LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
(“the Group”, “Liquid” or “Liquid Intelligent Technologies”)

FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MAY 2025

Solid start to the year

24 July 2025

Leading pan-African digital solutions provider, Liquid Intelligent Technologies, a business of Cassava Technologies, announces financial results for the first quarter ended 31 May 2025

Strategic highlights:

- Group advancing with asset sale to enable material reduction in bond size ahead of refinancing
- Liquid Network signed a new multi-year 900 MHz roaming agreement with a leading mobile network operator in South Africa. This agreement will also enable Liquid to provide fixed wireless access to its enterprise clients
- Liquid Network partnering with Starlink to provide fibre broadband capacity across Kenya, Nigeria and Botswana and the wider Liquid One Network
- Liquid and Zambia’s leading commercial bank partner to offer mobile banking in Liquid Home stores in Zambia, expanding access to digital and financial services

Financial highlights:

- We maintained a high level of monthly recurring revenue (MRR) during the first quarter at 90.5%, an increase on the prior year (Q1 FY 2024-25: 81.9%)
- Excluding non-recurring and low margin ECG related revenue of USD 18.3 million in the prior year, revenue grew 4.4% in the first quarter driven by good growth in Network and C2 in South Africa and Rest of Africa
- Adjusted EBITDA[1] declined 2.2% year-on-year in the first quarter to USD 80.7 million with the prior year benefiting from a material reduction in bad debt provisions
- Cash generated from operations of USD 31.3 million in the quarter declined 41.1% year-on-year largely resulting from increased inventories and other working capital movements
- Net debt[2] declined to USD 902.8 million due to capital repayments on the ZAR Term Loan and the repayment of the Revolving Credit Facility, leading to a net debt to adjusted EBITDA[1,2,3] of 3.43x

Group Financials	For the three-month period ended:		
	31 May 2025 (USDm)	31 May 2024 (USDm)	YoY (%)
Revenue	172.5	183.6	(6.0)
Adjusted EBITDA	80.7	82.5	(2.2)
Cash generated from operations	31.3	53.1	(41.1)
Net debt	902.8	930.6	(3.0)
Net debt / Adjusted EBITDA (x)	3.43	3.46	n/a

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

Group Chief Executive Officer, Hardy Pemhiwa, commented:

"We have had a solid start to the year. On an underlying basis we delivered robust revenue and EBITDA growth. This was a result of the refocused go-to-market strategy in South Africa, as evidenced by the extension of a significant roaming agreement with a key mobile network operator, strong growth in Rest of Africa and a more benign exchange rate environment.

We continue to make good progress on the key refinance workstreams we laid out last year, and completing this will enable us to move us away from a single maturity, will improve the currency correlation between our earnings and liabilities and will meaningfully reduce our overall leverage.

We remain confident in these plans and the outlook for the year ahead."

Group Chairman, Strive Masiyiwa, added:

"Digital inclusion in Africa continues to be a driving force for our company. It was therefore especially rewarding to witness the Group advancing financial inclusion in Zambia through our strategic partnership with one of Zambia's largest commercial banks with national coverage. The partnership marks a significant step in enhancing access to mobile banking and connectivity services by making it easier for individuals and families to manage their finances, stay connected, and actively participate in the digital economy.

More widely, ESG remains an important area of focus, for us, and our shareholders. I am therefore pleased that we have now published our third external sustainability report. This report will cover, on a more comprehensive basis, our activities in this area during 2024-25."

We will not be holding a Q1 investor call on this occasion due to the ongoing refinance process.

Further details and information about Liquid Intelligent Technologies can be found on our website at www.liquid.tech.

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Next scheduled announcement: The Group's next scheduled announcement is for its Q2 2025-26 results in October 2025.

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

Follow us on LinkedIn: 'Liquid Intelligent Technologies' and X: @LiquidInTech.

OPERATIONAL AND FINANCIAL REVIEW

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

Key performance indicators (KPIs)

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

Key performance indicators	Q1 2024-25	Q2 2024-25	Q3 2024-25	Q4 2024-25	FY 2024-25	Q1 2025-26
Total fibre network (Kms) [1]	107,900	108,086	108,441	108,868	108,868	109,057
Average churn rate (%) [2]	0.44%	0.60%	0.67%	0.40%	0.53%	0.52%
Monthly recurring revenue (%) [3]	81.9%	85.2%	92.1%	91.0%	87.3%	90.5%
Cloud seats YoY growth (%) [4]	15.0%	9.6%	6.0%	15.4%	15.4%	19.3%
Total capacity on subsea assets (Gbps) [5]	3,841	3,841	4,341	4,341	4,341	4,341

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

Our pan-continental network now stretches to 109,057 kilometres and is largely complete and therefore the fibre expansion in the period remained low. We added 189 kilometres in the first quarter as we focus on monetising our existing footprint with more targeted network densification.

Delivering on our customer satisfaction promise remains integral to our long-term success. We remain laser focused on providing value to our customers via competitive and comprehensive high-quality solutions. As a result, our churn remained below 1% at 0.52% in the first quarter.

We maintained a high level of monthly recurring revenue (MRR) during the first quarter at 90.5%, an increase on the prior year (Q1 FY 2024-25: 81.9%) which included the ECG infrastructure sales. Excluding this impact MRR was in line with the prior year. We remain determined to retain a high level of MRR to deliver more consistent and predictable revenue streams.

Our year-on-year growth in Cloud seats was 19.3%, driven by our comprehensive suite of Cloud and Cybersecurity products and services, our deep relationships with key hyperscaler partners, as well as benefiting from good underlying market growth and the strong performance of Cloudmania in all geographies. This is a key part of our strategy of delivering digital solutions to existing and new customers over our digital infrastructure.

Subsea capacity increased to 4,341 Gbps in the first quarter as we activated some additional capacity to enhance our network resiliency.

Segments

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

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

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

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

Revenue

Revenue by Segment	For the three-month period ended:		
	31 May 2025 (USDm)	31 May 2024 (USDm)	YoY (%)
Network	118.7	132.1	(10.1)
C2	32.4	28.0	15.7
Dataport	8.2	9.4	(12.8)
Voice	13.2	14.1	(6.4)
Total Revenue	**172.5**	**183.6**	**(6.0)**

Total revenue in the first quarter was USD 172.5 million (Q1 FY 2024-25: USD 183.6 million), a decrease of 6.0% year-on-year, however, the prior year included USD 18.3 million for the sale of infrastructure related to the ECG contract. Excluding this non-recurring and low margin ECG related revenue, revenue increased by a robust 4.4%, driven by the growth in Network and C2 in South Africa and Rest of Africa, partly offset by Dataport and the ongoing volume decline in Voice. Note, the infrastructure revenue related to the ECG contract is reported in South Africa Network revenue and has negligible margin associated with it.

The impact of exchange rates in the first quarter of FY 2025-26 has continued to ease compared to recent periods. At a group level there was a net favourable benefit of USD 0.6 million, including a positive impact of USD 1.0 million in the South African Rand and USD 0.4 million in Kenyan Shilling, partly offset by an adverse movement in the Zambian Kwacha of USD 0.7 million.

Network

Network revenue in the first quarter, which includes all intra- and inter-country fibre activity, decreased by 10.1% year-on-year to USD 118.7 million (Q1 FY 2024-25: USD 132.1 million), with the prior year including the sale of infrastructure relating to the Eastern Cape Government contract of USD 18.3 million. Excluding this and the exchange rate movements noted above, Network revenue increased 3.8% year-on-year due to good growth in South Africa and Rest of Africa.

In South Africa, in which the ECG infrastructure revenue was reported, Network revenue declined 24.7%, however excluding this and the FX tailwind of USD 1.0 million, underlying revenue grew strongly, up 7.9% year-on-year, driven by increased sites and capacity upgrades on the Eastern and Western Cape Government contracts.

In Rest of Africa, on a reported basis, Network revenue increased 9.3% due to strong growth in the DRC, Egypt, Tanzania and Botswana.

Reported Zimbabwean Network revenue increased marginally, up 1.0% as we start to lap the tariff reviews in the prior year.

C2

C2 revenue in the first quarter, which largely comprises our cloud and cyber security offerings as well as other digital services, grew strongly, up 15.7% year-on-year to USD 32.4 million (Q1 FY 2024-25: USD 28.0 million).

Our C2 business remains the fastest growing cloud service provider in Africa, benefiting from a comprehensive suite of cloud and cybersecurity products and services. Our deep relationships with key hyperscalers and our growing focus on managed services fuelled a high level of renewals and the 19.3% year-on-year increase in Cloud seats.

This growth is being driven by high demand for our application and Azure platforms across the breadth of our operations including territories in which we do not have a network presence, such as Egypt, via indirect channels.

We continue to benefit from the good underlying market growth and the pass through of US Dollar linked rate increases. There continues to be a strong appetite for our cloud offerings as more businesses continue to move towards integrated cloud solutions across all applications and platforms.

