



Liquid Telecommunications Financing plc

Guaranteed by Liquid Telecommunications Holdings Limited and certain of its subsidiaries

US\$300 million 10¾% Senior Secured Notes due 2031

Liquid Telecommunications Financing plc, a public company limited by shares incorporated under the laws of England and Wales (the “**Issuer**”), is offering US\$300 million in aggregate principal amount of its 10¾% Senior Secured Notes due 2031 (the “**Notes**”). The Notes are being issued under the indenture (the “**Indenture**”) dated as of April 14, 2026, between, among others, the Company, the Guarantors and the Trustee. Interest on Notes will be paid semi-annually in arrears on April 14 and October 14 of each year, commencing on October 14, 2026. Interest on the Notes will accrue at a rate equal to 10.7500% per annum. The Notes will mature on April 14, 2031. Interest on the Notes will be deemed to have accrued from April 14, 2026.

The Issuer may redeem the Notes in whole or in part at any time on or after April 14, 2028, at the redemption prices specified herein. Prior to April 14, 2028, the Issuer may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, plus the applicable “make whole” premium as described herein. At any time prior to April 14, 2028, the Issuer may redeem up to 40% of the Notes with the net cash proceeds from certain equity offerings at the redemption price set forth herein. The Issuer may redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law. In addition, in the event of a change of control or sale of certain assets, the Issuer may be required to make an offer to purchase the Notes. The Notes will be the Issuer’s general, senior obligations and the Notes will rank *pari passu* in right of payment with any existing and future obligations of the Issuer that are not expressly subordinated in right of payment to the Notes, and the Notes will rank senior in right of payment to all future obligations of the Issuer that are expressly subordinated in right of payment to the Notes, if any.

The Notes will, subject to the Agreed Security Principles and certain limitations under applicable law, be guaranteed (i) on the Issue Date on a senior basis by Liquid Telecommunications Holdings Limited (the “**Company**”), all of the Non-South African Subsidiary Guarantors (as defined below) other than Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC) and all of the South African Subsidiary Guarantors (namely, Liquid Telecommunications Holdings South Africa (Pty) Ltd and Liquid Telecommunications South Africa (Pty) Ltd) (together, the “**Issue Date Guarantors**”), and (ii) within 120 days from the Issue Date (or such earlier date on which such entities become borrowers or guarantors under the Senior Facilities (as described herein)), by two additional Non-South African Subsidiary Guarantors (namely, Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC) (each, a “**Post-Issue Date Guarantor**” and, together with the Issue Date Guarantors, the “**Guarantors**”). Each of the Guarantors will also be a borrower or guarantor under the Senior Facilities (as defined herein). The Guarantees issued by each Guarantor with respect to the Notes will rank *pari passu* in right of payment with any existing and future obligations of that Guarantor that are not expressly subordinated in right of payment to such Guarantee (including indebtedness incurred under the Senior Facilities) and rank senior in right of payment to all future obligations of such Guarantor that are expressly subordinated in right of payment to such Guarantee, if any. The Notes and the Guarantees will be effectively subordinated to all of the Issuer’s and the Guarantors’ future secured debt to the extent of the value of the assets securing such debt that do not also secure the Notes or the Guarantees, respectively. The Notes and the Guarantees will be structurally subordinated to all existing and future obligations and other liabilities of the Issuer’s and the Guarantors’ subsidiaries that do not guarantee the Notes.

The Notes and the Guarantees will, subject to the Agreed Security Principles and certain limitations under applicable law and certain perfection requirements, be directly secured by first priority security interests over the assets in such jurisdictions (the “**Global Collateral**”) that secure the Senior Facilities, as more fully described elsewhere in this Offering Memorandum, including, as of the Issue Date, by the Issue Date Global Collateral (as described herein), and within 120 days from the Issue Date (or such earlier date on which such security is granted in relation to the Senior Facilities), by the Post-Issue Date Global Collateral (as described herein). The Notes and the Guarantees of the Company and the South African Subsidiary Guarantors (and the Notes indirectly as a result) will, subject to the Agreed Security Principles and certain limitations under applicable law and certain perfection requirements, be indirectly secured as of the Issue Date by first priority security interests over the same assets in South Africa (the “**South African Collateral**”) and together with the Global Collateral, the “**Collateral**”) that secure the Senior Facilities, through a limited recourse guarantee (the “**SPV Guarantee**”) granted by the Security SPV (as defined below). The SPV Guarantee is supported by a counter-indemnity agreement (the “**Counter-Indemnity Agreement**”) between the Security SPV, the South African Subsidiary Guarantors and the Company. The South African Collateral secures the obligations of the South African Subsidiary Guarantors and the Company under the Counter-Indemnity Agreement on a first priority basis. Under the terms of the Intercreditor Agreement (as defined herein), in the event of enforcement of security interests over the Collateral, the holders of the Notes and the lenders under the Senior Facilities will receive proceeds from the Collateral on a *pro rata* basis. See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*” The Guarantees, the SPV Guarantee and the security interests in the Collateral are subject to contractual and legal limitations that may limit their enforcement and may be released under certain circumstances.

As an initial step in the Transactions (as defined below), on February 25, 2026, a portion of the proceeds of the Parent Contribution (as defined below), together with other cash on hand, was used to repay all amounts outstanding under the Existing Facilities (as defined below). In order to complete the Transactions, the proceeds from the offering of the Notes, together with a portion of the proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities, are intended to be used to: (i) fully redeem the Existing 2026 Notes, and (ii) pay costs, expenses and fees (including the Initial Purchasers’ fees, legal, accounting and other fees and expenses) in connection with the Transactions. The remaining proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities will effectively replenish a portion of the Company’s cash on hand that was used for repayment of the Existing Facilities and be available for general corporate purposes. See “*Use of Proceeds.*” This Offering Memorandum includes information on the terms of the Notes and the Guarantees, including redemption and purchase prices, security, covenants and transfer restrictions. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the Notes to be listed on the Official List and to admit them for trading on the Global Exchange Market thereof (the “**Exchange**”). The Offering Memorandum comprises listing particulars for the purposes of such application and has been approved by Euronext Dublin.

Investing in the Notes involves risks. See “Risk Factors” beginning on page 35.

The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any other jurisdiction. Accordingly, the Notes and the Guarantees are being offered and sold inside the United States only to qualified institutional buyers (“QIBs”) in reliance on Rule 144A under the U.S. Securities Act (“Rule 144A”) and outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act (“Regulation S”). Prospective purchasers that are QIBs are hereby notified that the Initial Purchasers may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes, see “Plan of Distribution” and “Notice to Investors.”

Issue price for the Notes: 100.0000%, plus accrued interest if any, from the Issue Date

The Notes will be represented on the Issue Date by one or more global notes, which will be delivered through the Depository Trust Company (“**DTC**”), Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream**”) on or about April 14, 2026 (the “**Issue Date**”). See “*Book-Entry; Delivery and Form.*” The Notes will be in registered form in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Joint Lead Managers and Joint Bookrunners

J.P. Morgan

Rand Merchant Bank

Standard Bank

Development Finance Structuring Agents

J.P. Morgan

Standard Bank

The date of this Offering Memorandum is April 9, 2026.

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You should rely only on the information contained in this Offering Memorandum. None of the Issuer, the Guarantors or any of J.P. Morgan Securities plc, Rand Merchant Bank, a division of FirstRand Bank Limited (London Branch) and The Standard Bank of South Africa Limited (the “Initial Purchasers”) has authorized anyone to provide you with information that is different from the information contained herein. If given, no

such information should be relied upon. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum.

None of the Issuer nor the Guarantors or any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where the offering of the Notes (the “Offering”) is not permitted.

The Company is a private company limited by shares under the laws of the Republic of Mauritius. The Company was incorporated on January 26, 2007, and was granted a Global Business Company license on June 30, 2021. The Company is registered under company number 068355. The Company’s registered office is located at 10th Floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, 72201, Republic of Mauritius.

Unless the context otherwise requires, references in this Offering Memorandum to “we”, “our”, “us” and the “Group” are collectively to the Company and its direct and indirect subsidiaries. Certain key terms used in this Offering Memorandum are defined in the section entitled “*Certain Key Definitions*”.

IMPORTANT INFORMATION

This Offering Memorandum has been prepared by us solely for use in connection with the proposed Offering of the Notes described in this Offering Memorandum. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes.

The distribution of this Offering Memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum or any of the Notes come must inform themselves about, and observe any restrictions on, the transfer and exchange of the Notes. See “*Notice to Investors*” and “*Plan of Distribution*.”

In making an investment decision regarding the Notes, prospective investors must rely on their own examination of our business and the terms of the Offering, including the merits and risks involved. In addition, no member of the Liquid Group or the Cassava Technologies Group, any Initial Purchaser, the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent (each as defined below) or any other agent acting with respect to the Notes or any of our or their respective representatives are making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Memorandum as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; no member of the Liquid Group or the Cassava Technologies Group, any Initial Purchaser, the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent or any other agent acting with respect to the Notes or any of our or their respective representatives shall have any responsibility for any of the foregoing legal requirements.

The Issuer, the Company and the other members of the Liquid Group are indirect subsidiaries of the Cassava Parent, and the Liquid Group forms a part of the broader Cassava Technologies Group. Neither the Cassava Parent nor any other member of the Cassava Technologies Group outside of the Liquid Group assumes any liability for or guarantees the Notes and investors in the Notes will not have any recourse against the Cassava Parent or any other member of the Cassava Technologies Group outside of the Liquid Group in the event of default by the Issuer or any of the Guarantors of their respective obligations under the terms of the Notes and the Guarantees.

No member of the Liquid Group (other than the Issuer and the Guarantors) or the Cassava Technologies Group, any Initial Purchaser, the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent or any other agent acting with respect to the Notes or any of our or their respective representatives are making any representation or warranty, express or implied, and assume no responsibility, that the information contained in this Offering Memorandum is accurate or complete and are not responsible for this information. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by any member of the Liquid Group or the Cassava Technologies Group, any Initial Purchaser, the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent or any other agent acting with respect to the Notes or any of our or their respective representatives as to the past or the future.

The Issuer and the Guarantors accept responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Issuer and the Guarantors, having taken all reasonable care to ensure such is the case, the information contained in this Offering Memorandum is in accordance with the facts and contains no omission likely to affect its import. However, the information set out in the sections entitled “*Overview*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*Industry Overview*” and “*Business*” includes extracts from information and data, including industry and market data, released by publicly available sources. While we accept responsibility for the accurate extraction and summarization of such industry and market information and data, we have not independently verified the accuracy of such information and data and we accept no further responsibility in respect thereof. In addition, this Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. However, as far as we are aware, no information or data has been omitted which would render reproduced information inaccurate or misleading.

The information contained in this Offering Memorandum is correct as of the date hereof. Neither the delivery of this Offering Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set forth in this Offering Memorandum or in our business since the date of this Offering Memorandum. Any information sourced from third parties contained in this Offering Memorandum has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

We have accurately reproduced the information set out in relation to sections of this Offering Memorandum describing clearing arrangements, including in the section entitled “*Book-Entry; Delivery and Form*” and as far as we are aware and able to ascertain from third-party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Nonetheless, such information is subject to any change in, or reinterpretation of, the rules, regulations and procedures of DTC, Euroclear and Clearstream (in each case, as defined herein) currently in effect. While we accept responsibility for accurately summarizing the information concerning DTC, Euroclear and Clearstream, we accept no further responsibility in respect of such information. None of DTC, Euroclear or Clearstream is under any obligation to perform or continue to perform under such clearing arrangements and such arrangements may be modified or discontinued by either of them at any time. We will not, nor will any of our agents, have responsibility for the performance of the respective obligations of DTC, Euroclear or Clearstream or their respective participants. Investors wishing to use these clearing systems are advised to confirm the continued applicability of these arrangements.

No member of the Liquid Group (other than the Issuer and the Guarantors) or the Cassava Technologies Group, the Initial Purchasers, the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent or any other agent acting with respect to the Notes accepts responsibility for or makes any representation or warranty, express or implied, as to the accuracy or completeness of the information set out in this Offering Memorandum and nothing contained in this Offering Memorandum is, or should be relied upon as, a promise or representation by any member of the Liquid Group or the Cassava Technologies Group, the Initial Purchasers, the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent or any other agent acting with respect to the Notes as to the past or the future. By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to request from us for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. You also acknowledge that you have not relied on any member of the Liquid Group (other than the Issuer and the Guarantors) or the Cassava Technologies Group, or the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes. No member of the Liquid Group (other than the Issuer and the Guarantors) or the Cassava Technologies Group, and none of the Trustee, Security Agent, Transfer Agent, Paying Agent nor Registrar, is responsible for the contents of this Offering Memorandum or expresses any opinion as to the merits of the Notes under this Offering Memorandum.

The contents of our websites or the website of other members of the Cassava Technologies Group do not form any part of this Offering Memorandum. All such websites are mainly addressed to potential clients of our or other members of the Cassava Technologies Group’s services and, therefore, information available on such websites may differ in content or may be organized differently than information in this Offering Memorandum. For the purposes of making an investment decision regarding the Notes, you should not rely on any such websites.

None of the U.S. Securities and Exchange Commission (the “SEC”), any state securities commission or any other U.S. regulatory authority, has approved or disapproved the Notes and none of the foregoing authorities have passed upon or endorsed the merits of this Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the U.S. Securities Act and the applicable state securities laws, pursuant to registration or exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this Offering Memorandum entitled “*Plan of Distribution*” and “*Notice to Investors*.”

The Notes will be available initially only in book-entry form. We expect that the Notes sold pursuant to this Offering Memorandum will be issued in the form of one or more global notes. The Rule 144A global notes will be deposited with a custodian for DTC and registered in the name of Cede & Co. as nominee of DTC. The Regulation S global notes will be deposited with, or on behalf of a common depository for, Euroclear and Clearstream. The Notes will be issued in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by DTC, Euroclear and Clearstream and their direct and indirect participants, as applicable. After the initial issuance of the global notes, Notes in certificated form will be issued in exchange for the global notes only as set forth in the indenture governing the Notes. See “*Book-Entry; Delivery and Form.*”

We reserve the right to withdraw the Offering at any time. We and the Initial Purchasers reserve the right to reject any offer to purchase the Notes, in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it. The Initial Purchasers and certain of their respective related entities may acquire a portion of the Notes for their own accounts.

We cannot guarantee that the application we will make to Euronext Dublin for the Notes to be listed on its Official List and admitted to trading will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditional on obtaining any of the foregoing admissions to trading.

IN CONNECTION WITH THE OFFERING OF THE NOTES, J.P. MORGAN SECURITIES PLC OR ONE OR MORE OF ITS AFFILIATES OR PERSONS ACTING ON ITS BEHALF (THE “**STABILIZING MANAGER**”) MAY OVERALLOT THE NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFERING OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN 30 DAYS AFTER THE ISSUE DATE, OR NO LATER THAN 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES, WHICHEVER IS EARLIER.

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in the section entitled “*Notice to Investors*” of this Offering Memorandum.

No assurance is given by the Company or the Development Finance Structuring Agents that investing in the Notes or the use of proceeds by the Company will satisfy, whether in whole or in part, any present or future investor expectations or requirements with respect to development impact financing, including related sustainability criteria or goals. See “*Sustainable Development Impact.*” No independent verification as to the accuracy or completeness or lack thereof of the “*Sustainable Development Impact*” section of this Offering Memorandum has been done by J.P. Morgan Securities plc or The Standard Bank of South Africa Limited in their role as the Development Finance Structuring Agents. The information contained in the section “*Sustainable Development Impact*” of this Offering Memorandum (a) is not a substitute for an investor’s independent evaluation and analysis and (b) should not be considered as a recommendation by the Development Finance Structuring Agents that any transactions or related projects described in the “*Sustainable Development Impact*” section of this Offering Memorandum achieve any particular development finance criteria or requirement to which it may be subject. The “*Sustainable Development Impact*” section of this Offering Memorandum has been prepared, in part, based on certain forward looking statements and projections provided by the Company. Any such statements and projections reflect various estimates and assumptions by the Company concerning anticipated results. No representations or warranties are made by the Development Finance Structuring Agents as to the accuracy of any such statements or projections. Whether or not any such forward looking statements or projections are in fact achieved will depend upon future events some of which may not be within the control of the Company. See “*—Forward-Looking Statements.*” Accordingly, actual results may vary from the projected results and such variations may be material. No fiduciary duties are owed to any party by the Development Finance Structuring Agents.

ALTERNATIVE SETTLEMENT CYCLE

We expect that the delivery of the Notes will be made against payment therefor on or about April 14, 2026, which is the seventh business day following the date of pricing of the Notes (such settlement cycle being herein referred to as “T+7”). Under Rule 15c6-1 of the U.S. Exchange Act (as defined herein), trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next six succeeding business days will be required, by virtue of the fact that the Notes initially will settle T+7, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of pricing or the next succeeding six business days should consult their advisors.

NOTICE TO INVESTORS IN THE UNITED STATES

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES OR THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to qualified institutional buyers within the meaning of Rule 144A, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. The Notes may be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes, see “*Notice to Investors.*”

NOTICE TO INVESTORS IN HONG KONG

The Notes may not be offered or sold in Hong Kong by means of any document other than to (1) “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO, or (2) in circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of (the C(WUMP)O). No invitation, advertisement or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are intended to be disposed of only to persons outside Hong Kong or only to “professional investors,” as defined under the SFO and any rules made under the SFO.

NOTICE TO INVESTORS IN SINGAPORE

Each Initial Purchaser has acknowledged that this Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Offering Memorandum, or any other document or material in connection with the offer or sale or invitation for subscription or purchase of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)) pursuant

to Section 274 of the SFA, (ii) to an accredited investor (as defined in Section 4(A) of the SFA) pursuant to, and in accordance with the conditions specified in Section 275 of the SFA.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Offering Memorandum has not been approved by an authorized person in the United Kingdom and is only being distributed to and is only directed at persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), (iii) are persons falling within Article 43(2) of the Financial Promotion Order, (iv) are persons falling within Article 49(2)(a) to (d) (among others, high net worth companies or unincorporated associations) of the Financial Promotion Order, or (v) are persons to whom an invitation or inducement to engage in investment activity within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. No part of this Offering Memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any other person.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024, as amended. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a “retail investor” means a person who is either (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, (as amended, “**MiFID II**”) or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making

them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

NOTICE TO INVESTORS IN SOUTH AFRICA

No “offer to the public” (as such term is defined in the South African Companies Act, 71 of 2008, as amended (the “**South African Companies Act**”)) in South Africa is being made in connection with the issue of the Notes and accordingly this Offering Memorandum does not, nor does it intend to, constitute a “registered prospectus”, as contemplated in chapter 4 of the South African Companies Act. Any issue or offering of the Notes in South Africa constitutes an offer for the subscription and sale of the Notes in South Africa only to selected investors who fall within the exemptions set out in section 96(1)(a) or (b) of the South African Companies Act and, accordingly, such offer would not be considered to be an “offer to the public” for the purposes of the South African Companies Act.

The offer and sale of the Notes in South Africa will be made only in compliance with the Commercial Paper Exemption Notice issued under the Banks Act, 94 of 1990 (Government Gazette No. 16167, 14 December 1994) (the “**Commercial Paper Regulations**”).

No South African residents or offshore subsidiary of a South African resident may subscribe for or purchase any of the Notes or beneficially own or hold any of the Notes unless specific approval has been obtained by such persons from the Financial Surveillance Department of the South African Reserve Bank (“**SARB**”) or such subscription, purchase or beneficial holding or ownership is otherwise permitted under the South African exchange control regulations or the rulings promulgated thereunder (including, without limitation, the rulings issued by the SARB providing for foreign investment allowances applicable to persons who are residents of South Africa under the applicable exchange control laws of South Africa).

Information made available in this Offering Memorandum should not be considered as “advice” as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

NOTICE TO INVESTORS IN CANADA

The Notes may only be offered or sold in any of the provinces or territories of Canada pursuant to an exemption from the requirement to file a prospectus in such province or territory in which such offer or sale is made, and only by a registrant duly registered under, or exempt from, the applicable securities laws of that province or territory or by a registrant that is relying in that province or territory on the “international dealer” exemption provided by section 8.18 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 33-105**”). Furthermore, the Notes may only be offered or sold to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in *National Instrument 45-106 Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and that are “permitted clients”, as defined in NI 31-103. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions

of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“**NI 33-105**”), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

NOTICE TO INVESTORS IN KENYA

The Offering of the Notes is not a “public offer” as defined or described in (i) the Capital Markets Act, Chapter 485A of the laws of Kenya and (ii) the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2023 and therefore the approval of the Capital Markets Authority has not been sought or granted. In addition, the Notes may not be offered, sold or resold to the public or a section of the public in Kenya as such phrases are described in the aforesaid Kenyan laws.

Any resale of the Notes in Kenya may only be done by way a private offer as defined in Regulation 17 of Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2023. If you are in any doubt about any of the contents of this memorandum, you should obtain independent professional advice.

NOTICE TO INVESTORS IN MAURITIUS

The Notes are not being offered to the public in Mauritius, and the Issuer is not and does not intend to be registered as a “reporting issuer” under Securities Act 2005 of Mauritius (“**SA 05**”). This Offering Memorandum, or offering material or information relating to the offer of Notes do not constitute and are not intended to constitute an offer of Notes to the public in Mauritius and nothing in this Offering Memorandum or any information contained herein may be treated as a ‘prospectus’ for the purposes of the SA 05. This Offering Memorandum has not and will not be registered with the Financial Services Commission of Mauritius (“**FSC**”) and the FSC expresses no opinion as to the matters contained in this Offering Memorandum and as to the merits of an investment in Notes issued by the Issuer. Moreover, investors are not protected by any statutory compensation arrangements in Mauritius in the event of a default of the Issuer. The Notes may be offered to persons in Mauritius meeting the criteria of ‘sophisticated investors’ under the SA 05 and in such manner permitted by the laws of Mauritius.

THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

AVAILABLE INFORMATION

For so long as any Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are neither subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “U.S. Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered to such persons pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Memorandum are not historical facts and are forward-looking. Forward-looking statements appear in various locations, including, without limitation, in the sections entitled “*Overview*,” “*Risk Factors*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*Industry Overview*” and “*Business*.” We may from time to time make written or oral forward-looking statements in reports to shareholders and in other communications. In addition, this Offering Memorandum includes forward-looking information that has been extracted from third-party sources. Forward-looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future operating

revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy, and the trends we anticipate in the industries and the political and legal environments in which we operate and other information that is not historical information.

Words such as “believe,” “anticipate,” “estimate,” “target,” “potential,” “expect,” “intend,” “predict,” “project,” “could,” “should,” “may,” “will,” “plan,” “aim,” “seek” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

The forward-looking statements contained in this Offering Memorandum are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors, some of which are discussed below. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management’s assumptions about future events may prove to be inaccurate. We caution all readers that the forward-looking statements contained in this Offering Memorandum are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond our control, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. These risks, uncertainties and other factors include, among other things, those listed in the section entitled “*Risk Factors*,” as well as those included elsewhere in this Offering Memorandum. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- political, social and economic instability;
- changes in laws, regulations or governmental policy;
- changes in taxation regulation;
- disputes and legal, tax and regulatory proceedings;
- inefficiencies and corruption in the judicial systems;
- the ability to obtain licenses, permits or other authorizations required;
- intense competition in many of the markets in which we operate;
- our ability to continue to reduce costs sufficiently to support our profitability and achieve the benefits targeted by our Cost Optimization Program;
- inflation risks;
- downgrading of South Africa’s debt rating;
- risks associated with our structure, the Notes, the Guarantees, the Collateral, the Security SPV structure and our other indebtedness;
- the other factors discussed in more detail under “*Risk Factors*”; and
- factors that are not known to us at this time.

This list of important factors and the other factors discussed in the section entitled “*Risk Factors*” is not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industry in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of this Offering Memorandum. Accordingly, we do not intend, and do not undertake any obligation, to update forward-looking statements set forth in this Offering Memorandum. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Offering Memorandum. As a result, you should not place undue reliance on such forward-looking statements.

CERTAIN KEY DEFINITIONS

“**Agreed Security Principles**” means the agreed security principles as set out in an annex to the Senior Syndicated Term Loan Facilities Agreement as in effect on the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuer;

“**Annual Financial Statements**” means the audited consolidated financial statements of the Liquid Group as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, including the related notes thereto, which have been prepared in accordance with IFRS;

“**CAGR**” means compound annual growth rate;

“**Cassava Parent**” means Cassava Technologies Limited, a private limited company organized under the laws of Jersey;

“**Cassava Technologies Group**” means the Cassava Parent and its direct and indirect subsidiaries (including, unless the context otherwise requires, the entities forming part of the Liquid Group);

“**Collateral**” means the rights and assets directly and indirectly securing the Notes and the Guarantees, composed of the Global Collateral and the South African Collateral, as further described in “*Description of the Notes—Security*”;

“**Company**” means Liquid Telecommunications Holdings Limited, a private company limited by shares incorporated under the laws of Mauritius, registered under company number 068355;

“**Conditional Notice of Redemption**” means the conditional notice of full redemption in relation to the Existing 2026 Notes expected to be distributed to the holders thereof on or about March 31, 2026, and the redemption pursuant to which is expected to be conditional upon the Issuer receiving aggregate net cash proceeds from an offering of new senior secured notes and one or more additional financings sufficient to fund the full redemption of the Existing 2026 Notes in accordance with the terms of the Indenture on the applicable redemption date (which, subject to the possibility of delay and/or rescission as set out in such notice, is presently expected to be April 16, 2026);

“**Cost Optimization Program**” means the cost savings program launched in May 2024 aimed at reducing our operating costs to support our profitability and increase the resilience of our business, as further described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Impacting our Results of Operations—Cost Optimization Program*”;

“**Counter-Indemnity Agreement**” means the counter-indemnity agreement dated March 4, 2021, among the Security SPV, the South African Subsidiary Guarantors and the Company, among others, in terms of which the South African Subsidiary Guarantors agree to indemnify the Security SPV against claims made on it under the SPV Guarantee;

“**Deloitte**” means Deloitte, Mauritius, independent auditors of the Company;

“**DRC**” means the Democratic Republic of Congo;

“**Econet**” or the “**Econet Group**” means Econet Global Limited and its affiliates;

“**Existing 2026 Notes**” means the Issuer’s US\$620 million 5.500% senior secured notes due 2026;

“**Existing Facilities**” means the Existing Senior Term Facilities and the Existing Revolving Facility;

“**Existing Revolving Facility**” means the revolving credit facility provided under the Existing Senior Facilities Agreement (under which, as of November 30, 2025, US\$25.2 million equivalent in aggregate principal amount remains outstanding, all of which amounts have now been fully repaid as part of the Transactions), as further described in “*Description of Certain Financing Arrangements*”;

“**Existing Senior Facilities Agreement**” means the existing senior facilities agreement originally dated 25 February 2021 between, among others, the Company and J.P. Morgan Securities PLC, The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) and, Standard Chartered Bank (Mauritius) Limited and Standard Chartered Bank – Johannesburg Branch (as amended and/or restated from time to time);

“**Existing Senior Term Facilities**” means the term facilities provided under the Existing Senior Facilities Agreement (under which, as of November 30, 2025, US\$134.9 million equivalent in aggregate principal amount remains outstanding, all of which amounts have now been fully repaid as part of the Transactions), as further described in “*Description of Certain Financing Arrangements*”;

“**Financial Statements**” means, collectively, the Annual Financial Statements and the Interim Financial Statements;

“**Global Collateral**” means the Issue Date Global Collateral and Post-Issue Date Global Collateral;

“**Guarantees**” means the guarantees of the Notes by the Guarantors;

“**Guarantors**” means the Issue Date Guarantors and the Post-Issue Date Guarantors;

“**IFRS**” means the International Financial Reporting Standards issued by the International Accounting Standards Board;

“**Indenture**” means the indenture governing the Notes, dated April 14, 2026 between, among others, the Issuer, the Guarantors, the Trustee and the Security Agent;

“**Intercreditor Agreement**” means the intercreditor agreement dated March 4, 2021, between, among others, the Issuer, the Guarantors (including, following their accession thereto, the Post-Issue Date Guarantors), the Security SPV, the Security Agent and (following its accession thereto on the Issue Date) the Trustee, as described in the section entitled “*Description of Certain Financing Arrangements*”;

“**Interim Financial Statements**” means the reviewed interim financial statements of the Liquid Group as of and for the nine-month period ended November 30, 2025, including the related notes thereto, which have been prepared in accordance with International Accounting Standards IAS 34 Interim Financial Reporting;

“**IRU**” means indefeasible right of use;

“**Issue Date**” means the date of issuance of the Notes;

“**Issue Date Global Collateral**” means the rights and assets located outside of South Africa securing the Notes and the Guarantees as of the Issue Date, as further described in “*Summary Corporate and Financing Structure*”;

“Issue Date Guarantors” means the Company, the Non-South African Subsidiary Guarantors that are expected to provide their Guarantees on the Issue Date (being Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Zambia Limited, Liquid Telecommunications Kenya Limited and Liquid Telecommunications DRC S.A.), and all of the South African Subsidiary Guarantors;

“Issuer” means Liquid Telecommunications Financing plc, a public company limited by shares incorporated under the laws of England and Wales, registered under company number 10759673, with its registered office at 17th Floor, 6 New Street Square, London EC4A 3BF;

“Liquid Group,” “we,” “our” or “us” means the Company and its direct and indirect consolidated subsidiaries, except as otherwise indicated or where the context otherwise requires;

“Listing Agent” means Walkers Listing Services Limited;

“LTJ” means Liquid Telecommunications (Jersey) Limited;

“Managed Float” means the Reserve Bank of Zimbabwe’s exchange rate regime, which established a limited interbank foreign exchange market to formalize trading of RTGS balances with other currencies from February 22, 2019 to April 5, 2024;

“MSAs” means master service agreements which the Liquid Group has entered into;

“New IFC Term Loan Facilities” means the South African Rand senior secured term loan facilities in aggregate amount up to ZAR 883,640,000 made available under the New IFC Term Loan Facilities Agreement;

“New IFC Term Loan Facilities Agreement” means the senior facilities agreement originally dated December 12, 2024, as amended on February 28, 2025, August 27, 2025 and September 25, 2025 and as amended and restated pursuant to an amendment and restatement agreement dated March 28, 2026 between, among others, the Company and the International Finance Corporation (as further amended and/or restated from time to time);

“Non-South African Subsidiary Guarantors” means, collectively, Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Zambia Limited, Liquid Telecommunications Kenya Limited and Liquid Telecommunications DRC S.A.; and (upon their becoming Guarantors following the Issue Date) Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC);

“Notes” means the US\$300 million 10¾% Senior Secured Notes due 2031 offered hereby;

“Offering” means the offering of the Notes;

“Offering Memorandum” means this offering memorandum, dated April 1, 2026, relating to the sale of the Notes.

