



**LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED**  
**("the Group", "Liquid" or "Liquid Intelligent Technologies")**

**FINANCIAL RESULTS FOR THE YEAR AND FOURTH QUARTER ENDED 28 FEBRUARY 2025**

**Robust financial growth, improved cash generation and enhanced capital structure**

19 June 2025


Leading pan-African digital solutions provider, Liquid Intelligent Technologies, a business of Cassava Technologies, announces financial results for the year and fourth quarter ended 28 February 2025

**Strategic highlights:**

- Closed first equity tranche of USD 90 million; continued progress on second tranche of USD 135 million
- Secured new facilities to refinance and increase the South African Rand Term Loan
- Liquid C2 partnered with Google Cloud to enhance cloud, cybersecurity, and AI in Africa. It became Africa's first Google Cloud Interconnect provider, launched Cloudmania in Egypt, and expanded Microsoft Azure services to more markets
- Liquid Networks and the Western Cape Government partnered to enhance digital transformation in the Western Cape Province in South Africa. It strengthened cross-border resilience between Kenya and Uganda, introduced the 'Liquid Home' retail proposition in Rwanda, and expanded broadband access for more enterprises in Botswana through a new fibre metro ring
- Liquid Dataport agreed a partnership with Eutelsat to bring Low Earth Orbit (LEO) satellite services to Africa and partnered with Orange Maroc to expand our network reach into Morocco

**Financial highlights:**

- Reported full-year revenue increased by 1.0% year-on-year, while in the fourth quarter it declined by 6.2% due to the prior year Q4 benefiting from non-recurring, low margin infrastructure sales of USD 19.2 million
  - Excluding the low margin infrastructure sales impacts in both years, revenue grew 1.2% in the full year and 4.2% in Q4 driven by strong performances in the C2 and Network segments
- Adjusted EBITDA<sup>1</sup> increased 3.0% year-on-year in FY 2024-25 to USD 265.0 million driven by group-wide growth, and declined 14.3% in Q4 due to a strong prior year comparator
- Cash generated from operations of USD 224.1 million for the year increased 44.0% million driven by solid EBITDA growth, lower capex and a significant improvement in working capital
- Net debt<sup>2</sup> amounted to USD 872.4 million, leading to a net debt to adjusted EBITDA<sup>1,2,3</sup> of 3.29x, compared to 3.47x in the prior year and the 3.50x covenant threshold

 <b>Group Financials</b>	For the twelve-month period ended:			For the three-month period ended:		
	28 Feb 2025	29 Feb 2024	YoY	28 Feb 2025	29 Feb 2024	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Revenue	693.5	686.7	1.0	180.6	192.5	(6.2)
Adjusted EBITDA	265.0	257.3	3.0	68.8	80.3	(14.3)
Cash generated from operations	224.1	155.6	44.0	73.1	17.9	308.4
Net debt	872.4	893.3	(2.3)	872.4	893.3	(2.3)
Net debt / Adjusted EBITDA (x)	3.29	3.47	n/a	3.29	3.47	n/a

<sup>1</sup> Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, impairment and amortisation, and is also presented before recognising the following items: dividend received, acquisition and other investment costs, restructuring costs, gain on bargain purchase, interest income, finance costs, net foreign exchange loss and hyperinflation monetary gain.

<sup>2</sup> Net debt is defined as gross debt less unrestricted cash and cash equivalents.

<sup>3</sup> Adjusted EBITDA for the last twelve months.

#### **Group Chief Executive Officer, Hardy Pemhiwa, commented:**

“From an operational standpoint, we delivered robust growth, with notable improvements in cash generation while maintaining momentum on key strategic initiatives. Liquid C2 deepened its footprint in Africa, becoming the continent’s first Google Cloud Interconnect provider and expanding cybersecurity and AI capabilities through partnerships with Google Cloud. Additionally, its launch of Cloudmania in Egypt and the extension of Microsoft Azure services further cemented our role in digital transformation on the continent.

Liquid Dataport also made significant strides, securing partnerships with Eutelsat to introduce Low Earth Orbit satellite services in Africa and collaborating with Orange Maroc to broaden our network reach into Morocco. These efforts reflect our ongoing drive to enhance connectivity and digital access across key markets.

Meanwhile, Liquid Networks continued advancing connectivity, partnering with the Western Cape Government to drive digital inclusion in the Western Cape Province of South Africa. Furthermore, strengthening cross-border digital infrastructure between Kenya and Uganda and expanding broadband access in Botswana through our new fibre metro ring both exemplify our commitment to driving Africa’s digital transformation.”

#### **Group Chairman, Strive Masiyiwa, added:**

“The Liquid Group concluded its financial year on a strong footing, bolstering our capital structure by welcoming new strategic shareholders. In December, we improved the strength of our balance sheet through the refinancing and upsizing of our South African Rand term loan. This move paved the way for the closing of the first USD 90 million equity tranche into Cassava Technologies. These milestones mark significant progress in our debt refinance programme, aimed at reducing debt, optimising maturity timelines, and enhancing the alignment between revenue generation and liabilities.

Digital inclusion remains a core priority for our business. This year, Liquid has expanded high-speed internet access in strategic markets, enhancing connectivity in key towns and rural areas. Furthermore, collaboration with stakeholders drives our impact, and as we integrate AI through partnerships with Microsoft and Google, we expect to accelerate digital inclusion and support our clients' digital transformation journeys.”

**There will be an investor call today at 14:00 GMT, you can register for the event [here](#). Further details and information about Liquid Intelligent Technologies can be found on our website at [www.liquid.tech](http://www.liquid.tech).**

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**Next scheduled announcement:** The Group's next scheduled announcement is for its Q1 2025-26 results on 24<sup>th</sup> July 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.


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### 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 2023-24	Q2 2023-24	Q3 2023-24	Q4 2023-24	FY 2023-24	Q1 2024-25	Q2 2024-25	Q3 2024-25	Q4 2024-25	FY 2024-25
Total fibre network (Kms) <sup>1</sup>	106,037	107,597	107,750	107,844	107,844	107,900	108,086	108,441	108,868	108,868
Average churn rate (%) <sup>2</sup>	0.53%	0.45%	0.41%	0.43%	0.46%	0.44%	0.60%	0.67%	0.40%	0.53%
Monthly recurring revenue (%) <sup>3</sup>	88.0%	88.8%	89.9%	71.4%	84.0%	81.9%	85.2%	92.1%	91.0%	87.3%
Cloud seats YoY growth (%) <sup>4</sup>	66.6%	50.2%	41.2%	17.2%	17.2%	15.0%	9.6%	6.0%	15.4%	15.4%
Total capacity on subsea assets (Gbps) <sup>5</sup>	3,104	3,125	3,125	3,519	3,519	3,841	3,841	4,341	4,341	4,341

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Year-on-year growth for the equivalent period in the number of paid for Cloud license seats.

<sup>5</sup> Capacity, in gigabits per second, purchased by, activated by, or reserved for, Liquid Intelligent Technologies on subsea cables (incl. IRUs).

Our pan-continental network build is largely complete and therefore the additional fibre build remained low. We added 427 kilometres in the fourth quarter and 1,024 kilometres in the full year as we focus on monetising our existing footprint with more targeted network densification in key markets.

Delivering on our customer satisfaction promise remains integral to our long-term success. We remain focused on providing value to our customers via competitive and comprehensive high-quality solutions. As a result our churn declined to 0.40% in the fourth quarter.

We maintained a high level of monthly recurring revenue (MRR) during the FY 2024-25 year at 87.3%, an increase on the prior year (FY 2023-24: 84.0%) which was impacted by the ECG infrastructure sales. 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 15.4%, driven by the strong performance of Cloudmania in Rest of World as well as underlying market growth. This is a key part of our strategy of delivering digital solutions to existing and new customers over our digital infrastructure.

Subsea capacity remained stable at 4,341 Gbps in the fourth quarter.

## 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 Town 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 digital solutions 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 subsea cable 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 twelve-month period ended:			For the three-month period ended:		
	28 Feb 2025	29 Feb 2024	YoY	28 Feb 2025	29 Feb 2024	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Network	489.0	479.9	1.9	126.0	130.1	(3.2)
C2	115.3	94.9	21.5	31.0	24.9	24.5
Dataport	35.8	52.4	(31.7)	9.0	23.3	(61.4)
Voice	53.4	59.5	(10.3)	14.6	14.2	2.8
<b>Total Revenue</b>	<b>693.5</b>	<b>686.7</b>	<b>1.0</b>	<b>180.6</b>	<b>192.5</b>	<b>(6.2)</b>

Total revenue in FY 2024-25 was USD 693.5 million (FY 2023-24: USD 686.7 million), an increase of 1.0% year-on-year, which was driven by the strong performances in C2 and Network offset by the ongoing volume driven decline in Voice, the timing of large contracts in Dataport and adverse exchange rate movements.

In FY 2024-25, the year-on-year impact due to exchange rate movements was a headwind of USD 9.7 million as positive impacts related to the South African Rand (USD 10.6 million), the Kenyan Shilling (USD 9.1 million) and other currencies (USD 0.6 million) were more than offset by the headwinds related to the Zambian Kwacha (USD 22.4 million), Egyptian Pound (USD 3.0 million), Rwandan Franc (USD 2.5 million) and the Tanzanian Shilling (USD 2.1 million). Excluding these exchange rate movements, total revenue growth for the year would have been 2.4%.

On a geographic basis, South Africa, Zimbabwe and Egypt drove the growth, whilst Kenya benefited from the exchange rate tailwind noted above. This was partly offset by the Rest of World region due the structural decline in Voice revenue and the timing of large non-recurring deals in Dataport.