Dataport

Dataport revenue in the first quarter, covering all our sea-to-land connections, subsea capacity and satellite services, decreased 12.8% year-on-year to USD 8.2 million (Q1 FY 2024-25: USD 9.4 million). The year-on-year decrease was largely driven by lower satellite services revenues in Rest of World. Dataport continues to build up a strong pipeline, however, these deals are typically large and non-recurring resulting in fluctuating trends.

Voice

Voice revenue in the first quarter, continued to be impacted by global traffic trends away from traditional voice activity, resulting in revenue declining 6.4% year-on-year to USD 13.2 million (Q1 FY 2024-25: USD 14.1 million).

Gross Profit

Gross Profit	For the three-month period ended:		
	31 May 2025 (USDm)	31 May 2024 (USDm)	YoY (%)
Revenue	172.5	183.6	(6.0)
Costs per quarterly financial statements	(47.4)	(63.2)	25.0
Gross Profit	**125.1**	**120.4**	**3.9**
Gross Profit Margin (%)	72.5%	65.6%	6.9pp

Absolute gross profit for the first quarter was USD 125.1 million (Q1 FY 2024-25: USD 120.4 million) and gross profit margin was a more normal 72.5% compared to 65.6% in the prior year, with the increase largely resulting from the impact of low margin ECG infrastructure sales in the prior year, partly offset by the increased mix from the growing C2 segment and a lower contribution from Zimbabwe.

Total Overheads and Other Income

Total Overheads and Other Income	For the three-month period ended:		
	31 May 2025	31 May 2024	YoY
	(USDm)	(USDm)	(%)
Other income	1.0	0.9	11.1
Selling, distribution and marketing costs	(2.7)	(2.5)	(8.0)
Expected credit loss provision	0.9	7.8	88.5
Administrative costs	(20.6)	(19.3)	(6.7)
Staff costs	(23.0)	(24.8)	7.3
Total Overheads and Other Income	**(44.4)**	**(37.9)**	**(17.1)**
% to Total Revenue	25.7%	20.6%	-5.1pp

Total Overheads and Other Income for the first quarter were USD 44.4 million (Q1 FY 2024-25: USD 37.9 million), higher year-on-year due to the prior year benefiting from a significant improvement in the expected credit loss provision, as a result of concerted efforts to collect large, aged debts, particularly in South Africa and Zimbabwe.

Adjusted EBITDA and Profit

Adjusted EBITDA	For the three-month period ended:		
	31 May 2025	31 May 2024	YoY
	(USDm)	(USDm)	(%)
Adjusted EBITDA	**80.7**	**82.5**	**(2.2)**
Depreciation, impairment and amortisation	(28.7)	(32.7)	12.2
Dividend received	(0.1)	-	n/a
Operating Profit	**51.9**	**49.8**	**4.2**
Dividend received	0.1	-	n/a
Restructuring costs	(0.4)	(0.3)	(100.0)
Interest income	6.4	5.3	20.8
Finance costs	(23.6)	(23.1)	(2.2)
Foreign exchange loss	(6.9)	(200.3)	96.6
Monetary adjustment - IAS 29	5.0	376.8	(98.7)
Profit before tax	**32.5**	**208.2**	**(84.4)**
Tax expense	(10.7)	(41.1)	74.0
Profit for the period	**21.8**	**167.1**	**(87.0)**

Adjusted EBITDA in the first quarter was USD 80.7 million, 2.2% lower compared to the same period in the prior year (Q1 FY 2024-25: USD 82.5 million) as the higher gross margin was offset by the more normalised level of overheads, as detailed above.

Depreciation, impairment and amortisation costs in the first quarter were slightly lower year-on-year at USD 28.7 million (Q1 FY 2024-25: USD 32.7 million) resulting from the lower capex profile in recent years.

Finance costs of USD 23.6 million in the first quarter were marginally higher year-on-year (Q1 FY 2024-25: USD 23.1 million) and reflected the interest on the Bond and Revolving Credit Facility ("RCF"), the amortising ZAR term loan, local debt in Zambia, and leases.

The foreign exchange loss in the first quarter of USD 6.9 million (Q1 FY 2024-25: USD 200.3 million) was driven by the exchange rate movement in Zimbabwe. The ZWG:USD closing exchange rate was 26.9:1 (31 May 2024: ZWG:USD 13.3:1). CPI in Zimbabwe for the period was 187.42 (31 May 2024: 97.58) which resulted in a monetary adjustment of USD 5.0 million (Q1 FY 2024-25: USD 376.8 million) for the year and resulted in a net profit after tax for the year of USD 21.8 million (Q1 FY 2024-25: net profit after tax USD 167.1 million).

Cash generated from operations

Cash Flows	For the three-month period ended:		
	31 May 2025 (USDm)	31 May 2024 (USDm)	YoY (%)
Cash generated from operations	**31.3**	**53.1**	(41.1)
Tax paid	(12.3)	(6.9)	(78.3)
Net cash generated from operating activities	**19.0**	**46.2**	**(58.9)**
Net cash used in investing activities	(9.4)	(16.5)	43.0
Net cash used in financing activities	(40.2)	(32.4)	(24.1)
Net decrease in cash and cash equivalents	**(30.6)**	**(2.7)**	**(1,033.3)**

Cash generated from operations for the year declined 41.1% year-on-year to USD 31.3 million (Q1 FY 2024-25: USD 53.1 million) with the prior year benefiting from a material improvement in working capital and the current year impacted by increased year-on-year inventories related to the ECG contract, but which are now reducing overall.

The increase in tax paid in the year was driven by the higher profit contribution from Zimbabwe in the final quarter of FY 2024-25.

Net cash used in investing activities for the year reduced by 43.0% year-on-year to USD 9.4 million (Q1 FY 2024-25: USD 16.5 million) driven by the continued reduction in capital expenditure. The cash spent on investing activities in the quarter was largely on network infrastructure, maintenance and customer connections in Zimbabwe, Kenya and South Africa.

Cash used in financing activities is largely related to interest, lease and debt payments. In the first quarter, financing activities totalled USD 40.2 million (Q1 FY 2024-25: USD 32.4 million). The increase was due to higher lease payments largely in South Africa as a result increased sites relayed to the ECG contract.

Capital investment and network developments

Capital expenditure in first quarter was broadly flat year-on-year and amounted to USD 10.0 million (Q1 FY 2024-25: USD 17.0 million). As the build of our network is largely complete, a greater share of the investment compared to the prior year was focused on customer connections including in Zimbabwe, Kenya and investment in NLD in South Africa, including on the Eastern and Western Capes.

Gross and Net Debt

Gross and Net Debt	As at 31 May 2025 (USDm)
Total Gross Debt	**957.4**
Long term borrowings (excl derivative)	616.3
Short term portion of long-term borrowings	164.0
Unamortised arrangement fees	4.1
Leases - LT	136.6
Leases - ST	36.4
Less: Unrestricted cash	**(54.6)**
Net Debt	**902.8**
Last twelve months EBITDA	263.3
Last twelve months interest	97.6
Covenants:	
Gross Debt / LTM EBITDA (x)	3.64
Net Debt / LTM EBITDA (x)	3.43
Interest / LTM EBITDA (x)	2.70
Debt Service Cover Ratio (DSCR)	2.45

Gross debt was USD 957.4 million at the end of the first quarter, broadly flat on the FY 2024-25 year-end (USD 957.8 million).

Unrestricted cash at the end of the first quarter was USD 54.6 million (FY 2024-25: USD 85.4 million), of this, USD 12.8 million was held in Zimbabwe (FY 2024-25: USD 16.6 million). The reduction in unrestricted cash relative to FY 2024-25 year-end was driven by interest and capital repayments on the Bond and South African Rand Term Loan. We continue to ensure that we have sufficient liquidity with a strong focus on working capital management.

Considering the above cash position, net debt at the end of the first quarter was USD 902.8 million, giving a net debt to adjusted EBITDA ratio of 3.43x, compared to the 3.50x covenant threshold.