“PAAB” means the Public Accountants and Auditors Board of Zimbabwe;

“Parent Contribution” means the approximately US\$150 million cash injection (of which over US\$125 million has already been made) by the Cassava Technologies Group into the Liquid Group (through certain equity contributions to the Company by LTJ and repayments of certain receivables) in order to facilitate the refinancing of the Existing Facilities as part of the Transactions or to replenish cash on hand used in connection therewith, as further described in *“Summary—The Transactions”*. The approximately US\$25.0 million portion of the Parent Contribution that has not already been made is expected to be made in the coming months following the completion of the Offering;

“Paying Agent” means The Bank of New York Mellon, London Branch;

“Post-Issue Date Global Collateral” means the additional rights and assets located outside of South Africa that will secure the Notes and the Guarantees within 120 days from the Issue Date (or such earlier date on which such security is granted in relation to the Senior Facilities), as further described in *“Summary Corporate and Financing Structure”*;

“Post-Issue Date Guarantors” means, upon their becoming Guarantors following the Issue Date, Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC);

“Postal Act” means the Postal and Telecommunications Act, the main statute governing the telecommunications industry in Zimbabwe;

“POTRAZ” means the Postal and Telecommunications Regulatory Authority, the regulator for the telecommunications industry in Zimbabwe, which is a body corporate capable of suing and being sued in its corporate name and, subject to the Postal Act, of performing all acts that bodies corporate may by law perform;

“Purchase Agreement” means the purchase agreement to be dated as of the date of this Offering Memorandum, among the Issuer, the Guarantors, and the Initial Purchasers;

“QIB” means “qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act;

“Raha” means Raha Tanzania Holdings Limited, a company registered in accordance with the laws of Mauritius under number C134316 C2/GBL, and its direct and indirect consolidated subsidiaries;

“Registrar” means The Bank of New York Mellon SA/NV, Dublin Branch;

“RTGS” means the real-time gross settlement dollar, an interim synthetic currency that was controlled by the Reserve Bank of Zimbabwe under a strictly controlled foreign exchange regime, until it was denominated as the Zimbabwean dollar under the Reserve Bank of Zimbabwe’s Managed Float exchange rate regime, permitting some foreign exchange trading;

“SARB” means Financial Surveillance Department of the South African Reserve Bank;

“SEC” means the U.S. Securities and Exchange Commission;

“Security Agent” means The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division);

“Security Documents” means the agreements between, among others, the Security Agent, LTJ, the Issuer, the Guarantors and any other guarantor, as applicable, pursuant to which security interests over the Collateral are granted to secure the Notes, the Guarantees and the Counter-Indemnity Agreement;

“Security SPV” means Main Street 1805 Proprietary Limited, an insolvency remote special purpose vehicle company organized in accordance with the laws of South Africa under registration number 2020/614575/07;

“Senior Facilities” means, collectively, the Senior Syndicated Facilities and the New IFC Term Loan Facilities;

“Senior Syndicated Facilities” means, collectively, the Senior Syndicated Revolving Credit Facility and the Senior Syndicated Term Loan Facilities;

“Senior Syndicated Revolving Credit Facility” means the senior secured revolving credit facility made available under the Senior Syndicated Revolving Facility Agreement up to a committed amount equal to the lesser of US\$30,000,000 and 10% of the aggregate principal amount of the Notes issued on the Issue Date;

“Senior Syndicated Revolving Facility Agreement” means the senior facilities agreement dated February 27, 2026 between, among others, the Company as parent and original borrower, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), J.P. Morgan Securities PLC, Nedbank Limited, London Branch and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division), as amended from time to time;

“**Senior Syndicated Term Loan Facilities**” means the U.S. dollar and South African Rand senior secured term loan facilities in aggregate amounts up to US\$200,000,000 (subject to dollar-for-dollar reduction to the extent that the aggregate amount of the Notes exceeds US\$250,000,000) and ZAR 2,560,000,000, respectively, made available under the Senior Syndicated Term Loan Facilities Agreement;

“**Senior Syndicated Term Loan Facilities Agreement**” means the senior facilities agreement dated February 27, 2026 between, among others, the Company as parent and original borrower, Liquid Telecommunications South Africa (Pty) Ltd as original borrower, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division), Ninety One SA Proprietary Limited (acting for and on behalf of its clients), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division), The Emerging Africa & Asia Infrastructure Fund Limited (acting through its duly authorized agent Ninety One SA Proprietary Limited) and The Mauritius Commercial Bank Limited, as amended from time to time;

“**South African Collateral**” means the rights and assets located inside South Africa indirectly securing the Guarantees of the Company and the South African Subsidiary Guarantors (and the Notes indirectly as a result), as further described in “*Summary Corporate and Financing Structure*”;

“**South African Subsidiary Guarantors**” means Liquid Telecommunications South Africa (Pty) Ltd and Liquid Telecommunications Holdings South Africa (Pty) Ltd;

“**SPV Guarantee**” means the limited recourse guarantee granted by the Security SPV on a first-priority basis;

“**Transactions**” has the meaning ascribed to it in “*Summary—The Transactions*”;

“**Transfer Agent**” means The Bank of New York Mellon SA/NV, Dublin Branch;

“**Trustee**” means BNY Mellon Corporate Trustee Services Limited;

“**U.S. GAAP**” means the generally accepted accounting principles in the United States;

“**Zanlink**” means Zanlink Limited, a company registered in accordance with the laws of Zanzibar under number Z0000039752, and its direct and indirect consolidated subsidiaries;

“**Zimbabwean CPI**” means the Zimbabwe Consumer Price Index;

“**ZWG**” or “**ZiG**” means the Zimbabwe Gold, a structured currency in Zimbabwe, pegged to a specific exchange rate or currency basket and backed by a bundle of foreign exchange assets, which replaced the ZWL\$; and

“**ZWL\$**” means the Zimbabwean currency from February 22, 2019 to April 5, 2024, being the Zimbabwean Dollar

PRESENTATION OF FINANCIAL AND OTHER DATA

PRESENTATION OF FINANCIAL INFORMATION

We present in this Offering Memorandum certain historical financial information for the entities that comprise the Liquid Group. The Company is the holding company for the Liquid Group. The Issuer has no significant operations and has not engaged in any significant activities other than financing activities relating to the Liquid Group.

Included herein are the following consolidated financial statements:

- the audited consolidated financial statements of the Liquid Group as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, including the related notes thereto, which have been prepared in accordance with IFRS (the “**Annual Financial Statements**”); and
- the reviewed interim financial statements of the Liquid Group as of and for the nine-month period ended November 30, 2025, including the related notes thereto, which have been prepared in accordance International Accounting Standards IAS 34 Interim Financial Reporting (the “**Interim Financial Statements**” and together with the Annual Financial Statements, the “**Financial Statements**”).

The Annual Financial Statements have been audited by Deloitte. The Interim Financial Statements have been reviewed by Deloitte. Without modifying the audit opinions expressed by their reports on the Annual Financial Statements as of and for the years ended February 29, 2024 and February 28, 2025, and the conclusion on the Interim Financial Statements as of and for the period ended November 30, 2025, Deloitte have reported on a material uncertainty related to Liquid Group’s ability to continue as a going concern, and draw attention to management assessment in Note 42 (Going concern) to such Annual Financial Statements, and management’s assessment in Note 2.1 (Going concern) to the Interim Financial Statements.

The Financial Statements included in this Offering Memorandum include the consolidated financial statements of the Guarantor and non-Guarantor subsidiaries of the Liquid Group.

The financial information included in this Offering Memorandum was not prepared in accordance with generally accepted accounting principles in the United States (“**U.S. GAAP**”). There could be significant differences between IFRS, as applied by us, and U.S. GAAP. We neither describe the differences between IFRS and U.S. GAAP nor reconcile our IFRS financial statements to U.S. GAAP. Accordingly, such information is not available to investors, and investors should consider this in making their investment decision. The financial information included in this Offering Memorandum is not intended to comply with SEC reporting requirements. Compliance with such requirements would require the modification, reformulation or exclusion of certain financial measures. In addition, changes would be required in the presentation of certain other information.

All financial statements contained in the F-Pages to this Offering Memorandum should be read in conjunction with the relevant notes thereto.

The Issuer has no material assets and no material liabilities other than the Notes and the Existing 2026 Notes to be redeemed with the proceeds of this Offering. The Issuer will not engage in any significant activities other than financing activities. Consequently, we have not provided herein financial statements for the Issuer.

AS ADJUSTED FINANCIAL INFORMATION

This Offering Memorandum includes certain as adjusted financial information as of and for the 12 months ended November 30, 2025, which gives effect to the Transactions as if they had been consummated on: (i) December 1, 2024 (with respect to as adjusted Interest Coverage for the 12 months ended November 30, 2025); and (ii) November 30, 2025 (with respect to all other metrics).

The as adjusted financial information is for informational purposes only and is not intended to represent or to be indicative of the consolidated results of operations or financial position we would have reported had the Transactions been consummated as of December 1, 2024 or November 30, 2025, as applicable.

The as adjusted financial information should be read in conjunction with sections entitled “*Presentation of Financial Information*,” “*Use of Proceeds*,” “*Business*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” and “*Description of Certain Financing Arrangements*,” as well as the Financial Statements and the notes thereto included in this Offering Memorandum. Actual amounts may vary from estimated amounts depending on several factors, including differences from our estimate of fees and expenses, fluctuations in cash on hand between November 30, 2025 and the Issue Date and fluctuations in applicable exchange rates.

OPERATING AND MARKET DATA

Key operating measures and performance indicators

Below are some of the key operating measures and performance indicators we use to monitor our business.

- Voice minutes: total wholesale voice minutes on our network.
- Total fiber network (kms): represents the total number of kilometers of new routes (including backbone, metro and FTTx) over which fiber is installed over a particular period. Multiple fiber cables or ducts within the same trench are counted individually. Includes both owned and leased capacity through partnerships.
- 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 and non-renewals, divided by the total revenue for the period.
- Monthly recurring revenue: represents the total of all recurring revenue usage in the period normalized into a monthly amount and expressed as a percentage of total revenue in the same period.
- Cloud seats year-on-year growth: represents the year-on-year growth for the equivalent period in the number of paid for cloud license seats.
- Total capacity on subsea assets: represents the total capacity, in gigabits per second, purchased by, activated by, or reserved for, the Liquid Group on subsea cables (including IRUs).

Market data

In this Offering Memorandum, we rely on and refer to information regarding our business and the markets in which we operate and compete. Certain economic and industry data, market data and market forecasts set forth in this Offering Memorandum were extracted from market research and other publicly available information, independent industry publications and reports prepared by industry consultants. These external sources include the World Bank, the International Monetary Fund (“**IMF**”), Xalam Analytics, TeleGeography, GSMA, BMI, and Ericsson, among others. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts, to the extent quoted or referred to herein, are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness. While we accept responsibility for accurately summarizing the information from these external sources, and as far as we are aware and able to ascertain, no facts have been omitted which would render this information inaccurate or misleading, neither we nor the initial purchasers accept further responsibility in respect of such information.

NON-IFRS FINANCIAL MEASURES

In this Offering Memorandum, we present certain financial measures that are not defined in and, thus, not calculated in accordance with IFRS, U.S. GAAP or generally accepted accounting principles in any other relevant jurisdiction. These include EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Capital Expenditure, Gross Debt, Net Debt, Gross Debt to Adjusted EBITDA ratio, Net Debt to Adjusted EBITDA ratio, Interest Coverage and Gross Profit Margin (each as defined below). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

An explanation of the relevance of each of the non-IFRS measures, a reconciliation of the non-IFRS measures to the most directly comparable measures calculated and presented in accordance with IFRS and a discussion of their limitations is set out below. We do not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS.

- We define “EBITDA” as consolidated profit or loss for the year / period, excluding the impact of tax benefit or expense, interest income, finance costs and depreciation and amortization.
- We define “Adjusted EBITDA” as EBITDA adjusted for the following items: impairment expense, stock write off / obsolescence expense, restructuring costs, acquisition and other investment costs, foreign exchange loss, hyperinflation monetary gain, share of profits of associate, fair value loss on derivative assets and gain on bargain purchase.
- We define “Adjusted EBITDA Margin” as the ratio of Adjusted EBITDA to our revenue, expressed as a percentage.
- We define “Capital Expenditure” as any expenditure that should be treated as capital expenditure in the financial statements in accordance with applicable accounting principles, including advance payments for capital expenditure and excluding any non-cash expenditure.
- We define “Gross Debt” as the sum of borrowings, lease liabilities and unamortized arrangement fees as stated on the balance sheet.
- We define “Net Debt” as Gross Debt less cash and cash equivalents (excluding restricted cash) at a stated balance sheet date.
- We define “Gross Debt to Adjusted EBITDA” ratio as Gross Debt divided by Adjusted EBITDA for a stated period, expressed as a multiple.
- We define “Net Debt to Adjusted EBITDA” ratio as Net Debt divided by Adjusted EBITDA for a stated period, expressed as a multiple.
- We define “Interest Coverage” as Adjusted EBITDA divided by the net of interest income and finance costs for a stated period, expressed as a multiple.
- We define “Gross Profit Margin” as the ratio of consolidated gross profit for the year / period to our revenue, expressed as a percentage.

Our management believes that the presentation of these non-IFRS financial measures is helpful to investors as measures of our operating performance and our ability to service our debt.

We present EBITDA because it is widely used by securities analysts, investors and other interested parties to evaluate the profitability of companies. EBITDA may normalize potential differences in performance caused by variations in

tax positions and jurisdictions, capital structures affecting net finance income/costs, the cost and age of tangible assets affecting relative depreciation expense, and the extent to which intangible assets are identifiable affecting relative amortization expense.

We present Adjusted EBITDA as it represents EBITDA before additional specific items that are considered to hinder analysis of the trading performance of the Liquid Group's businesses, such as share of profit of associates which we cannot exercise control over, foreign exchange gains and losses which do not reflect the underlying performance of our companies in their local country currencies, impairment and write-off charges as these do not reflect cash expenditures, and acquisition costs as these do not relate to our ongoing performance. We believe that Adjusted EBITDA should, therefore, be made available to securities analysts, investors and other interested parties to assist in their assessment of the trading performance of our businesses.

We present Gross Debt and Net Debt as we believe they are useful indicators of our indebtedness, financial flexibility and capital structure as they indicate the level of borrowings after taking account of cash and cash equivalents and restricted cash within our business that could be utilized to pay down the outstanding borrowings.

None of EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, or any of the other non-IFRS financial measures is a measurement of performance or liquidity under IFRS or any other generally accepted accounting principles and you should not consider EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, or any of the other non-IFRS financial measures as an alternative to net income, operating profit or other financial measures determined in accordance with IFRS or other generally accepted accounting principles. EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and the other non-IFRS financial measures described in this Offering Memorandum are unaudited and the presentation of these measures is not intended to and does not comply with the reporting requirements of the SEC and will not be subject to review by the SEC; compliance with its requirements would require us to make changes to the presentation of this information. EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and the other non-IFRS financial measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our operating performance reported in accordance with IFRS. Some of these limitations are:

- they do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense on our debt or the cash requirements necessary to service interest or principal payments on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA-based measures do not reflect any cash requirements for such replacements;
- they do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations;
- other companies in the industry in which we operate may calculate these measures differently than we do, limiting their usefulness as comparative measures; and
- our calculation and presentation of Adjusted EBITDA in this Offering Memorandum is similar to, but different from, the calculation of consolidated EBITDA under the Indenture. Accordingly Adjusted EBITDA does not provide precise indications as to the level of our adherence to the terms of our Indenture.

Accordingly, prospective investors should not place undue reliance on EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, or the other non-IFRS financial measures contained in this Offering Memorandum.

The financial information included in this Offering Memorandum is not intended to comply with the SEC requirements. Compliance with such requirements would require, among other things, compliance with the requirements of Regulation S-X and the exclusion of certain non-IFRS measures.

For a reconciliation of non-IFRS financial measures to the nearest corresponding IFRS financial measure, see “*Selected Financial and Other Information—Certain Non-IFRS Financial Measures.*”

GUARANTOR COVERAGE

We present in this Offering Memorandum certain information with respect to the proportion of our consolidated total assets and our Adjusted EBITDA (excluding dividend income and profit from the sale of subsidiaries) represented by subsidiaries that will guarantee the Notes. Certain of our subsidiaries will not provide Guarantees due to, among other factors, jurisdiction-specific corporate law restrictions, burdensome regulatory approvals and joint venture agreements.

As of and for the year ended February 28, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 79.0% of our total assets, after adjusting for intercompany payables and receivables and (ii) 63.6% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries. As of and for the nine months ended November 30, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 80.3% of our total assets, after adjusting for intercompany payables and receivables and (ii) 56.2% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries.

ROUNDING

Certain amounts that appear in this Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

CURRENCIES

In this Offering Memorandum, references to “U.S. dollar”, “\$” or “US\$” are to the lawful currency of the United States; references to “ZAR”, “R” or “South African Rand” are to the lawful currency of South Africa; references to “sterling”, “pounds sterling”, “GBP” or “£” are to the lawful currency of the United Kingdom; references to “ZMW”, “ZK” or “Zambian Kwacha” are to the lawful currencies of Zambia; references to “KES” or “Kenyan shilling” are to the lawful currency of Kenya; references to “RWF”, “RF” or “Rwandan Franc” are to the lawful currency of Rwanda; references to “ZWL\$” or “Zimbabwean Dollar” are to the previous lawful currency of Zimbabwe; and references to “ZWG” or “ZiG” are to the current lawful currency of Zimbabwe. No representation is made that any specific currency amount in this Offering Memorandum could have been converted into any of the other currencies presented in this Offering Memorandum at any particular rate or at all.

EXCHANGE RATE INFORMATION

The following table sets out for the periods indicated below the high, low, average and period end exchange rates as published by Bloomberg Composite Rate (London), of the U.S. dollars against the South African Rand. We make no representation that any specific currency amount in this Offering Memorandum has been, could have been or could in the future be converted into any of the other currencies presented in this Offering Memorandum at any particular rate at all. On March 31, 2026, the exchange rate published by Bloomberg Composite Rate of the ZAR per 1.00 US\$ was 16.9312.

Year	High	Low	Average	Period End
February 28, 2021.....	19.0815	14.4557	16.5147	15.1204
February 28, 2022.....	16.2860	13.4316	14.8566	15.3756
February 28, 2023.....	18.4266	14.4748	16.7090	18.3570
February 29, 2024.....	19.8025	17.5485	18.6891	19.2040
February 28, 2025.....	18.7246	18.4318	18.5285	18.6906

Monthly	High	Low	Average	Period End
March 2025	18.7055	18.0018	18.2729	18.3227
April 2025	19.9328	18.2702	18.9174	18.6057
May 2025	18.7081	17.7565	18.1094	18.0027
June 2025	18.1631	17.5776	17.8364	17.7118
July 2025	18.2349	17.4872	17.7699	18.2175
August 2025	18.3607	17.4312	17.7000	17.6566
September 2025.....	17.8190	17.2171	17.4380	17.2704
October 2025	17.5157	17.0683	17.2880	17.3325
November 2025	17.5787	16.9512	17.2283	17.1130
December 2025	17.1634	16.5352	16.8265	16.5611
January 2026	16.5855	15.6443	16.2635	16.1469
February 2026	16.3092	15.8490	16.0025	15.9364
March 2026	17.1853	16.1024	16.7384	16.9312

The above rates may differ from the actual rates used in the preparation of the Financial Statements, certain convenience translations included herein and other financial information appearing in this Offering Memorandum.

SUMMARY

The following overview information should be read as an introduction to the more detailed information appearing elsewhere in this Offering Memorandum, including the Financial Statements and the accompanying notes beginning on page F-1. You should read this Offering Memorandum carefully in its entirety to understand our business, the nature and terms of the Notes and the tax and other considerations that are important to your decision to invest in the Notes, including the risks discussed under “Risk Factors”. In addition, certain statements include forward-looking information that involves risks and uncertainties. Please see “Forward-Looking Statements”.

OVERVIEW

We are a subsidiary of Cassava Technologies Limited, a technology leader providing a vertically integrated ecosystem of digital services and infrastructure that enables and supports digital transformation. As a pan-African technology solutions provider, we deliver broadband digital connectivity infrastructure as well as digital services and solutions to public and private sector enterprises in more than 25 countries across Africa. Over the last two decades, we have established ourselves as the leading pan-African digital infrastructure provider with an extensive fiber network spanning more than 114,000 km, including dense metro, long-haul and FTTB networks. In addition, we are one of the predominant infrastructure providers that connects the rest of the world to Africa, and Africa to the rest of the world. We have capacity access on 5 major submarine cable systems on both the East and West African seaboard that in aggregate amount to more than 70,000 km of submarine fiber.

Our network includes metropolitan and last-mile infrastructure, which comprises fiber and fixed wireless access networks in most major and secondary cities in the region. These integrate seamlessly with our submarine and satellite operations. As a result, it is well suited to support high-bandwidth, low-latency applications, including 3G/4G/LTE/5G mobile tower backhauling, over-the-top content service delivery, entertainment video and security closed-circuit television (“CCTV”) streaming, machine-to-machine connectivity, private connections to data center storage and computing services, cloud services and other applications. Accordingly, as African consumers switch from 2G to 3G, 4G, LTE and, eventually, 5G enabled handsets; from traditional voice calls to broadband and Voice over Internet Protocol (“VoIP”) calls; and from individual low-resolution small screen data consumption to always-on high-definition multiscreen broadband in the home, and enterprises expand their geographic reach and increase their connectivity, reliability and digital service requirements, we believe that we are well positioned to build and capture the potential of Africa’s digital transformation.

We have a high-quality and geographically diversified customer base located in many of Africa’s fastest growing markets. These include some of the largest consumers of digital infrastructure solutions, such as mobile network operators (“MNOs”), over-the-top hyperscalers (“OTTs”), international carriers, enterprises, media and content companies, other internet service providers (“ISPs”), national and local governments as well as other public entities. Our customers also include financial institutions, multinational corporations and leading national companies, in addition to small and medium enterprises (“SMEs”) who operate across multiple territories.

In the last two years, we have implemented a “whole of business” reorganization aimed at transforming the Company from a geographically focused telecommunications provider to a full technology and digital services group. This reorganization has led to several new initiatives, including: redefining our network, bringing innovative business applications, AI-enabled cloud and cybersecurity services to large and small enterprises operating nationally, regionally and continentally through strategic partnerships with leading global players. We have accelerated our focus on monetizing our existing network infrastructure by becoming a multi-product systems integrator offering connectivity, cloud and cybersecurity solutions.

In particular, we believe that our digital services in Africa represent a significant revenue growth opportunity. We have partnered with Microsoft to deploy hybrid cloud infrastructure in Africa and we also offer leading cloud, cybersecurity and generative AI solutions through our partnerships with Google Cloud and Anthropic. In addition, we also offer comprehensive advisory and managed cloud and cybersecurity services to our customers. Moreover, our network

connects to data centers within the wider Cassava Technologies Group ecosystem where we provide co-location, cloud, cyber-security as well as fintech services and solutions, and more recently, AI services. All of this increasingly allows us to be one of the most competitive and leading digital transformation enablers across Africa while democratizing access to cloud infrastructure across the continent as a multi-cloud provider. Through our partnership with Globalstar, Inc. (“**Globalstar**”) we have exclusive rights in Africa and the Gulf region to sell and distribute Globalstar’s private networks 5G access solution, which we believe is crucial to the competitiveness of logistics, manufacturing and mining industries in Africa and high-end markets in the Middle East and Gulf regions. We have also recently launched Cloudmania in Egypt and extended the provisions of our existing partnership with Microsoft Azure to more markets with a new stack in Uganda. We believe that all these efforts will continue to drive the growth of our operations and revenues in line with the high growth forecasts for the continent and the countries where we operate.

Key Strengths

We consider our key strengths to include the following:

We have strategic and purpose-built infrastructure with high barriers to entry.

We have successfully built and acquired a fiber-optic network spanning more than 114,000 km, across more than 25 countries, which includes dense metro, long-haul and FTTB networks. We believe that we are the only operator in Africa with a single, multi-country, open access fiber broadband network of such geographic breadth. We own and operate our own fiber optic and wireless networks in Botswana, the Democratic Republic of Congo, Kenya, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe, and we have a further commercial presence in Côte d’Ivoire, Egypt, Ethiopia, Ghana, Mauritius, Mozambique, Nigeria, Senegal, the United Arab Emirates and the United Kingdom, among other countries. We also partner with other fiber broadband network operators to leverage their networks in countries where we do not specifically own our own fiber. As an example, our partnership with Orange provides us with access to its Djoliba network in West Africa covering Burkina Faso, Côte d’Ivoire, Ghana, Guinea, Liberia, Mali and Senegal. Furthermore, our partnership with Orange Maroc has enabled us to expand our network reach into Morocco. We have also recently partnered with American connectivity innovator, Globalstar, to deliver advanced 5G connectivity solutions across Africa, the Middle East, and the Gulf.

We have also reinforced our terrestrial fiber backbone by securing direct access to international submarine cable infrastructure through a number of strategic investments that allow us to deliver reliable international and transit broadband connectivity to our customers. Our direct access to international submarine cable infrastructure includes equity stakes in SAT3/SAFE, EASSy, TEAMS and WACS cables, partnerships with PEACE Cable Company, large IRU inventory holdings in SEACOM, as well as our significant investment in other cables (such as Google’s Equiano cable on the African west coast) which complement and extend our pan-African fiber broadband network to global destinations.

The unique scale of our infrastructure also allows us to take advantage of the increasing demand for digital services, data-intensive applications and integrated solutions from our Network, C2, Dataport and Voice Traffic customers across Africa. With our infrastructure, we are developing and deploying one of Africa’s largest open access fiber networks designed to offer mass market internet access at affordable prices.

The development and maintenance of a pan-African network infrastructure of this scale is capital intensive and operationally challenging, requiring significant financial resources and knowledge of the markets, geography and regulatory environments in which we operate. Although we face competition locally, for example in South Africa and in Kenya, where certain mobile operators have invested directly in some of the national long-distance fiber routes as leased dark fiber, either through consortiums or independently, we believe that such competition will mostly remain at a local level as there are extremely high barriers to entry to building a wider pan-African network. We estimate that it would cost US\$3 billion to replicate or replace the core infrastructure of our network, and 7-10 years for a large multi-national player to design, plan, apply for and obtain the required regulatory and legal licenses, to build equivalent infrastructure. We have also developed a robust regulatory portfolio which encompasses more than 40 regulatory

licenses. We have a proven track record of leveraging our industry experience in Africa to successfully negotiate the acquisition of licenses and authorizations in new countries, across international borders and in complex and diverse regulatory environments. Obtaining such licenses and authorizations can be a lengthy and time-consuming process for potential competitors. In addition, managing and monitoring the compliance obligations of a large number of local contractors is essential to expand and maintain a network of our scale. This multinational contractor pool is also critical to cost-effectively maintain the infrastructure necessary to deliver a high quality of service to customers. Taken in isolation, these do not constitute insurmountable challenges. However, taken together, these constitute significant barriers to entry for potential competitors. As a result, particularly in light of our open access policy, we believe there is limited financial incentive for pan-African competitors to build alongside our pre-existing routes.

We have established a robust business model with long-term, sticky customer relationships, with high recurring revenue and low average customer churn rates.

We have established a robust and compelling business model which is highly challenging to replicate. To do this, we have focused on increasing our diversification to provide a fully integrated platform which allows us to capitalize on spectrum, cloud, cross-border fiber and FTTB services. We have differentiated ourselves by acting as an end-to-end systems integrator with a full suite of services, including cost-effective access to our impressive entire network. This is an attractive proposition to enterprise customers, including our blue-chip customer base. We also have the advantage of being a “carrier-neutral” player with additional access to the data center infrastructure of the Cassava Technologies Group, which increases the pool of customers available to us.

Our broad customer base covers many industries and organizations, both public and private, of various sizes across all of the territories in which we operate. We generate a majority of our recurring revenues from our prime customer base comprised of global, pan-African and local clients, such as hyper scalers, MNOs, cloud service providers, government agencies, and small, medium and large enterprises. We are trusted by our customers and have a reputation for operating with integrity.

We maintain strong relationships with over 100,000 infrastructure customers through our digital infrastructure and service offerings across Africa, representing a diversified and stable customer base. Capitalizing on our investments in high-quality infrastructure, our competitive pricing and high service levels, we have maintained revenue growth, with our revenue increasing by 9.4% for the nine months ended November 30, 2025 compared to the nine months ended November 30, 2024. This was largely driven by strong broad-based growth in our Network and C2 business segments.

We have also succeeded in achieving a high level of customer satisfaction, as demonstrated by our very low average customer churn rate of 0.78%, 0.46% and 0.53% for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and 0.38% for the nine months ended November 30, 2025. Many of our largest customers have entered a diverse range of multi-year contracts, with some wholesale data contracts extending between 15 and 20 years depending on the service being offered, providing us with revenue visibility and stability, as well as strengthening our relationships to promote further opportunities for growth by providing additional digital services.

We have been particularly successful in leveraging the breadth and resilience of our network, our operating experience, regional knowledge and commitment to Africa to become the go-to service provider on the continent for a number of global technology leaders. We have partnered with these and other players to provide regional network, cloud computing and fixed-line infrastructure to help some of the world’s largest technology enterprises access the growing African markets for online services, distribute content and roll-out a range of new services. For example, our relationship with Microsoft, as a Microsoft Tier 2 Cloud Service Provider, enables us to sell Office 365, Microsoft Azure, Microsoft Azure Stack and ExpressRoute. This allows us to deepen and extend the relationship with our customers, leading to a greater share of revenue and reduced churn.

We have established collaborations and partnerships with global technology leaders.