Revenue in the fourth quarter was USD 180.6 million (Q4 FY 2023-24: USD 192.5 million), a decrease of 6.2% year-on-year. The decline was due to the prior year including low margin revenue of USD 19.2 million for the sale of infrastructure related to the Eastern Cape Government project in South Africa. Excluding this impact, total revenue growth in the fourth quarter would have been 4.2%. This growth was driven by the strong performances in C2 and Network, partly offset by the ongoing volume decline in Voice and the timing of non-recurring deals in Dataport. On a geographic basis, the drivers mirrored those seen throughout the rest of the

year with growth coming from South Africa, Zimbabwe and Kenya, as well as a growing contribution from Egypt.

The year-on-year impact in the fourth quarter from exchange rate movements was a headwind of USD 0.9 million as positive impacts from strengthening of the South African Rand (USD 6.1 million) and the Kenyan Shilling (USD 5.1 million) were more than offset by the headwinds related to the Zambian Kwacha (USD 7.5 million), Egyptian Pound (USD 2.0 million), Rwandan Franc (USD 1.4 million) and other currencies (USD 1.1 million). Excluding these impacts and the sale of infrastructure related to ECG referred to above, total revenue grew 4.7%.

## **Network**

Network revenue in FY 2024-25, which includes all intra- and inter-country fibre activity, increased by 1.9% year-on-year to USD 489.0 million (FY 2023-24: USD 479.9 million), with this growth largely driven by South Africa due to further increased sites and capacity upgrades on the Eastern and Western Cape Government contracts and continued sales of IRUs on the NLD routes to mobile network operators.

Underlying Zimbabwean Network revenue increased through strong customer base growth. The business also benefited from two tariff reviews in the first quarter of the year and a further review in November 2024.

In Rest of Africa, Network revenue decreased 4.7% on a reported basis as strong growth across the region was offset by adverse exchange rate movements totalling USD 16.6 million. Excluding this, Rest of Africa Network revenue would have increased by 8.5% year-on-year benefiting from strong underlying growth in Zambia, Egypt and Tanzania.

Fourth quarter Network revenue was USD 126.0 million compared to USD 130.1 million in the same period last year, a decline of 3.2%. The decline was due to the prior year including the low margin revenue of USD 19.2 million for the sale of infrastructure related to the ECG project. Excluding this impact, Network revenue growth in the fourth quarter would have been 13.6%. This strong growth benefited from further demand for dark fibre and IRU deals from MNOs in Kenya and the strong growth in South Africa, partly offset by the adverse exchange rate movements in Rest of Africa which amounted to USD 7.7 million.

## **C2**

Revenue for C2 in FY 2024-25, which largely comprises our cloud and cyber security offerings as well as other digital services, continued to grow strongly, up 21.5% year-on-year to USD 115.3 million (FY 2023-24: USD 94.9 million).

Growth came from the 15.4% year-on-year increase in Cloud seats as well as high levels of renewals, complemented by good performances via our indirect channels for our Application and Azure platforms. In addition, we were able to capitalise on good underlying market growth and benefited from the pass through of USD linked rate increases. There continues to be a strong appetite for our cloud offerings as more businesses transition to integrated cloud solutions across most applications and platforms, increasingly driven by interest in AI.

Fourth quarter C2 revenue was USD 31.0 million compared to USD 24.9 million in the same period last year, a 24.5% increase year-on-year, driven again by high levels of renewals and strong take up across all our territories.

## Dataport


Dataport revenue, covering all our sea-to-land connections, subsea capacity and satellite services, decreased 31.7% year-on-year for FY 2024-25 to USD 35.8 million (FY 2023-24: USD 52.4 million). The year-on-year decrease largely resulted from large NRR contract wins in Rest of Africa in the prior year. Dataport continues to build up a solid pipeline, however, these deals are typically large and non-recurring, resulting in fluctuating trends.

Fourth quarter Dataport revenue was USD 9.0 million compared to USD 23.3 million in the same period last year, a 61.4% decrease year-on-year, with the prior year including a non-recurring revenue item of 12 million dollars from the sale of a quarter fibre pair on the Equiano subsea cable.

## Voice

Voice revenue continued to be impacted by global traffic trends away from traditional voice activity, resulting in revenue in FY 2024-25 declining 10.3% year-on-year to USD 53.4 million (FY 2023-24: USD 59.5 million). However, fourth quarter Voice revenue was up 2.8% at USD 14.6 million compared to USD 14.2 million for the same period last year as we benefited from new agreements with network providers in the Middle East.


## Gross Profit

 Gross Profit	For the twelve-month period ended:			For the three-month period ended:		
	28 Feb 2025	29 Feb 2024	YoY	28 Feb 2025	29 Feb 2024	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Revenue	693.5	686.7	1.0	180.6	192.5	(6.2)
Costs per quarterly financial statements	(208.9)	(209.3)	0.2	(46.2)	(70.9)	34.8
<b>Gross Profit</b>	<b>484.6</b>	<b>477.4</b>	<b>1.5</b>	<b>134.4</b>	<b>121.6</b>	<b>10.5</b>
Gross Profit Margin (%)	69.9%	69.5%	0.4pp	74.4%	63.2%	11.2pp

Absolute gross profit for the year was USD 484.6 million (FY 2023-24: USD 477.4 million) and gross profit margin was 69.9% compared to 69.5% in the prior year. We saw improved margins in South Africa and a higher contribution from Zimbabwe, which were partly offset by an increased mix from the growing C2 segment.

Fourth quarter gross profit was USD 134.4 million (Q4 FY 2023-24: USD 121.6 million) and the gross profit margin was higher year-on-year at 74.4% (Q4 FY 2023-24: 63.2%), with the increase due to the non-recurrence of the prior year low margin revenue from the infrastructure sale related to ECG.


## Total Overheads and Other Income

 Total Overheads and Other Income	For the twelve-month period ended:			For the three-month period ended:		
	28 Feb 2025	29 Feb 2024	YoY	28 Feb 2025	29 Feb 2024	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Other income	1.7	12.4	(86.3)	(1.4)	8.4	(116.7)
Selling, distribution and marketing costs	(11.3)	(10.8)	(4.6)	(4.2)	(2.4)	(75.0)
Expected credit loss provision	(0.8)	(7.7)	89.6	(4.9)	(4.1)	(19.5)
Administrative costs	(92.3)	(103.4)	10.7	(22.1)	(33.3)	33.6
Staff costs	(117.0)	(110.6)	(5.8)	(33.0)	(9.9)	(233.3)
<b>Total Overheads and Other income</b>	<b>(219.7)</b>	<b>(220.1)</b>	<b>0.3</b>	<b>(65.6)</b>	<b>(41.3)</b>	<b>(58.8)</b>
% to Total Revenue	31.7%	32.1%	0.4pp	36.3%	21.5%	-14.9pp

Total Overheads and Other Income for the year were USD 219.7 million (FY 2023-24: USD 220.1 million), marginally lower year-on-year due to the benefits of the cost optimisation programme. This was largely offset by exchange rate movements and inflationary pressures on staff costs, particularly in Zimbabwe. As a result, overheads as a percentage of revenue reduced to 31.7% compared to 32.1% in the same period of the prior year.

Fourth quarter Total Overheads and Other Income amounted to USD 65.6 million compared to USD 41.3 million for the same period last year due to the non-recurrence of the non-cash provision movements from the prior year.

## Adjusted EBITDA and Profit

 Adjusted EBITDA	For the twelve-month period ended:			For the three-month period ended:		
	28 Feb 2025	29 Feb 2024	YoY	28 Feb 2025	29 Feb 2024	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
<b>Adjusted EBITDA</b>	<b>265.0</b>	<b>257.3</b>	<b>3.0</b>	<b>68.8</b>	<b>80.3</b>	<b>(14.3)</b>
Depreciation, impairment and amortisation	(124.5)	(115.1)	(8.2)	(37.8)	(25.1)	(50.6)
Dividend received	0.1	-	n/a	-	-	n/a
<b>Operating Profit</b>	<b>140.5</b>	<b>142.2</b>	<b>(1.2)</b>	<b>31.0</b>	<b>55.2</b>	<b>(43.8)</b>
Acquisition and other investment costs	-	(0.1)	(100.0)	-	-	n/a
Restructuring costs	(3.6)	-	(100.0)	(0.6)	-	(100.0)
Gain on bargain purchase	-	0.3	(100.0)	-	-	n/a
Interest income	24.3	24.6	(1.2)	7.2	8.8	(18.2)
Finance costs	(101.8)	(79.9)	(27.4)	(28.5)	(25.8)	(10.5)
Foreign exchange loss	(321.6)	(440.9)	27.1	(59.5)	(164.0)	63.7
Monetary adjustment - IAS 29	305.9	386.6	(20.9)	41.9	106.2	(60.5)
<b>Profit / (loss) before tax</b>	<b>43.7</b>	<b>32.9</b>	<b>32.8</b>	<b>(8.5)</b>	<b>(19.6)</b>	<b>(56.6)</b>
Tax (expense) / credit	(26.9)	(27.6)	2.5	(8.8)	12.2	172.1
<b>Profit / (loss) for the period</b>	<b>16.8</b>	<b>5.3</b>	<b>217.0</b>	<b>(17.3)</b>	<b>(7.4)</b>	<b>133.8</b>


Adjusted EBITDA in FY 2024-25 was USD 265.0 million, 3.0% higher compared to the prior year (FY 2023-24: USD 257.3 million) resulting from the higher revenue driven gross profit and lower overheads, as detailed above.