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

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED

(trading as)

LIQUID
INTELLIGENT TECHNOLOGIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE 3 MONTHS ENDED

31 May 2025

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 3 months ended 31 May 2025

	Notes	3 months ended 31/05/2025	3 months ended 31/05/2024
		USD'000	USD'000
		(Unaudited)	(Unaudited)
Revenue	3	172,536	183,561
Interconnect related costs		(10,377)	(10,114)
Data and network related costs		(45,898)	(60,802)
Net other income	4	797	787
Selling, distribution and marketing costs		(2,707)	(2,450)
Expected credit loss provision		947	7,832
Administrative expenses		(11,685)	(11,568)
Staff costs		(22,963)	(24,786)
Depreciation, impairment and amortisation		(28,712)	(32,739)
Operating profit		**51,938**	**49,721**
Dividend received		71	2
Restructuring costs		(408)	(251)
Interest income	5	6,420	5,298
Finance costs	6	(23,614)	(23,131)
Foreign exchange loss		(6,870)	(200,256)
Hyperinflation monetary gain		4,981	376,783
Share of profits of associate		4	5
Profit before taxation		**32,522**	**208,171**
Tax expense	7	(10,703)	(41,131)
Profit for the period		**21,819**	**167,040**
Other comprehensive income / (expense)			
Items that may be reclassified subsequently to profit or loss:			
Translation gain on accounting for foreign entities		8,860	21,709
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		(1,068)	(68,473)
Items that will not be reclassified subsequently to profit or loss:			
Fair value loss on investments in equity instruments designated as FVTOCI		(84)	(636)
Total other comprehensive income / (expense), net of tax		7,708	(47,400)
Total comprehensive income		**29,527**	**119,640**
Income attributable to:			
Owners of the company		21,450	167,372
Non-controlling interest		369	(332)
		21,819	**167,040**
Total comprehensive income attributable to:			
Owners of the company		29,148	119,986
Non-controlling interest		379	(346)
		29,527	**119,640**
Earnings per share			
Basic (Cents per share)	24	17.18	134.05

LIQUID INTELLIGENT TECHNOLOGIES

	Notes	31/05/2025	28/02/2025
		USD'000	USD'000
		(Unaudited)	(Audited)
Non-current assets			
Goodwill	8	77,891	76,089
Intangible assets	9	58,264	58,812
Property, plant and equipment	10	477,795	475,990
Right-of-Use assets	11	226,225	233,008
Investment in associate		594	573
Investments at Fair Value Through Other Comprehensive Income (FVTOCI)	22	16,570	16,672
Deferred tax assets		46,140	49,912
Investments at amortised cost		38	41
Long-term receivables	20	144,561	136,330
Pre-commencement lease payments		10,754	10,754
Total non-current assets		**1,058,832**	**1,058,181**
Current assets			
Inventories		24,888	22,005
Trade and other receivables	13	367,236	331,750
Taxation		2,990	2,953
Cash and cash equivalents	12	54,630	85,368
Restricted cash and cash equivalents	12	432	425
Total current assets		**450,176**	**442,501**
Total assets		**1,509,008**	**1,500,682**
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
Share application monies		35,000	35,000
Investment revaluation reserve		(704)	(620)
Accumulated losses		(17,723)	(39,173)
Foreign currency translation reserve		(303,844)	(311,626)
Total equity attributable to owners of the parent		**173,159**	**144,011**
Non-controlling interests		(539)	(918)
Total equity		**172,620**	**143,093**
Non-current liabilities			
Long term borrowings	14	618,241	617,583
Long term lease liabilities	15	136,583	140,740
Long term provisions		4,994	5,479
Deferred revenue	17	50,314	47,179
Deferred tax liabilities		3,291	3,346
Total non-current liabilities		**813,423**	**814,327**
Current liabilities			
Short term portion of long term borrowings	14	173,150	177,174
Short term portion of long term lease liabilities	15	36,385	36,628
Trade and other payables	16	230,587	238,979
Short term provisions		23,326	24,120
Deferred revenue	17	43,652	47,595
Taxation		15,865	18,766
Total current liabilities		**522,965**	**543,262**
Total equity and liabilities		**1,509,008**	**1,500,682**

Approved by the Board of Directors and authorised for issue on 23 July 2025

Eric Venpin
Director

~~Mike Mootien~~ Nathalie Wong- Alternate
Director to Mike Mootien

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 3 months ended 31 May 2025

	Notes	Share capital	Share premium	Preference shares	Share application monies	Investment revaluation reserve	Foreign currency translation reserve	Accumulated losses	Non-controlling interest	Total equity
		USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 01 March 2024 (Audited)		**3,716**	**276,714**	**180,000**	**-**	**16**	**(279,242)**	**(57,616)**	**86**	**123,674**
Dividend	21	-	-	-	-	-	-	-	(460)	(460)
Receipt of share application monies		-	-	-	-	-	-	-	-	-
Income / (expense) and total comprehensive income / (expense) for the period		-	-	-	-	28	(46,750)	167,372	(346)	120,304
Profit for the period		-	-	-	-	-	-	167,372	(332)	167,040
Fair value gain on investments in equity instruments designated as FVTOCI		-	-	-	-	28	-	-	-	28
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		-	-	-	-	-	(68,473)	-	-	(68,473)
Translation loss on accounting for foreign entities		-	-	-	-	-	21,723	-	(14)	21,709
At 31 May 2024 (Unaudited)		**3,716**	**276,714**	**180,000**	**-**	**44**	**(325,992)**	**109,756**	**(720)**	**243,518**
At 01 March 2025 (Audited)		**3,716**	**276,714**	**180,000**	**35,000**	**(620)**	**(311,626)**	**(39,173)**	**(918)**	**143,093**
Income / (expense) and total comprehensive income / (expense) for the period		-	-	-		(84)	7,782	21,450	379	29,527
Profit for the period		-	-	-	-	-	-	21,450	369	21,819
Fair value loss on investments in equity instruments designated as FVTOCI	22	-	-	-	-	(84)	-	-	-	(84)
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		-	-	-	-	-	(1,068)	-	-	(1,068)
Translation gain / (loss) on accounting for foreign entities		-	-	-	-	-	8,850	-	10	8,860
At 31 May 2025 (Unaudited)		**3,716**	**276,714**	**180,000**	**35,000**	**(704)**	**(303,844)**	**(17,723)**	**(539)**	**172,620**

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the 3 months ended 31 May 2025

	Notes	3 months ended 31/05/2025 USD'000 (Unaudited)	3 months ended 31/05/2024 USD'000 (Unaudited)
Cash flows from operating activities:			
Profit before tax		32,522	208,171
Adjustments for:			
Depreciation, impairment and amortisation		28,712	32,739
Dividend received		(71)	(2)
Expected credit loss reversal		(947)	(7,832)
Decrease in provisions		(1,757)	(4,591)
Foreign exchange loss		5,216	200,348
Hyperinflation monetary gain		(4,981)	(376,783)
Profit on disposal of Property, plant and equipment		6	102
Interest income	5	(6,420)	(5,298)
Finance costs	6	23,614	23,131
Share of profit from associate		(4)	(5)
		75,890	69,980
Working capital changes:			
Increase in inventories		(2,628)	(7,114)
Increase in trade and other receivables		(40,526)	(55,080)
Increase in trade and other payables		1,016	34,564
(Decrease) / increase in deferred revenue		(2,443)	10,738
Cash generated from operations		31,309	53,088
Income tax paid		(12,320)	(6,934)
Net cash generated from operating activities		18,989	46,154
Cash flows from investing activities:			
Interest income		449	258
Dividend received		71	2
Purchase of property, plant and equipment		(8,450)	(14,967)
Proceeds on disposal of property, plant and equipment		100	393
Purchase of intangible assets		(1,596)	(1,772)
Proceeds on disposal of intangible assets		53	-
Pre-commencement lease payments		-	(335)
Cash paid to long-term receivables from related parties		(34)	(94)
Decrease in long term receivables		9	-
Net cash used in investing activities		(9,398)	(16,515)
Cash flows from financing activities:			
Dividend paid		-	(490)
Finance costs paid		(21,423)	(22,289)
Repayment of lease liabilities		(18,142)	(8,900)
Repayment of borrowings		(589)	(659)
Net cash used in financing activities		(40,154)	(32,338)
Net decrease in cash and cash equivalents		(30,563)	(2,699)
Cash and cash equivalents at beginning of the period		85,793	57,076
Translation of cash with respect to foreign subsidiaries		(168)	(4,780)
Cash and cash equivalents at end of the period	12	**55,062**	**49,597**
Represented by:			
Cash and cash equivalents	12	54,630	49,167
Restricted cash and cash equivalents	12	432	430
		55,062	**49,597**

1. General information

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

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

2. Accounting policies

Basis of preparation

The condensed consolidated interim financial statements for the 3 months ended 31 May 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting.*

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

2.1 Going concern

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

In making their assessment, the directors have considered a number of geographic, economic and operational risks. These include the potential impact of the instability of financial markets, tariffs and the associated volatility of currency markets, particularly the South African Rand and Zimbabwean ZWG, the economic situation in Zimbabwe, customer credit risks and the potential for supply chain shortages on the operations and the achievability of the business plan and the available cashflow for the fourteen months from the date of signing of the consolidated interim financial statements. The directors have also considered the second equity round, an asset sale by the parent entity to inject further capital into the group, the draw down on the new USD 220.0 million equivalent South African Rand term loan and the other aspects of the re-refinancing plan of the bond (collectively referred to as the ''Refinancing Project''). Based on the base case consolidated cashflow projections of the group, together with their assessment of the above factors the directors have assessed that the group and company have sufficient liquidity and headroom on their covenants and have prepared the consolidated interim financial statements on the going concern basis. The directors however recognise there are key assumptions around trading and growth which are dependent on the success of certain strategic initiatives, as well as the completion of the Refinancing Project.