We have an extensive portfolio of relationships with global technology leaders and partners across the world. These relationships are backed by significant investment and represent extensive collaboration with some of the largest technology businesses supporting Africa’s digital transformation, including Google LLC (“**Google**”), Anthropic PBC (“**Anthropic**”), Meta Platforms, Inc (“**Meta**”), Amazon.com, Inc (“**Amazon**”), Oracle Corporation (“**Oracle**”), Microsoft Corporation (“**Microsoft**”), Orange SA (“**Orange**”) and Vodafone, among others. Other partners in our growth story include large institutional investors supporting Africa’s digital transformation such as the U.S. International Development Finance Corporation (“**DFC**”), the Eastern and Southern African Trade and Development Bank (“**TDB**”), British International Investments plc (“**BII**”) and International Finance Corporation (“**IFC**”), among others.

We believe that our large and expanding partner network gives us significant leverage to grow our customer base, increase revenue from our existing customers and expand our footprint across Africa. We believe that our migration to cloud-based solutions in particular represents a significant long-term growth opportunity, including our partnerships with Google and Microsoft, for which we are a cloud service provider across Africa. These partnerships allow us to further refine our network and our cloud and cybersecurity offerings, as well as bring innovative business applications, intelligent cloud services and world-class IT security to our enterprise customers across the continent. Further, we are able to harness a first-mover advantage in key African markets as well as leverage these global partnerships to service multi-national corporations and accelerate our growth through joint go-to-market activities. Our partnership with Google also allows us to multiply our Wi-Fi access points, provide ultra-low-cost home broadband services, access sophisticated big data analytics, leverage policy control experience, and support our strong continental presence. Furthermore, our relationship with Anthropic, combined with our collaborations with Google Cloud, allows us to deliver even more advanced cloud, cybersecurity solutions and generative AI capabilities to African businesses across the continent. We believe that our many other blue-chip partnerships similarly position us for further growth.

We will continue to pursue strategic collaborations, partnerships, and alliances that will help us serve the priorities of our customers. We will continue to invest in our digital infrastructure and services to ensure interoperability across the ecosystems that support our customers’ most critical business processes through our partner programs. We also plan to continue exploring a range of new partnerships to expand the solutions we offer as technologies and our customer needs evolve. We believe that this approach will enable long-term strategic and mutually beneficial relationships, further incentivizing our partners to strengthen their relationships with us.

We have a diversified business with a growing breadth of customers, products and geographies.

We have a diversified business with a growing breadth of customers, products and geographies which is reflected in the diversification of our revenues. The contractual nature of our earnings, the inherent “stickiness” of customers to our network, and the opportunity to cross-sell and up-sell products and services in various geographic regions, together with our diversified solutions, provides revenue and earnings visibility and stability. Following almost two decades of capital-intensive network expansion, our capital expenditure has reduced significantly in recent years and we are now focused on generating strong cash flow growth. We believe our market position and exposure to a rapidly growing region and our comprehensive suite of offerings as a one-stop shop for digital and cloud services, will further support robust and sustained revenue, EBITDA and cash generation performance.

The rapidly increasing cloud demand from corporate customers has led to further demand for cybersecurity services. We have also experienced growth driven by increased enterprise connectivity and an increased demand for both cloud and data services overall. By leveraging our existing infrastructure, we have been able to connect more enterprise customers to our network and provide them with access to other services including, but not limited to, our cloud, networking, cloud voice, cyber defense and secure access offerings. We have also been able to provide services to retail customers at low marginal costs as a result of increased density of metro routes in key cities by using paid-for infrastructure. These demands have diversified our customer base, reducing our dependence on any single customer or region.

We have multiple large international enterprise clients that provide U.S. dollar-denominated revenue stability. Although we have some currency exposure, 19% of our revenue in the year ended February 28, 2025 was in U.S. dollars and 31% was in South African Rand, with the remaining revenues in other currencies which broadly offset our local currency costs. For more information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures about Market Risks—Market Risk.*” This reduces foreign exchange rate impacts on our profitability and leverage. As our South African Rand denominated earnings have increased as a share of the Liquid Group’s earnings, we have aimed to refinance a larger portion of our borrowings in South African Rand, thus limiting the impact of volatility against the U.S. dollar. Furthermore, we make use of hedging instruments where we have known and material foreign currency flows to mitigate the impact of exchange rate volatility while also pricing local currency revenues in U.S. dollar equivalents wherever possible.

We also have a highly predictable revenue stream based on long-term contracts with our customers, leveraging our extensive collaboration with global technology leaders, which allows for stable cash flow. Our revenue visibility is underpinned by the fact that a significant portion of our revenue consists of monthly recurring revenue (a minimum of 84% in the last three years). We also have a growing rate of FX resilient revenues. Our revenue has grown at a CAGR of approximately 5.5% from the year ended February 28, 2023 to the year ended February 28, 2025, while our Adjusted EBITDA has grown at a CAGR of approximately 5.5% and our cash flow (defined as EBITDA less capital expenditure) has grown at a CAGR of approximately 27.0% during the same period. In particular, commitments from global technology leaders permit us to pursue a fast-growing addressable market by deploying equipment that enables us to quickly and efficiently commercialize our network infrastructure investments.

We have established new backbone routes which have become a core part of our network. Our global partners are often willing to contribute to new project build costs, including those related to establishing new backbone routes, which helps to expand our geographic reach. Relative to the initial investment to build our network, the cost of upgrading the data transmission equipment necessary to transport increased data loads is marginal. Additionally, the cost of operating and maintaining the network and our platforms is mostly fixed and relatively low, as efficiencies increase quickly with growth in the fiber broadband routes. This broadly fixed cost structure allows us to benefit from growth in demand and additional revenues, resulting in higher margins. New capital projects are assessed against stringent criteria and reviewed by the Board as appropriate. These projects are typically discretionary in nature and are only undertaken where they enhance our existing offerings or open new opportunities. However, following almost two decades of capital-intensive network expansion, further geographical reach is now largely expected to be via capital-lite partnerships rather than self-funded capital expenditure.

As of today, we have achieved significant geographic coverage in more than 25 countries, providing a single multi-country fiber network spanning more than 114,000 km. We have a track record of successful organic and inorganic geographic expansion to achieve diversification across Africa, facilitated by the expansion of our fiber broadband network, including roll-out in Kenya, Uganda, Rwanda and Tanzania, as well as in Egypt through a recent acquisition. We have also carried out significant network densification across our existing footprint. Our metro fiber network is built to cover major and secondary cities and our network roll-out success across Africa has resulted in us becoming active in more countries than many of our competitors. This has positioned us to benefit from high-growth market trends in key geographies. Such trends include the growing demand and requirement for broadband services as urbanization and remote working models have gained popularity following the COVID-19 pandemic. The desire for customized digital solutions for public and private sector enterprises across the continent as well as the expansion of digital services such as cloud, cybersecurity and generative AI solutions is also driving the demand for our services.

We operate in structurally attractive markets with strong macro and industry growth drivers.

We have a well invested platform of digital infrastructure, licenses and global partnerships across multiple countries in Africa, which would cost an estimated US \$3 billion to replicate. Our network is self-built and has been largely owned and managed through an entrepreneurial culture for nearly two decades. With full control of our majority-owned network infrastructure, we offer innovative and cost-competitive solutions for our customers with limited downtime. The breadth and resilience of our network infrastructure have allowed us to become a market leader in

Africa for data services. Our Cloudmania business was recognized as the 2025 Microsoft Egypt Partner of the Year and, prior to this, we were recognized for eleven consecutive years as the Best African Wholesale Carrier at the Global Carrier Awards by December 2022. We are also a market leader in pan-African cloud, cybersecurity and data services. This position is supported by our long-term relationships with large international enterprise customers, and through key commercial and operating collaborations and partnerships, such as our partnership with Microsoft, for whom we are a Tier 1 and Tier 2 cloud service provider across Africa. Given the limited number of pan-African operators with our network capabilities and regional expertise, we believe we will continue to be the preferred partner of global technology and communications companies wishing to access the largest number of African markets.

Many of our key customers enter into long-term contracts with us (ranging between 15 and 20 years depending on the service offered) and our customer retention rates have remained high. We also provide offerings which allow our customers to enter a diverse range of contract lengths, depending on the service, which include both rolling 12-month long contracts as well as the long-term contracts preferred by our key customers. As a result, our average customer churn rate has remained consistently below 1.0% for the last three years.

We believe that the scale of the Liquid Group and our expanding offerings will allow us to derive increasing operational and cost synergies. This includes the ability to profitably launch services that are or were not previously available in some of the countries in which we operate, and to negotiate more favorable pricing and other commercial terms with our key suppliers. Our strong market position on the African continent attracts interest from the owners of smaller competitors in an industry under pressure to provide greater access to capital to cope with rapid growth. We undergo a rigorous process when selecting organic and inorganic growth opportunities, following governance procedures led by our financial, technical, planning and strategic process committees. We expect our business to continue to expand across Africa and that the demand for our products and services will be even greater in the medium- to long-term future.

According to the OECD, Africa is expected to continue to have the fastest urban growth in the world, with the continent's urban population projected to double from 700 million to 1.5 billion by 2050. About two thirds of this growth is expected to be absorbed by the urban areas of South Africa, Kenya, Tanzania and Nigeria, amongst others, where we have extensive metro fiber networks and/or spectrum assets to connect end-customers. This high-growth organic outlook will be further amplified by increasing data usage and consumption from Africa's younger tech-savvy urban populations and by demand for high-bandwidth, high-quality and low latency data services and applications. These data-dependent customers are easier to serve in urban areas due to higher density. A third significant driver of future growth stems from rapid innovation in device technology. The improvement in screen resolution and ability to run applications on increasingly lower-cost, data-intensive devices will continue to drive double-digit data growth as smartphone penetration increases over time.

We have strategically designed our network footprint and product offerings to benefit from the growing market for digital services and infrastructure in Africa, as it is amongst the least penetrated data connectivity and digitized markets in the world, positioning it for sustained double-digit long-term growth.

We have a prudent capital structure.

We have a prudent capital structure which is supported by our strong and stable cash flows from operating activities. After giving effect to the Transactions, we expect our Net Debt to Adjusted EBITDA to be 2.44x, and are targeting Net Debt to Adjusted EBITDA of around 2.5x over the medium-term.

Our cash flows from operating activities before working capital changes were US\$212.6 million in the year ended February 28, 2023, US\$232.8 million in the year ended February 29, 2024, US\$231.7 million in the year ended February 28, 2025 and US\$218.9 million in the nine months ended November 30, 2025, respectively. We also believe that we have a significant opportunity for improved cash generation driven by strong EBITDA growth, improved working capital and reduced capital expenditures. With the fiber network build largely completed, we are entering a relatively higher-growth phase in which the cost of upgrading the data transmission equipment installed on our fiber network to transport a substantially larger amount of data (if and when required) is marginal relative to the initial

investment to build the network. This is a phase in which customer additions only require equipment deployment and upgrades, rather than lengthy and costly fiber infrastructure builds. As a result, we incurred capital expenditure of US\$104.8 million, US\$70.3 million and US\$50.8 million in the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and US\$37.0 million in the nine months ended November 30, 2025.

The Cassava Parent has also raised a significant amount of equity from investors, and has onboarded new investors including IFC, FEDA TMT Africa Limited (“**FEDA**”), Public Investment Corporation (SOC) Limited (“**PIC**”), Google, NVIDIA Corporation (“**NVIDIA**”), Finnish Fund for Industrial Cooperation Ltd (“**FinnFund**”) and DFC, which the Cassava Parent has deployed in part to help us reduce our US dollar debt through a portion of the proceeds of the Parent Contribution. The Parent Contribution was funded in part through the closing of a new equity investment into the Cassava Parent from NVIDIA, the second silicon valley player to invest in the Cassava Technologies Group following Google’s investment in December 2024, and the execution of a definitive agreement with STANLIB Infrastructure Investments for a minority stake in Africa Data Centres (South Africa). We believe that a prudent capital structure allows us to make the necessary investments in our business, and we expect to continue to utilize the cash generated by our business to maintain a healthy liquidity for future investment in our operations.

We have a clear focus on cost reduction to support our profitability and increase the resilience of our business.

In May 2024, we launched the Cost Optimization Program aimed at reducing our operating costs to support our profitability and increase the resilience of our business. In connection with the Cost Optimization Program, we undertook an in-depth review of our operating cost base and decided to shift our operating model from one which is geographic company led to one which is product and customer led. The announced targets for the Cost Optimization Program were to deliver cost savings of US\$25 million through a Group wide reduction in headcount of around 130 employees and implementing other cost savings initiatives, including optimizing savings from suppliers by better leveraging our pan-African capabilities to achieve better group-wide pricing, negotiating better contracts and finding lower price alternatives.

Our efforts have already had a positive impact on our financial results, leading to almost US\$10.7 million and US\$19.0 million of cost savings actually realized in the twelve months ended February 28, 2025 and the nine months ended November 30, 2025, respectively, although the benefit of such cost savings on our results of operations was moderated by one-off costs (including severance payments and restructuring fees) of US\$3.6 million and US\$0.8 million during those respective periods. We estimate cost savings that we have already realized to be approximately US\$25.4 million (on a run-rate basis) and we expect that the remaining US\$6.4 million of cost savings will be realized (on a run-rate basis) over the next three months.

Our reduced cost base has also contributed to our profitability. In the nine months ended November 30, 2025, our adjusted EBITDA was US\$229.3 million, 17.0% higher than our adjusted EBITDA of US\$196.0 million in the nine months ended November 30, 2024.

We benefit from a strong and experienced leadership team, founded by a leading African technology entrepreneur and supported by a world-class management team with the depth of skills required to deliver Africa’s digital transformation agenda.

Our talented and highly experienced management team has been instrumental in setting the strategic direction of the Company. Our founder and executive chairman, Strive Masiyiwa, is Africa’s leading technology entrepreneur with an exemplary track record of successfully scaling transformative technology platforms and businesses. One of Africa’s most respected business leaders, Strive Masiyiwa, established Econet in 1993, and has since founded and led several other businesses, as one of the pioneers of the mobile telecommunications industry in Africa. Complementing Strive Masiyiwa’s leadership, our highly experienced and world-class management team has extensive local, vocational and industry experience to deliver Africa’s digital revolution. Our team has successfully led businesses in various stages of their lifecycle, positioning us to provide expert services from a deep and long-standing bench of industry knowledge and best practices across our digital infrastructure and services businesses. We believe that with the support of our management team, our strategy of implementing digital infrastructure initiatives will provide a solid foundation to

propel our digital services offerings, allowing us to be well positioned to successfully execute our strategic initiatives and accelerate growth. We also believe that our team's expertise and proven experience is an invaluable resource to lean on as we continue to operate in the African marketplace.

In addition, we have enhanced our capital structure and welcomed new shareholders, including some of the world's largest companies and Africa-focused institutional investors. We have created a simplified capital structure through the flip up of shareholders to the Cassava Parent to enable alignment, more efficient equity raisings and a unified shareholder base. The shareholder base includes the Econet Group, British International Investment, IFC, Gateway Capital and Royal Bafokeng Holdings, among others. These investors provide both strategic support and long-term patient capital, reinforcing the Liquid Group's governance and growth initiatives. In addition to existing strategic shareholders and development finance institutions, the Cassava Parent has secured equity investments from DFC, FinnFund, Google and most recently, NVIDIA, a globally recognized leader in GPU and AI technologies. This funding is a key part of the Cassava Parent's plan to strengthen its balance sheet, drive sustainable profitable growth, and cement its position as a global technology company of African heritage. (As part of this process, the Cassava Technologies Group has made a significant Parent Contribution to the Liquid Group. For more information, see "Summary—The Transactions.")

Our Strategy

Firmly rooted in Africa, we envision a digitally connected future that leaves no African behind. We intend to expand our partnership base and leverage our physical and digital infrastructure to build and scale cloud, cybersecurity, and digital platforms across the continent which will allow us to deliver sustainable services with profitable growth.

Our strategy is to use technology as an enabler of social mobility and economic prosperity to transform the lives of individuals and businesses across the African continent. Specific components of our strategy include the following:

Utilize our extensive network and leverage our infrastructure to grow through organic expansion and targeted acquisitions or investments.

Now that our fiber build network is largely completed, we plan to utilize our extensive network and leverage our infrastructure to grow through organic expansion and targeted acquisitions or investments. We plan to position ourselves strategically when rolling out fiber and connectivity services, which in turn allows us to direct capex to non-speculative projects that can begin to generate revenue as soon as they are commissioned. We also seek to continue leveraging our terrestrial networks as well as our submarine cable and satellite assets to deliver digital solutions at low incremental costs. We seek to leverage our cross-border backbone, backhaul and last-mile fiber broadband networks to provide cost-effective offerings with better reliability, better quality of service and lower latency to support this mission. We also aim to utilize our last-mile network to provide advanced cloud and cybersecurity services to more customers both at the enterprise level and at home. Furthermore, we will continue utilizing our teleport infrastructure to provide customers with secure, robust and fully resilient access to both our award-winning satellite and fiber broadband networks to generate further organic growth. We will also leverage our infrastructure to capture significant growth in data traffic, including cloud and cybersecurity services. We seek to better manage our network consistently and holistically, regardless of the network technology deployed, which we believe, in turn, will expand our customer base.

We also aim to expand and enhance revenue and profitability by using the efficiencies of our extensive network. We strategically target dense metro areas where large populations, increasing urbanization rates and growing business parks lend themselves to greater bandwidth data requirements. We have created metro access circuits which provide customers with access to local or regional connectivity in a way which increases bandwidth, reliability and scalability. The aggregation of more fiber into conduits that have already been amortized and/or paid for provides significant value upside. Additionally, fiber broadband networks are resilient assets, mostly buried underground, requiring relatively modest maintenance capex.

While we do not anticipate transformational acquisitions in the near term, we may pursue strategic acquisitions or investments. Any such acquisition or investment will require us to identify and compete for suitable acquisition and investment targets, to assess the value, strengths, weaknesses, contingent or other liabilities and potential profitability of such acquisitions and investments, to negotiate acceptable purchase, financing and other terms and, in some cases, the selection of appropriate international and local partners. As part of this process, we will also need to obtain the appropriate regulatory and governmental approvals, licenses, spectrum allocation and registrations to continue with any such strategic acquisitions or investments.

Become Africa's leading cloud and cybersecurity services provider.

We aim to become Africa's leading cloud services provider through our strategic partnerships and collaborations with global cloud service providers, enabling our customers to onboard with the cloud service provider of their choice through our network across Africa. We intend to develop "Africa's cloud" for operating hyperscale and edge data centers in all major economic hubs on the continent and to serve as a one-stop-shop for digital cloud transformation in Africa, thereby democratizing cloud connectivity as a multi-cloud player. We also plan to continue developing our best-in-class Infrastructure-as-a-Service, Platform-as-a Service and Software-as-a-Service applications. We expect this to increase our share of wallet and stickiness in our connectivity solutions.

We also seek to position ourselves as a prominent provider of cybersecurity solutions, and as an early mover in many markets, leveraging our customer base of large enterprises and government agencies, particularly in the financial industry and other key verticals. We have set up new cybersecurity operations centers through partnerships with the leading global cybersecurity and cloud service providers. We expect this to allow enterprises to safely use new cloud and web services by providing them with a one-stop shop to protect their data, private networks and operations.

Develop further tools and approaches to meeting our customers' needs.

We plan to develop new technological tools and approaches to address the pressing requirements of African businesses and people by leveraging our network, product offering, expertise, spectrum, local presence, licenses and other assets. We seek to expand on our early successes in free space optics links, low-cost connectivity deployment and 4G/5G neutral wholesale mobile networks in South Africa, including small cell deployments, as well as numerous initiatives in the education, gaming, community and entrepreneurship space. We expect to focus on in-house research and development as well as partnerships with global technology and non-governmental organizations.

Further improve our long-term profitability and optimize cash flow generation.

We intend to increase the profitability of our operations, while continuing to optimize our operations in a manner that prioritizes cash flow generation. We intend to do this, in part, through realizing the long-term benefits of the efficiencies obtained through our Cost Optimization Program. As part of the Cost Optimization Program, we have conducted an in-depth review of our operating cost base and shifted our operating model from a geographically focused telecommunications provider to a full technology and digital services group with a customer-first structure. Our efforts have already had a positive impact on our financial results, leading to reductions in staff and administrative costs and delivering savings of US\$10.0 million in the year ended February 28, 2025. We will continue to evaluate the efficiencies of our Cost Optimization Program and will continue to pursue other initiatives, including leveraging the benefits and efficiencies of AI across our business, to improve our operating results. We seek to maintain a disciplined approach in relation to planned capital expenditures and working capital, and aim for our cash flows from operating activities to be sufficient to fund our anticipated capital expenditure, working capital requirements and debt service requirements as they become due.

USE OF PROCEEDS

As an initial step in the Transactions, on February 25, 2026, a portion of the proceeds of the Parent Contribution, together with other cash on hand, was used to repay all amounts outstanding under the Existing Facilities. In order to complete the Transactions, the proceeds from the offering of the Notes, together with a portion of the proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities, are intended to be used to: (i) fully

redeem the Existing 2026 Notes, and (ii) pay costs, expenses and fees (including the Initial Purchasers' fees, legal, accounting and other fees and expenses) in connection with the Transactions. The remaining proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities will effectively replenish a portion of the Company's cash on hand that was used for repayment of the Existing Facilities and be available for general corporate purposes. See "*Use of Proceeds.*" For descriptions of the Liquid Group's current and anticipated indebtedness following completion of the Offering, see "*Description of Certain Financing Arrangements*" and "*Capitalization.*"

THE TRANSACTIONS

The Offering forms part of a series of Transactions that the Liquid Group is in the process of undertaking with a view to refinancing most of its outstanding debts through a combination of new debt financings and a portion of the proceeds of the Parent Contribution from the Cassava Technologies Group. The Transactions are intended to significantly enhance the Liquid Group's capital structure by addressing its near-term maturity walls, reducing its overall leverage levels and markedly improving its debt maturity profile, resulting in a more sustainable deleveraged foundation for ongoing value creation.

As an initial step in the Transactions, on February 25, 2026, a portion of the proceeds of the Parent Contribution, together with other cash on hand, was used to repay all amounts outstanding under the Existing Facilities. The Parent Contribution was funded in part through the closing of a new equity investment into the Cassava Parent from NVIDIA, the second silicon valley player to invest in the Cassava Technologies Group following Google's investment in December 2024, and the execution of a definitive agreement with STANLIB Infrastructure Investments for a minority stake in Africa Data Centres (South Africa).

In addition, as part of the Transactions, (i) the Company and Liquid Telecommunications South Africa (Pty) Ltd as original borrowers have entered into the Senior Syndicated Term Loan Facilities Agreement providing for U.S. dollar and South African Rand senior secured term loan facilities in aggregate amounts up to US\$200,000,000 and ZAR 2,560,000,000, respectively; (ii) Liquid Telecommunications South Africa (Pty) Ltd as original borrower has entered into the New IFC Term Loan Facilities Agreement providing for South African Rand senior secured term loan facilities in aggregate amounts up to ZAR 883,640,000; and (iii) the Company as original borrower has entered into the Senior Syndicated Revolving Facility Agreement providing for a senior secured revolving credit facility up to a committed amount equal to the lesser of US\$30,000,000 and 10% of the aggregate principal amount of the Notes issued on the Issue Date.

In order to complete the Transactions, the proceeds from the offering of the Notes, together with a portion of the proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities, are intended to be used to: (i) fully redeem the Existing 2026 Notes, and (ii) pay costs, expenses and fees (including the Initial Purchasers' fees, legal, accounting and other fees and expenses) in connection with the Transactions. The remaining proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities will effectively replenish a portion of the Company's cash on hand that was used for repayment of the Existing Facilities and be available for general corporate purposes. See "*Use of Proceeds.*" In connection therewith, the Conditional Notice of Redemption is expected to be distributed to the holders of the Existing 2026 Notes on or about March 31, 2026. On or about the Issue Date, we intend to deposit the corresponding amounts with the trustee for the Existing 2026 Notes (or such other entity designated (as agent) for such purposes), thus causing the indenture for the Existing 2026 Notes to be satisfied and discharged.

Throughout this Offering Memorandum, we collectively refer to the Parent Contribution, entry into the Senior Syndicated Term Loan Facilities Agreement, the Senior Syndicated Revolving Facility Agreement and the New IFC Term Loan Facilities Agreement, and the Offering, together with the repayment of the Existing Facilities, the redemption of the Existing 2026 Notes and the other uses of the proceeds of the foregoing as described in "*Use of Proceeds*" as the "**Transactions.**"

RECENT DEVELOPMENTS

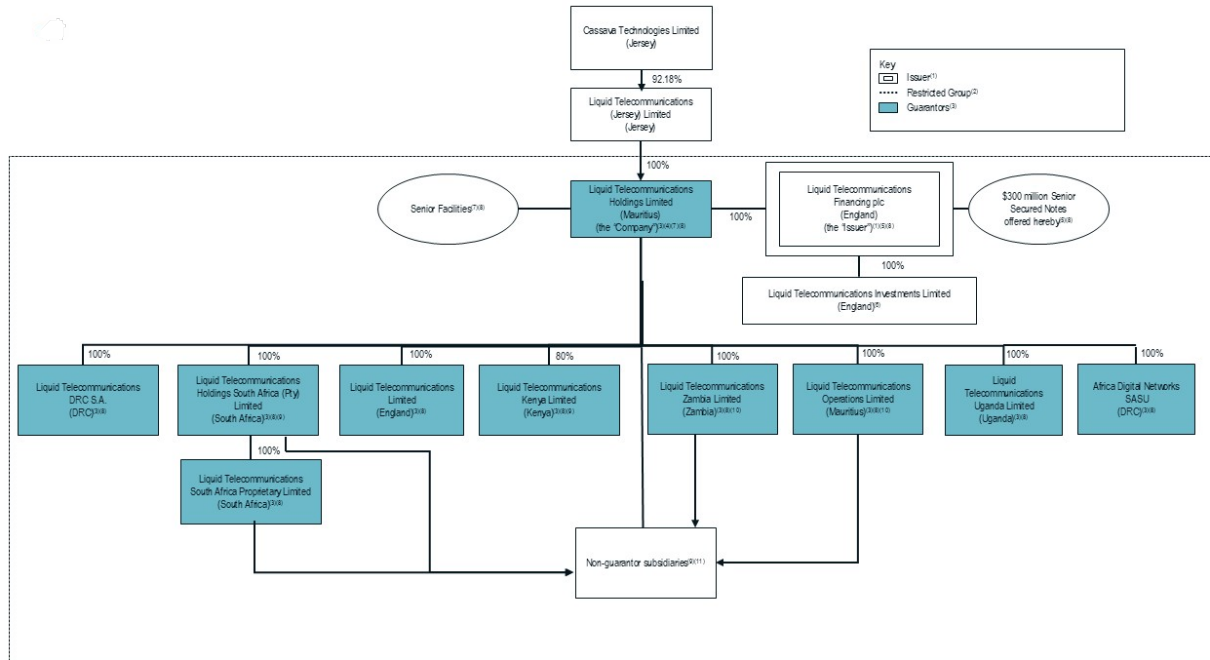
In addition to the recent developments discussed under “—*The Transactions*” above, on February 1, 2026, Data Control & Systems (1996) (Private) Limited (“**Liquid Telecommunications Zimbabwe**”) entered into a sale and leaseback transaction with Econet Wireless Zimbabwe Limited, pursuant to which certain telecommunications assets were sold to Econet Wireless Zimbabwe Limited for US\$25.7 million and concurrently leased back under a four-year lease arrangement which increased the Company’s lease liabilities by US\$24.5 million.

Furthermore, trading in the fourth quarter continues to strengthen with revenue on an improving trajectory. Gross profit margins have remained broadly consistent with the November 2025 year-to-date reported position and Adjusted EBITDA is on track to meet full-year expectations. Our focus on cash generation remains in the final three months through continued EBITDA growth and ongoing collection of aged receivables.

The above information is based on our management’s review of our preliminary results and estimates, which have not been audited or reviewed by any audit firm, and is not intended to be a comprehensive statement of our financial or operational results up to the date hereof. Our preliminary results are based on a number of assumptions and judgments, and as a result, reflect a certain level of uncertainty and remain subject to change. The estimated results described above may change in connection with the preparation of our third-quarter accounts and our normal end-of-quarter review process. Our preliminary results may not be indicative of our results for any other period. As such, you should not place undue reliance on them. See “Forward-Looking Statements” and “Risk Factors” for a more complete discussion of certain of the factors that could affect our future performance and results of operations.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following chart shows a simplified summary of the Liquid Group’s corporate and financing structure as of the Issue Date and as adjusted to give effect to the Transactions. The chart does not include all of the Company’s subsidiaries, or all of the debt obligations thereof. Unless otherwise indicated, the subsidiaries included in the simplified structure below are directly or indirectly wholly-owned by the Company. For a summary of the debt obligations identified in this diagram, see the sections entitled “*Use of Proceeds*,” “*Description of the Notes*,” “*Description of Certain Financing Arrangements*” and “*Capitalization*”.