Depreciation, impairment and amortisation costs in FY 2024-25 were higher year-on-year at USD 124.5 million (FY 2023-24: USD 115.1 million). The year-on-year increase was driven by exchange rate movements and the fourth quarter was further impacted by depreciation charges from rights-of-use (ROU) assets related to the ECG contract.

Finance costs of USD 101.8 million in FY 2024-25 were higher year-on-year (FY 2023-24: USD 79.9 million) and reflected the interest on the Bond and Revolving Credit Facility (RCF), the amortising ZAR term loan, local debt in Zambia, and increased lease costs resulting from the ECG contract.

The foreign exchange loss in the year of USD 321.6 million (FY 2023-24: USD 440.9 million) was entirely driven by the exchange rate movement in Zimbabwe. The ZWL\$:USD closing exchange rate was 26.6:1 (29 February 2024: ZWL\$:USD 14,912.81:1). CPI in Zimbabwe for the period was 184.6.0 (29 February 2024: 257,098.03) which resulted in a monetary adjustment of USD 305.9 million (FY 2023-24: USD 386.6 million) for the year and resulted in a net profit after tax for the year of USD 16.8 million (FY 2023-24: net profit after tax USD 5.3 million).

## Cash generated from operations

 Cash Flows	For the twelve-month period ended:			For the three-month period ended:		
	28 Feb 2025	29 Feb 2024	YoY	28 Feb 2025	29 Feb 2024	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Cash generated from operations	224.1	155.6	44.0	73.1	17.9	308.4
Tax paid	(25.0)	(31.0)	19.4	(7.0)	(2.9)	(141.4)
Net cash generated from operating activities	199.1	124.6	59.8	66.1	15.0	340.7
Net cash used in investing activities	(39.0)	(48.9)	20.2	(6.9)	(11.1)	37.8
Net cash used in financing activities	(123.2)	(79.6)	(54.8)	(28.2)	(1.8)	(1,466.7)
Net increase / (decrease) in cash and cash equivalents	36.9	(3.9)	1,046.2	31.1	2.0	(1,455.0)

Cash generated from operations for the year increased 44.0% year-on-year to USD 224.1 million (FY 2023-24: USD 155.6 million) due to improved working capital movements. This largely resulted from the unwind of two prior year impacts; increased prepayments in Zimbabwe to mitigate currency devaluation as well as the build-up in inventories related to the ECG contract in South Africa.

Net cash used in investing activities for the year reduced by 20.2% year-on-year to USD 39.0 million (FY 2023-24: USD 48.9 million) driven by a continued material reduction in capital expenditure. The prior year also benefited from a large disposal of Eastern Cape Government project assets amounting to USD 14.7 million. The cash used on investing activities in the quarter was largely spent on network infrastructure, maintenance and customer connections in key markets.


Cash used in financing activities related primarily to interest, lease and debt payments. In FY 2024-25 financing activities totalled USD 123.2 million (FY 2023-24: USD 79.6 million), with the year-on-year increase due to the net reduction of the Revolving Credit Facility during the current year as well as increased lease liabilities and principal repayments on the South African ZAR term loan.

## Capital investment and network developments

Capital expenditure in FY 2024-25 decreased 28.4% year-on-year to USD 50.3 million (FY 2023-24: USD 70.3 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 the DRC, Kenya and investment in NLD in South Africa, including on the Eastern and Western Capes.



## Gross and Net Debt

 <b>Gross and Net Debt</b>	As at
	28 Feb 2025
	(USDm)
<b>Total Gross Debt</b>	<b>957.8</b>
Long term borrowings (excl derivative)	615.7
Short term portion of long-term borrowings	159.7
Unamortised arrangement fees	5.1
Leases - LT	140.7
Leases - ST	36.6
<b>Less: Unrestricted cash</b>	<b>(85.4)</b>
<b>Net Debt</b>	<b>872.4</b>
Last twelve months EBITDA	265.0
Last twelve months interest	97.2
<b>Covenants:</b>	
Gross Debt / LTM EBITDA (x)	3.61
Net Debt / LTM EBITDA (x)	3.29
Interest / LTM EBITDA (x)	2.73
Debt Service Cover Ratio (DSCR)	2.46

Unrestricted cash at the end of the year was USD 85.4 million (FY 2023-24: USD 56.7 million), of this, USD 17.1 million was held in Zimbabwe (FY 2023-24: USD 11.2 million). We continue to ensure that we have sufficient liquidity with a strong focus on working capital management.

Gross debt was USD 957.8 million at the end of the year, marginally higher than the FY 2023-24 year end (USD 950.0 million) due to higher IFRS16 lease liabilities. These were offset by the pay down of the principal on the South African ZAR term loan and the USD 25 million pay down on the RCF.

Considering the above cash position, net debt at the end of the year was USD 872.4 million, giving a net debt to adjusted EBITDA ratio of 3.29x, compared to the 3.50x covenant threshold and 3.47x position at the end of FY 2023-24.

Strive Masiyiwa

Group Chairman

Hardy Pemhiwa

Group Chief Executive Officer

Lorraine Harper

Group Chief Finance Officer

Please note that the Property, Plant and Equipment, the associated depreciation figures and the Monetary Gain on hyperinflation accounting for the year ended 28 February 2025 have been amended compared to those figures presented in the unaudited Q4 abridged financial statements released on 19 June 2025. These figures have been amended by \$1.7m, \$0.2m and \$0.8m respectively and relate solely to hyperinflation accounting in Zimbabwe.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED  
(trading as)



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED

28 February 2025

	Notes	12 months ended		3 months ended	
		28/02/2025	29/02/2024	28/02/2025	29/02/2024
		USD'000	USD'000	USD'000	USD'000
		(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	3	693,534	686,718	180,626	192,474
Interconnect related costs		(38,829)	(43,905)	(11,534)	(9,964)
Data and network related costs		(203,436)	(201,845)	(43,635)	(71,114)
Net other income	4	1,671	12,234	(1,280)	8,391
Selling, distribution and marketing costs		(11,286)	(10,764)	(4,177)	(2,439)
Expected credit loss provision		(823)	(7,665)	(4,918)	(4,119)
Administrative expenses		(58,870)	(66,898)	(13,111)	(23,081)
Staff costs		(116,993)	(110,645)	(33,008)	(9,874)
Depreciation, impairment and amortisation		(124,666)	(115,052)	(38,035)	(25,066)
<b>Operating profit</b>		<b>140,302</b>	<b>142,178</b>	<b>30,928</b>	<b>55,208</b>
Dividend received		59	44	36	-
Restructuring costs		(3,619)	-	(644)	-
Acquisition and other investment costs		-	(106)	-	-
Gain on bargain purchase		-	272	-	-
Interest income	5	24,291	24,610	7,193	8,792
Finance costs	6	(101,847)	(79,894)	(28,483)	(25,841)
Foreign exchange loss		(321,579)	(440,858)	(59,507)	(163,988)
Hyperinflation monetary gain		306,722	386,603	42,796	106,244
Share of profits of associate		14	21	(1)	9
<b>Profit / (loss) before taxation</b>		<b>44,343</b>	<b>32,870</b>	<b>(7,682)</b>	<b>(19,576)</b>
Tax (expense) / credit	7	(25,894)	(27,592)	(7,776)	12,239
<b>Profit / (loss) for the period</b>		<b>18,449</b>	<b>5,278</b>	<b>(15,458)</b>	<b>(7,337)</b>
<b>Other comprehensive income / (expense)</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation gain / (loss) on accounting for foreign entities		30,341	(8,688)	(7,686)	(7,357)
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		(62,819)	(53,200)	(8,539)	(8,956)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Fair value (loss) / gain on investments in equity instruments designated as FVTOCI		(636)	867	(285)	(676)
<b>Total other comprehensive expense, net of tax</b>		<b>(33,114)</b>	<b>(61,021)</b>	<b>(16,510)</b>	<b>(16,989)</b>
<b>Total comprehensive expense</b>		<b>(14,665)</b>	<b>(55,743)</b>	<b>(31,968)</b>	<b>(24,326)</b>
<b>Income / (loss) attributable to:</b>					
Owners of the company		18,443	5,631	(15,886)	(7,384)
Non-controlling interest		6	(353)	428	47
		<b>18,449</b>	<b>5,278</b>	<b>(15,458)</b>	<b>(7,337)</b>
<b>Total comprehensive expense attributable to:</b>					
Owners of the company		(14,577)	(55,179)	(32,351)	(24,325)
Non-controlling interest		(88)	(564)	383	(1)
		<b>(14,665)</b>	<b>(55,743)</b>	<b>(31,968)</b>	<b>(24,326)</b>
<b>Earnings / (loss) per share</b>					
Basic (Cents per share)	24	14.77	4.51	(12.72)	(5.92)