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

<u>Funding facilities</u>

The group is currently funded by a combination of equity, USD 620.0 million Senior Secured Notes (maturity September 2026), a USD 60.0 million Revolving Credit Facility ("RCF") (maturity March 2026), of which USD 25.4 million was outstanding at 31 May 2025, a USD 220.0 million equivalent South African Rand term loan of which USD 137.2 million was outstanding at 31 May 2025 (maturity March 2026, but was refinanced in December 2024 subject to the satisfaction of conditions precedent relating to an equity injection, the majority of which has been received, as well as conditions subsequent relating to a further equity injection of USD 150 million in the bond perimeter), and a revolving credit facility (RCF) in Zambia, of which USD 1.8 million was outstanding at 31 May 2025. Refer to note 14 - *Short term portion of long term borrowings and long term borrowings* for more details.

<u>Cash position</u>

As at 31 May 2025, the group had an unrestricted cash position of USD 54.6 million (28 February 2025: USD 85.4 million). Of this amount, USD 12.8 million (28 February 2025: USD 17.1 million) is held in Zimbabwe. Following the continuing devaluation of the currency in Zimbabwe, the group has translated the ZWG denominated cash in Zimbabwe at the statement of financial position date at a ZWG:USD exchange rate of 26.9:1 (28 February 2025: ZWL$:USD 26.6:1). See note 2.2.1 on *Zimbabwean currency* change in the year. Cash held in Zimbabwe is mainly used to locally fund operating expenses and capital expenditure.

<u>Operational performance</u>

For the period ended 31 May 2025, the group reported an operating profit of USD 51.9 million (31 May 2024: USD 49.7 million) and a net cash inflow from operating activities of USD 19.0 million (31 May 2024: USD 46.2 million). This demonstrates the group's ability to generate sufficient cash flow to support its underlying business operations and invest in new projects, even after taking into account the impact of the currency changes in jurisdictions in which the group operates.

<u>Re-financing of USD 220.0 million equivalent South African Rand term loan</u>

In December 2024, the group signed new facilities to refinance its South African Rand term loan on a multi-tenor basis. The new facilities, equivalent to USD 220.0 million in South African Rand, are being provided by Standard Bank of South Africa, Rand Merchant Bank, Nedbank of South Africa, and International Finance Corporation (IFC). The utilisation of these facilities is now subject to the satisfaction of certain conditions precedent (CPs) and conditions subsequent (CSs) as previously mentioned. Any delay in the satisfaction of these conditions will result in uncertainty around the timing of the group's ability to draw down on the new USD 220.0 million equivalent South African Rand term loan.

<u>Re-financing of the USD 620.0 million Senior Secured Notes</u>

The group is currently preparing for the refinancing of the Senior Secured Notes (bond) within the going concern period under review, referred to above as the Refinancing Project. Whilst management is still undertaking the Refinancing Project, the outcome of which remains out of their control and as such the current liquidity constraints raise doubt about the group and company's ability to repay the bond in full at maturity in September 2026.

2.1 Going concern (continued)

Equity Capital Funding

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

As part of a recent re-organisation, new equity investment is being raised which will result in cash inflows of up to USD 225.0 million in the Cassava Technologies Limited group. Of this amount, the directors are targeting receipt of up to USD 135.0 million in the fourteen months from the date of signing of the consolidated interim financial statements. This is in addition to the USD 90.0 million that was raised as the first tranche of this equity investment in December 2024, from which Liquid Telecommunications Holdings (LTH) group has received USD 45.0 million to date. Proceeds from this investment will be deployed in the wider Liquid Telecommunications Jersey (LTJ) Limited group to fund business growth and provide operational liquidity. In addition to the equity raise, the group's direct parent company (LTJ) is engaged in a process for the sale of an asset that is owned outside the LTH Group. The proceeds from this sale are to be injected Into the LTH group to allow further debt reduction in refinancing the bond. The group's base case scenario assumes that it will receive sufficient equity injection as part of the Refinancing Project to meet its obligations and refinance the bond. Any delay in the timing of completion of the Refinancing Project will result in uncertainty as to the timing of the group's ability to refinance the bond and fund further growth initiatives.

Material uncertainty related to going concern

The group has prepared business and cashflow forecasts in accordance with its usual process and governance procedures. These base case forecasts include both revenue growth and cost saving initiatives. Also factored into the base case forecast is the completion of the Refinancing Project. In addition, the forecasts include a working capital and capital expenditure profile that is designed to support the business in its commercial objectives for the coming fourteen months. Based on current progress observed, the directors expect that the Refinancing Project will complete in the going concern period under review and as a result, these projections indicate a strong level of liquidity and meaningful covenant headroom.

However, despite the progress made on the Refinancing Project, it is not yet complete as at the date of signing of the consolidated interim financial statements. Whilst the directors expect this to happen in the going concern period nonetheless there remains a material uncertainty, over the quantum and timing of the completion of the Re-financing Project associated with the Senior Secured Notes of USD 620.0 million, which will become payable on maturity in September 2026 and for which the group will not have the ability to repay, given its current cash and liquidity constraints.

In addition, the directors have considered a downside scenario which factors in the possibility that the key milestones associated with the Refinancing Project are not completed in that timeframe. Under this downside scenario, headroom on the net leverage covenant would be tighter in Q2 2026 (August 2025) prior to completing the Refinancing Project and mitigating actions would need to be taken to address any shortfalls. These mitigating actions may include for example, the reduction of operating and capital expenditure and a continuing focus on working capital management, particularly in the collection cycle for receivables balances. These mitigating actions are not fully contemplated in the directors' forecasts nor are they fully in the control of the directors. Therefore in the event that this downside scenario was to occur, and trading was to also deteriorate after mitigating actions, the directors would then need to obtain consent for a waiver from certain lenders which is outside of their control as at the date of signing these financial statements.

The uncertainty around the quantum and timing of the Refinancing Project and the fact that the group would not be able to repay the bond on maturity in September 2026, along with a tighter headroom of the financial covenants and liquidity levels within the group over the going concern period, without the completion of the Refinancing Project, creates a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern and therefore may be unable to realise its assets and discharge its liabilities in the normal course of business.

2.2 Zimbabwean currency and hyperinflation accounting

Following changes to the currency in Zimbabwe in February 2019, the economic conditions are 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 31 May 2025, 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 notes 2.2.1 and 2.2.2 below.

2.2.1 Zimbabwean currency

On 1 October 2018, the Reserve Bank of Zimbabwe (RBZ) directed all banks to ring-fence nostro foreign currency accounts (FCAs) by separating them into two categories; namely Nostro FCAs and RTGS FCAs. Authorities maintained that the US dollar represented in the RTGS system was at a 1:1 exchange ratio. On 20 February 2019, the RBZ announced that with effect from 22 February 2019, the RTGS would be recognised as an official currency and that an interbank foreign exchange market would be established to formalise trading in RTGS balances with other currencies. The official rate of RTGS:USD on launch was 2.5. The Zimbabwean currency was then renamed the Zimbabwean Dollar (ZWL$). On 5 April 2024, the Reserve Bank of Zimbabwe issued a new structured currency, known as the Zimbabwe Gold (ZWG). This structured currency is pegged to a specific exchange rate or currency basket and backed by a bundle of foreign exchange assets. The ZWG replaced the previous currency.

During the period ended 31 May 2025, the group has used a rate of ZWG:USD 26.9:1 (31 May 2024: ZWG:USD 13.3:1) to translate both the statement of profit or loss and the statement of financial position at 31 May 2025. Of the USD 6.9 million (31 May 2024: USD 200.3 million) net foreign exchange loss in the consolidated statement of profit and loss, Zimbabwe contributed USD 5.2 million (31 May 2024: USD 207.4 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 previous reports and the latest report being 18 November 2024.

The application of hyperinflationary accounting results in certain assets, liabilities, revenues and costs being reported in inflation adjusted terms as at 31 May 2025.

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 consolidated financial statements, effective from 1 October 2018. The adjustment for the impact of foreign exchange on opening balances of non-monetary assets and liabilities under hyperinflation accounting of the Zimbabwe entities at 1 March 2025 resulted in a foreign exchange loss of USD 1.1 million (1 March 2024: USD 68.5 million) which has been recognised directly in other comprehensive income, in accordance to IAS 21 - *The Effects of Changes in Foreign Exchange Rates.*

The restatement of balances of non-monetary assets and liabilities 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 5.0 million (31 May 2024: USD 376.8 million) have been recognised in the consolidated statement of profit or loss through 'Hyperinflation monetary gain' based on a CPI of 187.42 (31 May 2024: 97.58).

In addition, IAS 29 requires the translation of the results at closing rate rather than average rate. The closing rate of ZWG:USD 26.9:1 (28 February 2025: ZWG:USD 26.6:1) has been used.

The directors continue to monitor the economic conditions in Zimbabwe.

2.3 Accounting policies

The accounting policies applied by the group in the preparation of the condensed interim consolidated financial statements presented are in accordance with IFRS and are consistent with those applied by the group in the preparation of the consolidated financial statements for the year ended 28 February 2025.