- (1) The Issuer is a public company limited by shares incorporated under the laws of England and Wales for the purpose of issuing debt securities. The Issuer is a wholly owned finance subsidiary of the Company and has no material assets (other than holdings in the capital stock of a single subsidiary, Liquid Telecommunications Investments Limited, discussed in note (6) below) and no material liabilities (other than the Notes and guarantees of the Senior Facilities) and has not engaged in any significant activities other than financing activities. See “*Risk Factors—Risks relating to the Notes and the Guarantees— Drawings under the Senior Facilities and any future variable interest rate debt we incur in the future will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow.*”
- (2) The entities in the Restricted Group are subject to the covenants in the Indenture. See “*Description of the Notes.*”
- (3) On the Issue Date, the Guarantors will consist of the (i) the Company, (ii) all of the Non-South African Subsidiary Guarantors other than Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC); and (iii) all of the South African Subsidiary Guarantors, and within 120 days from the Issue Date (or such earlier date on which such entities become borrowers or guarantors under the Senior Facilities), subject to the Agreed Security Principles and certain limitations under applicable law and certain contractual limitations, will also include two additional Non-South African Subsidiary Guarantors (namely, Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC)). Each Guarantor’s Guarantee will be a general senior obligation of the relevant Guarantor, be secured as further described herein directly or indirectly on a first-priority basis by the Collateral (subject to the Agreed Security Principles, certain perfection requirements, Permitted Collateral Liens and limitations under applicable law) equally and ratably with such Guarantor’s obligations under the Senior Facilities, rank *pari passu* in right of payment with all existing and future indebtedness of such Guarantor that is not subordinated in right of payment to its Guarantee, including its obligations under the Senior Facilities, be senior in right of payment to all existing and future indebtedness of such Guarantor that is expressly subordinated in right of payment to its Guarantee, if any, be effectively senior to all existing and any future unsecured indebtedness of such Guarantor to the extent of the value of the Collateral securing its Guarantee either directly or indirectly, be effectively subordinated to any existing and future indebtedness of such Guarantor that is secured by property and assets that do not secure its Guarantee to the extent of the value of the property and assets securing such indebtedness, and be structurally subordinated to all obligations of such Guarantor’s and the Company’s Subsidiaries that are not Guarantors. As of and for the year ended February 28, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 79.0% of our total assets, after adjusting for intercompany payables and receivables and (ii) 63.6% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries. As of and for the nine months ended November 30, 2025, the Guarantors, including the Post-Issue Date Guarantors,

represented (i) 80.3% of our total assets, after adjusting for intercompany payables and receivables and (ii) 56.2% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries. The Guarantees will be subject to certain limitations under the Agreed Security Principles and applicable law and conditions to regulatory consent, including, in the case of the South African Guarantors, the relevant approvals obtained from the Financial Surveillance Department of the South African Reserve Bank. See “*Description of the Notes—Note Guarantees and SPV Guarantee*,” “*Description of the Notes—Security—Agreed Security Principles*,” “*Certain Insolvency and Enforceability Considerations*” and “*Risk Factors—Risks relating to the Notes and the Guarantees*.”

- (4) The Company is a private company limited by shares incorporated under the laws of Mauritius and, from a corporate structure perspective, will be the top-most Guarantor of the Notes. The shares in the Company owned by Liquid Telecommunications (Jersey) Limited will form part of the Collateral and be secured through a Mauritian law share pledge, as further described in note (9) below and “*Description of the Notes—Security*.”
- (5) The Notes will be general senior obligations of the Issuer, be secured as further described herein directly or indirectly on a first-priority basis by the Collateral (subject to the Agreed Security Principles, certain perfection requirements, Permitted Collateral Liens and limitations under applicable law) equally and ratably with the Issuer’s obligations under the Senior Facilities, rank *pari passu* in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes, if any, rank senior in right of payment to all existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes, be effectively senior to all existing and future unsecured indebtedness of the Issuer to the extent of the value of the Collateral, be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property and assets that do not secure the Notes to the extent of the value of the property and assets securing such indebtedness, and be structurally subordinated to all obligations of the Issuer’s and the Company’s other Subsidiaries that are not Guarantors. The offering of the Notes is a part of the Transactions. As an initial step in the Transactions, on February 25, 2026, a portion of the proceeds of the Parent Contribution, together with other cash on hand, was used to repay all amounts outstanding under the Existing Facilities. In order to complete the Transactions, the proceeds from the offering of the Notes, together with a portion of the proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities, are intended to be used to: (i) fully redeem the Existing 2026 Notes, and (ii) pay costs, expenses and fees (including the Initial Purchasers’ fees, legal, accounting and other fees and expenses) in connection with the Transactions. The remaining proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities will effectively replenish a portion of the Company’s cash on hand that was used for repayment of the Existing Facilities and be available for general corporate purposes. See “*Summary—The Transactions*” and “*Use of Proceeds*.”
- (6) Liquid Telecommunications Investments Limited is a private company limited by shares incorporated under the laws of England and Wales. It is a wholly owned finance subsidiary of the Issuer with no business operations or significant assets of its own.
- (7) In connection with the Transactions, (i) the Company and Liquid Telecommunications South Africa (Pty) Ltd as original borrowers have entered into the Senior Syndicated Term Loan Facilities Agreement providing for U.S. dollar and South African Rand senior secured term loan facilities in aggregate amounts up to US\$200,000,000 and ZAR 2,560,000,000, respectively; (ii) Liquid Telecommunications South Africa (Pty) Ltd as original borrower has entered into the New IFC Term Loan Facilities Agreement providing for South African Rand senior secured term loan facilities in aggregate amounts up to ZAR 883,640,000; and (iii) the Company as original borrower has entered into the Senior Syndicated Revolving Facility Agreement providing for a senior secured revolving credit facility up to a committed amount equal to the lesser of US\$30,000,000 and 10% of the aggregate principal amount of the Notes issued on the Issue Date. We expect to draw down on the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities on or about the Issue Date and to use the proceeds thereof to help complete the Transactions, as discussed in note (5) above and “*Summary—The Transactions*” and “*Use of Proceeds*.” Each of the Issuer and the Guarantors will guarantee each of the Company’s and Liquid Telecommunications South Africa (Pty) Ltd’s obligations under the Senior Facilities on a *pari passu* basis with the Notes and the Guarantees and, as described in note (8) below, the Notes, the Guarantees and the Senior Facilities will be secured by the Collateral on a *pari passu* basis pursuant to the terms of the Intercreditor Agreement.
- (8) The Notes, the Guarantees and the Senior Facilities will be secured by the Collateral on a *pari passu* basis pursuant to the terms of the Intercreditor Agreement. Pursuant to the Intercreditor Agreement, proceeds from enforcement of the Collateral will be shared pro rata among the holders of the Notes and the lenders under the Senior Facilities. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*” The Trustee (in its capacity as the trustee for the Notes) will accede to the Intercreditor Agreement on the Issue Date. As with the Senior Facilities, the Notes and the Guarantees will initially be secured by first priority Liens over certain assets located outside of South Africa (which we refer to as the Issue Date Global Collateral), and within 120 days from the Issue Date (or such earlier date on which such security is granted in relation to the Senior Facilities), by certain other assets located outside of South Africa (which we refer to as the Post-Issue Date Global Collateral), subject, in each case, to the Agreed Security Principles, certain perfection requirements, Permitted Collateral Liens and limitations under applicable law. As with the Senior Facilities, the Note Guarantees of the Company and the South African Subsidiary Guarantors (and the Notes indirectly as a result) will also initially be secured by indirect security interests over certain assets located in South Africa by virtue of arrangements through the Security SPV. See “*Description of the Notes—Security—Security SPV*.”

The Issue Date Global Collateral will (subject to the Agreed Security Principles, certain perfection requirements, Permitted Collateral Liens and limitations under applicable law) include the following properties and assets, which will be secured on a first ranking basis: (1) English law share charge in respect of the shares owned by the Company in the Issuer and Liquid Telecommunications Limited; (2) English law security assignment agreement in respect of the Company’s present and future rights, title and interest in certain inter group agreements owing by any member of the Liquid Group and related rights; (3) English law debenture given by Liquid Telecommunications Limited and the Issuer; (4) Mauritian law share pledge in respect of the shares owned by Liquid Telecommunications (Jersey) Limited in the Company; (5) Mauritian law bank account pledge between the Company and the Security Agent in relation to the Company’s bank accounts; (6) Mauritian law share pledge in respect of the shares owned by the Company in Liquid Telecommunications Operations Limited; (7) Mauritian law floating charge over the present and future, movable and immovable, corporeal and incorporeal properties of the Company; (8) Mauritian law floating charge over the present and future, movable and immovable, corporeal and incorporeal properties of Liquid Telecommunications Operations Limited; (9) Kenyan law Memorandum of Deposit in respect of the shares in Liquid Telecommunications Kenya Limited; (10) Zambian law share charge in respect of the shares owned by the Company and Liquid Telecommunications Operations Limited in Liquid Telecommunications Zambia Limited; (11) Zambian law security assignment agreement in respect of the Company’s and Liquid

Telecommunications Operations Limited's present and future rights, title and interest in the receivables owed to Liquid Telecommunications Zambia Limited; (12) Zambian law floating charge entered into by Liquid Telecommunications Zambia Limited over the present and future assets of Liquid Telecommunications Zambia Limited; and (13) Democratic Republic of Congo law share pledge agreement in respect of the shares owned by the Company and Liquid Telecommunications Operations Limited in Liquid Telecommunications DRC S.A.. The Post-Issue Date Global Collateral will (subject to the Agreed Security Principles, certain perfection requirements, Permitted Collateral Liens and limitations under applicable law) include the following properties and assets, which will be secured on a first ranking basis: (1) Democratic Republic of Congo law share pledge agreement in respect of the shares owned by the Company in Africa Digital Networks SASU (DRC); (2) Ugandan law share pledge in respect of the shares owned by the Company in Liquid Telecommunications Uganda Limited; and (3) Ugandan law floating debenture over all assets, movable and immovable, of Liquid Telecommunications Uganda Limited. The South African Collateral will (subject to the Agreed Security Principles, certain perfection requirements, Permitted Collateral Liens and limitations under applicable law) include the following properties and assets, which will be secured on a first-ranking basis: (1) South African law pledge and cession over the shares and shareholder loan claims owned by the Company in Liquid Telecommunications Holdings South Africa (Pty) Ltd; (2) South African pledge and cession over all shares, securities and other ownership interests, all debt claims, all present and future claims (including trade debtors), investments, bank accounts, intellectual property rights, all insurances and other rights of Liquid Telecommunications South Africa (Pty) Ltd; (3) South African pledge and cession over certain shares, securities and other ownership interests, all debt claims, all present and future claims (including trade debtors), investments, bank accounts and other rights of Liquid Telecommunications Holdings South Africa (Pty) Ltd; (4) South African deed of hypothecation over trademarks of Liquid Telecommunications South Africa (Pty) Ltd; (5) South African first ranking mortgage bond over all immovable property of Liquid Telecommunications South Africa (Pty) Ltd; (6) South African first ranking special notarial bond over certain movable assets of Liquid Telecommunications South Africa (Pty) Ltd; and (7) South African first-ranking general notarial bond over all movable assets of Liquid Telecommunications South Africa (Pty) Ltd. The Collateral will be contractually limited to reflect limitations under the Agreed Security Principles and applicable law and conditions applicable to regulatory consents with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal or regulatory restrictions applicable to the security providers and their respective shareholders, directors and general partners. See "*Description of the Notes—Security.*"

- (9) In order to comply with local shareholding requirements, 196,164 ordinary shares, representing approximately 20% of the share capital of Liquid Telecommunications Kenya Limited, are held by Stamford TC Limited, an employee benefit trust vehicle. In addition, as of the date of this Offering Memorandum, Lisinfo 213 Property (RF) Proprietary Limited holds 30% of the voting rights in Liquid Telecommunications Holdings South Africa (Pty) Ltd (the remaining 70% being held by the Company). Lisinfo 213 Property (RF) Proprietary Limited holds no economic interest in Liquid Telecommunications Holdings South Africa (Pty) Ltd. In addition to the Guarantors that are not wholly owned by us, some of our non-Guarantor subsidiaries are also not wholly owned by us. See "*Risk Factors—Risks relating to the Notes and the Guarantees— Not all of our subsidiaries will guarantee the Notes, and the Notes and the Guarantees are or will be structurally subordinated to all of the claims of creditors of those subsidiaries that do not guarantee the Notes.*"
- (10) One ordinary share of Liquid Telecommunications Zambia Limited is held by Liquid Telecommunications Operations Limited.
- (11) As of November 30, 2025, after giving effect to the Transactions our non-Guarantor subsidiaries will have no external outstanding financial indebtedness. See "*Capitalization.*"

In addition to the holdings presented in the chart above, the Company holds interests in certain other subsidiaries which are not material for our business or which currently have no material operations.

As of the Issue Date, all of the Company's subsidiaries will be Restricted Subsidiaries for purposes of the Notes and the Indenture. In addition to the Issue Date Guarantors and the Post-Issue Date Guarantors, one or more other subsidiaries may become obliged to guarantee the Notes in the future to the extent that they provide guarantees of certain other indebtedness. See "*Description of the Notes—Covenants—Limitations on Guarantees of Indebtedness by Restricted Subsidiaries.*"

OVERVIEW OF THE OFFERING

The overview below describes the principal terms of the Notes and the Guarantees. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section entitled “Description of the Notes” of this Offering Memorandum contains a more detailed description of the terms and conditions of the Notes and the Guarantees, including definitions of certain terms used in this overview.

Issuer	Liquid Telecommunications Financing plc (the “ Issuer ”).
Guarantors	On the Issue Date, the Notes will be guaranteed by (i) the Company, (ii) all of the Non-South African Subsidiary Guarantors other than Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC) (namely, Liquid Telecommunications DRC S.A., Liquid Telecommunications Limited, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Operations Limited and Liquid Telecommunications Zambia Limited); and (iii) all of the South African Subsidiary Guarantors (namely, Liquid Telecommunications Holdings South Africa (Pty) Ltd and Liquid Telecommunications South Africa (Pty) Ltd) (collectively, the “ Issue Date Guarantors ”), and within 120 days from the Issue Date (or such earlier date on which such entities become borrowers or guarantors under the Senior Facilities), subject to the Agreed Security Principles and certain limitations under applicable law and certain contractual limitations as described below, will also include two additional Non-South African Subsidiary Guarantors (namely, Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC)) (collectively, the “ Post-Issue Date Guarantors ” and, together with the Issue Date Guarantors, the “ Guarantors ”).
Notes Offered	US\$300 million aggregate principal amount of 10¾% Senior Secured Notes due 2031 (the “ Notes ”) under an indenture dated April 14, 2026 (the “ Indenture ”).
Issue Date	On or about April 14, 2026 (the “ Issue Date ”).
Issue Price	100.0000%, plus accrued interest from the Issue Date.
Maturity Date	April 14, 2031.
Interest Rate	10.7500% per annum.
Interest Payment Dates	Interest will be payable semi-annually in arrears on April 14 and October 14 of each year, commencing on October 14, 2026.
Denomination of Notes	The Issuer will issue the Notes in minimum denominations of US\$200,000 in principal amount and integral multiples of US\$1,000 in excess thereof.
Form of Notes	The Notes will be represented on issue by global notes which will be deposited with (i) in the case of the Regulation S Global Notes, a common depository for Euroclear and Clearstream and registered in the name of their respective nominees, and (ii) in the case of the Rule 144A Global Notes, a custodian for DTC, and registered in the name of Cede & Co. as nominee of DTC. If definitive registered notes are issued in

respect of the Notes, they will be issued only in minimum denominations of US\$200,000 in principal amount and integral multiples of US\$1,000 in excess thereof.

Interests in each Global Note will be exchangeable for definitive registered notes only in certain limited circumstances. See “*Book-Entry; Delivery and Form.*”

GuaranteesThe Notes will be guaranteed by the Guarantors as set forth above.

As of and for the year ended February 28, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 79.0% of our total assets, after adjusting for intercompany payables and receivables and (ii) 63.6% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries. As of and for the nine months ended November 30, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 80.3% of our total assets, after adjusting for intercompany payables and receivables and (ii) 56.2% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries.

See “Risk Factors—Risks relating to the Notes and the Guarantees—Not all of our subsidiaries will guarantee the Notes, and the Notes and the Guarantees are or will be structurally subordinated to all of the claims of creditors of those subsidiaries that do not guarantee the Notes.” There are circumstances other than repayment or discharge of the Notes under which the Guarantees will be released automatically, without your consent or the consent of the Trustee. See “Risk Factors—Risks relating to the Notes and the Guarantee—The security over the Collateral will not be granted directly to the holders of the Notes.”

Ranking of the Notes and the

Guarantees The Notes will be general senior obligations of the Issuer and the Notes will:

- be general senior obligations of the Issuer;
- be secured as set forth under “*Description of the Notes – Security*”;
- rank *pari passu* in right of payment with all existing and future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes;
- rank senior in right of payment to all future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes, if any;
- be effectively senior to all existing and future unsecured Indebtedness of the Issuer to the extent of the value of the Collateral;
- be effectively subordinated to any existing and future Indebtedness of the Issuer that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness;

- be structurally subordinated to all obligations of the Issuer’s and the Company’s other Subsidiaries that are not Guarantors; and
- be unconditionally guaranteed as of the Issue Date by the Company and the other Issue Date Guarantors, and within 120 days from the Issue Date (or such earlier date on which such entities become borrowers or guarantors under the Senior Facilities), by the Post-Issue Date Guarantors (in each case, subject to the Agreed Security Principles, certain limitations under applicable law and certain contractual limitations as described below under “*Description of the Notes—Note Guarantees and SPV Guarantee*,” including, in the case of the South African Guarantors, the relevant approvals obtained from the Financial Surveillance Department of the South African Reserve Bank). .

The Notes will be guaranteed by the Guarantors (subject to the Agreed Security Principles and certain limitations under applicable law and certain contractual limitations as described under “*Description of the Notes—Note Guarantees and SPV Guarantee*”). The Note Guarantees of the Company and each Subsidiary Guarantor will:

- be general senior obligations of the Company and each Subsidiary Guarantor, as applicable;
- be secured as set forth under “*Description of the Notes—Security*”;
- rank *pari passu* in right of payment with all existing and future Indebtedness of such Guarantor that is not subordinated in right of payment to that Note Guarantee, including such Guarantor’s obligations under the Senior Facilities;
- rank senior in right of payment to all existing and future Indebtedness of such Guarantor that is expressly subordinated in right of payment to that Note Guarantee, if any;
- be effectively senior to all existing and any future unsecured Indebtedness of such Guarantor to the extent of the value of the Collateral securing that Note Guarantee either directly or indirectly;
- be effectively subordinated to any existing and future Indebtedness of such Guarantor that is secured by property and assets that do not secure that Note Guarantee, to the extent of the value of the property and assets securing such Indebtedness; and
- be structurally subordinated to all obligations of such Guarantor’s and the Company’s other Subsidiaries that are not Guarantors.

The obligations of the Guarantors will be contractually limited under the applicable Note Guarantees to reflect limitations under the Agreed Security Principles and applicable law and conditions to regulatory consent with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal or regulatory restrictions applicable to the Guarantors and their respective shareholders, directors

and general partners, including, in the case of the South African Guarantors, by the relevant approvals obtained from the Financial Surveillance Department of the South African Reserve Bank. See “*Description of the Notes—The Note Guarantees and the SPV Guarantee*”. By virtue of these limitations, a Guarantor’s obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See “*Risk Factors—Risks Relating to the Notes and the Guarantees—The Guarantees and the Collateral securing the Notes are subject or will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.*” In addition, the Guarantees may be released under certain circumstances. See “*Description of the Notes—The Note Guarantees and the SPV Guarantee*” and “*Certain Insolvency and Enforceability Considerations.*”

Collateral.....On or about the Issue Date:

- The Notes will be secured as of the Issue Date on a first priority basis directly by the Issue Date Global Collateral and indirectly by the South African Collateral through the Security SPV arrangements (subject to the Agreed Security Principles, certain perfection requirements, any Permitted Collateral Liens and limitations under applicable law), as described under “*Description of the Notes—Security*”; and
- The Guarantees with respect to the Notes will be secured, as of the Issue Date on a first priority basis directly by the Issue Date Global Collateral and (in relation to the Note Guarantees of the Company and the South African Subsidiary Guarantors) indirectly by the South African Collateral through the Security SPV arrangements (subject to the Agreed Security Principles, certain perfection requirements, any Permitted Collateral Liens and limitations under applicable law), as described under “*Description of the Notes—Security*”.

Within 120 days from the Issue Date (or such earlier date on which such security is granted in relation to the Senior Facilities), the Notes and the Guarantees will also be secured on a first priority basis directly by the Post-Issue Date Global Collateral (subject to the Agreed Security Principles, certain perfection requirements, any Permitted Collateral Liens and limitations under applicable law), as described under “*Description of the Notes—Security*”.

The security interests in the Collateral will be granted directly to the Security Agent (with respect to the Global Collateral) and indirectly through the Security SPV (with respect to the South African Collateral). See “*Description of the Notes—Security SPV.*”

As of November 30, 2025 and as adjusted to give effect to the Transactions, we would have no debt secured by assets other than the Collateral.

Use of ProceedsAs an initial step in the Transactions, on February 25, 2026, a portion of the proceeds of the Parent Contribution, together with other cash on hand, was used to repay all amounts outstanding under the Existing Facilities. In order to complete the Transactions, the proceeds from the offering of the Notes, together with a portion of the proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities, are intended to be used to: (i) fully redeem the Existing 2026 Notes, and (ii) pay costs, expenses and fees (including the Initial Purchasers’ fees, legal, accounting and other fees and expenses) in connection with the Transactions. The remaining proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities will effectively replenish a portion of the Company’s cash on hand that was used for repayment of the Existing Facilities and be available for general corporate purposes, see “*Use of Proceeds.*”

Security SPVThe obligations of the Company and the South African Subsidiary Guarantors under their Note Guarantees, their obligations as borrowers or guarantors under the Senior Facilities and any other of their secured obligations for purposes of the Intercreditor Agreement will also be guaranteed on a limited recourse basis under South African law by the Security SPV. The Company and certain South African Subsidiary Guarantors are parties to the Counter-Indemnity Agreement with respect to the guarantee provided by the Security SPV, which agreement is secured by first priority security interests over the South African Collateral. See “*Description of the Notes—Security—Security SPV*” and “*Risk Factors—Risks Relating to the Collateral Securing the Notes—The Security over the Collateral will not be granted directly to the holders of the Notes.*”

Taxation / Additional AmountsAll payments by or on behalf of the Issuer or any Guarantor under or with respect to the Notes or any Note Guarantee will be made free and clear of, and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) except to the extent required by law. If withholding or deduction is required by law in any such jurisdiction in which the Issuer or any applicable Guarantor is then incorporated, engaged in business or resident for tax purposes or any political subdivision thereof or therein or in any jurisdiction (including, without limitation, the jurisdiction of any paying agent) from or through which payment on the relevant Notes is made by or on behalf of the Issuer or any Guarantor (a “**Relevant Taxing Jurisdiction**”), subject to certain exceptions, the Issuer or any applicable Guarantor will pay such additional amounts as may be necessary so that the net amount received by any holder or beneficial owner of Notes (including additional amounts) after such withholding or deduction will not be less than the amount such holder would have received if such withholding or deduction had not been required. See “*Description of the Notes—Additional Amounts.*”

Optional RedemptionAt any time prior to April 14, 2028, we may redeem up to 40% of the aggregate principal amount of the Notes using the net cash proceeds of

certain equity offerings, at the redemption price of 110.7500% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the redemption date. See “*Description of the Notes—Optional Redemption.*”

At any time prior to April 14, 2028, we may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus, in each case, accrued and unpaid interest and additional amounts, if any, to the applicable redemption date plus the applicable “make whole” premium. See “*Description of the Notes—Optional Redemption.*”

At any time on or after April 14, 2028, we may redeem some or all of the Notes at the redemption prices set forth in “*Description of the Notes—Optional Redemption.*”

Change of Control Upon the occurrence of certain events constituting a “change of control,” holders of the Notes will have the right to require the Issuer to repurchase all or part of the Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the Notes, plus accrued and unpaid interest and additional amounts, if any, to the repurchase date. See “*Description of the Notes—Repurchase at the Option of Holders—Change of Control.*”

Optional Redemption for Tax Reasons If certain changes in the law (or in its interpretation) of any Relevant Taxing Jurisdiction impose certain withholding taxes or other deductions on the payments on the Notes, we may redeem the Notes in whole, but not in part, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to (but excluding) the redemption date. See “*Description of the Notes—Optional Redemption for Taxation Reasons.*”

Certain Covenants We have agreed to certain covenants with respect to the Notes, including, among other things, limitations on our ability to:

- incur or guarantee additional indebtedness;
- make certain investments or other restricted payments;
- sell assets and subsidiary stock;
- enter into certain transactions with affiliates;
- create liens;
- consolidate, merge or sell all or substantially all of our assets;
- enter into agreements that restrict our restricted subsidiaries’ ability to pay dividends; and
- impair the security interests with respect to the Collateral.

Each of these covenants is subject to certain exceptions and qualifications. Certain of these covenants may also be suspended in the

event that the Notes receive investment grade ratings from the relevant credit rating agencies. See “*Description of the Notes—Certain Covenants.*”

Transfer RestrictionsThe Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction and are subject to certain restrictions on transfer and resale.

No Established Market.....The Notes will be new securities for which there is currently no established trading market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.

ListingApplication has been made to list the Notes on the Official List of Euronext Dublin and to admit them for trading on the Exchange.

Governing LawThe Notes and the Indenture (including the Guarantees) will be governed by the laws of New York.

The SPV Guarantee is governed by the laws of South Africa.

The Intercreditor Agreement is governed by English law.

The Security Documents are or will be governed by the laws of South Africa, Mauritius, Kenya, England and Wales, Zambia, the Democratic Republic of the Congo and Uganda, as applicable.

The Counter-Indemnity Agreement in favor of the Security SPV is governed by South African law.

RegistrarThe Bank of New York Mellon SA/NV, Dublin Branch.

Security Agent.....The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division).

TrusteeBNY Mellon Corporate Trustee Services Limited.

Paying AgentThe Bank of New York Mellon, London Branch.

Transfer AgentThe Bank of New York Mellon SA/NV, Dublin Branch.

Listing AgentWalkers Listing Services Limited.

Risk FactorsInvesting in the Notes involves a high degree of risk. See the section entitled “*Risk Factors*” for a description of certain of the risks you should carefully consider before investing in the Notes.

SUMMARY FINANCIAL AND OTHER INFORMATION

The tables below show summary consolidated financial information for (i) the Liquid Group as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025 and (ii) the Liquid Group as of and for the nine-month period ended November 30, 2025 with comparative figures for the nine-month period ended November 30, 2024. The financial information for the Liquid Group as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025 has been extracted or derived from audited consolidated financial statements of Liquid Group as of and for the years ended February 29, 2024 and February 28, 2025. The Financial Statements are included elsewhere in this Offering Memorandum.

The Annual Financial Statements have been audited by Deloitte. The Interim Financial Statements have been reviewed by Deloitte. Without modifying the audit opinions expressed by their reports on the Annual Financial Statements as of and for the years ended February 29, 2024 and February 28, 2025, and the conclusion on the Interim Financial Statements as of and for the period ended November 30, 2025, Deloitte have reported on a material uncertainty related to Liquid Group's ability to continue as a going concern, and draw attention to management assessment in Note 42 (Going concern) to such Annual Financial Statements, and management's assessment in Note 2.1 (Going concern) to the Interim Financial Statements.

This section contains non-IFRS financial measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Capital Expenditure, Gross Debt, Net Debt, Gross Debt to Adjusted EBITDA ratio, Net Debt to Adjusted EBITDA ratio, Interest Coverage and Gross Profit Margin. The non-IFRS financial measures are not measurements of performance or liquidity under IFRS or any other generally accepted accounting principles. Our management believes that the presentation of these non-IFRS financial measures is helpful to investors as measures of our operating performance and our ability to service our debt. Since all companies do not calculate these measures in an identical manner, our presentation may not be consistent with similar measures used by other companies.

This section also contains certain as adjusted financial information, presented on an as adjusted basis to give effect to the Transactions as if they had been consummated on: (A) December 1, 2024 (with respect to as adjusted Interest Coverage for the 12 months ended November 30, 2025); and (B) November 30, 2025 (with respect to all other metrics). The as adjusted financial information should not be taken as indicative of our future consolidated results of operations or financial position. Our historical results may not be indicative of our future results following completion of the Transactions. The as adjusted financial information has not been prepared in accordance with any generally accepted accounting standards.