	Notes	28/02/2025 USD'000 (Audited)	29/02/2024 USD'000 (Audited)
<b>Non-current assets</b>			
Goodwill	8	76,089	73,990
Intangible assets	9	58,812	60,131
Property, plant and equipment	10	475,990	483,704
Right-of-Use assets	11	233,008	216,956
Investment in associate		573	540
Investments at Fair Value Through Other Comprehensive Income (FVTOCI)	22	16,672	15,362
Deferred tax assets		49,912	41,869
Investments at amortised cost		41	41
Long-term receivables	20	136,330	143,074
Pre-commencement lease payments		10,754	9,565
<b>Total non-current assets</b>		<b>1,058,181</b>	<b>1,045,232</b>
<b>Current assets</b>			
Inventories		22,005	50,399
Trade and other receivables	13	331,750	258,944
Taxation		2,953	5,277
Cash and cash equivalents	12	85,368	56,654
Restricted cash and cash equivalents	12	425	422
<b>Total current assets</b>		<b>442,501</b>	<b>371,696</b>
<b>Total assets</b>		<b>1,500,682</b>	<b>1,416,928</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		3,716	3,716
Share premium		276,714	276,714
Convertible preference shares		180,000	180,000
Share application monies		35,000	-
Investment revaluation reserve		(620)	16
Accumulated losses		(39,173)	(57,616)
Foreign currency translation reserve		(311,626)	(279,242)
<b>Total equity attributable to owners of the parent</b>		<b>144,011</b>	<b>123,588</b>
Non-controlling interests		(918)	86
<b>Total equity</b>		<b>143,093</b>	<b>123,674</b>
<b>Non-current liabilities</b>			
Long term borrowings	14	617,583	742,252
Long term lease liabilities	15	140,740	116,804
Long term provisions		5,479	6,372
Deferred revenue	17	47,179	56,967
Deferred tax liabilities		3,346	4,615
<b>Total non-current liabilities</b>		<b>814,327</b>	<b>927,010</b>
<b>Current liabilities</b>			
Short term portion of long term borrowings	14	177,174	80,987
Short term portion of long term lease liabilities	15	36,628	20,441
Trade and other payables	16	238,979	199,889
Short term provisions		24,120	13,912
Deferred revenue	17	47,595	40,443
Taxation		18,766	10,572
<b>Total current liabilities</b>		<b>543,262</b>	<b>366,244</b>
<b>Total equity and liabilities</b>		<b>1,500,682</b>	<b>1,416,928</b>

Approved by the Board of Directors and authorised for issue on 26 June 2025

  
Eric Venpin  
Director

  
Mike Mootien  
Director

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
<b>At 01 March 2023 (Audited)</b>	<b>3,716</b>	<b>276,714</b>	<b>180,000</b>	-	-	(217,565)	(64,098)	1,146	<b>179,913</b>
Dividend	-	-	-	-	-	-	-	(496)	(496)
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	(851)	-	851	-	-
Income / (expense) and total comprehensive income / (expense) for the period	-	-	-	-	867	(61,677)	5,631	(564)	(55,743)
Profit / (loss) for the period	-	-	-	-	-	-	5,631	(353)	5,278
Fair value gain on investments in equity instruments designated as FVTOCI	-	-	-	-	867	-	-	-	867
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	-	-	-	-	-	(53,200)	-	-	(53,200)
Translation loss on accounting for foreign entities	-	-	-	-	-	(8,477)	-	(211)	(8,688)
<b>At 29 February 2024 (Audited)</b>	<b>3,716</b>	<b>276,714</b>	<b>180,000</b>	<b>-</b>	<b>16</b>	<b>(279,242)</b>	<b>(57,616)</b>	<b>86</b>	<b>123,674</b>
<b>At 01 March 2024 (Audited)</b>	<b>3,716</b>	<b>276,714</b>	<b>180,000</b>	<b>-</b>	<b>16</b>	<b>(279,242)</b>	<b>(57,616)</b>	<b>86</b>	<b>123,674</b>
Dividend	-	-	-	-	-	-	-	(916)	(916)
Receipt of share application monies	-	-	-	35,000	-	-	-	-	35,000
Income / (expense) and total comprehensive income / (expense) for the period	-	-	-	-	(636)	(32,384)	18,443	(88)	(14,665)
Profit for the period	-	-	-	-	-	-	18,443	6	18,449
Fair value loss on investments in equity instruments designated as FVTOCI	-	-	-	-	(636)	-	-	-	(636)
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	-	-	-	-	-	(62,819)	-	-	(62,819)
Translation gain / (loss) on accounting for foreign entities	-	-	-	-	-	30,435	-	(94)	30,341
<b>At 28 February 2025 (Audited)</b>	<b>3,716</b>	<b>276,714</b>	<b>180,000</b>	<b>35,000</b>	<b>(620)</b>	<b>(311,626)</b>	<b>(39,173)</b>	<b>(918)</b>	<b>143,093</b>

Notes	12 months ended		3 months ended	
	28/02/2025	29/02/2024	28/02/2025	29/02/2024
	USD'000 (Audited)	USD'000 (Audited)	USD'000 (Unaudited)	USD'000 (Unaudited)
<b>Cash flows from operating activities:</b>				
(Loss) / profit before tax	44,343	32,870	(7,682)	(19,576)
Adjustments for:				
Depreciation, impairment and amortisation	124,666	115,052	38,035	25,065
Dividend received	(59)	(44)	(34)	-
Expected credit loss (reversal) / provision	(5,694)	3,617	2,123	3,074
Increase / (decrease) in provisions	9,940	(9,276)	7,088	(19,485)
Foreign exchange loss	288,551	423,960	62,783	149,381
Hyperinflation monetary gain	(306,722)	(386,603)	(42,795)	(106,243)
Profit on disposal of Property, plant and equipment	(984)	(253)	(14)	181
Profit on disposal of Right-of-Use assets	133	(1,554)	(77)	(1,554)
Interest income	5 (24,291)	(24,610)	(7,193)	(8,792)
Finance costs	6 101,847	79,894	28,483	25,841
Gain on bargain purchase	-	(272)	-	-
Share of profit from associate	(14)	(21)	2	(9)
	<u>231,716</u>	<u>232,760</u>	<u>80,719</u>	<u>47,883</u>
<b>Working capital changes:</b>				
Decrease / (increase) in inventories	19,524	(22,564)	11,526	2,532
(Increase) / decrease in trade and other receivables	(64,916)	(39,916)	6,757	(5,459)
Increase / (decrease) in trade and other payables	42,032	(19,599)	(18,900)	(21,363)
(Decrease) / increase in deferred revenue	(4,290)	4,873	(6,966)	(5,730)
Cash generated from operations	<u>224,066</u>	<u>155,554</u>	<u>73,136</u>	<u>17,863</u>
Income tax paid	<u>(25,026)</u>	<u>(30,987)</u>	<u>(7,014)</u>	<u>(2,880)</u>
Net cash generated from operating activities	<u>199,040</u>	<u>124,567</u>	<u>66,122</u>	<u>14,983</u>
<b>Cash flows from investing activities:</b>				
Interest income	1,542	5,028	178	3,420
Dividend received	59	44	35	-
Net cash inflow on acquisition of subsidiary	-	148	-	-
Purchase of investment at FVTOCI	22 (i) (1,983)	(953)	86	(36)
Disposal of investment at FVTOCI	22 (i) -	1,772	-	1,412
Purchase of property, plant and equipment	(41,386)	(61,290)	(14,089)	(21,530)
Proceeds on disposal of property, plant and equipment	2,088	23,703	349	5,648
Purchase of intangible assets	(8,256)	(7,938)	(2,989)	(2,905)
Proceeds on disposal of intangible assets	-	84	-	84
Pre-commencement lease payments	(1,189)	(1,101)	(754)	(200)
Cash paid to long-term receivables from related parties	(337)	(9,115)	(51)	-
Cash received from long-term receivables from related parties	10,772	751	10,651	2,974
Decrease in long term receivables	(304)	-	(304)	-
Net cash used in investing activities	<u>(38,994)</u>	<u>(48,867)</u>	<u>(6,888)</u>	<u>(11,133)</u>
<b>Cash flows from financing activities:</b>				
Dividend paid	(1,090)	(360)	(467)	-
Finance costs paid	(60,251)	(57,504)	(7,824)	(5,649)
Repayment of lease liabilities	(59,247)	(50,354)	(20,665)	(6,006)
(Repayment of) / proceeds from borrowings	(37,567)	28,603	(34,227)	9,850
Receipt of share application monies	35,000	-	35,000	-
Net cash used in financing activities	<u>(123,155)</u>	<u>(79,615)</u>	<u>(28,183)</u>	<u>(1,805)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>				
	36,891	(3,915)	31,051	2,045
Cash and cash equivalents at beginning of the period	57,076	88,818	55,676	58,009
Translation of cash with respect to foreign subsidiaries	(8,174)	(27,827)	(934)	(2,978)
<b>Cash and cash equivalents at end of the year</b>	<b>12 <u>85,793</u></b>	<b><u>57,076</u></b>	<b><u>85,793</u></b>	<b><u>57,076</u></b>
<b>Represented by:</b>				
Cash and cash equivalents	12 85,368	56,654	85,368	56,654
Restricted cash and cash equivalents	12 425	422	425	422
	<u><b>85,793</b></u>	<u><b>57,076</b></u>	<u><b>85,793</b></u>	<u><b>57,076</b></u>

## 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 12 months ended 28 February 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 sixteen 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 sixteen 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 sixteen 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:

#### Funding facilities

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 25.3 million was outstanding at 28 February 2025, a USD 220.0 million equivalent South African Rand term loan of which USD 132.8 million was outstanding at 28 February 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 1.7 million was outstanding at 28 February 2025. Refer to note 14 - *Short term portion of long term borrowings and long term borrowings* for more details.

#### Cash position

As at 28 February 2025, the group had an unrestricted cash position of USD 85.4 million (29 February 2024: USD 56.7 million). Of this amount, USD 17.1 million (29 February 2024: USD 11.2 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 26.6:1 (29 February 2024: ZWL\$:USD 14,912.8:1). 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.

#### Operational performance

For the year ended 28 February 2025, the group reported an operating profit of USD 140.3 million (29 February 2024: USD 142.2 million) and a net cash inflow from operating activities of USD 199.0 million (29 February 2024: USD 124.6 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.