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 2025. In addition, the following significant accounting judgements and critical estimates have also been made:

Key judgements

Revenue Recognition

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

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

Contingent liabilities

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

Going concern

Equity capital funding

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

As part of a recent re-organisation, new equity investment is being raised which will result in cash inflows of up to USD 225.0 million in the Cassava Technologies Limited group. Of this amount, the directors are targeting receipt of up to USD 135.0 million in the fourteen months from the date of signing of the consolidated interim financial statements. This is in addition to the USD 90.0 million that was raised as the first tranche of this equity investment in December 2024, from which Liquid Telecommunications Holdings (LTH) group has received USD 45.0 million to date. Proceeds from this investment will be deployed in the wider Liquid Telecommunications Jersey (LTJ) Limited group to fund business growth and provide operational liquidity. In addition to the equity raise, the group's direct parent company (LTJ) is engaged in a process for the sale of an asset that is owned outside the LTH Group. The proceeds from this sale are to be injected Into the LTH group to allow further debt reduction in refinancing the bond. The group's base case scenario assumes that it will receive sufficient equity injection as part of the Refinancing Project to meet its obligations and refinance the bond. Any delay in the timing of completion of the Refinancing Project will result in uncertainty as to the timing of the group's ability to refinance the bond and fund further growth initiatives.

Material uncertainty related to going concern

The group has prepared business and cashflow forecasts in accordance with its usual process and governance procedures. These base case forecasts include both revenue growth and cost saving initiatives. Also factored into the base case forecast is the completion of the Refinancing Project. In addition, the forecasts include a working capital and capital expenditure profile that is designed to support the business in its commercial objectives for the coming fourteen months. Based on current progress observed, the directors expect that the Refinancing Project will complete in the going concern period under review and as a result, these projections indicate a strong level of liquidity and meaningful covenant headroom.

However, despite the progress made on the Refinancing Project, it is not yet complete as at the date of signing of the consolidated interim financial statements. Whilst the directors expect this to happen in the going concern period nonetheless there remains a material uncertainty, over the quantum and timing of the completion of the Re-financing Project associated with the Senior Secured Notes of USD 620.0 million, which will become payable on maturity in September 2026 and for which the group will not have the ability to repay, given its current cash and liquidity constraints.

2.4 Critical accounting judgements and key sources of estimation uncertainty

Going concern (continued)

Material uncertainty related to going concern (continued)

In addition, the directors have considered a downside scenario which factors in the possibility that the key milestones associated with the Refinancing Project are not completed in that timeframe. Under this downside scenario, headroom on the net leverage covenant would be tighter in Q2 2026 (August 2025) prior to completing the Refinancing Project and mitigating actions would need to be taken to address any shortfalls. These mitigating actions may include for example, the reduction of operating and capital expenditure and a continuing focus on working capital management, particularly in the collection cycle for receivables balances. These mitigating actions are not fully contemplated in the directors' forecasts nor are they fully in the control of the directors. Therefore in the event that this downside scenario was to occur, and trading was to also deteriorate after mitigating actions, the directors would then need to obtain consent for a waiver from certain lenders which is outside of their control as at the date of signing these financial statements.

The uncertainty around the quantum and timing of the Refinancing Project and the fact that the group would not be able to repay the bond on maturity in September 2026, along with a tighter headroom of the financial covenants and liquidity levels within the group over the going concern period, without the completion of the Refinancing Project, creates a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern and therefore may be unable to realise its assets and discharge its liabilities in the normal course of business.

Key estimates

Impairment of goodwill

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

3. Revenue and segment information

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

The group categorises its revenue streams as shown below:

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

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

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

- Restructuring costs
- Net foreign exchange loss
- Hyperinflation monetary gain (see note 2.2.2)
- Share of profits of associate

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

3. Revenue and segment information (continued)

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 31 May 2025 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	45,640	38,396	30,362	14,822	-	(10,512)	118,708
C2	14,837	4,939	7,481	9,926	-	(4,799)	32,384
Dataport	1,677	266	2,387	5,878	-	(1,980)	8,228
Voice traffic	2,252	13	4	11,818	-	(871)	13,216
Inter-segmental revenue	(2,128)	(1,119)	(1,281)	(13,634)	-	18,162	-
Group External Revenue	**62,278**	**42,495**	**38,953**	**28,810**	**-**	**-**	**172,536**
Adjusted EBITDA	27,643	26,598	11,458	18,515	(1,955)	(1,538)	80,721
Depreciation, impairment and amortisation							(28,712)
Restructuring costs							(408)
Interest income							6,420
Finance costs							(23,614)
Foreign exchange loss							(6,870)
Hyperinflation monetary gain							4,981
Share of profits of associate							4
Profit before taxation							**32,522**
Tax expense							(10,703)
Profit for the period							**21,819**

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 31 May 2024 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	60,580	37,369	27,772	19,286	-	(12,956)	132,051
C2	14,162	4,583	6,050	7,868	-	(4,656)	28,007
Dataport	2,196	416	2,869	6,545	-	(2,611)	9,415
Voice traffic	1,676	13	4	13,284	-	(889)	14,088
Inter-segmental revenue	(1,994)	(292)	(1,199)	(17,627)	-	21,112	-
Group External Revenue	**76,620**	**42,089**	**35,496**	**29,356**	**-**	**-**	**183,561**
Adjusted EBITDA	25,079	23,404	9,937	29,736	(5,179)	(515)	82,462
Depreciation, impairment and amortisation							(32,739)
Restructuring costs							(251)
Interest income							5,298
Finance costs							(23,131)
Foreign exchange loss							(200,256)
Hyperinflation monetary gain							376,783
Share of profits of associate							5
Profit before taxation							**208,171**
Tax expense							(41,131)
Profit for the period							**167,040**

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

4. Net other income

	3 months ended 31/05/2025 USD'000 (Unaudited)	3 months ended 31/05/2024 USD'000 (Unaudited)
Management fees income (note 18)	698	716
Sundry income*	105	173
Loss on disposal of property, plant and equipment	(6)	(102)
	797	**787**

*non-operating income that does not meet the recognition criteria of revenue under IFRS 15

5. Interest income

	3 months ended 31/05/2025 USD'000 (Unaudited)	3 months ended 31/05/2024 USD'000 (Unaudited)
Interest received from external parties	449	259
Interest received from related parties (note 18)	5,971	5,039
	6,420	**5,298**

6. Finance costs

	3 months ended 31/05/2025 USD'000 (Unaudited)	3 months ended 31/05/2024 USD'000 (Unaudited)
Interest on bank overdraft and loans	5,523	6,534
Finance cost on Senior Secured Notes	8,525	8,525
Finance arrangement fees amortised	724	903
Interest on lease liabilities	8,756	7,078
Interest paid to related parties (note 18)	86	91
	23,614	**23,131**

7. Taxation

	3 months ended 31/05/2025 USD'000 (Unaudited)	3 months ended 31/05/2024 USD'000 (Unaudited)
Current taxation	7,235	4,986
Deferred taxation credit	1,277	33,642
Withholding taxation	2,191	2,503
	10,703	**41,131**

The tax expense of USD 10.7 million represents an effective tax rate of 32.9%. The group's effective tax rate is largely driven by the impact of :
(a) An IAS 29 adjustment relating to Zimbabwe
(b) Non-deductible expenses
(c) Tax losses not recognised as deferred tax assets.

8. Goodwill

	31/05/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Cost		
Opening balance	76,089	73,990
Foreign exchange gain	1,802	2,099
Closing balance	**77,891**	**76,089**

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.

8. Goodwill (continued)

	31/05/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Liquid Telecommunications Limited	2,850	2,850
Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe (see below)	5,581	5,581
Liquid Telecommunications Holdings South Africa (Pty) Limited	61,675	59,873
Liquid Telecommunications Zambia Limited	2,201	2,201
Raha Tanzania Holdings Limited	5,584	5,584
	77,891	**76,089**

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

The following approach and key assumptions were used for the value in use calculations for the year ended 28 February 2025 and the same approach is being adopted for the period ended 31 May 2025.

• The cash flows used are based on Board approved budgets and only take into account cash flows arising from the current asset base and not from any future developments in technology, acquisitions or change in business model and this includes certain cash flows which are anticipated but not yet fully contracted.
• Assessments are performed on a value in use basis, using a 5-year discounted cash flow method extrapolated beyond the budget period using a terminal growth rate, as set out below.
• Growth rates: the group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The average growth rates used ranged from 1.0% to 4.3% (FY24: 0.5% to 5.8%).
• Discount rates: The country specific Weighted Average Cost of Capital (“WACC”) is used as the discount rate which ranges from 16.8% to 21.2% (post-tax) (FY24: 11.5% to 22.0%). The discount rates used reflect both time value of money and other specific risks relating to the relevant CGU and operating country.

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

• A terminal growth rate of 4.3% (29 February 2024: 4.3%) was applied in line with inflation forecasts for South Africa over a comparable period.
• LTHSA's WACC of 15.2% (29 February 2024: 16.3%) was used as the discount rate. On a pre-tax basis, this rate is 16.2% (29 February 2024: 17.1%).