The information below should be read in conjunction with the Financial Statements and accompanying notes included elsewhere in this Offering Memorandum and the discussion in sections entitled "Presentation of Financial and Other Data," "Summary," "Business," "Use of Proceeds," "Capitalization," "Selected Financial and Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

SUMMARY FINANCIAL AND OTHER INFORMATION FOR THE LIQUID GROUP

Summary Statements of Profit or Loss and Other Comprehensive Income

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
Revenue	622,506	686,718	693,534	512,906	561,181
Interconnect related costs	(50,023)	(43,905)	(38,829)	(27,294)	(26,904)
Data and network related costs	(158,614)	(201,845)	(203,436)	(159,801)	(174,494)
Other income	7,762	12,234	1,671	2,950	2,082
Selling, distribution and marketing costs	(9,513)	(10,764)	(11,286)	(7,109)	(8,989)
Expected credit loss provision	(9,894)	(7,665)	(823)	4,095	(2,901)
Administrative expenses	(57,089)	(66,898)	(58,870)	(45,759)	(44,869)
Staff costs	(107,234)	(110,645)	(116,993)	(83,985)	(76,018)
Depreciation, impairment and amortization	(164,204)	(115,052)	(124,666)	(86,631)	(92,467)
Operating profit	73,697	142,178	140,302	109,372	136,621
Dividends received from investments at FVTOCI	—	44	59	25	255
Restructuring costs	—	—	(3,619)	(2,975)	(767)
Acquisition and other investment costs	(1,737)	(106)	—	—	—
Fair value (loss) / gain on derivative assets	(3,997)	—	—	—	—
Gain on bargain purchase	—	272	—	—	—
Interest income	17,233	24,610	24,291	17,098	19,320
Finance costs	(75,328)	(79,894)	(101,847)	(73,364)	(74,921)
Net foreign exchange (loss) / gain	(257,220)	(440,858)	(321,579)	(262,072)	9,668
Hyperinflation monetary gain	156,854	386,603	306,722	263,927	6,640
Share of profits of associate	25	21	14	15	10
Profit / (loss) before taxation	(90,473)	32,870	44,343	52,026	96,826
Tax (expense) / credit	2,465	(27,592)	(25,894)	(18,118)	(33,104)
Profit / (loss) for the period	(88,008)	5,278	18,449	33,908	63,722

Summary Statements of Financial Position

	As of			
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2025
		(US\$ thousands) (Audited)		(US\$ thousands) (Unaudited)
Non-current assets				
Goodwill	76,576	73,990	76,089	81,097
Intangible assets	64,214	60,131	58,812	57,029
Property, plant and equipment	526,043	483,704	475,990	489,793
Right-of-Use assets	221,319	216,956	233,008	235,306
Investment in associate	543	540	573	631
Investments at FVTOCI	15,314	15,362	16,672	17,849
Deferred tax assets	48,388	41,869	49,912	45,455
Investments at amortized cost	45	41	41	42
Long-term receivables	133,236	143,074	136,330	161,418
Pre-commencement lease payments	8,464	9,565	10,754	5,754
Total non-current assets	1,094,142	1,045,232	1,058,181	1,094,374
Current assets				
Inventories	27,341	50,399	22,005	26,099
Trade and other receivables	246,927	258,944	331,750	406,171
Taxation	3,098	5,277	2,953	3,482
Cash and cash equivalents	88,393	56,654	85,368	65,843
Restricted cash and cash equivalents	425	422	425	448
Assets classified as held for sale	—	—	—	11,289
Total current assets	366,184	371,696	442,501	513,332
Total assets	1,460,326	1,416,928	1,500,682	1,607,706
Equity and liabilities				
Capital and reserves				
Share capital	3,716	3,716	3,716	3,716
Share premium	276,714	276,714	276,714	276,714
Convertible preference shares	180,000	180,000	180,000	180,000
Share application monies	—	—	35,000	35,000
Investment revaluation reserve	—	16	(620)	439
(Accumulated losses) / Retained earnings	(64,098)	(57,616)	(39,173)	23,660
Foreign currency translation reserve	(217,565)	(279,242)	(311,626)	(295,022)
Total equity attributable to owners of the parent	178,767	123,588	144,011	224,507
Non-controlling interests	1,146	86	(918)	(330)
Total equity	179,913	123,674	143,093	224,177

	As of			
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)
Non-current liabilities				
Long-term borrowings	763,373	742,252	617,583	—
Long-term lease liabilities	103,661	116,804	140,740	135,281
Long-term provisions	7,194	6,372	5,479	4,483
Deferred revenue	65,553	56,967	47,179	50,484
Deferred tax liabilities	15,986	4,615	3,346	6,625
Total non-current liabilities	955,767	927,010	814,327	196,873
Current liabilities				
Short-term portion of long-term borrowing	34,687	80,987	177,174	790,308
Short-term portion of long-term lease liabilities	31,342	20,441	36,628	48,402
Trade and other payables	190,304	199,889	238,979	276,714
Short-term provisions	23,679	13,912	24,120	11,258
Deferred revenue	33,806	40,443	47,595	45,381
Taxation	10,828	10,572	18,766	10,930
Liabilities classified as held for sale	—	—	—	3,663
Total current liabilities	324,646	366,244	543,262	1,186,656
Total equity and liabilities	1,460,326	1,416,928	1,500,682	1,607,706

Summary Statements of Cash Flow

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
Cash flows from operating activities:					
Profit / (loss) before tax	(90,473)	32,870	44,343	52,026	96,826
Adjustments for:					
Depreciation, impairment and amortization	164,204	115,052	124,666	86,631	92,467
Fair value loss on derivative assets	3,997	—	—	—	—
Dividends received from investments at FVTOCI	—	(44)	(59)	(25)	(255)
Expected credit loss (reversal) / provision	5,961	(3,617)	(5,694)	(4,095)	2,901
Increase / (decrease) in provisions	(6,048)	(9,276)	9,940	2,852	(14,727)
Foreign exchange loss / (gain)	233,831	423,960	288,551	225,768	(7,571)
Hyperinflation monetary (gain)	(156,854)	(386,603)	(306,722)	(263,927)	(6,640)
Profit on disposal of fixed assets	(66)	(253)	(984)	(970)	(61)
Profit (loss) on disposal of Right-of-Use assets	—	(1,554)	133	—	—
Gain on lease terminations and modifications	—	—	—	210	358
Interest income	(17,233)	(24,610)	(24,291)	(17,098)	(19,320)
Finance costs	75,328	79,894	101,847	73,364	74,921
Gain on bargain purchase	—	(272)	—	—	—
Share of profits of associate	(25)	(21)	(14)	(15)	(10)
	<u>212,622</u>	<u>232,760</u>	<u>231,716</u>	<u>154,721</u>	<u>218,889</u>
Working capital changes:					
Decrease / (increase) in inventories	(10,569)	(22,564)	19,524	7,998	(3,313)
Increase in trade and other receivables	(141,462)	(39,916)	(64,916)	(75,395)	(93,519)
Increase / (decrease) in trade and other payables	160,695	(19,599)	42,032	60,932	42,607
Increase in deferred revenue	<u>19,461</u>	<u>4,873</u>	<u>(4,290)</u>	<u>2,676</u>	<u>(3,255)</u>
Cash generated from operations	240,747	155,554	224,066	150,932	161,409
Income tax paid	<u>(24,313)</u>	<u>(30,987)</u>	<u>(25,026)</u>	<u>(18,012)</u>	<u>(28,894)</u>
<i>Net cash generated from operating activities</i>	<u>216,434</u>	<u>124,567</u>	<u>199,040</u>	<u>132,920</u>	<u>132,515</u>
Cash flows from investing activities:					
Interest income	1,542	5,028	1,542	1,369	1,177
Purchase of investment at FVTOCI	—	(953)	(1,983)	(2,069)	(102)
Disposal of investment at FVTOCI	—	1,772	—	—	—
Purchase of investments at amortized cost	(46)	—	—	—	—

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
Net cash inflow on acquisition of subsidiary	—	148	—	—	—
Dividends received from investments at FVTOCI	—	44	59	25	255
Purchase of property, plant and equipment	(87,567)	(61,290)	(41,386)	(27,298)	(31,953)
Proceeds on disposal of property, plant and equipment	3,518	23,703	2,088	1,739	312
Pre-commencement lease payments	(3,105)	(1,101)	(1,189)	(435)	—
Purchase of intangible assets	(14,134)	(7,938)	(8,256)	(5,268)	(5,075)
Proceeds on disposal of intangible assets	558	84	—	—	103
(Increase) / decrease of long-term receivables from related parties	4,437	(8,364)	10,435	(165)	(131)
Decrease in long-term receivables	—	—	(304)	—	(605)
<i>Net cash used in investing activities</i>	<u>(94,797)</u>	<u>(48,867)</u>	<u>(38,994)</u>	<u>(32,102)</u>	<u>(36,019)</u>
Cash flows from financing activities:					
Dividend paid	(441)	(360)	(1,090)	(623)	(321)
Finance costs paid	(58,726)	(57,504)	(60,251)	(52,427)	(48,881)
Receipt of share application monies	—	—	35,000	—	—
(Decrease) / Increase in borrowings	(14,325)	28,603	(37,567)	(3,340)	(10,231)
Decrease in lease liabilities	(46,738)	(50,354)	(59,247)	(38,582)	(54,489)
Increase in external long-term intercompany borrowings	407	—	—	—	—
<i>Net cash used in financing activities</i>	<u>(119,823)</u>	<u>(79,615)</u>	<u>(123,155)</u>	<u>(94,972)</u>	<u>(113,922)</u>
Net (decrease) / increase in cash and cash equivalents	1,814	(3,915)	36,891	5,846	(17,426)
Cash and cash equivalents at beginning of the period	163,643	88,818	57,076	57,076	85,793
Cash transferred to assets held for sale	—	—	—	—	(1,310)
Translation of cash with respect to foreign operations	(76,639)	(27,827)	(8,174)	(7,247)	(766)
Cash and cash equivalents at end of the period	<u>88,818</u>	<u>57,076</u>	<u>85,793</u>	<u>55,675</u>	<u>66,291</u>
Represented by:					
Cash and cash equivalents	88,393	56,654	85,368	55,244	65,843
Restricted cash and cash equivalents	425	422	425	431	448
	<u>88,818</u>	<u>57,076</u>	<u>85,793</u>	<u>55,675</u>	<u>66,291</u>

Certain Non-IFRS Financial Measures

	As of and for the year ended February 28/29,			As of and for the nine months ended November 30,		As of and for the 12 months ended November 30, ⁽⁶⁾
	2023	2024	2025	2024	2025	2025
	(US\$ thousands) (Unaudited)					
EBITDA ⁽¹⁾	93,018	201,706	241,978	194,639	244,182	291,521
Adjusted EBITDA ⁽¹⁾	237,901	257,274	265,027	196,028	229,343	298,342
Adjusted EBITDA Margin ⁽²⁾	38%	37%	38%	38%	41%	40%
Capital Expenditure ⁽³⁾	104,819	70,329	50,831	33,001	37,028	54,858
Gross Debt ⁽⁴⁾	943,533	949,917	957,826	982,937	948,818	948,818
Unrestricted cash and cash equivalents ⁽⁷⁾	88,393	56,654	85,368	55,245	65,843	65,843
Net Debt ⁽⁴⁾	855,140	893,263	872,458	927,692	882,975	882,975
Gross Profit Margin ⁽⁵⁾	66%	64%	65%	64%	64%	65%

- (1) EBITDA is defined as consolidated profit or loss for the year / period, excluding the impact of tax benefit or expense, interest income, finance costs and depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted for the following items: impairment expense, stock write off / obsolescence expense, restructuring costs, acquisition and other investment costs, foreign exchange loss, hyperinflation monetary gain, share of profits of associate, fair value loss on derivative assets and gain on bargain purchase. The following table sets forth a reconciliation of EBITDA and Adjusted EBITDA for the periods indicated:

	For the year ended			For the nine months ended		For the 12 months ended November 30, 2025 ^(a)
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025	November 30, 2025 ^(a)
	(US\$ thousands) (Unaudited)					
Profit / (loss) for the period	(88,008)	5,278	18,449	33,908	63,722	48,263
<i>Add back:</i>						
Tax expense / (benefit)	(2,465)	27,592	25,894	18,118	33,104	40,880
Interest Income	(17,233)	(24,610)	(24,291)	(17,098)	(19,320)	(26,513)
Finance costs	75,328	79,894	101,847	73,364	74,921	103,404
Depreciation and amortization	125,396	113,552	120,079	86,347	91,755	125,487
EBITDA	93,018	201,706	241,978	194,639	244,182	291,521
<i>Add back:</i>						
Impairment expense	38,702	1,349	3,989	276	653	4,366
Stock write off/obsolescence expense	106	153	598	8	59	649
Restructuring costs	—	—	3,619	2,975	767	1,411
Acquisition and other investment costs	1,737	106	—	—	—	—
Foreign exchange loss	257,220	440,858	321,579	262,072	(9,668)	49,839
Hyperinflation monetary gain	(156,854)	(386,603)	(306,722)	(263,927)	(6,640)	(49,435)
Share of profits of associate	(25)	(21)	(14)	(15)	(10)	(9)

Fair value loss on derivative assets	3,997	—	—	—	—	—
Gain on bargain purchase	—	(274)	—	—	—	—
Adjusted EBITDA	237,901	257,274	265,027	196,028	229,343	298,342

- (a) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.
- (2) Adjusted EBITDA Margin is defined as the ratio of Adjusted EBITDA to total revenue, expressed as a percentage.
- (3) Capital Expenditure is defined as any expenditure that should be treated as capital expenditure in the financial statements in accordance with applicable accounting principles, including advance payments for capital expenditure and excluding any non-cash expenditure. The table below provides a breakdown of the Liquid Group's capital expenditure for each of the periods indicated:

	As of and for the year ended February 28/29,			As of and for the nine months ended November 30,		As of and for the 12 months ended November 30, ^(a)
	2023	2024	2025	2024	2025	2025
	(US\$ thousands) (Unaudited)					
Customer Connections	41,590	27,461	17,900	12,783	13,235	18,352
Maintenance	3,428	19,524	8,549	6,732	13,004	14,821
Discretionary Projects	59,801	23,344	24,382	13,486	10,789	21,685
Capital Expenditure	104,819	70,329	50,831	33,001	37,028	54,858

- (a) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.
- (4) Gross Debt is defined as the sum of borrowings, lease liabilities and unamortized arrangement fees as stated on the balance sheet. Net Debt is defined as Gross Debt less unrestricted cash and cash equivalents at a stated balance sheet date. The following table sets forth a reconciliation of Gross Debt and Net Debt as of the dates indicated:

	February 28, 2023	As of February 29, 2024	February 28, 2025	November 30, 2024	As of November 30, 2024	November 30, 2025
				(Pre-IAS 29) ^(c)	(Post-IAS 29) ^(c)	
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)		
Liabilities (current and non-current)						
Borrowings	796,183	804,012	775,364	812,586	812,585	779,515
Lease liabilities	135,003	137,245	177,369	167,676	164,331	166,911
Unamortized arrangement fees	12,347	8,660	5,092	6,021	6,021	2,392
Gross Debt	943,533	949,917	957,826	986,283	982,937	948,818
<i>Less:</i>						
Unrestricted cash and cash equivalents ^(a)	88,393	56,654	85,368	54,692	55,245	65,843
Net Debt^(b)	855,140	893,263	872,458	931,591	927,692	882,975

- (a) Does not include restricted cash. As of November 30, 2025, an amount of US\$0.4 million has been treated as restricted cash, representing 0.7% of our total cash and cash equivalents. Restricted cash comprises cash held in restricted accounts for bank guarantees and customer deposits. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

- (b) Net Debt is presented net of restricted cash. Deducting restricted cash, Net Debt would amount to US\$854.7 million, US\$892.8 million and US\$872.0 million as of February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and US\$931.2 million (pre-IAS 29) and US\$882.5 million as of November 30, 2024 and November 30, 2025, respectively.
- (c) The pre-IAS 29 figures represent the relevant amounts prior to the application of the principles of IAS 29 - “*Financial Reporting in Hyperinflationary Economies*” and the Post-IAS 29 figures represent the relevant amounts following the application of the principles of IAS 29 - “*Financial Reporting in Hyperinflationary Economies*.”
- (5) Gross Profit Margin is defined as the ratio of consolidated gross profit for the year / period to total revenue, expressed as a percentage. The following table sets forth a reconciliation of Gross Profit Margin for the periods indicated:

	For the year ended			For the nine months ended		For the 12 months ended
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025	November 30, 2025 ^(a)
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)		
Revenue	622,506	686,718	693,534	512,906	561,181	741,809
Interconnect related costs	(50,023)	(43,905)	(38,829)	(27,294)	(26,904)	(38,439)
Data and network related costs	(123,036)	(165,393)	(170,032)	(135,417)	(148,665)	(183,280)
Network costs	(35,578)	(36,452)	(33,404)	(24,384)	(25,829)	(34,849)
Gross profit	413,869	440,968	451,269	325,811	359,783	485,241
Gross profit margin	66%	64%	65%	64%	64%	65%

- (a) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.
- (6) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.
- (7) Does not include restricted cash. As of November 30, 2025, an amount of US\$0.4 million has been treated as restricted cash, representing 0.7% of our total cash and cash equivalents. Restricted cash comprises cash held in restricted accounts for bank guarantees and customer deposits. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*.”

As Adjusted Financial Information

The below table sets forth certain as adjusted financial information giving effect to the Transactions as if they had been consummated on: (i) December 1, 2024 (with respect to as adjusted Interest Coverage for the 12 months ended November 30, 2025); and (ii) November 30, 2025 (with respect to all other metrics).

	As of and for the 12 months ended November 30, 2025 ⁽¹⁾
	(US\$ millions, other than ratios) (Unaudited)
<i>As Adjusted to give effect to the Transactions:</i>	
Adjusted EBITDA	298.3
Gross Debt ⁽²⁾	819.6
Net Debt ⁽³⁾	729.2
Gross Debt to Adjusted EBITDA ⁽⁴⁾	2.75x
Net Debt to Adjusted EBITDA ⁽⁵⁾	2.44x
Interest Coverage ⁽⁶⁾	2.99x

- (1) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.
- (2) Gross Debt, as adjusted to give effect to the Transactions, is defined as the sum of borrowings, lease liabilities and unamortized arrangement fees as stated on the balance sheet as of November 30, 2025, as adjusted to give effect to the Transactions as if they had been consummated on November 30, 2025.
- (3) Net Debt, as adjusted to give effect to the Transactions, is defined as adjusted Gross Debt less unrestricted cash and cash equivalents as of November 30, 2025, as adjusted to give effect to the Transactions as if they had been consummated on November 30, 2025. Net Debt would be US\$729.2 million, assuming US\$90.4 million of unrestricted cash and cash equivalents following completion of the Transactions. See “*Use of Proceeds*” and “*Capitalization*.”
- (4) Gross Debt, as adjusted to give effect to the Transactions (as defined above), divided by Adjusted EBITDA.
- (5) Net Debt, as adjusted to give effect to the Transactions (as defined above), divided by Adjusted EBITDA.
- (6) Interest Coverage, as adjusted to give effect to the Transactions, is defined as Adjusted EBITDA divided by the net of interest income and finance costs for the 12 months ended November 30, 2025, expressed as a multiple, as adjusted to give effect to the Transactions as if they had been consummated on December 1, 2024.

Certain Financial Measures Provided on a Geographic Basis

	For the year ended February 28/29,			For the nine months ended November 30,		For the 12 months ended November 30 ⁽²⁾ ,
	2023	2024	2025	2024	2025	2025
	(US\$ thousands) (Unaudited)					
Adjusted EBITDA						
South Africa	80,819	78,816	91,017	71,200	81,639	101,456
Zimbabwe	65,711	85,387	100,662	67,227	84,359	117,794
Rest of Africa	47,315	42,157	43,918	32,427	38,532	50,023
Rest of World	70,810	76,267	49,063	47,805	26,761	28,019
Central administration costs ⁽¹⁾	(17,598)	(16,484)	(22,396)	(15,961)	(8,669)	(15,104)
Eliminations	(9,156)	(8,869)	2,763	(6,670)	6,721	16,154
Total	237,901	257,274	265,027	196,028	229,343	298,342

(1) Central administration costs include certain staff and other stewardship costs not allocated to other business lines.

(2) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.

Key Operating Measures and Performance Indicators

The following table sets out certain of the Liquid Group's key operating measures and performance indicators for the periods indicated:

	As of and for the year ended February 28/29			As of and for the nine months ended November 30,		As of and for the 12 months ended November 30 ⁽⁷⁾ ,
	2023	2024	2025	2024	2025	2025
	Voice minutes ⁽¹⁾	593,966,781	554,847,797	515,961,109	394,130,324	349,658,532
Total fiber network (kms) ⁽²⁾	104,353	107,844	108,868	108,441	114,780	114,780
Average churn rate ⁽³⁾	0.78%	0.46%	0.53%	0.57%	0.38%	0.39%
Monthly recurring revenue ⁽⁴⁾	87.1%	84.0%	87.3%	86.0%	90.7%	90.8%
Cloud seats year-on-year growth ⁽⁵⁾	73.0%	17.2%	15.4%	10.2%	9.3%	21.4%
Total capacity on subsea assets (Gbps) ⁽⁶⁾	1,034	3,519	4,341	4,341	5,341	5,341

- (1) Voice minutes represent the total wholesale voice minutes on our network.
- (2) Total fiber network in kilometers (including backbone, metro and FTTX) through which fiber is installed. Multiple kilometers of fiber cables or ducts within the same trench/overhead line are counted individually. Includes both owned and leased capacity through partnerships.
- (3) 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.
- (4) Monthly recurring revenue is the total of all recurring revenue usage in the period normalized into a monthly amount and expressed as a percentage of total revenue in the same period.
- (5) Year-on-year growth for the equivalent period in the number of paid for Cloud license seats.
- (6) Capacity, in gigabits per second, purchased by, activated by, or reserved for, the Liquid Group on subsea cables (including IRUs).
- (7) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.

RISK FACTORS

An investment in the Notes involves complex financial risks and is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether an investment in the Notes is suitable for them in the light of the risks described below and other information in this Offering Memorandum and their personal circumstances.

The occurrence of any of the following events could have a material adverse effect on our business, financial condition, results of operations and prospects and affect the value of the Notes or impair our ability to fulfil our obligations in respect of the Notes, potentially causing a loss of all or part of the investment made when purchasing the Notes. However, the risk factors described below are not an exhaustive list or explanation of all relevant risks and should be used as guidance only. In general, investing in securities of companies in frontier market countries involves certain risks not typically associated with investing in the securities of companies in more developed economies. To the extent the description in this section relates to government data or third-party sources, such information has been extracted from official government publications or other third-party sources and has not been independently verified by us.

Additional risks and uncertainties that are not currently known to us, or that we currently deem immaterial, may individually or cumulatively also have a material adverse effect on our business, financial condition, results of operations and prospects, which in turn could have a material adverse effect on our ability to pay all or part of the interest or principal on the Notes. This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties including those described under “Forward-looking Statements” elsewhere in this Offering Memorandum. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Offering Memorandum.

RISKS RELATING TO INVESTMENTS IN COUNTRIES WHERE WE OPERATE

We are subject to the risks of political, social and economic instability associated with the markets in which we operate.

Our key operations are located in Botswana, the Democratic Republic of Congo, Kenya, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe, and we have a further commercial presence in Côte d’Ivoire, Egypt, Ethiopia, Ghana, Mauritius, Mozambique, Nigeria, Senegal, the United Arab Emirates and the United Kingdom, among other countries. Our results of operations are, and will continue to be, significantly affected by political, social and economic developments in or affecting those markets and, in particular, by the level of economic activity in those markets.

South Africa’s economy continues to face key structural challenges, including a high unemployment rate, poverty and crime, which, in part have hindered investments in South Africa, prompted emigration of skilled workers and impacted economic growth negatively. Large parts of the South African population do not have access to adequate education, health care, housing and other services, including water, electricity and telecommunications services. Issues with national electricity generation have historically led to regular power outages (though a significant improvement in the delivery of power has been noted during 2025). The impact of climate change, particularly through severe droughts, continues to impact farmers, food production and the wider economy, and has led to water shortages, insolvencies, food shortages and price increases. Future droughts or other climate related events, such as above average rainfalls, would, especially if they occur repeatedly or over long periods of time, have a material adverse effect on South Africa’s economy and, as a result, on our results of operations. Moreover, negative changes in the government and political environment, including the failure of the South African government to devise or implement appropriate economic programs and allegations or findings of corruption and fraud in government, have resulted in financial and currency market instability and could adversely impact our results of operations.

In Zambia, fluctuations in the prices of copper, which the Zambian economy is heavily dependent on, has resulted in reduced economic activity and instability of the Zambian Kwacha. Droughts have also impacted the Zambian economy and power delivery in the country.

In Zimbabwe, we are paid, in part, in Zimbabwe's local currency and, in part, in U.S. dollars. Local economic conditions deteriorated in portions of the periods under review prior to the replacement of the ZWL\$ as a result of the decline in the ZWL\$:USD exchange rate as well as inflationary pressures facing the country. On April 5, 2024, the Reserve Bank of Zimbabwe issued a new structured currency, the Zimbabwe Gold or ZWG, which is pegged to a specific exchange rate or currency basket and backed by a bundle of foreign assets. The new currency co-circulates with other foreign currencies in the economy. Despite this, over the course of the 2025 calendar year, the country continued to display conditions indicative of a hyperinflationary economy. Any devaluations of the ZWG or the introduction of new currencies in Zimbabwe could contribute to inflation or otherwise increase the cost of our operations. There is no assurance that currency inflation risks will not impact the Liquid Group's business, financial conditions, results of operations and prospects in the future. There are also limitations on the movement of capital in and out of Zimbabwe. See the risk factors entitled "*We are subject to currency inflation risks, including the impact of Zimbabwean hyperinflation, which have adversely affected our business, financial condition, results of operations and prospects and may do so in the future*" and "*Limitations on the movement of capital out of Zimbabwe may impair our ability to remove currency from the country on a regular basis.*"

Furthermore, a loss of investor confidence in the financial systems of emerging and mature markets may cause increased volatility and a slowdown in economic growth or economic contraction in the countries and regions in which we operate. Any such increased volatility or economic slowdown could have a material adverse effect on our business, financial condition, results of operations and prospects.

It is also not possible to predict the occurrence or impact of events or circumstances, such as war or hostilities, and no assurances can be given that we would be able to sustain the operation of our business if adverse political, social, economic or other events or circumstances were to occur. In particular, the world economy has faced, and is still facing, a number of actual and potential such challenges, including the war between Russia and Ukraine, the Israel-Hamas war and the military conflicts involving the U.S., Israel and Iran (and related conflicts and global disruptions), the dispute between China and Taiwan, changes to U.S. trade policy, as well as political unrest and conflicts in other geographic areas and countries. See the risk factor entitled "*Our business, results of operations, financial conditions and prospects may be negatively impacted if economic conditions throughout the world decline.*" Any future political, social or economic downturn in one or more of the countries in which we operate, particularly in South Africa, the Democratic Republic of Congo, Zimbabwe, Zambia or Kenya, could have a material adverse effect on our business, financial condition, results of operations and prospects. Our business and financial performance could also be adversely affected by political, financial, economic or related developments both within and outside of Africa because of inter-relationships within the global financial markets.

Specific risks related to doing business in the markets in which we operate that may have a material adverse effect on our business, financial condition, results of operations and prospects include, among other risks:

- political instability, riots or other forms of civil disturbance or violence;
- negative impacts on the foreign exchange value of the currencies of the countries in which we operate or on the demand for debt or other securities as a result of monetary policy changes or related economic developments;
- war, terrorism, invasion, rebellion or revolution, or disease outbreaks;
- government interventions, including expropriation or nationalization of assets (particularly in Zimbabwe);
- increased protectionism and the introduction of tariffs or subsidies;
- changing fiscal, regulatory and tax regimes;

- arbitrary or inconsistent government action, including capricious application of tax laws and selective tax audits;
- inflation in local economies;
- restricted access to cash;
- liquidity shortages;
- restrictions on repatriation of profits and capital, particularly in Zimbabwe;
- difficulties and delays in obtaining requisite governmental licenses, permits or approvals;
- cancellation, nullification or unenforceability of contractual rights;
- risk of uncollectible accounts and long collection cycles;
- underdeveloped industrial and economic infrastructure;
- logistical and communications challenges;
- difficulties in staffing and managing operations; and
- unavailability of security and safety of employees and access to healthcare facilities.

Furthermore, changes in investment policies or shifts in the prevailing political climate in the markets in which we operate, particularly in South Africa, Zambia, Kenya, Tanzania, the Democratic Republic of Congo and Zimbabwe, could result in the introduction of increased government regulation with respect to, among other things:

- price controls;
- export and import controls;
- income and other taxes;
- environmental legislation;
- customs and immigration;
- international connectivity;
- content and internet access;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labor and welfare benefit policies.

Any changes in the political, social, economic or other conditions in the markets in which we operate could have a material adverse effect on the investments that we have made or may make in the future, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to currency inflation risks, including the impact of Zimbabwean hyperinflation, which have adversely affected our business, financial condition, results of operations and prospects and may do so in the future.

A significant portion of our operations are located in South Africa, Zimbabwe, Zambia and Kenya, all of which have at times experienced relatively high rates of inflation. The volatility of the local currencies of those jurisdictions is a significant factor in reporting our costs on a U.S. dollar basis. It is possible that significantly higher inflation in the future could have a material adverse effect on our business, financial condition, results of operations and prospects.

Local economic conditions in Zimbabwe have been challenging in recent years, in part, as a result of the weakness of the ZWG:USD exchange rate in portions of the periods under review prior to the replacement of the ZWG (as discussed below). Beginning in February 2019, the conditions in Zimbabwe were indicative of a hyperinflationary economy. This was signaled in a statement released on October 11, 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, and that hyperinflation accounting would be applicable to accounting periods ended on or after July 1, 2019. As a result, the Liquid Group has applied the requirements of IAS 29 in its consolidated financial statements since October 1, 2018 (the date on which the Reserve Bank of Zimbabwe mandated changes to foreign currency accounts). See “*Management’s Discussion and Analysis—Factors Affecting Comparability of our Results of Operations—Financial Reporting in Hyperinflationary Economies.*”

On April 5, 2024, the Reserve Bank of Zimbabwe issued a new structured currency known as Zimbabwe Gold or the ZWG which replaced the ZWL\$. The ZWG is a structured currency and is backed by the Zimbabwean Central Bank with 2.5 tons of gold amongst other commodities. It is pegged to a specific exchange rate or currency basket and supported by a bundle of foreign exchange assets. The new currency is envisaged to bring about economic stability and growth. However, the Liquid Group has continued to apply hyperinflation accounting and there is no assurance that currency inflation risks in Zimbabwe will not impact the Liquid Group’s business, financial conditions, results of operations and prospects in the future.

The application of hyperinflationary accounting results in certain assets, liabilities, revenues and costs being reported in inflation adjusted terms as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025 and for the nine months ended November 30, 2025.

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 Liquid Group has used the official published Zimbabwe Consumer Price Index (“**CPI**”) as the general price index. The gains on the net monetary position have been recognized in the consolidated statement of profit or loss through “*Hyperinflation monetary gain*” based on a CPI of 15,389.58 for the year ended February 28, 2023, 257,098.03 for the year ended February 29, 2024, 184.60 for the year ended February 28, 2025 and 190.88 for the nine months ended November 30, 2025. We recognized a hyperinflation monetary gain of US\$156.9 million in the year ended February 28, 2023, a hyperinflation monetary gain of US\$386.6 million in the year ended February 29, 2024, a hyperinflation monetary gain of US\$306.7 million in the year ended February 28, 2025, and a hyperinflation monetary gain of US\$6.6 million in the nine months ended November 30, 2025. The foreign exchange gain in the nine months ended November 30, 2025 was mainly due to the favorable exchange rate movement in the South African Rand, amidst the relative stability in the Zimbabwean Gold.

In addition, IAS 29 requires the translation of the results at closing rate rather than average rate. For this purpose, the Liquid Group has applied a rate of ZWL\$892.6:1, ZWL\$14,912.8:1 and ZWG:USD26.6:1 as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and ZWG:USD26.6:1 as of and for the nine month period ended November 30, 2025, to translate both the statement of profit or loss and the statement of financial position in respect of such periods. Of the US\$257.2 million, US\$440.9 million and US\$321.6 million net foreign exchange loss and the US\$9.7 million net foreign exchange gain in the consolidated statement of profit and loss for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, and the nine months ended November 30, 2025, respectively, Zimbabwe contributed US\$249.0 million, US\$407.4 million, US\$321.3 million and

US\$0.8 million, respectively. The net foreign exchange loss arises mainly on the retranslation of USD denominated intra-group debt at the statement of financial position date.

Future negative impacts on the economic position of the Zimbabwean currency may have a material adverse effect on Zimbabwe's economy and, as a result, on our results of operations. Moreover, negative changes in the government and political environment, including the failure of the Zimbabwean government to devise or implement appropriate economic measures or adverse effects on foreign exchange or sovereign debt markets resulting from a change in monetary policy in the United States or other jurisdictions may occur, which could result in financial and currency market instability and adversely impact our results of operations.

Characteristics of and changes in taxation laws, in particular in respect of the South African, Mauritian, UK, Kenyan and Ugandan tax systems, could materially adversely affect our business, financial condition, results of operations and prospects and/or payment under or pursuant to the Notes.