#### Re-financing of USD 220.0 million equivalent South African Rand term loan

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.

#### Re-financing of the USD 620.0 million Senior Secured Notes

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 the re-organisation, new equity investment that will result in cash inflows of up to USD 225.0 million in the Cassava Technologies Limited group is being sought. Of this amount, the directors are targeting receipt of up to USD 135.0 million in the sixteen months from the date of signing of the consolidated interim financial statements. On 12 December 2024, the group re-organisation took place and the first tranche of this equity investment for USD 90.0 million was concluded. Proceeds from this investment will be deployed in the wider Liquid Telecommunications Jersey (LTJ) Limited group to fund business growth and provide operational liquidity. To date Liquid Telecommunications Holdings (LTH) group has received USD 45.0 million from the first tranche. 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, leading to strong year-on-year Adjusted EBITDA growth (as defined in note 3 – *Revenue and segment information*). 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 sixteen 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 year ended 28 February 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 year ended 28 February 2025, the group has used a rate of ZWG:USD 26.6:1 (29 February 2024: ZWL\$:USD 14,912.8:1) to translate both the statement of profit or loss and the statement of financial position at 28 February 2025. Of the USD 321.6 million (29 February 2024: USD 440.9 million) net foreign exchange loss in the consolidated statement of profit and loss, Zimbabwe contributed USD 321.3 million (29 February 2024: USD 410.4 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 28 February 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 2024 resulted in a foreign exchange loss of USD 62.8 million (1 March 2023: USD 53.2 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 305.9 million (29 February 2024: USD 386.6 million) have been recognised in the consolidated statement of profit or loss through 'Hyperinflation monetary gain' based on a CPI of 184.60 (29 February 2024: 257,098.03).

In addition, IAS 29 requires the translation of the results at closing rate rather than average rate. The closing rate of ZWG:USD 26.6:1 (29 February 2024: ZWL\$:USD 14,912.8:1) 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 the re-organisation, new equity investment that will result in cash inflows of up to USD 225.0 million in the Cassava Technologies Limited group is being sought. Of this amount, the directors are targeting receipt of up to USD 135.0 million in the sixteen months from the date of signing of the consolidated interim financial statements. On 12 December 2024, the group re-organisation took place and the first tranche of this equity investment for USD 90.0 million was concluded. Proceeds from this investment will be deployed in the wider Liquid Telecommunications Jersey (LTJ) Limited group to fund business growth and provide operational liquidity. To date Liquid Telecommunications Holdings (LTH) group has received USD 45.0 million from the first tranche. 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, leading to strong year-on-year Adjusted EBITDA growth (as defined in note 3 – *Revenue and segment information*). 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 sixteen 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:

- Acquisition and other investment costs
- Gain on bargain purchase
- Restructuring costs
- Gain on disposal of investments at Fair Value Through Other Comprehensive Income
- Acquisition and other investment costs
- Net foreign exchange loss
- Hyperinflation monetary gain (see note 2.2.2)
- Share of profits of associate

A reconciliation of Operating profit, as shown in the consolidated statement of profit or loss, to Adjusted EBITDA (see above) is shown in note 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 12 months ended 28 February 2025 (Audited).

	South Africa USD'000	Zimbabwe USD'000	Rest of Africa USD'000	Rest of the World USD'000	Central Administration Costs* USD'000	Eliminations USD'000	Total USD'000
Network	207,787	153,979	119,707	55,490	-	(47,958)	489,005
C2	57,170	20,058	25,082	34,702	-	(21,748)	115,264
Dataport	7,688	1,597	10,792	24,913	-	(9,158)	35,832
Voice traffic	10,142	105	4	47,176	-	(3,994)	53,433
Inter-segmental revenue	(8,230)	(3,321)	(5,130)	(66,177)	-	82,858	-
<b>Group External Revenue</b>	<b>274,557</b>	<b>172,418</b>	<b>150,455</b>	<b>96,104</b>	<b>-</b>	<b>-</b>	<b>693,534</b>
<b>Adjusted EBITDA</b>	<b>91,017</b>	<b>100,662</b>	<b>43,918</b>	<b>49,063</b>	<b>(22,396)</b>	<b>2,763</b>	<b>265,027</b>
Depreciation, impairment and amortisation							(124,666)
Restructuring costs							(3,619)
Interest income							24,291
Finance costs							(101,847)
Foreign exchange loss							(321,579)
Hyperinflation monetary gain							306,722
Share of profits of associate							14
<b>Profit before taxation</b>							<b>44,343</b>
Tax expense							(25,894)
<b>Profit for the period</b>							<b>18,449</b>

The following is an analysis of the group's revenue and results by reportable segment for the 12 months ended 29 February 2024 (Audited).

	South Africa USD'000	Zimbabwe USD'000	Rest of Africa USD'000	Rest of the World USD'000	Central Administration Costs* USD'000	Eliminations USD'000	Total USD'000
Network	182,733	152,534	125,655	79,077	-	(60,099)	479,900
C2	51,832	13,398	18,135	30,159	-	(18,580)	94,944
Dataport	8,287	2,633	15,708	36,924	-	(11,142)	52,410
Voice traffic	7,132	83	21	53,546	-	(1,318)	59,464
Inter-segmental revenue	(8,581)	(1,047)	(5,491)	(76,020)	-	91,139	-
<b>Group External Revenue</b>	<b>241,403</b>	<b>167,601</b>	<b>154,028</b>	<b>123,686</b>	<b>-</b>	<b>-</b>	<b>686,718</b>
<b>Adjusted EBITDA</b>	<b>78,816</b>	<b>85,387</b>	<b>42,157</b>	<b>76,267</b>	<b>(16,484)</b>	<b>(8,869)</b>	<b>257,274</b>
Depreciation, impairment and amortisation							(115,052)
Gain on bargain purchase							272
Acquisition and other investment costs							(106)
Interest income							24,610
Finance costs							(79,894)
Foreign exchange loss							(440,858)
Hyperinflation monetary gain							386,603
Share of profits of associate							21
<b>Profit before taxation</b>							<b>32,870</b>
Tax expense							(27,592)
<b>Profit for the period</b>							<b>5,278</b>

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

### 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 28 February 2025 (Unaudited).

	South Africa USD'000	Zimbabwe USD'000	Rest of Africa USD'000	Rest of the World USD'000	Central Administration Costs* USD'000	Eliminations USD'000	Total USD'000
Network	48,672	49,311	30,673	7,138	-	(9,758)	126,036
C2	14,236	6,950	6,844	9,406	-	(6,439)	30,997
Dataport	2,178	441	2,522	5,831	-	(1,948)	9,024
Voice traffic	2,339	39	(8)	13,082	-	(883)	14,569
Inter-segmental revenue	(2,103)	(1,603)	(1,114)	(14,208)	-	19,028	-
<b>Group External Revenue</b>	<b>65,322</b>	<b>55,138</b>	<b>38,917</b>	<b>21,249</b>	<b>-</b>	<b>-</b>	<b>180,626</b>
<b>Adjusted EBITDA</b>	<b>19,820</b>	<b>33,434</b>	<b>11,491</b>	<b>1,258</b>	<b>(6,436)</b>	<b>9,432</b>	<b>68,999</b>
Depreciation, impairment and amortisation							(38,035)
Restructuring costs							(644)
Interest income							7,193
Finance costs							(28,483)
Foreign exchange loss							(59,507)
Hyperinflation monetary loss							42,796
Share of profits of associate							(1)
<b>Loss before taxation</b>							<b>(7,682)</b>
Tax expense							(7,776)
<b>Loss for the period</b>							<b>(15,458)</b>

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 29 February 2024 (Unaudited).

	South Africa USD'000	Zimbabwe USD'000	Rest of Africa USD'000	Rest of the World USD'000	Central Administration Costs* USD'000	Eliminations USD'000	Total USD'000
Network	58,091	38,430	29,805	19,853	-	(16,047)	130,132
C2	13,918	2,809	5,162	7,364	-	(4,363)	24,890
Dataport	2,489	432	5,114	18,139	-	(2,910)	23,264
Voice traffic	1,735	32	3	12,687	-	(269)	14,188
Inter-segmental revenue	(2,036)	(253)	(1,261)	(20,039)	-	23,589	-
<b>Group External Revenue</b>	<b>74,197</b>	<b>41,450</b>	<b>38,823</b>	<b>38,004</b>	<b>-</b>	<b>-</b>	<b>192,474</b>
<b>Adjusted EBITDA</b>	<b>19,983</b>	<b>24,120</b>	<b>13,134</b>	<b>27,285</b>	<b>2,339</b>	<b>(6,587)</b>	<b>80,274</b>
Depreciation, impairment and amortisation							(25,066)
Interest income							8,792
Finance costs							(25,841)
Foreign exchange loss							(163,988)
Hyperinflation monetary gain							106,244
Share of profits of associate							9
<b>Loss before taxation</b>							<b>(19,576)</b>
Tax credit							12,239
<b>Loss for the period</b>							<b>(7,337)</b>

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

#### 4. Net other income

Management fees income / (expense) (note 18)
(Loss) / gain on disposal of Right-of-Use assets
Sundry (expense) / income*
Gain / (loss) on disposal of property, plant and equipment

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

12 months ended		3 months ended	
28/02/2025	29/02/2024	28/02/2025	29/02/2024
USD'000	USD'000	USD'000	USD'000
(Audited)	(Audited)	(Unaudited)	(Unaudited)
1,685	3,686	(303)	873
(133)	1,554	77	1,554
(865)	6,741	(1,068)	6,145
984	253	14	(181)
<b>1,671</b>	<b>12,234</b>	<b>(1,280)</b>	<b>8,391</b>