<u>Sensitivity analysis</u>

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

• An increase of 10% or 0.4 percentage points (pp) in the above terminal growth rate would result in no impairment (FY24: no impairment with an increase of 10% or 0.4pp) and a decrease of 10% or 0.4pp would still result in no impairment (FY24: USD 4.5 million impairment with a decrease of 10% or 0.4pp).
• An increase of 10 % or 1.5 pp in the above WACC would result in an impairment of USD 30.4 million (FY24: impairment of USD 32.6 million with an increase of 10% or 1.6pp) and a decrease of 10% or 1.5pp would result in no impairment, with headroom (FY24: no impairment with a decrease of 10% or 1.6pp).
• An increase of 1.3% in the EBITDA forecasts in each period would result in no impairment (FY24: no impairment), with adequate headroom. On the other hand, a reduction of 1.3% in the EBITDA forecasts in each period would result a complete erosion of the headroom of USD 14.8 million. Any further decline in EBITDA, would result in an impairment of the carrying value for the goodwill, with 6.5% as the point at which the carrying value of goodwill of USD 59 million as at 28 February 2025 is eliminated fully.

The sensitivity analysis is considered reasonably possible based on recent experience and the current underlying economic environment.

<u>Other CGUs</u>

• Sensitivity analysis

The group has conducted an analysis of the sensitivity of the impairment test to changes in the country specific Weighted Average Cost of Capital (“WACC”) (being the key assumption) used to determine the recoverable amount for each CGU to which goodwill is allocated. Except for Liquid Telecommunications Holdings South Africa (Pty) Limited (as described above), an increase of 10% or 1.5pp in the WACC would result in no impairment (29 February 2024: no impairment with an increase of 10% or 1.6pp), with headroom. A decrease of 10% or 1.5pp would still result in no impairment (29 February 2024: no impairment with a decrease of 10% or 1.6pp), with significant headroom.

9. Intangible assets

	Operating Licence	Computer Software	Customer Relationships	Work in Progress	Other Intangible Assets*	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:						
At 01 March 2024 (Audited)	31,390	40,872	24,713	3,046	45,087	145,108
Purchases during the period	2,352	5,115	-	789	-	8,256
Disposals during the year	-	(6,236)	-	-	-	(6,236)
Transfers	2,719	852	-	(852)	(2,719)	-
Write off	-	(729)	-	-	-	(729)
Foreign exchange differences	(2,239)	(522)	1,266	-	1,525	30
Adjustments - IAS 29	2,655	1,454	-	-	-	4,109
Transfer from Property, plant and equipment (note 10)	149	888	-	(60)	-	977
At 28 February 2025 (Audited)	37,026	41,694	25,979	2,923	43,893	151,515
Purchases during the period	-	1,443	-	153	-	1,596
Disposals during the year	-	-	-	(53)	-	(53)
Transfers	54	14	-	(68)	-	-
Foreign exchange differences	535	665	1,053	-	609	2,862
Adjustments - IAS 29	53	30	-	-	-	83
At 31 May 2025 (Unaudited)	37,668	43,846	27,032	2,955	44,502	156,003
Accumulated amortisation:						
At 01 March 2024 (Audited)	12,970	30,222	20,691	-	21,094	84,977
Amortisation	2,443	6,410	2,177	-	362	11,392
Disposals during the year	-	(6,236)	-	-	-	(6,236)
Transfer from Property, plant and equipment (note 10)	28	888	-	-	-	916
Write offs	-	(729)	-	-	-	(729)
Foreign exchange differences	(1,447)	(17)	492	-	1,292	320
Adjustments - IAS 29	1,612	451	-	-	-	2,063
At 28 February 2025 (Audited)	15,606	30,989	23,360	-	22,748	92,703
Amortisation	314	1,906	493	-	91	2,804
Foreign exchange differences	254	545	495	-	608	1,902
Adjustments - IAS 29	36	294	-	-	-	330
At 31 May 2025 (Unaudited)	16,210	33,734	24,348	-	23,447	97,739
Carrying amount:						
At 28 February 2025 (Audited)	21,420	10,705	2,619	2,923	21,145	58,812
At 31 May 2025 (Unaudited)	21,458	10,112	2,684	2,955	21,055	58,264

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

10. Property, plant and equipment

	Land and buildings	Furniture and fittings	Computer equipment	Network equipment	Motor vehicles	Work in progress	Fibre infrastructure	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:								
At 01 March 2024 (Audited)	14,671	8,767	26,704	83,807	9,913	27,120	863,096	1,034,078
Additions during the period	-	659	883	2,119	89	30,284	10,743	44,777
Disposals during the period	-	(113)	(4,775)	(1,006)	(291)	(542)	(12,794)	(19,521)
Impairment	-	(32)	(16)	(74)	-	(73)	(108)	(303)
Write offs	-	-	(709)	(91)	-	-	-	(800)
Transfers	-	244	53	3,491	60	(30,217)	26,369	-
Transfer to intangible assets (note 9)	-	-	37	(701)	11	-	(324)	(977)
Transfer to inventory	-	-	-	-	-	(61)	-	(61)
Transfer to prepayments (note 20)	-	-	-	-	-	(107)	-	(107)
Foreign exchange differences	(1,143)	(1,427)	(402)	2,023	(3,284)	(4,106)	(142,943)	(151,282)
Adjustments - IAS 29	1,460	1,416	841	1,266	3,277	5,330	150,985	164,575
At 28 February 2025 (Audited)	14,988	9,514	22,616	90,834	9,775	27,628	895,024	1,070,379
Additions during the period	-	28	86	187	78	6,991	1,918	9,288
Disposals during the period	-	-	-	(10)	(9)	(80)	(786)	(885)
Transfers	-	5	9	(303)	-	(3,036)	3,325	-
Transfer to inventory	-	-	-	-	-	(38)	-	(38)
Foreign exchange differences	359	183	433	892	(40)	242	13,089	15,158
Adjustments - IAS 29	29	48	(12)	30	(315)	(54)	3,057	2,783
At 31 May 2025 (Unaudited)	15,376	9,778	23,132	91,630	9,489	31,653	915,627	1,096,685
Accumulated depreciation								
At 01 March 2024 (Audited)	4,933	5,258	22,929	60,768	6,766	-	449,720	550,374
Depreciation	280	967	1,544	8,000	544	-	45,225	56,560
Disposals during the period	-	(68)	(4,661)	(980)	(133)	-	(12,575)	(18,417)
Write offs	-	-	(709)	(91)	-	-	-	(800)
Impairment	-	-	(1)	(15)	-	-	-	(16)
Transfers	-	-	-	(517)	-	-	517	-
Transfer to Intangible assets (note 9)	-	(22)	(6)	(562)	4	-	(330)	(916)
Foreign exchange differences	174	(831)	36	454	(1,732)	-	(58,951)	(60,850)
Adjustments - IAS 29	-	640	191	803	1,332	-	65,488	68,454
At 28 February 2025 (Audited)	5,387	5,944	19,323	67,860	6,781	-	489,094	594,389
Depreciation	69	229	354	1,997	409	-	11,305	14,363
Disposals during the period	-	-	-	(3)	(9)	-	(767)	(779)
Transfers	-	-	-	(290)	-	-	290	-
Foreign exchange differences	164	90	386	583	(9)	-	7,674	8,888
Adjustments - IAS 29	-	102	107	(15)	340	-	1,495	2,029
At 31 May 2025 (Unaudited)	5,620	6,365	20,170	70,132	7,512	-	509,091	618,890
Carrying amount:								
At 28 February 2025 (Audited)	9,601	3,570	3,293	22,974	2,994	27,628	405,930	475,990
At 31 May 2025 (Unaudited)	9,756	3,413	2,962	21,498	1,977	31,653	406,536	477,795