The Liquid Group currently operates in many countries across Africa, and as a result, we are subject to a diverse set of tax regimes, depending on the relevant tax law applicable in each case. Corporate income tax, withholding tax, value added tax or sales tax and other taxes levied upon our business are subject to change, either for the future or, under certain circumstances, even for the past, and can be increased, decreased or completely restructured at any time, including following action by international bodies such as the OECD or individual governments. We monitor tax changes for adverse changes to local tax regimes or challenges to the current tax structures of our business, such as restrictions on the repatriation of earnings and limitations on the offset of tax losses. As a result, we may face increases in taxes payable if tax rates increase or if tax laws or regulations or tax treaties are modified by the competent authorities in an adverse manner. We may also be subject to the risk that VAT repayments owed to us may be delayed. We are observing an increase in activity from Tax Authorities in the countries in which we operate, where the number and breadth of tax audits is increasing and as a result, there may be liabilities, interest and penalties arising from current or future tax audits that have a material impact on profits and cash flow.

In particular, our South African operations are subject to different taxes in South Africa, including corporate income tax imposed at the rate of 27%, payroll taxes, VAT imposed at the rate of 15%, securities transfer tax at the rate of 0.25% and various forms of duties. In addition, a 20% withholding tax is imposed on dividends paid by companies which are resident or listed in South Africa and a 15% withholding tax is imposed on interest. The interest withholding tax is levied on interest that is paid to a non-South African tax resident from a South African source. If funds are utilized or deployed in South Africa, irrespective of where they are raised, any interest that arises from those funds will be sourced in South Africa. Interest arising in respect of debt instruments that are listed on a "recognised stock exchange" is exempt from the interest withholding tax. The Exchange is a recognised stock exchange. If the Notes are not listed on a recognised exchange, the interest paid by the Issuer which is a non-South African tax resident to another non-South African tax resident will be exempt from the interest withholding tax provided the debt claim giving rise to the payment of interest is not effectively connected with a permanent establishment of the payer in South Africa.

Outside South Africa, various withholding tax regimes apply to tax the payment of interest, dividends and management fees, most notably in Kenya, Uganda, Zambia and Zimbabwe. Kenya and Zambia typically levy withholding tax on interest at 15% and 20%, respectively. For dividends, the rates are 15%, 20% and 15% in Kenya, Zambia and Zimbabwe, respectively. For management fees, tax is deducted at 20%, 20% and 15% in Kenya, Zambia and Zimbabwe, respectively. In Uganda, a 15% withholding tax is imposed on interest, dividends and management fees. All of these rates are potentially subject to applicable treaty relief, but it is seldom broadly available in practice. Despite this, we have generally enjoyed a strong ability to upstream cash flows through other operating functions, including procurement invoices as well as inter-company loans (including, for example, from our subsidiaries in Zimbabwe), which are generally not subject to withholding taxes. However, there is no assurance that we will continue to have limited exposure to tax withholding or other cash repatriation risks going forward and any substantial changes to our exposure could have a material adverse effect on our business, financial condition, results of operations and prospects.

In the event that any Guarantor organized in one of the above-noted jurisdictions is also required to make any payments directly to holders of Notes or Guarantees, then such payments may be subject to withholding tax. In the event of such withholding, subject to certain exceptions, the Issuer or the relevant Guarantor, as appropriate will pay the additional amounts necessary so that the net amount received by the holders of Notes or Guarantees in respect of such payments after the withholding or deductions (including any such withholding or deduction from such additional amounts) is not less than the amount that they would have received in respect of such payments in the absence of such withholding or deductions. See “*Description of the Notes—Additional Amounts.*”

Digital Services Taxes (“**DSTs**”) have recently emerged as unilateral national tax measures following the OECD/G20 BEPS Action 1 report in 2015, which identified potential solutions for taxing the digital economy. Governments began introducing their own DSTs from the late 2010s onward to capture revenue from large digital platforms operating without a traditional taxable nexus.

In parallel, changes have been made to the ‘place of supply’ rules to enable tax authorities to require non-resident digital service providers to register for and charge VAT in the country where the customer is located.

The impact, or anticipated likely impact in the case of Nigeria, of the current DST/VAT framework on the Liquid Group is summarized below.

The following territories have implemented a DST:

- Zimbabwe – a 5% tax applies to ‘Electronic Commerce Operators’;
- Tanzania – only currently applicable to B2C customers;
- Uganda - a tax applies at 5% to Electronic/ Digital Services applicable to non-resident persons deriving income from providing digital services in Uganda;
- Nigeria - as of January 1, 2026 new DST requirements were introduced;
- Kenya – a tax applies at an effective rate of 3% to Electronic/ Digital Services (DST in Kenya was replaced with the Significant Economic Presence Tax effective December 27, 2024); and
- Mauritius – as of January 2026, VAT applies to the supply of certain digital and/or electronic services made by foreign suppliers to persons in Mauritius.

The following territories require non-resident digital service providers to register for and charge VAT on their invoices:

- Zimbabwe – applicable to ‘Electronic Commerce Operators’;
- South Africa – in respect of electronic services;
- Tanzania – currently applicable where supplies of digital services are made to non-VAT registered customers;
- Uganda – currently applicable where supplies of digital services are made to non-VAT registered customers;
- Nigeria – as of January 1, 2026, applicable to digital service providers;
- Kenya – applies to a non-resident person supplying digital services to Kenyans over the internet, an electronic network, or through a digital marketplace; and
- Mauritius – a foreign supplier of certain digital or electronic services is required to compulsorily register for VAT.

In 2013, the Davis Tax Committee was established to review South Africa's tax policy framework, including issues aligned with the OECD Base Erosion and Profit Shifting (BEPS) project. The Davis Tax Committee concluded its work in 2018 and provided a range of advisory recommendations. Since then, several of the areas highlighted by the Davis Tax Committee have been taken forward through South Africa's broader tax policy processes. Notably, South Africa has implemented key BEPS related changes through the OECD Multilateral Instrument, which has modified various double taxation agreements from 2023 onward. In addition, South Africa continues to participate actively in the OECD/G20 Inclusive Framework, progressing reforms to address the tax challenges of the digital economy, including elements of the Two Pillar Solution. While some transfer pricing and transparency measures have already been incorporated into domestic rules, other areas such as controlled foreign company reform and digital taxation remain under development. As a result, BEPS aligned changes could still affect our South African operations, including the taxation of cross border arrangements and the potential impact on distributions to shareholders and noteholders.

Kenya has transfer pricing and country-by-country reporting requirements for multinational enterprise groups. Resident constituent entities must notify the commissioner for the Kenya Revenue Authority of their specific role within the group by the last day of the group's reporting financial year. For groups with a total consolidated turnover of at least KES 95 billion (approximately US\$739 million), an ultimate or constituent entity must file a country-by-country report within twelve months after the financial year ends, unless the constituent entity is not required to file a country-by-country report under the terms of the Kenyan Income Tax Act. Furthermore, resident entities are required to submit a Master File and a Local File containing detailed group and local transaction information no later than six months after the end of the reporting financial year.

South Africa, Mauritius, the UK, Kenya and Zimbabwe have implemented, or are in the process of implementing, the OECD/G20 Pillar Two global minimum tax, to be aligned with the GloBE Model Rules. These rules aim to ensure large multinational groups are taxed at a minimum effective rate of 15%, which may increase the tax burden on low taxed Group subsidiaries. These rules substantively apply to the Liquid Group from March 1, 2025 although some jurisdictions, such as the UK, enacted legislation in respect of accounting periods beginning on or after December 31, 2023. In South Africa, the statutes which enacted the Pillar Two global minimum tax came into operation on January 1, 2024 and apply to fiscal years beginning on or after that date. In Mauritius, the Pillar Two global minimum tax is applicable for the year of assessment commencing on July 1, 2025, and every subsequent year of assessment, and it applies to a resident company forming part of an in-scope multinational enterprise group having fiscal year ending on or after January 1, 2025.

In Kenya, the minimum top-up tax, was introduced under Section 12G of the Income Tax Act by the Tax Laws (Amendment) Act, 2024 and further amended by the Finance Act of 2025, to align Kenya with the OECD/G20 Pillar Two global minimum tax framework. It entails a requirement for "covered persons", defined as resident persons or those with a permanent establishment in Kenya who are members of a multinational group with a consolidated annual turnover of 750 million Euros or more in at least two of the four years of income immediately preceding the tested year of income, to pay a top-up tax if their combined effective tax rate for a year of income is less than 15%. The tax amount is calculated as the difference between the 15% minimum rate and the actual combined effective tax rate, multiplied by the "excess profit" of the covered person (which accounts for adjustments related to employee costs and tangible assets). The tax is payable by the end of the fourth month after the end of the year of income, with specific exemptions granted to non-business public entities, pension funds, sovereign wealth funds, and certain investment funds or real estate investment vehicles that serve as ultimate parent entities.

Furthermore, as a result of changes to the tax regime in South Africa, we may be subject to higher levels of taxation in general, or new forms of taxation or royalties applicable to all corporations or to the mining industry specifically. In addition, the current South African tax code has been in force for a short period relative to tax laws in other economies; therefore, the government's interpretation or implementation of these tax laws may be unclear and subject to change, including with retrospective effect. Accordingly, there is a risk that we may be subject to liability in connection with amounts received from our subsidiaries in South Africa. It is possible that we could be affected by adverse rulings or judgments on the interpretation of government regulations and the relevant tax laws or become

subject to taxation in South Africa that is not currently anticipated, which could have a materially adverse effect on our business, financial condition, results of operations and prospects.

Potential future carbon tax exposure also represents a material regulatory risk for the Company. South Africa remains the only African jurisdiction with an implemented national carbon tax, and its Phase 2 reforms took effect from January 2026, tightening tax-free allowances and increasing penalties for entities that exceed their carbon budgets. These changes may lead to higher operational costs and reduced allowances, directly affecting the Company's financial performance. In addition, Kenya, Uganda, Nigeria, and Rwanda have all explored or drafted carbon tax frameworks but have not yet implemented formal carbon taxes. However, their ongoing climate-policy developments—particularly Kenya's Climate Change Act, which mandates emissions reporting and compliance obligations despite not establishing a carbon tax—demonstrate a regional shift toward carbon pricing mechanisms. Should these countries introduce carbon taxes or similar instruments in the future, the Company may face additional, country-specific cost burdens, which could impact profitability across its multi-market footprint. Accordingly, investors should note that carbon-related regulatory developments across Africa may increase the Company's medium- to long-term financial exposure, depending on the pace and scope of policy implementation.

Any additional or increased tax payments could have a material adverse effect on our business, financial condition, results of operations and prospects.

Some of the countries in which we operate lack infrastructure or have infrastructure in very poor condition and have an insufficient supply of electricity.

Some of the countries in which we operate often lack modern infrastructure or have poor infrastructure conditions, including, in particular, roads and power networks. Decades of under-investment have resulted in significant deterioration of public infrastructure or the absence of basic infrastructure, which means that growth and economic development cannot be supported and sustained. In addition, in some of these countries (including South Africa, Zambia, Nigeria, Kenya and Zimbabwe), the electricity supply is insufficient due to underdevelopment in the electricity sector compared to the pace of economic growth in such countries. Consequently, we must at times rely on diesel-powered generators and solar energy to power our telecommunication equipment. Our ability to source, develop and install transmission and distribution infrastructure may also be negatively impacted by supply constraints, particularly in light of recent global supply chain disruptions, or by difficulty accessing suitable sites or obtaining the relevant licensing or other regulatory approvals.

These challenges increase our costs and impact the profitability of our operations. In addition to power generation, transmission and distribution deficiencies, some of the countries in which we operate suffer from a deteriorating road network, congested ports and obsolete rail infrastructure which have all severely constrained socioeconomic development. In some countries we operate in, steps are taken to establish or improve infrastructure but in many instances, this causes damage to, or requires us, to move our existing network, all at our own cost. Although some advances have in recent years been made in the areas of telecommunications and internet facilities, the progress of development in these sectors cannot be considered at par with that in more developed economies. Failure to significantly improve such countries' infrastructure could adversely affect their economy and growth prospects, including their ability to meet GDP growth targets which, in turn, may have a material adverse effect on our business, financial condition, results of operations and prospects.

Inefficiencies and corruption in legal systems may create an uncertain environment for investment and business activity and affect the ability of investors to find remedies through the relevant jurisdictions' judicial systems.

The legal systems in most of the jurisdictions in which we operate are still in their growing phase and are less developed than those in more established markets in the US or the EU with which investors are more familiar, which creates uncertainties with respect to many of the legal and business decisions that we make. Such uncertainties include, among others, potential for negative changes in laws, gaps and inconsistencies between the laws and regulatory structure, difficulties in enforcement, broad regulatory authority held by telecommunications regulators, corruption and delays in the judicial process since most cases take a considerable period of time to be concluded and inconsistency

in the judicial interpretation of legislation in similar cases due to an under-developed judicial system. Similarly, the enforcement of security in some of these jurisdictions is affected by inefficiencies in the judicial system, including with regard to the recording and processing of claims relating to land titles, and can result in the inability of investors to collect on the Guarantees or on any other claims they may have.

The slow judicial process may sometimes affect the enforceability of judgments obtained, including the ability to recover the assessed value of collateral on defaulting debtors or guarantors. Those and other factors that have an impact on the legal systems make an investment in the Notes subject to greater risks and uncertainties than an investment in countries with more mature legal systems.

The fact that the legal and regulatory systems are still growing may mean that governments can decide to implement new laws or regulations which materially impact the way in which we carry out our business or require us to implement operational changes to continue to comply with legal requirements.

Any downgrading of South Africa's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Notes.

As of the date of this Offering Memorandum, South Africa's sovereign rating is "Ba2" (Moody's), "BB" (S&P) and "BB-" (Fitch).

In November 2025, S&P raised its foreign currency long-term sovereign credit rating on South Africa to "BB" with a positive outlook from "BB-", citing South Africa's improving GDP growth and fiscal trajectory which have outperformed budgeted targets, alongside the reduction in contingent liabilities largely tied to performance improvements at the state-owned electricity utility, Eskom, and in other sectors. However, Moody's and Fitch have maintained their credit ratings for South Africa (with Moody's re-affirming the country's long-term sovereign credit rating at "Ba2" with a stable outlook in December 2025, and Fitch re-affirming the country's "BB-" sovereign credit rating with a stable outlook in September 2025) due in general to low real GDP growth, a high level of poverty and inequality, a high and rising government debt/GDP ratio, and a rigid fiscal structure that hampers budget deficit reduction and strengths such as favorable government debt structure with long maturities and mostly local-currency denominated, strong institutions and credible monetary policy framework.

Such credit ratings reflect an assessment of the South African government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due. Any adverse revisions to South Africa's credit ratings for domestic and international debt by international rating agencies may adversely affect the liquidity of the South African financial markets, the ability of the South African government and South African companies, including the Liquid Group, to raise additional financing, and the terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on our capital expenditure plans, business, cash flows, financial performance and prospects and the trading price of the Notes.

We are exposed to the risk of violations of anti-corruption laws, money laundering laws or other similar regulations.

We are subject to laws aimed at preventing money laundering, corruption and the financing of terrorism. These regulations are constantly changing and monitoring compliance with anti-money laundering, anti-bribery and other rules can impose a significant financial burden on us and require significant technical ability. While we have established risk management functions to help ensure compliance with the laws and regulations of the jurisdictions in which we operate, there can be no assurance that we will at all times remain in compliance with applicable laws and regulations. Criminals are constantly finding new and innovative ways to circumvent anti-money laundering and terrorist financing controls. Due to these risks, the implementation of effective controls, requiring further investments in resources and technical systems, will remain a key area of focus for our business.

Many of our operations are located in Sub-Saharan Africa, which is generally perceived to have high levels of corruption (based on measurements such as Transparency International's Corruption Perceptions Index), fraud and bribery. South Africa is ranked 81 out of 180 countries in Transparency International's 2025 Corruption Perceptions

Index, with Tanzania ranked 84, Kenya ranked 130, Zimbabwe ranked 157 and the Democratic Republic of Congo ranked 163. As described further below (*see e.g., Risks Relating to Legal and Regulatory Matters*), we also interact with government authorities in Sub-Saharan Africa. Our activities create the risk of unauthorized payments or offers of payments by one of our employees, vendors, or agents that could be in violation of applicable anti-corruption laws.

We have policies and procedures reasonably designed to help ensure compliance with applicable laws and regulations including the United Kingdom Bribery Act of 2010 (“**United Kingdom Bribery Act**”). Our compliance and sanctions policies do not, however, target the specific policies and procedures outlined by the US Foreign Corrupt Practices Act of 1977 (“**FCPA**”). The FCPA prohibits providing, offering, promising or authorizing, directly or indirectly, anything of value to non-US government officials, political parties or political candidates for the purposes of obtaining or retaining business or securing any improper business advantage by US companies or persons or non-US companies or persons with a sufficient US nexus. Although we operate outside the US, we can make no assurances that the actions or communications of any of our employees, vendors, or agents may not constitute or trigger a sufficient US nexus pursuant to the FCPA and thereby attract the applicability of the FCPA to the Liquid Group and our employees. For example, as part of our business, we deal with state-owned business enterprises, the employees of which may be considered government officials for purposes of the FCPA. The provisions of the United Kingdom Bribery Act extend beyond bribery of government officials and is more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments and penalties. In particular, the United Kingdom Bribery Act (unlike the FCPA) does not require a corrupt or improper intent to be established in relation to the bribery of a public official and also applies to the active payment of bribes as well as the passive receiving of bribes. Furthermore, unlike the vicarious liability regime under the FCPA, whereby corporate entities can be liable for the acts of its employees, the United Kingdom Bribery Act introduced a new corporate offence directly applicable to corporate entities that fail to prevent bribery and do not establish and adopt adequate procedures to prevent bribery from occurring and, in certain circumstances, can render parties liable for the acts of their joint venture or commercial partners.

While we believe that our internal compliance policies and procedures (which apply to the Liquid Group as a whole) are robust and effective, we can make no assurance that the policies and procedures, even if enhanced, will be followed at all times or will effectively detect and prevent all violations of the applicable laws and every instance of fraud, bribery and corruption. We can also make no assurance that violations of applicable anti-money laundering or anti-bribery laws will not occur. As a result, if we fail to prevent any such violations or are the subject of investigations into potential violations, we could be subject to potential civil or criminal penalties under the relevant applicable laws, including substantial monetary fines, incarceration, or loss of one or more of our licenses or financing facilities, which, individually or taken together, may have material adverse consequences on our business, financial condition, results of operations and prospects. In addition, such violations, or allegations of such violations, could also negatively impact our reputation and, consequently, our ability to win future business or maintain existing contracts. Detecting, investigating, and resolving actual or alleged violations of applicable anti-corruption laws is expensive and can consume significant time and attention of our senior management. Further, any such violation by competitors, if undetected, could give them an unfair advantage when bidding for contracts.

Our UK subsidiary, Liquid Telecommunications Limited, is subject to and is compliant with the requirements of the UK Modern Slavery Act.

We are also subject to the money laundering laws of the various jurisdictions in which we operate. While we have policies and procedures aimed at ensuring compliance with these laws, there can be no assurance these policies will be followed at all times or will effectively detect and prevent all violations of the applicable laws. To the extent we fail to fully comply with applicable laws and regulations, we may be subject to fines and penalties (including criminal penalties), which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are exposed to the risk of violations of sanctions laws due to the countries in which we operate.

We operate in jurisdictions which may expose us to heightened risks with respect to sanctions laws and regulations, including the sanctions administered or enforced by the United States (including those administered by the Office of

Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”)), or any equivalent measure in the United Kingdom, the European Union or the United Nations. Among other measures, these laws impose asset freezes of certain designated persons and broadly prohibit transactions or other dealings for the benefit of the sanctioned persons or countries (including the clearing of U.S. Dollar payments through the U.S. financial system). Violations of sanctions laws and regulations could expose us to potential civil or criminal penalties under the relevant applicable sanctions laws, which may have material adverse consequences on our business, financial condition, results of operations and prospects.

We invest in legal and know-your-customer procedures to ensure our compliance with sanctions laws, which requires increased expenditure relative to businesses operating in lower-risk jurisdictions. While we believe that we operate in compliance with all applicable sanctions laws, the consequences that we may suffer due to potential future violations could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

Damage to our reputation and business relationships may adversely affect our business beyond any monetary liability.

Our business and brand depend on our customer goodwill, our reputation and on maintaining good relationships with our customers, joint venture partners, employees and regulators. Any circumstances which publicly damage our goodwill, injure our reputation or damage our business relationships may lead to a broader adverse effect on our business and prospects by way of loss of business, goodwill, customers, joint venture partners and employees than solely the monetary liability arising directly from the damaging events.

RISKS RELATING TO LEGAL AND REGULATORY MATTERS AND LITIGATION

It may be difficult for us to obtain all licenses, permits or other authorizations required to operate our business, and once obtained, they may be amended, suspended or revoked or may not be renewed.

The development and operation of telecommunications networks and the provision of related services are regulated to varying degrees by national, state, regional or local governmental and/or regulatory authorities in the countries where we operate. Our operating licenses or authorizations specify the services we can offer. The operating licenses are subject to review, interpretation, modification or termination by the relevant authorities, and the regulatory framework applicable to them may also be amended. There is no assurance that the relevant authorities will not take any action that could materially adversely affect our operations.

Our operating licenses generally have terms ranging between five and 15 years. In certain jurisdictions in which we operate, however, our operating licenses have considerably shorter terms. For instance, in some jurisdictions, our licenses are valid for one year. While our licenses are generally renewable upon their expiration, there is no assurance that they will be renewed. If we fail to renew any of our licenses, we may lose the ability to service our customer base or continue to operate the relevant business and realize the full potential value of our relevant network infrastructure. Some of these licenses and other authorizations are particularly complicated and lengthy to obtain and may subject us to ongoing compliance obligations. Moreover, if we fail to comply with the requirements of the applicable legislation or we fail to meet any of the terms of our licenses, our licenses and other authorizations necessary for our operations may be suspended or terminated or significant fines imposed. The levying of material fines could adversely impact our business, results of operations, financial condition and prospects.

Further, the deployment of our network requires various approvals or permits from national, state, regional or local governmental and/or regulatory authorities, particularly in relation to rights of way. These approvals and permits may include building, construction and environmental permits, antenna and mast deployment approvals and various other planning permissions. Obtaining these approvals and permits can be a complex process and is often characterized by different practices and requirements at the various regulatory authorities which frequently results in inconsistent and bureaucratic processes. Due to the inherent challenges of these regimes, we have experienced, and may continue to experience, difficulties in obtaining some of these approvals and permits, which may require us to exert considerable

effort and incur considerable expenses in order to implement suitable alternatives, or could result in fines or other penalties being imposed by regulators. This could have a material adverse effect on our business, results of operations, financial condition and prospects.

Government regulation in certain markets may also prohibit public cloud services that are hosted outside of the country or region, limiting our ability to operate in such markets. Sometimes, a registration with the relevant information and communications technology agency, or data protection authority is advisable or required. As cloud and data center services become more pervasive, there is a possibility, moreover, that more onerous licensing requirements may be introduced. The Liquid Group monitors regulatory developments in the jurisdictions in which it operates, as well as possible new markets, to assess and evaluate these possibilities, and it makes appropriate submissions in respect of proposed policy and regulatory changes.

For further information on the licensing requirements applicable to our business, see “*Business—Licenses.*”

We may fail to appropriately handle the personal data of our customers.

Our operations involve the processing, storage and/or transmission of personal information including sensitive information. We may also receive personal payment data, which is further processed by us and third parties. All of our agreements with third party suppliers require them to implement effective procedures to safeguard customer and employee data, but there can be no guarantee that such provisions will be adhered to or that the procedures adopted by such third parties will be sufficient to safeguard relevant data or will at all times be compliant with applicable regulations.

We are subject to complex and evolving laws, rules, regulations, orders and directives relating to the collection, use, retention, security, processing and transfer of personally identifiable information about our customers, third parties, employees and others and their transactions. Much of the personal data that we process, especially financial information, is regulated by multiple privacy laws and, in some cases, the privacy laws of multiple jurisdictions.

In particular, we are required to comply with the General Data Protection Regulation (EU 2016/679) (the “**EU GDPR**”) and its transposition into UK law by virtue of section 3 of the European Union (Withdrawal) Act 2018, as amended by Schedule 1 to the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 (SI 2019/419) (the “**UK GDPR**,” together with the EU GDPR, the “**GDPR**”).

The GDPR and associated e-privacy laws impose constraints on the ability of a data controller to profile and market to customers. Data subjects have the right to object to a controller processing their data in certain circumstances, including the right to object to their data being processed for the purposes of direct marketing. Controllers of personal data are required to maintain written records as to how they comply with the GDPR and provide more detailed information to data subjects in relation to how their data is being processed. In addition, updated e-privacy laws are under consideration in the UK and the EU to update the legislative rules applicable to digital and online data processing and to align e-privacy laws to the GDPR. The GDPR includes an administrative sanctions regime where non-compliance with GDPR standards may result in fines for a breach of data protection laws, with the maximum fine (in the most serious cases of a breach of the GDPR) being the higher of €20 million (£17.5 million for the UK) or 4% of annual worldwide turnover. In certain instances, we could be held jointly responsible for breaches committed by third-party service providers which we use or by other third parties with whom we share personal data. Moreover, under the UK Data (Use and Access) Act 2025, fines for breaches of e-privacy rules, including unlawful direct marketing, have been significantly increased to align with GDPR levels, with the maximum penalty being the higher of £17.5 million or 4% of an organization’s global annual turnover.

In addition, South Africa enacted the Protection of Personal Information Act (“**POPIA**”) which went into effect on July 1, 2021 to protect consumer and personal information, potentially exposing the Liquid Group to additional data protections rules and enforcement risks.

Various operations of the Liquid Group now have data protection laws enacted into law which further places more obligations on adherence to data protection laws. These being, Kenya, Zambia, Botswana, Zimbabwe, Rwanda, Tanzania and Uganda.

Any failure, or perceived failure, by us or our partners to comply with applicable privacy laws could result in proceedings or actions against us by regulatory authorities or others, including class action privacy litigation, significant fines, penalties, judgments and reputational damage, requiring us to change our business practices and/or increase the costs and complexity of compliance. In addition, we are also subject to the possibility of security breaches, which themselves may result in a violation of these privacy laws.

We may fail to comply with reporting requirements relating to customer information.

Many of the jurisdictions in which we operate have implemented, or are in the process of implementing, reporting or record-keeping obligations on companies that engage in, or facilitate, e-commerce to improve tax compliance. In addition, as a result of the US Foreign Account Tax Compliance Act and OECD Common Reporting Standard regulations, most countries have introduced information sharing obligations that are either currently applicable to us or may become applicable in the future. Any failure by us to comply with these or any similar reporting and recordkeeping obligations could result in substantial monetary penalties and other sanctions, and impact our ability to do business in certain jurisdictions.

Because we operate in highly regulated business environments, changes in laws, regulations or governmental policy affecting our business activities could adversely affect our business, financial condition, results of operations and prospects.

Our operations and properties are subject to regulation by various government entities and agencies in connection with obtaining and renewing various licenses, permits, approvals and authorizations, as well as ongoing compliance with, among other things, telecommunications, environmental, health and safety, labor, building and urban planning, personal data protection and consumer protection laws, regulations and standards. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards, the issuance and renewal of licenses, permits, approvals and authorizations and monitoring licensees' compliance with the terms thereof. We may sometimes disagree with the way legal provisions are interpreted or applied by regulators and we may, from time to time, challenge or contest regulatory decisions in the course of our business, which may affect our relations with regulators.

The competent authorities in the countries where we carry out our activities have the right to, and frequently do, conduct periodic inspections of our operations and properties throughout the year. Any such future inspections may result in the conclusion that we have violated laws, decrees or regulations. We may be unable to refute any such conclusions or remedy the violations found.

As we operate in a number of emerging markets, the interpretation and application of laws and regulations affecting telecommunications services may be subject to increased uncertainties due to developing or incomplete regulatory regimes, and ensuring compliance may be more difficult compared to more developed markets. In many of the countries in which we operate, local regulators have significant latitude in the administration and interpretation of telecommunications licenses and laws, rules and regulations. While we aim to comply with the local regulation, it may be difficult for us to ensure that third party operators using our network also comply with such regulation. In addition, the actions taken by these regulators in the administration and interpretation of these licenses and laws, rules and regulations may be influenced by local political and economic pressures. Regulatory regimes and decisions could also affect our customers and suppliers, which in turn could adversely affect our business and prospects.

Increases in, or changes to, regulation could result in higher operational costs and decrease our ability to present attractive offers to our customers and potential customers, which could adversely affect our business, financial condition, results of operations and prospects. Decisions by regulators and new legislation, including in relation to wholesale price regulation mentioned above, could adversely affect the pricing of, or adversely affect the revenue

from, the services and products we offer, as well as the nature and scope of the services we offer or may in the future wish to offer.

Decisions by regulators may include limiting our pricing flexibility, raising our costs (including by raising licensing fees), limiting our access to additional resources which may at times be essential (such as spectrum, conduit access rights and rights of way), reducing our wholesale or retail revenues or conferring greater pricing flexibility on our competitors. In terms of pricing flexibility, we may be subject to regulatory intervention to restrict our prices or margins, particularly given our leading market position in some of the countries in which we operate, which can give our competitors an advantage. Such asymmetrical regulatory intervention may negatively impact our competitive position and our profit.

In addition, policies, legislation and regulations on taxation, customs and excise duties may change from time to time, especially that certain of the countries in which we operate do not have firmly established legal and regulatory systems. Any such policy changes, as well as inconsistencies in the interpretation of, and decisions relating to, tax laws, may have an adverse effect on our business, financial condition, results of operations and prospects.

The industry in which we operate is constantly advancing and, as a result, the laws and regulations applicable to this industry are evolving. For example, South Africa's POPIA increases the responsibility of all entities that collect, store, transmit and process personal information to ensure the implementation of appropriate security measures and processing and storage limitations in respect of personal information and imposes fines, penalties and potential imprisonment for noncompliance. The implementation of POPIA and similar laws across the jurisdictions in which we operate increase the demands on management, who must understand and ensure compliance and incur certain expenses to bring our operations into compliance.