#### 5. Interest income

Interest received from external parties
Interest received from related parties (note 18)

12 months ended		3 months ended	
28/02/2025	29/02/2024	28/02/2025	29/02/2024
USD'000	USD'000	USD'000	USD'000
(Audited)	(Audited)	(Unaudited)	(Unaudited)
1,542	5,028	173	3,420
22,749	19,582	7,020	5,372
<b>24,291</b>	<b>24,610</b>	<b>7,193</b>	<b>8,792</b>

#### 6. Finance costs

Interest on bank overdraft and loans
Finance cost on Senior Secured Notes
Finance arrangement fees amortised
Interest on lease liabilities
Interest paid to related parties (note 18)

12 months ended		3 months ended	
28/02/2025	29/02/2024	28/02/2025	29/02/2024
USD'000	USD'000	USD'000	USD'000
(Audited)	(Audited)	(Unaudited)	(Unaudited)
27,419	23,339	7,259	6,154
34,100	34,100	8,525	8,525
3,630	3,614	905	902
36,348	18,509	11,713	10,175
350	332	81	85
<b>101,847</b>	<b>79,894</b>	<b>28,483</b>	<b>25,841</b>

#### 7. Taxation

Current taxation
Deferred taxation credit
Withholding taxation

12 months ended		3 months ended	
28/02/2025	29/02/2024	28/02/2025	29/02/2024
USD'000	USD'000	USD'000	USD'000
(Audited)	(Audited)	(Unaudited)	(Unaudited)
24,982	24,535	9,039	1,168
(9,195)	(5,611)	(4,161)	(15,478)
10,107	8,668	2,898	2,071
<b>25,894</b>	<b>27,592</b>	<b>7,776</b>	<b>(12,239)</b>

Profit / (loss) before taxation

12 months ended		3 months ended	
28/02/2025	29/02/2024	28/02/2025	29/02/2024
USD'000	USD'000	USD'000	USD'000
(Audited)	(Audited)	(Unaudited)	(Unaudited)
44,343	32,870	(7,682)	(19,576)
5,232	23,820	1,102	34,437
15,084	4,115	(1,249)	(92,762)
(9,487)	(35,021)	(2,134)	(35,021)
(998)	(504)	(2,028)	542
3,518	6,692	2,132	(949)
(949)	(2,187)	2,883	(528)
3,387	22,009	4,445	79,971
10,107	8,668	2,625	2,071
<b>25,894</b>	<b>27,592</b>	<b>7,776</b>	<b>(12,239)</b>

Taxation is calculated at the rates prevailing in the respective jurisdictions:

Mauritius - Income tax (tax allowance of 80%, depending on type of income)	15%	15%
Mauritius - Corporate Climate Responsibility (CCR) Levy (if gross income for the year exceeds MUR 50 million)	2%	2%
South Africa	27%	27%
Kenya	30%	30%
United Kingdom	25%	24.5%
Tanzania	30%	30%
Zambia	35%	35%
Zimbabwe	25.75%	25.75%

## 8. Goodwill

	28/02/2025 USD'000 (Audited)	29/02/2024 USD'000 (Audited)
<b>Cost</b>		
Opening balance	73,990	76,576
Foreign exchange gain / (loss)	2,099	(2,586)
Closing balance	<b>76,089</b>	<b>73,990</b>

Goodwill acquired in a business combination is allocated at acquisition to the Cash Generating Units (CGU's) that are expected to benefit from that business combination.

	28/02/2025 USD'000 (Audited)	29/02/2024 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	59,873	57,774
Liquid Telecommunications Zambia Limited	2,201	2,201
Raha Tanzania Holdings Limited	5,584	5,584
	<b>76,089</b>	<b>73,990</b>

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:

- 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"), in the current year ended 28 February 2025, there was no impairment in LTHSA (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%).

### Sensitivity analysis

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 in 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.

### Other CGUs

- 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 USD'000	Computer Software USD'000	Customer Relationships USD'000	Work in Progress USD'000	Other Intangible Assets* USD'000	Total USD'000
<b>Cost:</b>						
<b>At 01 March 2023 (Audited)</b>	32,394	36,352	26,350	3,104	47,122	145,322
Acquisition of subsidiary	-	-	82	-	-	82
Purchases during the period	640	4,992	-	2,306	-	7,938
Disposals during the year	(640)	(1,186)	-	(84)	-	(1,910)
Transfers	-	2,226	-	(2,226)	-	-
Impairment	-	-	-	(58)	-	(58)
Foreign exchange differences	(4,481)	(2,743)	(1,719)	4	(2,035)	(10,974)
Adjustments - IAS 29	3,477	1,231	-	-	-	4,708
<b>At 29 February 2024 (Audited)</b>	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
<b>At 28 February 2025 (Audited)</b>	<u>37,026</u>	<u>41,694</u>	<u>25,979</u>	<u>2,923</u>	<u>43,893</u>	<u>151,515</u>
<b>Accumulated amortisation:</b>						
<b>At 01 March 2023 (Audited)</b>	12,124	28,131	18,673	-	22,180	81,108
Amortisation	1,951	4,518	2,794	-	461	9,724
Disposals during the year	(640)	(1,186)	-	-	-	(1,826)
Foreign exchange differences	(2,328)	(2,144)	(776)	-	(1,547)	(6,795)
Adjustments - IAS 29	1,863	903	-	-	-	2,766
<b>At 29 February 2024 (Audited)</b>	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
<b>At 28 February 2025 (Audited)</b>	<u>15,606</u>	<u>30,989</u>	<u>23,360</u>	<u>-</u>	<u>22,748</u>	<u>92,703</u>
<b>Carrying amount:</b>						
At 29 February 2024 (Audited)	<u>18,420</u>	<u>10,650</u>	<u>4,022</u>	<u>3,046</u>	<u>23,993</u>	<u>60,131</u>
At 28 February 2025 (Audited)	<u>21,420</u>	<u>10,705</u>	<u>2,619</u>	<u>2,923</u>	<u>21,145</u>	<u>58,812</u>

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

In Intangible assets, during the year ended 28 February 2025, no impairment was required following the review of the carrying value of the group and company by the directors. (29 February 2024: USD 0.1 million).



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
<b>Cost:</b>								
<b>At 01 March 2023 (Audited)</b>	16,027	9,527	28,237	93,659	9,788	40,383	898,939	1,096,560
Acquisition of subsidiary	-	4	97	-	-	-	-	101
Additions during the period	231	2,159	2,110	3,797	761	14,991	41,436	65,485
Disposals during the period	(1,007)	(2,775)	(2,702)	(30,589)	(197)	(1,282)	(34,818)	(73,370)
Transfer from Right-of-Use assets (note 11)	-	-	-	515	-	-	-	515
Reclassification	-	-	-	-	-	2,257	-	2,257
Impairment	-	-	-	-	-	-	(1,285)	(1,285)
Write offs	-	-	-	-	-	(5)	-	(5)
Transfers	-	68	34	27,410	-	(27,927)	415	-
Transfers to inventory	-	-	(5)	-	-	-	(6,688)	(6,693)
Transfer from inventory	-	-	4	-	-	263	-	267
Foreign exchange differences	(2,493)	(1,890)	(2,001)	(12,556)	(4,219)	(7,834)	(227,641)	(258,634)
Adjustments - IAS 29	1,913	1,674	930	1,571	3,780	6,274	192,738	208,880
<b>At 29 February 2024 (Audited)</b>	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
<b>At 28 February 2025 (Audited)</b>	<u>14,988</u>	<u>9,514</u>	<u>22,616</u>	<u>90,834</u>	<u>9,775</u>	<u>27,628</u>	<u>895,024</u>	<u>1,070,379</u>
<b>Accumulated depreciation</b>								
<b>At 01 March 2023 (Audited)</b>	5,729	7,768	25,478	88,285	6,697	(2,257)	438,817	570,517
Acquisition of subsidiaries	-	3	54	-	-	-	-	57
Depreciation	279	666	1,243	7,649	559	-	46,458	56,854
Disposals during the period	(845)	(2,773)	(2,673)	(30,093)	(166)	-	(13,371)	(49,921)
Transfers	-	-	-	2,565	-	-	(2,565)	-
Reclassification	-	-	-	249	-	2,257	-	2,506
Foreign exchange differences	(230)	(1,303)	(1,482)	(9,052)	(2,392)	-	(96,752)	(111,211)
Adjustments - IAS 29	-	897	309	1,165	2,068	-	77,133	81,572
<b>At 29 February 2024 (Audited)</b>	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
<b>At 28 February 2025 (Audited)</b>	<u>5,387</u>	<u>5,944</u>	<u>19,323</u>	<u>67,860</u>	<u>6,781</u>	<u>-</u>	<u>489,094</u>	<u>594,389</u>
<b>Carrying amount:</b>								
At 29 February 2024 (Audited)	<u>9,738</u>	<u>3,509</u>	<u>3,775</u>	<u>23,039</u>	<u>3,147</u>	<u>27,120</u>	<u>413,376</u>	<u>483,704</u>
At 28 February 2025 (Audited)	<u>9,601</u>	<u>3,570</u>	<u>3,293</u>	<u>22,974</u>	<u>2,994</u>	<u>27,628</u>	<u>405,930</u>	<u>475,990</u>

11. Right-of-Use assets

Cost:

At 01 March 2023 (Audited)

Additions during the period

Disposals during the period\*

Transfer from pre-commencement lease payments\*\*

Transfer to Property, plant and equipment (note 10)

