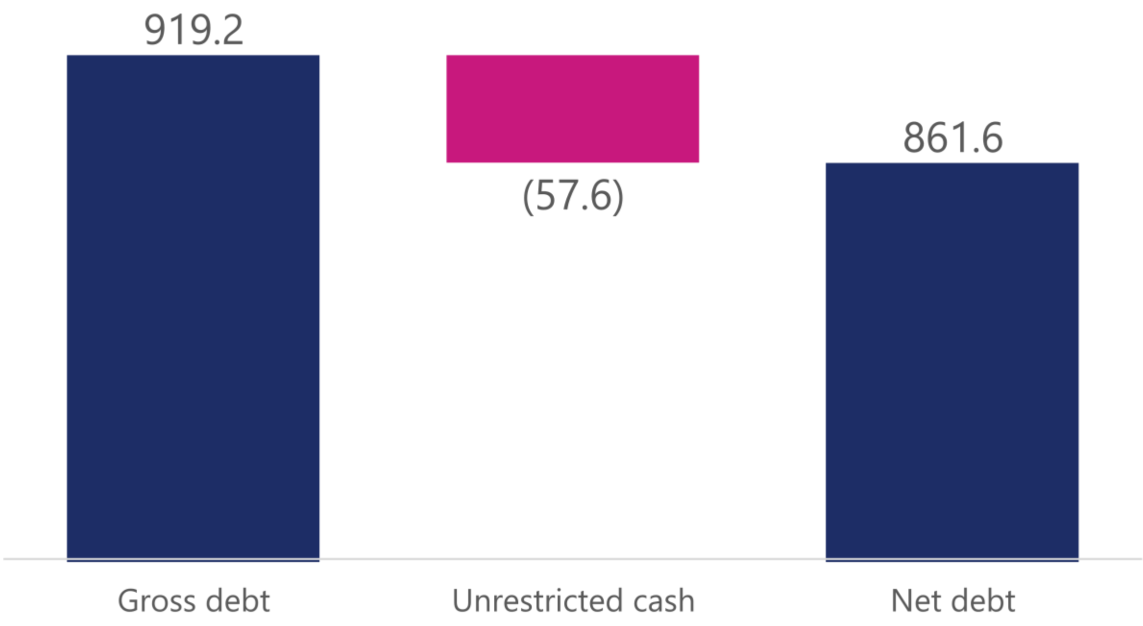
Q3 YTD Cash Flow



Source: Company information

Debt and Leverage

Gross and net debt as at November-23
(USD m)

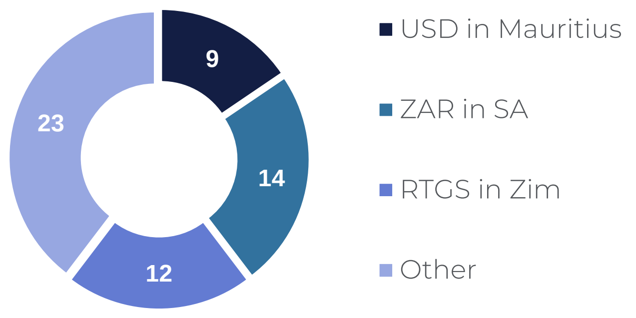


Reported leverage	3.33x
Covenant threshold	4.00x

Source: Company information

Cash and Capitalisation

Cash holdings as at Q3 24 (USD m)



USD 620m Senior Secured Notes

- Covenants is incurrence and on a gross basis
- Debt incurrence ratio of 4.25x throughout life