In South Africa, certain proposed legislative and regulatory amendments may materially affect our operations. These include proposals to introduce an equity equivalent investment program as an alternative to a 30% equity ownership licensing requirement, allowing multinational companies to satisfy ownership requirements through contributions to the National Transformation Fund rather than through bespoke, regulator approved social impact programs. See also "*Certain Insolvency and Enforceability Considerations – South Africa – Key considerations relating to South African Collateral – Independent Communications Authority of South Africa.*" In addition, proposed amendments to the Electronic Communications Act, 36 of 2005, would expand regulatory oversight to amongst others over the top VoIP services.

In Kenya, proposed and recently issued telecommunications regulations aimed at strengthening regulatory oversight of electronic communications infrastructure may affect the deployment and operation of fiber networks, including through enhanced requirements relating to licensing, infrastructure sharing, rights of way approvals and compliance enforcement. In the Democratic Republic of Congo, the implementation of a unified, technology neutral telecommunications licensing regime under the Telecommunications and ICT Law has fundamentally restructured the licensing framework applicable to fixed and fiber network operators and increased regulatory obligations and compliance risk. In Mauritius, ongoing regulatory reforms under the ICT and digital transformation framework, including enhanced cybersecurity and infrastructure related compliance obligations applicable to licensed telecommunications operators, may increase operational and compliance costs for fiber connectivity providers. Furthermore, in Zambia, the proposed Bank of Zambia Currency Directives, 2025, would introduce mandatory rules requiring the use of Kwacha for most domestic transactions. While we continue to monitor these developments, the implementation of such legislative and regulatory changes could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, enforcement priorities are subject to change and we are subject to additional laws and regulations, including, but not limited to, those governing anti-money laundering requirements, anti-bribery and anti-corruption requirements, sanctions and licensing regimes, as we introduce new products and services. While we believe we can successfully adapt to changes in the laws, rules or regulations to which we are subject, there can be no assurance that future regulatory changes or adjustments will not materially adversely affect our business, results of operations, financial condition and prospects.

Furthermore, the antitrust and competition laws and related regulatory policies in some of the countries in which we operate favor increased competition in the telecommunications industry and may prohibit us from making further acquisitions or continuing to engage or expand in particular practices, which may limit our ability to grow our business or have a material adverse effect on our business, financial condition, results of operations and prospects.

If we fail to comply with any of these requirements in a timely manner, we could be subject to fines, penalties, litigation and enforcement actions, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may become party to disputes and legal, tax and regulatory proceedings.

We are involved in various routine legal proceedings arising in the ordinary course of our business. We may also be named as a defendant or an interested party in legal actions, claims and disputes in connection with our business activities.

As a general matter, legal actions, claims and disputes may relate to our current business or past operations, including operations of businesses we have acquired and for which we may be fully or partially liable under the relevant contractual arrangements with respect to the acquisitions. If we are unsuccessful in defending ourselves in such actions, claims or disputes, we may be forced to pay monetary damages or take other actions that would have material adverse effect on our business, results of operations, financial conditions and prospects. We cannot assure you that no proceedings will be initiated on the Liquid Group related to such matters or other similar matters or, if such proceedings were initiated, that they would not have adverse reputational and other consequences for us and our business including the loss of one or more key customers. Even if successfully resolved without direct adverse financial effect, such litigation or complaints could have a material adverse effect on our brand and reputation and divert our financial and management resources from more beneficial uses. Additionally, in the ordinary course of business, we may be subject to ad hoc tax reviews. There can be no assurance that any future audits will not result in additional liability.

In February 2017, we acquired a stake in Neotel (Pty) Ltd (“**Neotel**”) which was subsequently renamed Liquid Telecommunication South Africa (now Liquid Intelligent Technologies South Africa) (“**LIT**”). Prior to this acquisition, in 2015, Neotel’s external auditors notified the Neotel board of directors of a potential irregularity involving a series of transaction with Transnet SOC Ltd (“**Transnet**”) whereby a third-party entity, known as Homix, allegedly received certain direct and indirect payments relating to the acquisition of certain networking hardware, the deployment of a CCTV system and the renegotiation of an existing MSA with Transnet. The Neotel board commissioned forensic investigations in 2015 which identified the involvement of certain key members of Neotel’s management in these irregularities and the failure to follow internal governance procedures with respect to the conclusion of these contracts. However, the forensic report could not be finalized, as Transnet declined to assist with the investigation, confirming to the Neotel board of directors that Transnet had conducted a separate review of the transactions without identifying any irregularities. Following the work performed by Neotel’s external auditors and relevant forensic reviews, Neotel lodged reports with the relevant statutory authorities and disciplinary processes were initiated against the implicated employees. At the time of our acquisition of Neotel in 2017, this matter was further investigated and we received a further confirmation from Transnet that there were no findings of irregularity.

Since this acquisition, the South African Government has launched a Commission of Enquiry into State Capture. LIT has co-operated fully and assisted the Commission with its investigation providing all available historical evidence with regards to the prior events and the individuals involved. The entire Neotel board of directors and its members of senior management were replaced and no one directly or indirectly implicated in the alleged activities remained or remains at LIT. In addition, LIT has strengthened its anti-bribery and corruption processes in accordance with LIT’s group policies (which are in line with global best practice), to ensure that a recurrence is not possible. Although LIT is actively engaged with the relevant agencies regarding a conclusion of the matter, including LIT continuing its assistance to law enforcement to identify and prosecute the individuals and organizations who were directly involved and benefitted from the alleged transactions, there can be no assurance that LIT or the relevant agencies will be

successful in resolving this matter and the outcome could have a material adverse effect on our business, results of operations, financial conditions and prospects.

In May 2024, Vodacom launched a semi-urgent interim interdict against MTN, Cell-C and our subsidiary, Liquid Telecommunications South Africa (Pty) Ltd, to interdict MTN, Cell-C and Liquid Telecommunications South Africa (Pty) Ltd from transmitting on certain frequencies and challenging the legality of the spectrum pooling arrangements which were approved by the Independent Communications Authority of South Africa (“**ICASA**”). The interim interdict was not granted and therefore the substantive matter will proceed on the hearing of the merits to consider the granting of a final order regarding the ICASA’s approval of the spectrum pooling arrangements. While we have opposed both the granting of the interim interdict and the substantive matter (and MTN and Cell-C have also expressed their intention to oppose this decision), even if we are successful in our opposition, this legal proceeding could have a material adverse effect on our business, results of operations, financial condition and prospects.

Disputes could also lead to a termination of agreements with our customers or a material modification of the terms of those agreements, either of which could have a material adverse effect on our business, results of operations, financial condition and prospects. If we are forced to resolve any of these disputes through litigation, our relationship with the applicable customer could be terminated or damaged, which could lead to decreased revenues or increased costs, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business, results of operations, financial conditions and prospects may be negatively impacted if economic conditions throughout the world decline.

The world economy has faced, and is still facing, a number of actual and potential challenges, including the war between Russia and Ukraine, the Israel-Hamas war and the military conflicts involving the U.S., Israel and Iran (and related conflicts and global disruptions), disputes between China and Taiwan, changes to U.S. trade policy, as well as political unrest and conflicts in other geographic areas and countries. As a result of these challenges, existing and future economic sanctions, government regulations, export controls, import controls and global supply chain disruptions, among other factors, could adversely affect the global economy which could negatively impact our business, results of operations, financial conditions and prospects. It is difficult to predict the intensity and duration of these challenges, many of which have led, and may continue to lead, to increased economic uncertainties or downturns.

During challenging economic times, our business partners and customers may also reduce their budgets or experience difficulties in gaining access to sufficient credit, which could impair their ability to make timely payments to us. As a result, we may be required to make certain provisions or increase our allowance to account for their inability to pay us. If such conditions are sustained, it may become difficult for us to forecast and plan our future business activities accurately which may negatively impact our business, results of operations, financial conditions and prospects.

For more information, see “—*Risks Relating to Investments in Countries Where We Operate—We are subject to the risks of political, social and economic instability associated with the markets in which we operate.*”

We are subject to intense competition in many of the markets in which we operate.

We operate in an increasingly competitive environment, particularly around pricing across our markets and segments, which may adversely affect our revenue and margins. The nature and level of the competition we face varies for each of the products and services we offer. Our Network and Dataport segments have faced the largest competition from submarine cable operators that serve a limited number of terrestrial endpoints and also with incumbent operators in countries that have a large presence in the market. Our C2 segment has faced indirect (reseller) business competitors which are typically legacy distributors that have shifted their focus to cloud services and have also provided support services for their channel partners. Additionally, our Voice Traffic segment has primarily faced direct competition from international carriers. These competitors, as well as other competitors that may enter the market in the future, may enjoy certain competitive advantages that we do not, particularly in the Kenyan, Zimbabwean and Zambian markets,

such as having easier access to financing, greater personnel resources, fewer regulatory burdens and closer relationships with regulatory authorities. Some of our competitors may have fewer regulatory burdens with which they are required to comply because, among other reasons, they use different technologies to provide their services, do not own their own network, are state-owned and partly state-owned, or are not subject to obligations applicable to network operators with significant market power, which can give our competitors an advantage and negatively impact our competitive position and profit.

Furthermore, in certain of the geographic markets in which we operate, including Kenya and South Africa, there are a limited number of new customers entering the market (particularly in the Network, Dataport and Voice Traffic segments) and therefore in order to increase our market share we are dependent on attracting our competitors' existing customers, which intensifies the competitive pressures we are subject to.

We experience competition in our core network services both from competitors investing in new networks and from our own customers who purchase and then resell capacity on our open access networks. Increasingly, we also see increased competition directly from network operators. We also experience competition in new technology areas, where we are seeking to increase the range and nature of managed services we provide to our customers. The continuing trend toward business combinations and strategic alliances in the telecommunications industry, particularly in South Africa and Uganda, may create increased competition, including from non-conventional, network operators and content providers. All these factors may result in slower growth or a decrease in our returns on investment and, ultimately, EBITDA as our customers may choose to switch to our competitors. Although new laws and regulatory initiatives may provide us with increased business opportunities by removing or substantially reducing certain barriers to entry, in so doing they also create a more competitive business environment and may encourage new entrants, which could adversely affect our results of operations.

In a number of countries in which we operate, such as Zambia, Zimbabwe and Tanzania, our competitors are also government-owned entities or major local business participants and may have certain advantages from being incumbent service providers. Local operators may be able to leverage their knowledge of the local markets more efficiently than us.

Increasing competition has also led, in certain markets, to a reduction in the prices we are able to charge for our services. As has occurred in the recent past and may occur in the future in Zambia, South Africa and elsewhere, some of our competitors may further reduce pricing and offer unsustainable price reductions or discounts in an effort to strengthen their market position, and we may not be able to match their price reductions while maintaining our profitability.

Our success in the markets in which we operate may be adversely affected by the actions of our competitors in a number of ways, including:

- lower prices or higher quality services, features or content;
- more rapid development and deployment of new or improved products and services;
- more rapid enhancement of their networks;

In addition, we believe we currently enjoy a competitive advantage resulting from the reach of our network. Any expansion by our existing competitors, whether within a particular market or in Africa, may reduce such competitive advantage, which in turn could adversely affect our business, results of operations, financial condition and prospects.

Our market position will also depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including new services, pricing strategies by competitors, changes in customer preferences and economic, political and social conditions in the markets in which we operate. Market disruptions and changes in the patterns of people's daily activities may produce changes in customer requirements and preferences, price sensitivity or other parameters. Any failure to compete effectively or any inability to respond to or effectively anticipate customer sentiment, including in terms of pricing of services, acquisition of new customers and

retention of existing customers, could have a material adverse effect on our business, results of operations, financial condition and prospects.

For further information on the competitive landscape in which we operate, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Impacting our Results of Operations—Competition and Pricing Dynamics*” and “*Business— Customer Service And Retention.*”

We are exposed to certain risks in respect of the development, expansion and maintenance of our network and digital platforms.

Our business depends upon effective management of our telecommunications network and digital platforms. In addition, although our fiber network build is largely completed, our business also depends to some extent on prudent expansion of our telecommunications network and digital platforms. The build-out, improvement and maintenance of our network remains subject to risks and uncertainties as network expansion and infrastructure projects typically require substantial capital expenditure. During the planning and expansion process, we are subject to a number of construction, financing, operating, regulatory and other risks beyond our control, including, but not limited to:

- increases in capital and/or operating costs, including as a result of foreign exchange rate movements;
- changes in demand for our services;
- labor disputes and disputes with contractors and sub-contractors;
- inadequate engineering, project management, capacity or infrastructure, including as a result of failure by third parties to fulfil their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project;
- damage to the infrastructure that we rely on, including damage to submarine cables which can disrupt telecommunications networks and force providers to reroute traffic;
- electricity and power interruptions due to electricity load-shedding and/or blackouts, and energy shortages;
- regulatory regimes impacting our business;
- failure to complete projects timely and/or according to specifications;
- failure to meet license obligations;
- adverse weather conditions and natural disasters;
- environmental regulations, including the need to perform feasibility studies and conduct remedial activities;
- political, social and economic conditions;
- fraud, theft and malfeasance;
- accidents;
- terrorist action;
- changes in law, rules, regulations, governmental priorities and regulatory regimes; and
- difficulties in obtaining and/or maintaining project development permission or requisite governmental licenses, permits or approvals.

We are (notwithstanding that our network build-out is largely complete) still subject to these risks and there may be further impacts resulting from political instability, military activity, severe weather conditions, available funding and workforce shortages. Additionally, we may experience supply chain disruption if suppliers go out of business, cannot access sufficient stock or experience delays in receiving permits or permissions as the relevant authorities focus elsewhere.

The occurrence of one or more of these events may have a material adverse effect on our ability to complete our current or future network expansion projects on schedule or within budget, if at all, and may prevent us from achieving the projected revenues, internal rates of return or capacity associated with such projects. There can be no assurance that we will be able to generate revenues or profits from our expansion projects that meet our planned targets and objectives, or that such revenues will be sufficient to cover the associated construction and development costs, either of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, our assumptions associated with maintenance and continued upgrades of our networks may prove to be inaccurate. Our current network capacity may not be sufficient for all future services we plan to offer or we may need to accelerate capital expenditure plans if demand would exceed our planning. If we fail to successfully maintain and upgrade our networks, our services and products may be less attractive to new customers and we may lose existing customers to our competitors, or our business and financial condition may become subject to additional financial strain due to unbudgeted investments. In addition, our future and ongoing network upgrades may fail to generate a positive return on investment, which may have a material adverse effect on our business, results of operations, financial condition and prospects. If our capital expenditures exceed our projections or our operating cash flow is lower than expected, we may be required to seek additional financing for future maintenance and upgrades or scale back planned maintenance works, which in turn could adversely affect our business, results of operations, financial condition and prospects.

If we cannot match the pace of change in the industries in which we operate, our products and services may not remain relevant and competitive, and our business, financial condition, results of operations and prospects may be adversely affected.

Our commercial success depends on providing services such as voice, data, connectivity and other value-added services that provide our customers with attractive products and services at a competitive cost. Many of the services we offer are technology-intensive and the development or acceptance of new technologies may render such services non-competitive, replace such services or reduce prices for such services. The telecommunications and digital services industries are characterized by an increasing pace of technological change in existing systems and industry standards. As new technologies develop, our equipment may need to be replaced or upgraded, we may need to acquire additional licenses and our networks may need to be rebuilt in whole or in part in order to sustain our competitive position. While we endeavor to upgrade our existing infrastructure (e.g., through card upgrades or by migrating from WiMAX to LTE) to respond successfully to technological advances, we may require additional capital expenditures and access to related or enabling technologies in order to integrate the new technology with our existing technology.

Furthermore, the rapid pace of innovation can cause disruption to some of our long-standing, core businesses. For example, the emergence of Low Earth Orbit (“LEO”) satellite operators (like Starlink) disrupted the VSAT business and impacted our recent performance. As a result, we have chosen to partner with Starlink and also other, lower cost, LEO satellite operators to limit the impact of such disruptions on our performance. We will continue to manage the decline in VSAT, while selectively engaging and growing LEO satellite operations through partnerships with other operators. We are also deploying our 5G spectrum in South Africa through a spectrum-sharing partnership with Vodacom. This will allow for much faster and higher margin deployment than rolling it out on our own. We will seek similar opportunities in other markets where we can secure 5G spectrum to upgrade our LTE network if and when available. If we are unable to anticipate customer preferences or industry changes, or if we are unable to modify our service offerings on a timely and cost-effective basis, we may lose customers.

As the convergence of services accelerates, we have made and will have to continue to make substantial additional investments in new technologies to remain competitive, and changes in technology and services may also lead to

competition with new competitors including both emerging players as well as established technology companies entering new sectors and bundling technologies as a means of increasing their competitive advantage. Our operating results will also suffer if our new products and services are not responsive to the needs of our customers, are not appropriately timed with market opportunities, are not effectively brought to market or if they are not priced competitively. The new technologies we choose may not prove to be commercially successful or profitable.

We cannot be certain that existing, proposed or as yet undeveloped technologies and concepts will not become dominant in the future and render the technologies we use less commercially viable or profitable or that we will be successful in responding in a timely and cost-effective way to keep up with new developments. For example, new transmission technologies or new means of distributing content that reduce bandwidth volumes could render the technologies we use less commercially viable or profitable, trigger the emergence of new competitors or strengthen the position of existing competitors. As telecommunications technology continues to develop, our competitors may be able to offer telecommunications products and services that are, or that are perceived to be, substantially similar or better than those offered by us. This could have a material adverse effect on our business, financial condition, results of operations and prospects. If we are not successful in anticipating and responding to technological change and resulting customer preferences in a timely and cost-effective manner, our quality of services, business, financial condition, results of operations and prospects could be materially adversely affected.

The deployment of fiber networks by our competitors may reduce and ultimately eliminate the coverage gap between our fiber network and the networks of our main competitors, undermining our competitive advantage in providing fiber optic and wireless network services.

We believe that one of our core competitive advantages in the majority of our geographies is the strength, speed and resilience of our fiber optic and wireless networks. Our network's attributes enable us to support high-bandwidth, low-latency applications, such as mobile 3G/4G LTE, 5G data backhauling, OTT content delivery, cloud-based computing, video and CCTV streaming, machine-to-machine connectivity, private connections to data center storage, and other applications. Our network is built in accordance with some of the highest industry standards, and is almost in its entirety ducted with redundant and diverse routes capable of servicing our customers. Our core network is upgraded on an ongoing basis whilst our FTTx network is currently capable of providing speeds of up to 200 Mbps.

Our competitors may deploy networks allowing for download speeds and bandwidths which may rival those achieved by our network. See "*Industry Overview*" for further information on the competitive landscape in the markets in which we operate.

If our competitors deploy or significantly expand their national or international fiber networks, they may be able to compete with our network at a level of quality and speed equal or superior to ours, potentially reducing or eliminating our current competitive advantage, increasing pressure on our prices and margins and leading us to incur significant capital expenditures to match their service offerings. Implementation of ADSL or wireless broadband networks by such competitors could also reduce our national competitive advantage. Accordingly, the deployment of such fiber, ADSL or wireless broadband networks by our competitors at sufficient scale could have a material adverse effect on our business, results of operations, financial condition and prospects.

The loss of any customer or customers that in aggregate represent a significant portion of our revenue, including related parties, could have a material adverse effect on our business.

The Liquid Group's top five customers accounted for 32.7%, 17.0%, and 23.1% of our revenue, respectively, in the years ended February 28, 2023, February 29, 2024 and February 28, 2025. The loss of any customer or customers that in aggregate represent a significant portion of our revenue could have a material adverse effect on our business, results of operations, financial condition and prospects.

We have engaged in transactions with related parties, principally, the Econet Group, indirectly our largest shareholder, and we may continue to do so in the future. Existing service agreements with the Econet Group accounted for 12.4%, 6.5%, and 9.5% of our revenue in the years ended February 28, 2023, February 29, 2024 and February 28, 2025,

respectively. For more information, see “—*We engage in transactions with certain related parties, and if their support and backing does not continue or a conflict of interest arises, our ability to deliver certain services could be harmed and our results of operations could be adversely affected.*”

Although we have longstanding relationships with most of our top customers, including with the Econet Group, and we believe that our relationships with these customers are stable, our ability to renew existing contracts with our customers or other contractual counterparties, or to enter into new contractual relationships, either on commercially attractive terms or at all, depends on a range of commercial and operational factors and events, including the financial condition of such customers, existing contractual protections and incentives for renewals, the ability of the parties to reach agreement as to pricing, quality or service levels, and the commercial decisions by such counterparties (who may choose to source products or services, in whole or in part, from other suppliers), any of which may be beyond our control. Furthermore, due to this customer concentration, the credit risk associated with larger business customers is of particular significance to us.

In addition, any divestment of interest in the Liquid Group by the Econet Group and/or any resulting loss of business therefrom could have a material adverse effect on our business, results of operations, financial condition and prospects. See “*Principal Shareholders*” and “*Related Party Transactions.*”

Furthermore, we could be adversely affected if any significant customer or customers react unfavorably to the pricing of our products or services, or decides to de-emphasize or reduce their offerings in the categories with which we supply them. Any such event would have a material adverse effect on our business, results of operations, financial condition and prospects.

The interests of our direct and indirect shareholders may not always coincide with those of the holders of the Notes.

We are a direct, wholly owned subsidiary of Liquid Telecommunications (Jersey) Limited, which in turn is 92.18% owned and solely controlled by Cassava Technologies Limited. As a result of this ownership structure, Cassava Technologies Limited is able to decide any matter requiring our shareholders’ approval. All of the directors on our board of directors are appointed by Cassava Technologies Limited, our chief executive officer is the chief executive officer of Cassava Technologies Limited, and, as a practical matter, our business is controlled and managed by directors and management who are also the board of directors and management of Cassava Technologies Limited. Furthermore, Econet Global Limited and affiliated companies are the largest shareholder of Cassava Technologies Limited, and have certain control rights over Cassava Technologies Limited. As a result, Econet Global Limited and its affiliates have, directly or indirectly, the power, among other things, to affect our legal and capital structure and our day-to-day operations. In addition, Econet Global Limited is a customer of the Liquid Group. See “—*We engage in transactions with certain related parties, and if their support and backing does not continue or a conflict of interest arises, our ability to deliver certain services could be harmed and our results of operations could be adversely affected.*”

The interests of our direct and indirect shareholders, in certain circumstances, may conflict with the interests of holders of the Notes. For instance, the shareholders could vote to cause us to incur additional indebtedness or to sell certain material assets, in each case, as permitted under the Indenture. Incurring additional indebtedness would increase our debt service obligations and selling assets could reduce our ability to generate revenue, each of which could affect the holders of the Notes adversely. Even if these shareholders and their affiliates make divestitures such that they control less than a majority of the equity in our parent company, they may still be able to effectively control or strongly influence our decisions. In addition, such divestitures may not trigger a change of control under the Indenture governing the Notes.

We engage in transactions with certain related parties, and if their support and backing does not continue or a conflict of interest arises, our ability to deliver certain services could be harmed and our results of operations could be adversely affected.

We have engaged in transactions with related parties, principally the Econet Group, and we may continue to do so in the future. Sales to the Econet Group were US\$80.9 million for the year ended February 28, 2023, US\$76.8 million

for the year ended February 29, 2024, US\$65.7 million for the year ended February 28, 2025 and US\$59.2 million for the nine months ended November 30, 2025. Purchases from the Econet Group were US\$22.8 million for the year ended February 28, 2023, US\$22.6 million for the year ended February 29, 2024, US\$17.5 million for the year ended February 28, 2025 and US\$10.0 million for the nine months ended November 30, 2025.

Conflicts of interests inherent in related-party transactions may arise between us and the Econet Group or other related parties and us, potentially resulting in disadvantages to us or the conclusion of transactions on less satisfactory terms. While we currently have effective working relationships with the related parties, there can be no assurance that their support, backing and cooperation will continue and, if it does not, our ability to deliver certain services could be harmed and our results of operations could be adversely affected. See “*Principal Shareholders*” and “*Related-Party Transactions*.” Certain of our directors and officers are also directors and officers of Econet Global Limited. See “—*The interests of our direct and indirect shareholders may not always coincide with those of the holders of the Notes.*”

We depend on hardware, software and other providers of outsourced services, who may discontinue their services or products, seek to charge us prices that are not competitive, choose not to renew contracts with us or be restricted from providing goods or services to us as a result of regulatory change, disruptions to their operations or other factors.

We have important relationships with several suppliers of hardware, software and related services that we use to operate our networks and provide our services. In certain cases, we have made substantial investments in the equipment or software of a particular supplier, such as Microsoft, Google Cloud, Anthropic, Cisco and Juniper, among others, making it difficult for us to quickly change supply and maintenance relationships in the event that our initial supplier refuses to offer us favorable prices or ceases to produce equipment or provide the services or support that we require. For further information on our suppliers, see “*Business—Suppliers*.” Further, in the event that hardware or software products or related services are defective, it may be difficult or impossible to enforce recourse claims against suppliers, especially if warranties included in contracts with suppliers have expired or are exceeded by those in our contracts with our customers, in individual cases, or if the suppliers are insolvent, in whole or in part. In addition, there can be no assurances that we will be able to obtain the hardware, software and services we need for the operation of our business, in a timely manner, at competitive terms and in adequate amounts. In particular, in the case of an industry-wide cyclical upturn or in the case of high demand for a particular product, our suppliers of software, hardware and other services may receive customer orders beyond the capacity of their operations, which could result in late delivery to us, should these suppliers elect to fulfil the accounts of other customers first. We have, from time to time, experienced extensions of lead times or limited supplies due to capacity constraints and other supply-related factors, as well as quality control problems with service providers. We may also not be able to recover monies paid to such suppliers or obtain contractual damages to which we may be entitled (if any) in the event our suppliers fail to comply with their obligations in a timely manner.

We also outsource some of our services, including international interconnectivity and certain system operations. Should any of these arrangements be terminated by either contract party, this could result in delays or disruptions to our operations and could result in us incurring additional costs, including if the outsourcing counterparty increases pricing or if we were required to locate alternative service providers or in-source previously outsourced services.

Our ability to renew our existing contracts with suppliers of products or services, or enter into new contractual relationships, with these or other suppliers, upon the expiration of such contracts, either on commercially attractive terms, or at all, depends on a range of commercial and operational factors and events, which may be beyond our control. In addition, applicable regulations may change in such a way as to restrict our relationship with certain suppliers. We regularly review such regulatory risks in light of the ongoing evolution of applicable regulations. The occurrence of any of these risks or a significant disruption in our supply of products and services from key sourcing partners and other providers could create technical problems, damage our reputation, result in the loss of customer relationships and have a material adverse effect on our business, results of operations, financial condition and prospects.

Our cloud services business in particular relies on our ability to resell third-party cloud software, leaving this business dependent on such third parties, in particular Microsoft. Although we believe we are a strong partner to such software providers, there is a risk that, over time, we could be marginalized or disintermediated, or face pricing pressure that would reduce our margins.

There is also no market in which we operate that designs or builds network equipment locally. As such, all network equipment and infrastructure deployed in the building, upgrading or maintenance of our networks, are imported from the U.S. (e.g., Cisco), Europe (e.g., Nokia) or China (e.g., Huawei). The same applies to any Customer Premise Equipment (“CPE”). All the markets in which we operate therefore impose tariffs and duties, but these fall under normal customs duties and make up part of the cost of equipment. The industry norm is for any inflationary increases in customer equipment prices that stem from increase in labor and manufacturing costs or supply shortages or constraints, supply chain disruptions to be passed on to customers. To remain competitive, we mitigate price increases through our procurement process by seeking the most optimal prices from a range of partners and importers for each market. We also maintain direct reseller relationships with all the key equipment suppliers to secure preferential pricing due to the volumes that we procure. Given that the CPE we obtain is typically priced in US dollars, we are able to mitigate the adverse impact of currency. However, we may not be able to rely on these pricing advantages in the future.

Furthermore, while we provide the majority of our services over our own networks, we also provide services to our customers over third-party networks. We have no control over the quality, capacity, speed and up-time over third-party networks. The failure of these or other telecommunications providers to provide reliable connectivity to our customers on a consistent basis could have a material adverse effect on our business, results of operations, financial condition and prospects.

For more information on other risks we face, including our exposure to tariffs, trade restrictions and geopolitical developments which may impact us as a result of our dependence on other providers of outsourced services, see “*Risks Relating to Investments in Countries Where We Operate – Characteristics of and changes in taxation laws, in particular in respect of the South African, Mauritian, UK, Kenyan and Ugandan tax systems, could materially adversely affect our business, financial condition, results of operations and prospects and/or payment under or pursuant to the Notes,*” “*Risks Relating to Investments in Countries Where We Operate – We are subject to the risks of political, social and economic instability associated with the markets in which we operate*” and “*– Our business, results of operations, financial conditions and prospects may be negatively impacted if economic conditions throughout the world decline.*”

Our business relies on network elements, telecommunications equipment licenses and other intellectual property from third parties.

We rely on third-party licenses and other intellectual property arrangements to enable us to carry on our business. Certain of our network elements and telecommunications equipment including hardware, software and firmware deployed on our network are licensed or purchased from various third parties, including from vendors holding the intellectual property rights to use these elements and equipment. Although these agreements provide warranties, indemnities and the right of termination in the event of any breach or threatened breach of any intellectual property rights, no assurance can be provided that competitors or other third parties will not challenge or circumvent the intellectual property rights we own or license or that the relevant intellectual property rights are valid, enforceable or sufficiently broad to protect our interest or will provide us with any competitive advantage. Any loss or withdrawal of those intellectual property rights could affect our ability to provide our services.

We could be unable to continue reducing costs sufficiently to support our profitability or achieve the benefits targeted by our Cost Optimization Program.

We have been and remain focused on improving our financial performance and increasing the resilience of our business by lowering our cost base.

In May 2024, we launched our Cost Optimization Program after conducting an in-depth review of our operating cost base. The announced targets for the Cost Optimization Program were to deliver cost savings of US\$25 million, calculated and implemented as described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Impacting our Results of Operations—Cost Optimization Program.*” We have implemented and continue to implement a broad range of cost reduction and efficiency measures across our organization as part of this program, but have not yet reached our intended cost reduction targets and cannot assure investors that we will. Our targeted standalone cost savings are based on a number of assumptions about the macroeconomic environment in which we operate, the development of our industry in general, the efficiency of our new operating model, our ability to successfully reduce headcount, and our ability to achieve cost savings through various other initiatives as well as assumptions about the timing, execution and costs associated with these initiatives. Despite our experience with previous cost saving programs, our ability to successfully implement the Cost Optimization Program is subject to numerous risks and uncertainties and business, economic and competitive developments. The actual amount of savings we are able to achieve from the program and/or the timing of those savings may differ significantly from those we are targeting. Failure to achieve the expected savings may have a material adverse effect on our profitability, cash flow and financial condition.