Write offs

Transfers

Transfers to inventory

Foreign exchange differences

Adjustments - IAS 29

At 29 February 2024 (Audited)

Additions during the period

Disposals during the period\*

Transfers

Foreign exchange differences

Adjustments - IAS 29

At 28 February 2025 (Audited)

Accumulated depreciation:

At 01 March 2023 (Audited)

Depreciation

Disposals during the period\*

Reclassification

Write offs

Transfers

Foreign exchange differences

Adjustments - IAS 29

At 29 February 2024 (Audited)

Depreciation

Disposals during the period\*

Transfers

Foreign exchange differences

Adjustments - IAS 29

At 28 February 2025 (Audited)

At 29 February 2024 (Audited)

At 28 February 2025 (Audited)

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
101,169	-	52,324	2,081	87,247	148,285	391,106
8,580	-	11,905	-	45,849	5,856	72,190
(10,086)	-	(20,396)	-	(2,588)	(462)	(33,532)
-	-	-	-	-	200	200
-	-	-	-	-	(515)	(515)
(1,039)	-	-	-	-	-	(1,039)
-	-	-	-	76	(76)	-
-	-	-	-	(449)	-	(449)
(43,780)	-	(2,505)	(134)	(3,502)	(1,785)	(51,706)
15,447	-	-	-	-	-	15,447
70,291	-	41,328	1,947	126,633	151,503	391,702
7,805	231	2,340	1,698	55,738	1,911	69,723
(4,120)	-	(2,554)	(153)	(700)	(909)	(8,436)
(4,068)	-	-	-	4,068	-	-
(11,938)	(10)	(2,492)	(5)	1,668	756	(12,021)
12,713	-	-	-	-	-	12,713
70,683	221	38,622	3,487	187,407	153,261	453,681
37,073	-	31,999	1,675	31,575	67,465	169,787
9,153	-	11,523	193	18,046	8,058	46,973
(5,615)	-	(20,370)	-	(2,274)	(13)	(28,272)
-	-	-	-	-	(249)	(249)
(1,039)	-	-	-	-	-	(1,039)
-	-	-	-	57	(57)	-
(7,562)	-	(1,453)	(100)	(1,824)	(1,432)	(12,371)
(83)	-	-	-	-	-	(83)
31,927	-	21,699	1,768	45,580	73,772	174,746
10,607	142	10,050	319	23,222	7,787	52,127
(3,121)	-	(2,541)	(131)	(697)	(656)	(7,146)
(2,686)	-	-	-	2,686	-	-
919	(6)	(1,771)	39	907	404	492
454	-	-	-	-	-	454
38,100	136	27,437	1,995	71,698	81,307	220,673
38,364	-	19,629	179	81,053	77,731	216,956
32,583	85	11,185	1,492	115,709	71,954	233,008

\*relates to lease modifications or cancellations.

\*\* During the year ended 29 February 2024, USD 0.2 million was transferred from pre-commencement lease payments to Right-of-Use assets as the assets were brought into use.

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

	28/02/2025	29/02/2024
	USD'000	USD'000
	(Audited)	(Audited)
Cash and bank balances	80,913	55,850
Money market deposits	4,455	804
Cash and cash equivalents	<b>85,368</b>	<b>56,654</b>
Restricted cash and cash equivalents	<b>425</b>	<b>422</b>
Total cash and cash equivalents	<b>85,793</b>	<b>57,076</b>

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 17.1 million (29 February 2024: USD 11.2 million) in Zimbabwe held in cash, short term deposits and similar instruments. These amounts have been translated at the rate of ZWG:USD of 26.6:1 (29 February 2024: ZWL\$:USD 14,912.8:1). See note 1.1 - *Zimbabwean currency and Hyperinflation accounting* for more detailed disclosure.

The group has restricted cash for the following purposes:

	28/02/2025	29/02/2024
	USD'000	USD'000
	(Audited)	(Audited)
Guarantees	1	1
Customer deposits held	424	421
	<b>425</b>	<b>422</b>

## 13. Trade and other receivables

	28/02/2025	29/02/2024
	USD'000	USD'000
	(Audited)	(Audited)
Trade receivables from external parties	126,426	130,824
Trade receivables from related parties (note 18)	69,145	35,652
Expected credit loss provision	(30,114)	(39,051)
<b>Total trade and related parties receivables, net of expected credit loss provision</b>	<b>165,457</b>	<b>127,425</b>
Short term inter-company and other related party receivables (note 18)	78,327	51,498
Expected credit loss provision on short term inter-company and other related party receivables	(138)	-
Sundry debtors	45,100	45,149
Deposits paid	3,881	3,781
Prepayments	39,123	31,091
	<b>331,750</b>	<b>258,944</b>

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	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
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	67,542	20,569	8,831	12,208	56,306	165,457
Default rate	5.1%	13.1%	23.0%	26.4%	22.5%	
As at 29 February 2024						
Trade and related parties receivables - Gross	41,951	20,990	11,133	11,776	80,626	166,476
Lifetime ECL	(925)	(579)	(563)	(474)	(36,510)	(39,051)
Trade and related parties receivables - Net	41,026	20,411	10,570	11,302	44,115	127,425
Default rate	2.2%	2.8%	5.1%	4.0%	45.3%	

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

	28/02/2025	29/02/2024
	USD'000	USD'000
	(Audited)	(Audited)
<b>Long term borrowings:</b>		
USD 620 million 5.5% Senior Secured Notes (i)	615,632	612,736
Net settled: Embedded derivatives (note 22)	1,878	1,878
USD 220 million equivalent South African Rand term loan (ii)	-	127,315
Other long-term borrowings	73	323
	<b>617,583</b>	<b>742,252</b>
<b>Short term portion of long term borrowings (including interest accrued):</b>		
USD 620 million 5.5% Senior Secured Notes (i)	17,050	17,050
USD 220 million equivalent South African Rand term loan (ii)	132,845	17,554
Stanbic Bank of Zambia Limited Term loan (iii)	-	2,436
Stanbic Bank of Zambia Limited revolving loan (iii)	1,741	1,058
USD 60 million revolving credit facility (iv)	25,290	42,665
Other Short-term portion of long term borrowings	248	224
	<b>177,174</b>	<b>80,987</b>

(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 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) Stanbic Bank of Zambia Limited term loan

Liquid Telecommunications Zambia Limited had USD 23.3 million (maturity in the financial year 2025) of term loans denominated in local currency (Zambian Kwacha). Liquid Telecommunications Holdings Limited guaranteed up to USD 13.0 million in aggregate of these facilities. The facility agreement also included a first ranking charge over certain assets including bank accounts and receivables of Liquid Telecommunications Zambia Limited. The facility bears interest at the rate of 23.5%. Capital and interest are repaid on a quarterly basis. The financial covenants for this facility are Total debt to EBITDA and Debt Service Ratio. The term loan has been fully repaid during the financial year.

Stanbic Bank of Zambia Limited revolving credit facility

As of 28 February 2025, the outstanding amount on the Revolving Credit Facility contracted by Liquid Telecommunications Zambia Limited was USD 1.7 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 4.25%, 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 28 February 2025 was USD 25.3 million.

#### 15. Lease liabilities

	28/02/2025	29/02/2024
	USD'000	USD'000
	(Audited)	(Audited)
Long term portion of lease liabilities	140,740	116,804
Short term portion of lease liabilities	36,628	20,441
	<b>177,368</b>	<b>137,245</b>

# **16. Trade and other payables**

	<b>28/02/2025</b>	<b>29/02/2024</b>
	<b>USD'000</b>	<b>USD'000</b>
	<b>(Audited)</b>	<b>(Audited)</b>
Trade accounts payable to external parties	132,340	119,724
Trade payable balance to related parties (note 18)	27,415	17,809
Accruals	58,135	49,492
Staff payables	4,021	4,679
Transaction taxes due in various jurisdictions	12,489	6,641
Other short-term payables	4,579	1,544
	<b>238,979</b>	<b>199,889</b>

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**

	<b>28/02/2025</b>	<b>29/02/2024</b>
	<b>USD'000</b>	<b>USD'000</b>
	<b>(Audited)</b>	<b>(Audited)</b>
Long-term portion of deferred revenue	47,179	56,967
Short-term portion of deferred revenue	47,595	40,443
	<b>94,774</b>	<b>97,410</b>

Deferred revenue mainly relates to revenue billed in advance which includes deferred revenue on any Infeasible-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 Infracore 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 Infracore (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:

	<b>12 months ended</b>		<b>3 months ended</b>	
	<b>28/02/2025</b>	<b>29/02/2024</b>	<b>28/02/2025</b>	<b>29/02/2024</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Sales of goods and services</b>				
Econet Global related group companies	65,729	76,751	24,695	13,407
Africa Data Centres related group companies	451	324	68	82
Liquid (Jersey) and other related group of companies	41,219	26,705	8,541	19,376
	<b>107,399</b>	<b>103,780</b>	<b>33,304</b>	<b>32,865</b>

**18. Related party transactions and balances (continued)**

	12 months ended		3 months ended	
	28/02/2025	29/02/2024	28/02/2025	29/02/2024
	USD'000	USD'000	USD'000	USD'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
<b>Purchase of goods and services</b>				
Econet Global related group companies	17,464	22,555	3,852	5,116
Africa Data Centres related group companies	1,417	3,794	4	2,145
Liquid (Jersey) and other related group of companies	31,760	20,847	6,090	20,794
	<b>50,641</b>	<b>47,196</b>	<b>9,946</b>	<b>28,055</b>
<b>Management fees expense</b>				
Econet Global related group companies	<b>600</b>	<b>510</b>	<b>150</b>	<b>150</b>
<b>Management fees income / (expense)</b>				
Africa Data Centres related group companies	7	620	(397)	124
Econet Global related group companies	-	76	-	(1)
Liquid (Jersey) and other related group of companies	1,678	2,990	94	748
	<b>1,685</b>	<b>3,686</b>	<b>(303)</b>	<b>871</b>
<b>Dividend paid</b>				
Other shareholders (net of taxes)	<b>916</b>	<b>496</b>	<b>360</b>	<b>136</b>
<b>Interest income</b>				
Econet Global related group companies	734	621	194	159
Liquid (Jersey) and other related group of companies	2,820	1,028	731	836
Africa Data Centres related group companies	19,195	17,933	6,095	4,377
	<b>22,749</b>	<b>19,582</b>	<b>7,020</b>	<b>5,372</b>
<b>Finance costs</b>				
Liquid (Jersey) and other related group of companies	<b>350</b>	<b>332</b>	<b>81</b>	<b>85</b>
<b>Administration fees paid</b>				
DTOS Limited	<b>421</b>	<b>398</b>	<b>134</b>	<b>58</b>

**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 year is USD 0.5 million and the amount payable at the 28 February 2025 is USD 0.4 million.