11. Right-of-Use assets

	Land and buildings	Furniture and fittings	Network equipment	Motor vehicles	Fibre infrastructure	Fibre Optical - IRU	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:							
At 01 March 2024 (Audited)	70,291	-	41,328	1,947	126,633	151,503	391,702
Additions during the period	7,805	231	2,340	1,698	55,738	1,911	69,723
Disposals during the period*	(4,120)	-	(2,554)	(153)	(700)	(909)	(8,436)
Transfers	(4,068)	-	-	-	4,068	-	-
Foreign exchange differences	(11,938)	(10)	(2,492)	(5)	1,668	756	(12,021)
Adjustments - IAS 29	12,713	-	-	-	-	-	12,713
At 28 February 2025 (Audited)	70,683	221	38,622	3,487	187,407	153,261	453,681
Additions during the period	114	-	540	-	1,188	-	1,842
Disposals during the period*	(77)	-	(495)	-	(777)	-	(1,349)
Transfers	-	-	-	-	-	-	-
Foreign exchange differences	581	4	746	106	4,147	635	6,219
Adjustments - IAS 29	296	-	-	-	-	-	296
At 31 May 2025 (Unaudited)	71,597	225	39,413	3,593	191,965	153,896	460,689
Accumulated depreciation:							
At 01 March 2024 (Audited)	31,927	-	21,699	1,768	45,580	73,772	174,746
Depreciation	10,607	142	10,050	319	23,222	7,787	52,127
Disposals during the period*	(3,121)	-	(2,541)	(131)	(697)	(656)	(7,146)
Transfers	(2,686)	-	-	-	2,686	-	-
Foreign exchange differences	919	(6)	(1,771)	39	907	404	492
Adjustments - IAS 29	454	-	-	-	-	-	454
At 28 February 2025 (Audited)	38,100	136	27,437	1,995	71,698	81,307	220,673
Depreciation	2,136	17	1,491	103	5,890	1,875	11,512
Disposals during the period*	(77)	-	(457)	-	(777)	-	(1,311)
Transfers	-	-	-	-	-	-	-
Foreign exchange differences	380	3	644	60	1,942	496	3,525
Adjustments - IAS 29	65	-	-	-	-	-	65
At 31 May 2025 (Unaudited)	40,604	156	29,115	2,158	78,753	83,678	234,464
At 28 February 2025 (Audited)	32,583	85	11,185	1,492	115,709	71,954	233,008
At 31 May 2025 (Unaudited)	30,993	69	10,298	1,435	113,212	70,218	226,225

*relates to lease modifications or cancellations.

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

	31/05/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Cash and bank balances	49,266	80,913
Money market deposits	5,364	4,455
Cash and cash equivalents	**54,630**	**85,368**
Restricted cash and cash equivalents	**432**	**425**
Total cash and cash equivalents	**55,062**	**85,793**

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

Cash and cash equivalents include USD 12.8 million (28 February 2025: USD 17.1 million) in Zimbabwe held in cash, short term deposits and similar instruments. These amounts have been translated at the rate of ZWG:USD of 26.9:1 (28 February 2025: ZWG:USD 26.6:1). See note 2.2 - *Zimbabwean currency and Hyperinflation accounting* for more detailed disclosure.

The group has restricted cash for the following purposes:

	31/05/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Guarantees	1	1
Customer deposits held	431	424
	432	**425**

13. Trade and other receivables

	31/05/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Trade receivables from external parties	121,727	126,426
Trade receivables from related parties (note 18)	76,321	69,145
Expected credit loss provision	(28,730)	(30,114)
Total trade and related parties receivables, net of expected credit loss provision	**169,318**	**165,457**
Short term inter-company and other related party receivables (note 18)	84,212	78,327
Expected credit loss provision on short term inter-company and other related party receivables	-	(138)
Sundry debtors	56,748	45,100
Deposits paid	4,493	3,881
Prepayments	52,465	39,123
	367,236	**331,750**

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

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

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

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

The following table details the risk profile of trade receivables and affiliated entities receivables. Lifetime ECL on receivables are assessed individually and collectively.

		Past due				
	Current USD'000	31 - 60 days USD'000	61 - 90 days USD'000	91 - 120 days USD'000	> 120 days USD'000	Total USD'000
As at 31 May 2025						
Trade and related parties receivables - Gross	57,528	22,362	13,661	14,537	89,960	198,048
Lifetime ECL	(561)	(629)	(935)	(1,128)	(25,478)	(28,730)
Trade and related parties receivables - Net	**56,967**	**21,733**	**12,726**	**13,409**	**64,482**	**169,318**
Default rate	1.0%	2.8%	6.8%	7.8%	28.3%	
As at 28 February 2025						
Trade and related parties receivables - Gross	71,191	23,679	11,469	16,580	72,652	195,571
Lifetime ECL	(3,649)	(3,110)	(2,638)	(4,372)	(16,346)	(30,114)
Trade and related parties receivables - Net	**67,541**	**20,569**	**8,831**	**12,208**	**56,305**	**165,456**
Default rate	5.1%	13.1%	23.0%	26.4%	22.5%	

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

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

	31/05/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Long term borrowings:		
USD 620 million 5.5% Senior Secured Notes (i)	616,356	615,632
Net settled: Embedded derivatives (note 22)	1,878	1,878
Other long-term borrowings	7	73
	618,241	**617,583**
Short term portion of long term borrowings (including interest accrued):		
USD 620 million 5.5% Senior Secured Notes (i)	8,525	17,050
USD 220 million equivalent South African Rand term loan (ii)	137,184	132,845
Stanbic Bank of Zambia Limited revolving loan (iii)	1,770	1,741
USD 60 million revolving credit facility (iv)	25,399	25,290
Other Short-term portion of long term borrowings	272	248
	173,150	**177,174**

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

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

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

In December 2024, the group successfully signed new facilities to refinance its South African Rand term loan on a multi-tenor basis. The new facilities, equivalent to USD 220.0 million in South African Rand, are being provided by Standard Bank of South Africa, Rand Merchant Bank, Nedbank of South Africa, and International Finance Corporation (IFC). The utilization of these facilities is now subject to the satisfaction of certain conditions precedent.

(iii) As of 31 May 2025, the outstanding amount on the Revolving Credit Facility contracted by Liquid Telecommunications Zambia Limited was USD 1.8 million. The effective interest rate is in the aggregate of the margin at 8% plus Bank of Zambia policy rate. The loan facility is unsecured.

(iv) In addition to the USD 620.0 million 5.5% Senior Secured Notes and the USD 220.0 million equivalent South African Rand term loan, the group has a USD 60.0 million Revolving Credit Facility agreement between the company, JP Morgan Chase Bank N.A., London branch, Standard Finance (Isle of Man), Standard Chartered Bank (Mauritius) Limited and the Mauritius Commercial Bank Limited. The Revolving Credit Facility is secured and is guaranteed on a senior secured basis by, Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Financing Plc, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Holdings South Africa (Pty) Limited, Liquid Telecommunications South Africa (Pty) Limited, Liquid Telecom DRC S.A. and Liquid Telecommunications Zambia Limited. The obligations under the Revolving Credit Facility are secured equally and ratably with the Senior Secured Notes by first priority liens over the security. The Revolving Credit facility is denominated in USD, bears interest at the rate of SOFR plus 4.15%, subject to certain adjustments for the net leverage ratio and is to be utilised for general corporate purposes. The facility holds the same covenant obligations as the South African Rand term loan referenced above. The outstanding balance as at 31 May 2025 was USD 25.4 million.

15. Lease liabilities

	31/05/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Long term portion of lease liabilities	136,583	140,740
Short term portion of lease liabilities	36,385	36,628
	172,968	**177,368**

16. Trade and other payables

	31/05/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Trade accounts payable to external parties	123,689	132,340
Trade payable balance to related parties (note 18)	23,140	27,415
Accruals	62,981	58,135
Staff payables	3,397	4,021
Transaction taxes due in various jurisdictions	12,270	12,489
Other short-term payables	5,110	4,579
	230,587	**238,979**

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

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

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

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

17. Deferred revenue

	31/05/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Long-term portion of deferred revenue	50,314	47,179
Short-term portion of deferred revenue	43,652	47,595
	93,966	**94,774**

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

18. Related party transactions and balances

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

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

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

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

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

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

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

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

• Non-Executive Directors of the Company and the wider group; and

• DTOS Limited (Mauritius)

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

Transactions between the group and its subsidiaries, which are related parties of the group, have been eliminated on consolidation and are not disclosed in the group note. The amounts outstanding are unsecured. No guarantees have been given or received. The directors have assessed the recoverability of the receivables and have recorded certain ECL as disclosed in note 13. During the year, the group entered into the following trading transactions with related parties:

	3 months ended	
	31/05/2025 USD'000 (Unaudited)	31/05/2024 USD'000 (Unaudited)
Sales of goods and services		
Econet Global related group companies	18,425	19,334
Africa Data Centres related group companies	100	132
Liquid (Jersey) and other related group of companies	4,268	20,204
	22,793	**39,670**

18. Related party transactions and balances (continued)

	3 months ended	
	31/05/2025	31/05/2024
	USD'000	USD'000
	(Unaudited)	(Unaudited)
Purchase of goods and services		
Econet Global related group companies	3,505	4,738
Africa Data Centres related group companies	467	462
Liquid (Jersey) and other related group of companies	1,919	18,050
	5,891	**23,250**
Management fees expense		
Econet Global related group companies	**150**	**150**
Management fees income		
Africa Data Centres related group companies	-	127
Liquid (Jersey) and other related group of companies	698	590
	698	**717**
Dividend paid		
Other shareholders (net of taxes)	**-**	**460**
Interest income		
Econet Global related group companies	165	171
Liquid (Jersey) and other related group of companies	764	549
Africa Data Centres related group companies	5,042	4,319
	5,971	**5,039**
Finance costs		
Liquid (Jersey) and other related group of companies	**86**	**91**
Administration fees paid		
DTOS Limited	**125**	**95**

Consultancy fees

During the year, the group engaged with one of its Non-Executive Directors for support and guidance on a group-wide Transformation Project. The cost of this support is borne by the immediate holding company but the group is a significant beneficiary of the work carried out. The amount paid in the period is USD 0.1 million.