USD 220m equivalent Term Loan and RCF

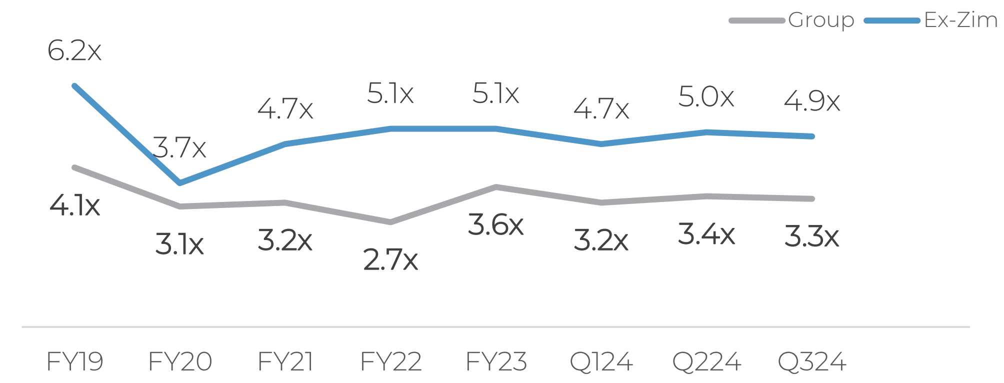
- Covenants are maintenance and on a net basis
  - Net Leverage not exceeding 4.0x, Feb-24 step down to 3.5x, Aug-24 step down to 3.0x
  - Interest Cover to be greater than 2.50x
  - Cumulative Debt Service Coverage Ratio not less 1.30x
- Tranche B amortising, instalments:
  - 8.75% @ Sep-22 & Mar-23
  - 11.25% @ Sep-23 & Mar-24
  - 15.00% @ Sep-24, Mar-25, Sep-25 & Mar-26

All covenants tested quarterly on a 12 months trailing basis on consolidated financials at the LTH Group level

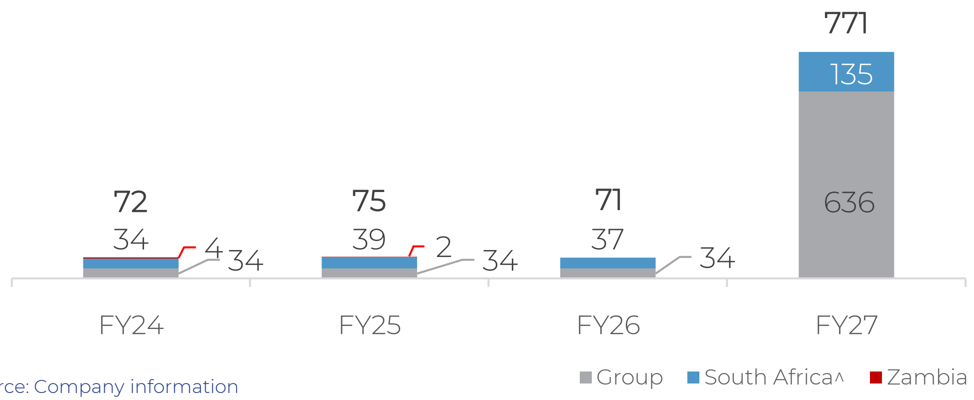
Source: Company information

Capital Structure

Net Leverage Profile



Debt Maturity and Servicing



Capitalisation Table (USD m)

	As at 30th Nov. 2023	As at 28th Feb. 2023
USD 620m 5.5% Senior Secured Notes due Sep. 2026	620.0	620.0
USD 60m Revolving Credit Facility	26.9	-
USD ~147m 11.29% equivalent ZAR Term Loan due Mar. 2026: (Tranche A)	114.0	116.4
USD ~73m 11.79% equivalent ZAR Term Loan due Mar 2026: (Tranche B)	42.2	49.8
USD 23.3m 23.50% equivalent Zambian Kwacha Term Loan due 2025	2.3	4.9
Other Indebtedness (incl. lease liabilities and unamortised fees)	113.9	152.4
Total Indebtedness	919.2	943.5
Cash and Cash Equivalents	57.6	88.4
Net Leverage	861.6	855.1
LTM Adjusted EBITDA	258.5	237.9
Net Leverage Ratio	3.33x	3.59x

Key Takeaways

- As at end Q3 24, USD 91m of liquidity:
  - Including USD 33m RCF (undrawn)
  - USD 58m of unrestricted cash, of which USD 12m in Zimbabwe
- USD 72m of interest and capital repayments in FY24
  - USD 52m paid to date
  - USD 20m in year-to-go, largely related to ZAR Term Loan (due Mar-25)
- Expect reduced net leverage in Q4 from:
  - Repayment of USD 27m RCF
  - Higher EBITDA
  - South Africa and Zambian loan amortisations

Source: Company information
^ Assumed ZAR:USD rates: FY24 18.54:1, FY25 17.07:1, FY26 17.03:1, FY27 17.03

FY24 Q3 Outlook Considerations

Revenue & Adjusted EBITDA

- Expect growth in local currency
- Internal focus on USD revenue
- Further exchange rate volatility across Africa likely

Cash

- Free cash flow positive on operational basis before FX movements
- Capex guidance reduced to be between USD 70 million and USD 80 million (previously bottom end of the USD 80 million to USD 100 million range)

Source: Company information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Q&A