The group has the following balances at the period end:

	28/02/2025	29/02/2024
	USD'000	USD'000
	(Audited)	(Audited)
<b>Short-term receivables from related parties</b>		
Africa Data Centres related group companies	32,745	21,547
Liquid (Jersey) and other related group of companies	40,179	25,440
Econet Global related group companies	2,501	1,827
Econet Infraco related group companies	804	743
Sasai Related Group Companies	2,098	1,480
Strive Masiyiwa	-	461
	<b>78,327</b>	<b>51,498</b>
<b>Trade receivables balances from affiliated entities and other related parties</b>		
Econet Global Limited (Mauritius)	4,999	4,999
Econet Global Related Group Companies	16,971	20,327
Econet Infraco related group companies	10	7
Vaya Related Group Companies	657	436
Liquid (Jersey) and other related group of companies	37,524	3,032
Africa Data Centres related group companies	8,506	4,235
Strive Masiyiwa	478	2,616
	<b>69,145</b>	<b>35,652</b>
<b>Trade payable balance to related parties</b>		
Econet Global related group companies	944	774
Telrad Networks Ltd	15	351
Africa Data Centres related group companies	9,199	7,839
Sasai Related Group Companies	212	954
Liquid (Jersey) and other related group of companies	17,045	7,891
	<b>27,415</b>	<b>17,809</b>
<b>Long-term receivables</b>		
Africa Data Centres related group companies	132,064	128,095
Liquid (Jersey) and other related group of companies	3,958	11,838
	<b>136,022</b>	<b>139,933</b>

## 19. Capital commitments

At 28 February 2025, the group committed to the following capital commitments:

Authorised and contracted  
Intangible assets  
Property, plant and equipment

28/02/2025	29/02/2024
USD'000	USD'000
(Audited)	(Audited)
5,673	1,507
18,145	24,925
<b>23,818</b>	<b>26,432</b>

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)  
Other receivables

136,022	139,933
308	3,141
<b>136,330</b>	<b>143,074</b>

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.

Other receivables

On 16 March 2022, Liquid Telecommunications South Africa (Pty) Ltd, a subsidiary of the group, concluded an interest rate swap agreement with Standard Bank of South Africa Limited in relation to the long-term loan raised from various financial institutions. It swapped the floating 3 Months JIBAR to a fixed JIBAR of 6.79% for the amortising and bullet portions of the loans for their full tenor. The loans are due for settlement on 25 February 2026. The interest rate swap resulted in savings of USD 2.1 million in the group's finance costs for the current financial year. Unrealised savings on interest costs due to the interest rate swap of USD 3.1 million was recognised in the year 29 February 2024.

## 21. Dividend

### Year ended 28 February 2025:

- Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared and paid a dividend of USD 1.7 million. USD 0.5 million is attributable to the non-controlling interests of the subsidiary.
- Zanlink, 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.
- Worldstream (Pty) Limited, a subsidiary of the group, declared a dividend of USD 0.3 million during the period. USD 0.1 million is attributable to the non-controlling interests of the subsidiary.

### Year ended 29 February 2024:

Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared and paid a dividend of USD 1.2 million. USD 0.4 million is attributable to the non-controlling interests of the subsidiary.

Worldstream (Pty) Limited, a subsidiary of the group, declared a dividend of USD 0.4 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).

### 28 February 2025

Investments at FVTOCI (i)  
Total (Audited)

Level 1	Level 2	Level 3	Total
USD'000	USD'000	USD'000	USD'000
1,358	-	15,314	16,672
<b>1,358</b>	<b>-</b>	<b>15,314</b>	<b>16,672</b>

### 29 February 2024

Investments at FVTOCI (i)  
Total (Audited)

Level 1	Level 2	Level 3	Total
USD'000	USD'000	USD'000	USD'000
48	-	15,314	15,362
<b>48</b>	<b>-</b>	<b>15,314</b>	<b>15,362</b>

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

	28/02/2025	29/02/2024
	USD'000	USD'000
	(Audited)	(Audited)
Opening balance	15,362	15,314
Additions	1,983	953
Disposals	-	(1,772)
Fair value (loss) / gain	(636)	867
Foreign exchange loss	(37)	-
Closing balance	<b>16,672</b>	<b>15,362</b>

## 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 28 February 2025, the fair value of the embedded derivatives was nil (29 February 2024: 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 year ended 28 February 2025:

- Purchase of property, plant and equipment of the group included a non cash portion of USD 3.4 million.

During the year ended 29 February 2024:

- Purchase of property, plant and equipment of the group included a non cash portion of USD 4.2 million.

## 24. Profit / (loss) per share

	12 months ended		3 months ended	
	28/02/2025	29/02/2024	28/02/2025	29/02/2024
	USD'000	USD'000	USD'000	USD'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Profit / (loss) per share (Cents per share)	14.77	4.51	(12.72)	(5.92)

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

Profit / (loss) attributable to owners of the company	18,443	5,631	(15,886)	(7,384)
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	12 months ended	
	28/02/2025	29/02/2024
	USD'000	USD'000
	(Audited)	(Audited)
Weighted average number of ordinary shares for the purpose of basic profit / (loss) per share for the year ended	124,857,914	124,857,914

At 28 February 2025, the share capital of USD 3.7 million represents 124,857,914 ordinary shares (29 February 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*.

	12 months ended		3 months ended	
	28/02/2025	29/02/2024	28/02/2025	29/02/2024
	USD'000	USD'000	USD'000	USD'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Operating profit	140,302	142,178	30,928	55,208
Add back:				
Depreciation, impairment and amortisation	124,666	115,052	38,035	25,066
Dividend received	59	44	36	-
Adjusted EBITDA (note 3)	<u>265,027</u>	<u>257,274</u>	<u>68,999</u>	<u>80,274</u>

### 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
<b>12 months ended 28 February 2025 (Audited):</b>			
Revenue	693,534	-	693,534
Interconnect related costs	(38,829)	-	(38,829)
Data and network related costs	(203,436)	33,404	(170,032)
Gross Profit	451,269	33,404	484,673
Other income	1,671	-	1,671
Dividend received	59	-	59
Selling, distribution and marketing costs	(11,286)	-	(11,286)
Expected credit loss reversal	(823)	-	(823)
Administrative expenses	(58,870)	(33,404)	(92,274)
Staff costs	(116,993)	-	(116,993)
Adjusted EBITDA	<u>265,027</u>	<u>-</u>	<u>265,027</u>

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

12 months ended 29 February 2024 (Audited):

Revenue
Interconnect related costs
Data and network related costs
Gross Profit
Other income
Dividend received
Selling, distribution and marketing costs
Expected credit loss provision
Administrative expenses
Staff costs
Adjusted EBITDA

3 months ended 28 February 2025 (Unaudited):

Revenue
Interconnect related costs
Data and network related costs
Gross Profit
Other income
Dividend received
Selling, distribution and marketing costs
Expected credit loss provision
Administrative expenses
Staff costs
Adjusted EBITDA

3 months ended 29 February 2024 (Unaudited):

Revenue
Interconnect related costs
Data and network related costs
Gross Profit
Other income
Selling, distribution and marketing costs
Expected credit loss provision
Administrative expenses
Staff costs
Adjusted EBITDA

Consolidated statement of profit or loss USD'000	Reclassification of network costs USD'000	Revised statement of profit or loss USD'000
686,718	-	686,718
(43,905)	-	(43,905)
(201,845)	36,452	(165,393)
440,968	36,452	477,420
12,234	-	12,234
44	-	44
(10,764)	-	(10,764)
(7,665)	-	(7,665)
(66,898)	(36,452)	(103,350)
(110,645)	-	(110,645)
257,274	-	257,274
180,626	-	180,626
(11,534)	-	(11,534)
(43,635)	9,019	(34,616)
125,457	9,019	134,476
(1,280)	-	(1,280)
36	-	36
(4,177)	-	(4,177)
(4,918)	-	(4,918)
(13,111)	(9,019)	(22,130)
(33,008)	-	(33,008)
68,999	-	68,999
192,474	-	192,474
(9,964)	-	(9,964)
(71,114)	10,203	(60,911)
111,396	10,203	121,599
8,391	-	8,391
(2,439)	-	(2,439)
(4,119)	-	(4,119)
(23,081)	(10,203)	(33,284)
(9,874)	-	(9,874)
80,274	-	80,274

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.