The group has the following balances at the period end:

	31/05/2025	28/02/2025
	USD'000	USD'000
	(Unaudited)	(Audited)
Short-term receivables from related parties		
Africa Data Centres related group companies	33,511	32,745
Liquid (Jersey) and other related group of companies	45,130	40,179
Econet Global related group companies	2,543	2,501
Econet Infraco related group companies	819	804
Sasai Related Group Companies	2,209	2,098
	84,212	**78,327**
Trade receivables balances from affiliated entities and other related parties		
Econet Global Limited (Mauritius)	4,999	4,999
Econet Global Related Group Companies	21,247	16,971
Econet Infraco related group companies	10	10
Vaya Related Group Companies	725	657
Liquid (Jersey) and other related group of companies	40,272	37,524
Africa Data Centres related group companies	8,527	8,506
Strive Masiyiwa	541	478
	76,321	**69,145**
Trade payable balance to related parties		
Econet Global related group companies	817	944
Telrad Networks Ltd	25	15
Africa Data Centres related group companies	3,712	9,199
Sasai Related Group Companies	93	212
Liquid (Jersey) and other related group of companies	18,493	17,045
	23,140	**27,415**
Long-term receivables		
Africa Data Centres related group companies	140,178	132,064
Liquid (Jersey) and other related group of companies	4,080	3,958
	144,258	**136,022**

19. Capital commitments

	31/05/2025	28/02/2025
	USD'000	USD'000
	(Unaudited)	(Audited)
At 31 May 2025, the group committed to the following capital commitments:		
Authorised and contracted		
Intangible assets	731	5,673
Property, plant and equipment	20,471	18,145
	21,202	**23,818**

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

20. Long-term receivables

Long term intercompany receivables (note 18)	144,258	136,022
Other receivables	303	308
	144,561	**136,330**

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

21. Dividend

Period ended 31 May 2025:

There was no dividend declared or paid in the period ended 31 May 2025.

Period ended 31 May 2024:

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
31 May 2025				
Investments at FVTOCI (i)	1,256	-	15,314	16,570
Total (Unaudited)	**1,256**	**-**	**15,314**	**16,570**

	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
28 February 2025				
Investments at FVTOCI (i)	1,358	-	15,314	16,672
Total (Audited)	**1,358**	**-**	**15,314**	**16,672**

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

	31/05/2025	28/02/2025
	USD'000	USD'000
	(Unaudited)	(Audited)
Opening balance	16,672	15,362
Additions	-	1,983
Fair value loss	(84)	(636)
Foreign exchange loss	(18)	(37)
Closing balance	**16,570**	**16,672**

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

(ii) Net settled: Embedded derivatives

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

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

The key assumptions used to estimate the fair value are:

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

At 31 May 2025, the fair value of the embedded derivatives was nil (28 February 2025: nil).

23. Non-cash transactions

Transactions excluded from statements of cash flows

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

During the period ended 31 May 2025:

• Purchase of property, plant and equipment of the group included a non cash portion of USD 0.8 million.

During the period ended 31 May 2024:

• Purchase of property, plant and equipment of the group included a non cash portion of USD 1.0 million.

24. Profit per share

	3 months ended	
	31/05/2025	31/05/2024
	USD'000	USD'000
	(Unaudited)	(Unaudited)
Profit per share (Cents per share)	17.18	134.05

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

Profit attributable to owners of the company	21,450	167,372

	3 months ended	
	31/05/2025	31/05/2024
	USD'000	USD'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic profit per share for the period ended	124,857,914	124,857,914

At 31 May 2025, the share capital of USD 3.7 million represents 124,857,914 ordinary shares (31 May 2024: 124,857,914 ordinary shares).

25. Contingent liabilities

• **Uncertain Tax Positions**

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

Based on the value of potential tax exposures where uncertainty exists, and also based on our historical settlements with tax authorities, there is a potential of additional tax exposures liabilities between USD 9.4 million and USD 14.9 million, the exact timing and value of which is unknown and cannot be measured with any reliability.

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

In December 2024, the group successfully signed new facilities to refinance its South African Rand term loan on a multi-tenor basis. The new facilities, equivalent to USD 220.0 million in South African Rand, are being provided by Standard Bank of South Africa, Rand Merchant Bank, Nedbank of South Africa, and International Finance Corporation (IFC). The utilization of these facilities is now subject to the satisfaction of certain conditions precedent.

25. Contingent liabilities (continued)

- **Judicial Commission of Inquiry into State Capture**

The Judicial Commission of Enquiry into State Capture ("the commission") had considered, amongst other matters, the role of Neotel and certain erstwhile employees in facilitating state capture in the period prior to the acquisition of the company (now LTSA) by the LTH group. Since the inception, the company has worked with the commission and other authorities in providing all the information that may be required for the commission to execute on its mandate. The commission's findings report ("Commission Report") was published on 1 February 2022, and it contains specific reference to Neotel and individuals that were in the employ of Neotel. At the time of acquiring the company, the LTH group was aware of certain of these matters, but not the full extent thereof.

The board is satisfied that since the acquisition by LTH group there is no evidence of any further dishonesty, corruption, collusion or breaches of any laws or regulations by the company or any of its employees. The Commission Report has not identified any new information that was not known by the company following from the detailed internal forensic investigations undertaken by the company and shared with the Commission. To date, the Commission Report has not prompted any further investigation or inquiry into the affairs of the company. The company will continue to support and cooperate with the appropriate authorities in this regard, including with the Special Investigating Unit (SIU). The company has reiterated that it has zero tolerance for corruption, and we expect our employees, customers, partners, and service providers to conduct themselves with integrity.

- **Claim by Vodacom**

Vodacom launched a semi-urgent interdict against MTN, Cell-C and LTSA (including Rain and Telkom as interested parties) to interdict MTN, the parties from transmitting on certain frequencies, until such time as it can get a final order setting aside, amongst others, ICASA's approval of the pooling application and agreement between MTN and LTSA. The matter was structured in two parts:

Part A, which sought interim relief in the form of an urgent interdict, was dismissed by the High Court on 24 February 2025, which meant that LTSA and other respondents were not interdicted from continuing operations under the pooling arrangement.

Part B, which pertains to the substantive relief and includes the filing of answering affidavits, is still ongoing. LTSA filed its answering affidavit on 12 May 2025. A hearing date has not yet been set. Due to the ongoing nature and complexity of the matter, the Company is not yet in a position to reliably estimate the financial impact, if any, that may arise from the final outcome.

- **Other legal matters**

Other than those already mentioned above, the group is involved in various other legal and regulatory matters, the possible outcome of which may not be favorable to the group and none of which are considered to be individually material. The group has applied its judgement and has recognised liabilities where economic outflows are considered possible and probable. The group has also considered contingent liabilities where economic outflows are possible but not probable.

26. Reconciliation

26.1 Reconciliation of Operating profit to Adjusted EBITDA

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

	3 months ended	
	31/05/2025	31/05/2024
	USD'000 (Unaudited)	USD'000 (Unaudited)
Operating profit	51,938	49,721
Add back:		
Depreciation, impairment and amortisation	28,712	32,739
Dividend received	71	2
Adjusted EBITDA (note 3)	**80,721**	**82,462**

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

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

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

	Consolidated statement of profit or loss	Reclassification of network costs	Revised statement of profit or loss
	USD'000	USD'000	USD'000
3 months ended 31 May 2025 (Unaudited):			
Revenue	172,536	-	172,536
Interconnect related costs	(10,377)	-	(10,377)
Data and network related costs	(45,898)	8,924	(36,974)
Gross Profit	116,261	8,924	125,185
Other income	797	-	797
Dividend received	71	-	71
Selling, distribution and marketing costs	(2,707)	-	(2,707)
Expected credit loss reversal	947	-	947
Administrative expenses	(11,685)	(8,924)	(20,609)
Staff costs	(22,963)	-	(22,963)
Adjusted EBITDA	**80,721**	**-**	**80,721**

Reconciliation of consolidated statement of profit or loss to management profit or loss (continued)

3 months ended 31 May 2024 (Unaudited):	**Consolidated statement of profit or loss USD'000**	**Reclassification of network costs USD'000**	**Revised statement of profit or loss USD'000**
Revenue	183,561	-	183,561
Interconnect related costs	(10,114)	-	(10,114)
Data and network related costs	(60,802)	7,690	(53,112)
Gross Profit	112,645	7,690	120,335
Other income	787	-	787
Dividend received	2	-	2
Selling, distribution and marketing costs	(2,450)	-	(2,450)
Expected credit loss provision	7,832	-	7,832
Administrative expenses	(11,568)	(7,690)	(19,258)
Staff costs	(24,786)	-	(24,786)
Adjusted EBITDA	**82,462**	**-**	**82,462**

27. Events after the reporting period

There have been no material events after the reporting date.

28. Immediate, intermediate and ultimate holding companies

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