We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate sufficient cash to service our debt, fund necessary capital expenditures or otherwise operate our business profitably or at all.

Our ability to make payments on and refinance our indebtedness, including, following completion of the Transactions, the Notes and the Senior Facilities, as well as our ability to fund working capital and make capital expenditures in the longer term (beyond the period ending 12 months from the date of this Offering Memorandum), will depend on our future operating performance and ability to generate sufficient cash over the longer term (beyond the period ending 12 months from the date of this Offering Memorandum). This depends on the success of our business strategy and on economic, financial, competitive, market, legislative, regulatory and other factors, as well as the factors discussed in these “*Risk Factors,*” some of which are beyond our control.

No assurance can be provided that our business will generate sufficient cash flows from operations or that future debt or equity financings will be available to us to pay our debt, including with respect to the Notes, when due or to fund our other capital requirements or any operating losses. Our working capital requirements may increase should trading conditions worsen. Customers may experience trading and/or cash flow difficulties leading to delayed or non-collection of debtors and suppliers may demand upfront payments or shorter settlement terms. If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs in the longer term (beyond the period ending 12 months from the date of this Offering Memorandum), we may be forced to:

- reduce or delay our business activities or capital expenditures;
- sell assets;
- obtain additional debt or equity capital;
- restructure or refinance all or part of our debt on or before maturity; or
- forego opportunities such as acquisitions of other businesses.

No assurance can be provided that we would be able to accomplish these alternatives on a timely basis or on satisfactory terms, if at all. Any failure to make payments on our indebtedness on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt limit, and any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business and could have a material adverse effect on our financial condition and results of

operations. There can be no assurance that any assets which we could be required to dispose of can be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale will be acceptable.

We are exposed to fluctuations in foreign currency exchange.

We prepare our financial statements in U.S. dollars and derive revenue and/or incur costs in more than 20 countries.

During the years ended February 28, 2023, February 29, 2024 and February 28, 2025, 29%, 22% and 19% of our total revenue, respectively, was in U.S. dollars, with a further 34%, 30% and 31%, respectively, in South African Rand. During the nine months ended November 30, 2025, 19% of our total revenue was in U.S. dollars with a further 34% in South African Rand. A significant part of the U.S. Dollar revenue is paid into the UK and Mauritius by blue chip clients. The remaining revenue is principally in Kenya Shilling, Zimbabwean dollar, Zambian Kwacha and Rwandan Francs. Accordingly, movements in exchange rates between any of these currencies and the U.S. dollar could have a negative effect on our results of operations and financial condition to the extent we have a mismatch between our earnings in any foreign currency and our costs that are denominated in that currency.

In particular, the Issuer's ability to make principal or interest payments on the Notes will depend, among other things, upon the cash flow to the Company from its subsidiaries in the form of dividends or other distributions or payments. For example, if there were any depreciation of the South African Rand in relation to the U.S. dollar, the value of any payments made by Liquid Telecommunications South Africa (Pty) Ltd to the Company would be reduced in relation to the U.S. dollar. Any shortfall as a result of such a reduction in the value of the South African Rand would need to be compensated through additional payments from the Company to the Issuer. For further information concerning the impact of movements in key exchange rates on the Liquid Group's results, also see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures about Market Risks—Market Risk—Foreign currency sensitivity analysis.*" As our ability to make principal or interest payments on the Notes will depend on our exposure to foreign currencies, we cannot assure you that the Company will have sufficient funds available to make such payments as required.

While we have entered into certain hedging arrangements to mitigate foreign exchange risk and may enter into further hedging arrangements in the future, hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements.

In addition, the Liquid Group has been impacted by the effect of hyperinflation in Zimbabwe. Changes to the currency regime in Zimbabwe in 2019 resulted in the introduction of an interim synthetic currency, the real-time gross settlement dollar ("RTGS") controlled by Zimbabwe's central bank under a strictly controlled foreign exchange regime. The RTGS was replaced by the Zimbabwean Dollar, ZWL\$, under the Reserve Bank of Zimbabwe's Managed Float exchange rate regime permitting some foreign exchange trading. On April 5, 2024, the Zimbabwean Dollar was replaced by the Zimbabwe Gold. See the risk factors "*We are subject to currency inflation risks, including the impact of Zimbabwean hyperinflation, which have adversely affected our business, financial condition, results of operations and prospects and may do so in the future*" and "*Limitations on the movement of capital out of Zimbabwe may impair our ability to remove currency from the country on a regular basis*" for further discussion on the impact that hyperinflation in Zimbabwe has on the Liquid Group's business and results of operations.

Where possible, we manage foreign currency risk by matching same currency revenues to same currency expenses, and by strategically denominating debt in certain functional currencies in order to match projected functional currency exposures. There is no guarantee that we will be successful with this strategy, and adverse impacts of foreign currency risks may not be fully mitigated. If we fail to adequately protect against currency exchange risk, the costs of servicing our debt obligations and providing our services may increase, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the results of operations and financial conditions of certain of the individual members of the Liquid Group are reported in the relevant functional currency of that Group member, which may not be the U.S. dollar. These Group member's assets and liabilities are converted based on the exchange rate on the balance sheet date, and income

statement items are converted based on the average exchange rate during the relevant financial period (except for Zimbabwe, where hyperinflation accounting requires that the income statement be converted at the closing rate). Foreign exchange rates have seen significant fluctuation in recent years.

In the year ended February 28, 2023, we incurred a net foreign exchange loss of US\$257.2 million as compared to a net foreign exchange loss of US\$440.9 million in the year ended February 29, 2024 and a net foreign exchange loss of US\$321.6 million in the year ended February 28, 2025. In the nine months ended November 30, 2024, we incurred a net foreign exchange loss of US\$262.1 million as compared to a net foreign exchange gain of US\$9.7 million in the nine months ended November 30, 2025. The Liquid Group's debt is denominated principally in US dollars, therefore a depreciation of currencies in which we receive revenue against the U.S. dollar may have a material adverse effect on our reported financial results.

Our ability to grow profitably depends in large part on our ability to continue to grow through organic expansion and to some extent from further, targeted, acquisitions or investments.

Our ability to grow profitably will depend in large part on our ability to continue to grow through organic expansion and to some extent from further, targeted acquisitions or investments. While we do not anticipate transformational acquisitions in the near term, we may consider strategic acquisitions or investments. The success of any acquisition or investment depends on the ability of management to identify and compete for suitable acquisition and investment targets, to assess the value, strengths, weaknesses, contingent or other liabilities and potential profitability of such acquisitions or investments, to negotiate acceptable purchase, financing and other terms and, in some cases, the selection of appropriate international and local partners, and the continued contributions by certain of our key management and technical personnel. The success of any acquisition or investment also depends on our ability to obtain the appropriate regulatory and governmental approvals, licenses, spectrum allocation and registrations, and may be limited by regulatory constraints in the countries in which we operate due to antitrust laws, asset control laws or political conflicts. See *“Because we operate in highly regulated business environments, changes in laws, regulations or governmental policy affecting our business activities could adversely affect our business, financial condition, results of operations and prospects.”* In addition, the success of any acquisitions or investments will depend on, and may be limited by, our ability to finance such acquisitions or investments, which may be limited by our overall level of indebtedness and liquidity profile, restrictions contained in our existing and future financing arrangements.

Once targets are acquired, the success of any acquisitions or investments is dependent on the ability of our management and employees to integrate the acquired businesses, to implement an effective management structure given the terms of the investment (particularly in cases where we have only a minority interest or have a joint venture partner), to realize the benefits of expected planned synergies (such as branding, marketing and equipment sourcing) and to successfully operate and manage new and acquired businesses (such as rolling out a new network, managing vendors and addressing security concerns). These risks can be significant, since it is difficult to assess the regulatory, business and operating environment in certain countries in which we operate, given limited history and precedent and other economic, operating and political factors. See *“—We are subject to the risks of political, social and economic instability associated with the markets in which we operate.”* In addition, increased operations may strain our managerial resources which may require us to hire additional managerial resources. We may be unable to hire managers with the relevant expertise or the hiring process may require significant time and resources, all of which could result in a diversion of management's attention from the management of our daily operations. Any failure to apply the necessary managerial and operational resources to our growing business could have a material adverse effect on our business, financial condition, results of operations and prospects.

There can be no assurance that we will be able to identify and complete future acquisitions or investments on appropriate terms and at acceptable costs, or at all, or that we will successfully execute any such acquisition, investment or roll-out plans, or that we will realize the benefit of such plans when completed. The use of cash to fund any acquisitions may limit the availability of our working capital and capital expenditure. We cannot give any assurance that our recent rate of growth will be maintained in the future or that demand for our services will enable us to achieve a satisfactory return on any acquisitions or investments that we make or support the leverage taken on for such acquisitions or investments. Our inability to find, complete, operate and integrate suitable, targeted, acquisitions

or investments and to operate with increased leverage, could have a material adverse effect on our business, financial condition, results of operations and prospects.

These risks can be particularly significant in emerging markets, where it is difficult to assess the regulatory, business and operating environment given limited history and precedent and other economic operating and political factors.

Our investment plans are based on models reflecting management's predictions of market conditions. There can be no assurance that such models will correctly anticipate actual investment results.

Our investment plans, including in particular our acquisitions and roll-out plans, are influenced by our modelling of anticipated investment returns. We use the results of our modelling to identify and execute potential investment strategies, such as acquisitions or greenfield network development. These models rely on certain market information and assumptions of market fundamentals, such as macroeconomic assumptions about the market, economic growth forecasts, pricing and competition in determining a given investment's timing, cost and expected profitability for us. If actual market conditions deviate from the assumptions underlying these models, we could be required to modify, scale back or delay our acquisition and expansion plans. If we are not able to modify our plans, our financial returns could be materially adversely affected. Changing market fundamentals could likewise affect our ability to adhere to our acquisition and expansion plans in ways that could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to integrate successfully businesses that we have recently acquired or may acquire in the future, and we may not be able to realize the anticipated cost savings, revenue enhancements or other synergies from such acquisitions.

While we do not anticipate transformational acquisitions in the near term, we may consider strategic acquisitions or investments and the process of integrating any acquired businesses involves risks. These risks include, but are not limited to:

- demands on our management related to integration processes;
- diversion of management's attention from the management of daily operations to the integration of newly acquired operations;
- difficulties in the assimilation of different corporate cultures, practices and sales and distribution methodologies;
- difficulties in conforming the acquired company's accounting, book and records, internal accounting controls, and procedures and policies to ours;
- retaining the loyalty and business of the customers of acquired businesses;
- retaining employees who may be vital to the integration of the acquired business or to the future prospects of the combined businesses;
- difficulties and unanticipated expenses related to the integration of departments, information technology systems and accounting systems;
- difficulties and unanticipated expenses related to the necessary rehabilitation and upgrade of network elements and ancillary systems, such as power feeding systems, network operation systems, network performance monitoring systems, service platforms and other service-related systems;
- difficulties and unanticipated expenses related to the integration and interconnection of acquired networks with our existing networks, and aligning network design and performance standards;

- difficulties integrating technologies and maintaining uniform standards, such as internal accounting controls, procedures and policies; and
- unanticipated costs and expenses associated with any undisclosed or potential liabilities.

Failure to successfully transfer business operations and to otherwise integrate the operations of any acquired businesses may result in lower revenue, earnings and/or reduced operating efficiency than if we had not acquired such businesses and lead to a loss of customers from the acquired businesses.

Furthermore, even if we are able to successfully integrate the operations of acquired businesses, we may not be able to realize the potential cost savings, synergies and revenue enhancements that were anticipated from the integration, either in the amount or within the time frame that we expect, and the costs of achieving these benefits may be higher than, and the timing may differ from, what is expected. Our ability to realize anticipated cost savings, synergies and revenue enhancements may be affected by a number of factors, including, but not limited to, the following:

- the use of more cash or other financial resources on integration and implementation activities than expected;
- increases in other expenses unrelated to the acquisitions, which may offset the cost savings and other synergies from the acquisitions;
- the inability to eliminate duplicative overhead and overlapping and redundant selling, general and administrative functions;
- the integration of information technology systems and customer data; and
- ability to avoid labor disruptions in connection with any integration, particularly in connection with any headcount reduction.

There can be no assurance that our assumptions regarding past or future acquisitions turn out to be correct and, as a result, the amount of synergies that we will actually realize over time may differ significantly from the ones that we estimate and we may incur significant costs in realizing such anticipated synergies. Failure to generate the expected margins or cash flows, or realize the anticipated benefits of an acquisition, including growth and expected synergies, could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we fail to effectively integrate the operations of any acquired businesses or to realize anticipated cost savings, synergies or revenue enhancements from such acquisitions, this could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our high level of goodwill and other intangible assets could generate significant future asset impairments, which could negatively affect our business, financial condition, results of operations and prospects.

We recognize a high level of goodwill and other intangible assets in our financial statements. As of November 30, 2025, the amount of goodwill and other intangible assets on our statement of financial position was US\$138.1 million, representing 8.6% of the Liquid Group's total assets. This amount of goodwill has mainly resulted from the various acquisitions we have made since our inception. Events including, but not limited to, litigation, failure to maintain customer relationships or failure to successfully integrate acquired businesses and/or realize anticipated cost savings, revenue enhancements or other synergies from such acquisitions, could erode our image or reputation and result in impairments of goodwill and/or other intangible assets. Further, market conditions, changes in accounting policies and/or other factors could materially and adversely affect the carrying value of our goodwill and/or other intangible assets, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Demand for traditional paid voice services is in decline across the telecommunications industry globally.

Demand for traditional paid voice services is in decline across the telecommunications industry globally. Revenue from the Voice Traffic business segment made up US\$70.5 million of our revenue in the year ended February 28, 2023, US\$59.5 million in the year ended February 29, 2024, US\$53.4 million in the year ended February 28, 2025 and US\$35.6 million in the nine months ended November 30, 2025. This steady decline is a result of global traffic trends away from traditional voice activity and towards more data-driven and enabled services. These conditions may continue, and if they do resume, voice usage may be lower than forecast, adversely affecting our voice revenues.

Though there is a decline in our overall Voice Traffic business, we have seen an uplift in our Network and C2 business segments. Our Network and C2 business segments respectively represented 70.5% and 11.1% of our revenues in the year ended February 28, 2023, 69.9% and 13.8% of our revenues in the year ended February 29, 2024, 70.5% and 16.6% of our revenues in the year ended February 28, 2025 and 71.0% and 18.3% of our revenues in the nine months ended November 30, 2025. We expect that the demand for our data services will continue to increase as digitization expands across the African continent (as consumers switch from 2G to 3G, 4G LTE and 5G enabled handsets, and from wholesale voice to fixed broadband), and as we continue to improve our mobile network capability and expand our network reach.

Although we have identified our data driven and enabled services to be the most important drivers for future profit growth, and have heavily invested in and upgraded our infrastructure and product offerings in response to this trend, there is no assurance that we will successfully monetize the increase in data traffic and any increase in the revenue generated from data services may not be sufficient to offset the substantial capital expenditures required to upgrade our networks to handle increased data traffic as well as the declining demand for traditional paid voice services. This could have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on key information technology systems, which may be vulnerable to damage, security breaches or cyberattacks that could have a material adverse effect on our reputation as well as our business, prospects, financial condition and/or results of operations.

We rely heavily on our own and our third-party providers' computer, information and communications technology and related systems in order to properly operate our business. Information technology helps us to efficiently and accurately provide services to our customers and monitor our operations. While we seek to apply best practice policies and devote significant resources to network security and other security measures to protect our information technology and communications systems and data, these security measures cannot provide absolute security. Despite existing security measures, certain of our information technology and wireless infrastructure, and applications and operating systems may be vulnerable to damage, disruptions, or shutdowns due to unauthorized access, computer viruses, cyber-attacks, and other security breaches or due to age or hardware that is out of warranty, as well the lack of support for software versions that are no longer within their life term or that are no longer being updated or patched. The performance of our information technology systems may also be impacted by certain operating conditions in the markets in which we operate, including lack of reliable power supply as well as general security conditions. An attack, attempt or security breach, such as a distributed denial of service attack, or damage caused by other means, could potentially result in the interruption or cessation of certain of our services to our customers, our inability to meet expected levels of service or compromises in data transmitted over our customers' networks. This interruption or the cessation of support services is extended to information technology within the business, and may lead to our inability to meet the expected levels of service and our obligations under legal and regulatory requirements.

We track all system impacts through our IT Service Management platform, including appropriate Root Cause Analysis to ensure that issues can be learned from via improving documentation and procedures around specific operations, updating or upgrading systems with more current and supported versions to ensure support availability and reduce risks of failure, improving fault tolerance and redundancy of individual subsystems and migrating to cloud and/or SaaS platforms off legacy infrastructure. This process and subsequent actions are managed by our Chief Information Officer.

We cannot guarantee that our security and power backup measures will not be circumvented or fail, resulting in customer network failures or interruptions that could impact our customers' network availability, potentially resulting

in penalties for failure to meet targeted quality levels, as well as otherwise having an adverse effect on our business, reputation, financial condition and/or operational results. We may be required to spend significant resources to protect against or recover from such threats. In addition, as we implement new information technology systems, we cannot guarantee that our new security measures will be sufficient. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed, and we could lose customers. Further, the perpetrators of cyber-attacks are not restricted to particular groups or persons. Our employees or external actors operating in any geography may commit these attacks. Any such events could result in legal claims or penalties, disruption in operations, misappropriation of sensitive data, damage to our reputation, negative market perception, or costly response measures, which could have a material adverse effect on our business, prospects, financial condition and/or results of operations.

We use artificial intelligence in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and could adversely affect our results of operations.

We have partnered with certain global technology leaders, such as Microsoft, to deploy hybrid cloud infrastructure in Africa. We also offer leading cloud, cybersecurity and generative AI solutions through our partnerships with Google Cloud and Anthropic. Through these partnerships, we rely on the incorporation of machine learning and predictive AI solutions in our offerings, services and features, and these applications are becoming even more important in our operations. Our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, if the content, analyses, or recommendations that AI applications assist in producing are, or are alleged to be, infringing, deficient, inaccurate, or biased, our business, financial condition, and results of operations may be adversely affected and we may be subject to the risk of litigation. Our use of AI may also present management risks and ethical issues if such use becomes difficult to manage or poses other controversial issues, which could cause us to experience brand or reputational harm, competitive harm, or legal liability. As a result of the complexity and rapid development of AI and generative AI, it is the subject of evolving review by various governmental and regulatory agencies in jurisdictions across the world, which are considering the applicable legal and regulatory frameworks that governments and regulators may apply. We may not be able to accurately predict how courts and regulators will apply existing laws to AI or otherwise respond to applicable developing legal AI frameworks. The rapid evolution of AI, including government regulation of AI, may impede our ability to do business and will require significant resources to compete effectively and to ensure compliance with evolving regulatory requirements.

We may be unable to attract and retain key personnel, directors, managers, employees and other individuals without whom we may not be able to manage our business effectively.

We depend on the availability and continued service of a relatively small number of key managers, employees and other individuals, including our directors and senior management. These key individuals are heavily involved in the daily operation of our business and are, at the same time, required to make strategic decisions, ensure their implementation and manage and supervise our development. The loss of some of these key individuals could significantly impede our financial plans, product development, network expansion, marketing and other plans. Our future operating results depend, in a significant part, upon the continued contributions of our existing management and our ability to expand our senior management team by adding highly skilled new members, who may be difficult to identify and recruit. In particular, our Chairman's continued involvement in the strategic oversight of the Liquid Group is key for our continued development and competitive position. In addition, competition for qualified executives in the markets in which we operate is intense, and individuals with industry-specific experience are scarce. As a result, we may be required to enhance wages and benefits to recruit and retain such professionals in the face of increasing opportunities in the markets in which we operate. While we constantly seek to recruit and retain an adequate number of qualified professionals with relevant industry experience, we may not successfully be able to do so. Moreover, integration of new management would require additional time and resources, which could adversely affect our ability to successfully implement our strategy.

If some of our senior executives or other key individuals cease their employment or engagement with us, or if we fail to attract and retain highly skilled and qualified personnel across all levels of the Liquid Group or continue to

successfully expand, train, manage and motivate our employee base, our business, financial condition, results of operations and prospects could be materially adversely affected.

Our growth and expansion in new areas of business and new geographies may make it difficult to obtain adequate operational and managerial resources, thus restricting our ability to expand our operations.

Historically, our business has grown, in part, through a significant number of selective acquisitions that enabled us to take advantage of existing networks, service offerings and management expertise. As a result, the operating complexity of our business, as well as the responsibilities of management, has increased, which may place significant strain on our managerial and operational resources.

Although we consider the operational and financial systems and the managerial controls and procedures that we currently have in place to be adequate for our purposes, we recognize that the efficacy of these systems, controls and procedures needs to be kept under regular review as our business grows. We will need to continue to improve our operational and financial systems and managerial controls and procedures to keep pace with our expected growth. We will also have to maintain close coordination among our logistical, technical, accounting, finance, marketing and sales personnel. Managing our expected growth will require, among other things:

- the ability to integrate new acquisitions into our operations;
- continued development of financial and management controls and IT systems and their implementation in newly acquired businesses;
- the ability to manage increased technical, operational and marketing activities;
- hiring and training of new personnel (including management teams where necessary);
- the ability to adapt to changes in the markets in which we operate, including changes in legislation;
- the ability to successfully deal with new regulators and regulatory regimes for our new lines of business; and
- the ability to manage additional taxes, increased competition and address the increased demand for our services.

Any failure to apply the necessary managerial and operational resources to our growing business and any weaknesses in our operational and financial systems or managerial controls and procedures may impact our ability to produce reliable financial statements and may adversely affect our business, financial condition, results of operations and prospects.

The construction element of our business could expose us to liability under environmental, occupational safety and health laws.

The nature of our operations means we are subject to the requirements of various environmental and occupational safety and health laws and regulations. These laws and regulations require adherence to minimum safety standards, provision of protective equipment, documentation of safety procedures and record-keeping in the event of an incident.

In addition, African countries are moving toward significantly stricter environmental legislation, driven by climate-change commitments, ESG requirements, and evolving regional frameworks. In Kenya, regulators have introduced comprehensive Environmental and Social Impact Assessment (ESIA) and carbon-reduction frameworks for ICT infrastructure, including mandatory site-sharing (unless technically unfeasible), detailed geographic and EMF-compliance mapping, visual-impact assessments, emissions-reporting obligations, green-power adoption, ISO 14001 alignment, and formal community-engagement documentation. South Africa is pursuing amendments to its Environmental Impact Assessment (EIA) regulations, strengthening audits of environmental-management programs, expanding climate-disclosure expectations related to governance and risk, and establishing a new national e-waste management policy under NEMWA, alongside the implementation of stricter Phase 2 Carbon Tax requirements from

January 2026. Nigeria is enforcing its Climate Change Act (2021), which introduces mandatory emissions reporting and anticipates broader compliance reforms—including ESG and environmental-performance standards—by 2026. Uganda and Zambia are expected to adopt and enforce the African Model Climate Change Law, validated in 2025, with regional initiatives driving toward more stringent compliance across all sectors by 2030. Collectively, these regulatory shifts signal a tightening environmental landscape across Africa, with increased compliance obligations that may affect capital planning, operational costs, and long-term risk exposure for businesses operating in the region.

Relatedly, African regulatory landscapes are also rapidly tightening their expectations related to ESG and climate-related disclosures, with several countries formalizing mandatory alignment to the International Sustainability Standards Board (ISSB) framework. South Africa is moving toward compulsory sustainability reporting, supported by regulatory partnerships and new Johannesburg Stock Exchange (JSE) Sustainability and Climate Disclosure Guidance aligned with IFRS S1 and S2 and the TCFD framework. Kenya and Nigeria have each adopted ISSB standards and published phased implementation roadmaps, with mandatory compliance expected between 2026 and 2028 as regulators emphasize governance structures, climate-risk disclosures, and sustainability strategy reporting. Across wider North Africa, countries such as Morocco and Egypt continue strengthening ESG disclosure requirements to attract foreign investment, with heightened focus on governance and climate-related transparency in capital markets. As these frameworks become embedded across the continent, companies operating in multiple African jurisdictions face increasing compliance obligations, the need for enhanced data systems, additional resources and heightened investor scrutiny—representing a material regulatory risk that must be considered in investment and operational planning.

We may be subject to potentially significant fines or penalties if we fail to comply with any of these requirements. The requirements and interpretations of these laws and regulations are complex, change frequently and could become more stringent in the future. It is possible that these requirements or interpretations will change or that liabilities will arise in the future in a manner that could have a material adverse effect on the Liquid Group's business, financial condition or results of operations.

Our insurance may not provide adequate coverage for natural disasters, security breaches and other unforeseen events.

We may not carry insurance for all categories of risk that our business may encounter. Our business assets are subject to risks associated with climate change and natural disasters, such as windstorms and floods, theft, vandalism, terror attacks and other unforeseen damage.

While we maintain insurance to cover business interruption insurance and general liability insurance we might have claims that exceed our coverage under our insurance policy or claims may be denied and, as a result, the insurance may not be adequate. Insurance may not adequately cover all lost revenues. In addition, while we maintain insurance coverage with respect to certain claims, we may not be able to renew or obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims. Any significant uninsured losses or liabilities may require us to pay substantial amounts, which would reduce our working capital and adversely affect our business, financial condition and/or results of operations. If we are unable to obtain adequate insurance coverage or provide services to our customers, it could lead to customer loss, which could adversely affect our business, prospects, financial condition and/or results of operations.

Our risk management policies and procedures may not be fully effective in achieving their purposes.

Our policies, procedures, controls and oversight to monitor and manage our risks may not be fully effective in achieving their purpose and may leave us exposed to identified or unidentified risks. Past or future misconduct by our employees or contractors could result in violations of law, regulatory sanctions and/or serious reputational harm or financial harm. We monitor our policies, procedures and controls; however, we cannot assure you that our policies, procedures and controls will be sufficient to prevent all forms of misconduct. We review our compensation policies and practices as part of our risk management program, but it is possible that our compensation policies could incentivize management and other employees to subject us to inappropriate risk or to engage in misconduct. If such

inappropriate risks or misconduct occurs, it is possible that it could adversely affect our business, prospects, financial condition and/or results of operations.

We may see failures in our internal financial reporting and other controls which can lead to losses and misstatement of results.

Our business relies on internal controls and procedures that regulate financial reporting and accounting, customer and management information, credit exposure, foreign exchange risk, regulatory compliance and other aspects of our business. This includes controls to provide reliable reports, conform to regulatory requirements and prevent fraud. Such internal controls will need to continue to develop as our business expands, and the measures we take may not be sufficient or may incur significant additional expense.

Any failure of these internal controls could expose us to regulatory action, significant fines, litigation, compensatory payments, direct financial loss or loss of our licenses as well as increased costs needed to improve the internal control environment. Ineffective internal control over financial reporting can also result in errors or other problems in our financial statements. Any such failures could also reduce trust in our brand and harm our ability to attract and retain customers and partners.

In addition, the Company is in the process of a phased implementation of a new ERP system, Microsoft Dynamics 365, which will unify the finance system used across all our operating entities, allowing us to apply consistent processes and controls. Together with this, we have introduced a new group consolidation and forecasting system, Anaplan, to allow greater reporting flexibility, particularly in respect of forward planning. To date, the rollout of Microsoft Dynamics 365 is in line with our internal expectations and is currently in use in approximately 50% of our operations. However, should either of these new system implementations not follow the scheduled adoption plan or should we encounter technical implementation issues, this may impact our ability to report accurately and on time.

RISKS RELATING TO THE NOTES AND THE GUARANTEES

Not all of our subsidiaries will guarantee the Notes, and the Notes and the Guarantees are or will be structurally subordinated to all of the claims of creditors of those subsidiaries that do not guarantee the Notes.

Only the Guarantors are currently expected to provide Guarantees for the benefit of the holders of the Notes. Other subsidiaries of the Company may guarantee the Notes in the future, but until then, any claim by us or any of our creditors, including the holders of the Notes, against any such non-Guarantor subsidiaries will be structurally subordinated to all of the claims of creditors of such subsidiaries. The Indenture does not limit the transfer of assets to, or the making of investments in, any of our Restricted Subsidiaries (as defined therein), including our subsidiaries that do not provide guarantees for the Notes, which subsidiaries could account for a higher portion of our assets, liabilities, revenues and net results in the future.

As of and for the year ended February 28, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 79.0% of our total assets, after adjusting for intercompany payables and receivables and (ii) 63.6% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries. As of and for the nine months ended November 30, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 80.3% of our total assets, after adjusting for intercompany payables and receivables and (ii) 56.2% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries. As of November 30, 2025, after giving effect to the Transactions our non-Guarantor subsidiaries will have no external outstanding financial indebtedness. See “*Capitalization.*”

In the event of insolvency, liquidation or other reorganization of any of these non-Guarantor subsidiaries, creditors of such non-Guarantor subsidiaries will generally be entitled to payment in full from their respective assets before the Issuer or any of the Guarantors is entitled to receive any distribution from such assets as equity holders. Except to the extent that the Issuer or any of the Guarantors may itself be a creditor with recognized claims against a non-Guarantor subsidiary, claims of creditors of such non-Guarantor subsidiary will have priority with respect to the assets and earnings of that subsidiary over the claims of the Issuer or the Guarantors as equity holders, although there is no

assurance that the claims of the Issuer or any of the Guarantors as a creditor against a non-Guarantor subsidiary may not be reduced, limited or extinguished as a result of applicable insolvency rules (such as the doctrine of equitable subordination or the rules regarding the potential avoidance of transactions concluded with related persons within a certain hardening period). Our non-Guarantor subsidiaries are also subject to liabilities to other creditors as a result of obligations incurred in the ordinary course of business, which liabilities are also effectively senior to the Notes and the Guarantees.

The Issuer, the Guarantors and any other grantor, as applicable, have or will have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.

The security documents governing the granting of the Collateral, subject to the terms of the Intercreditor Agreement, allow the Issuer, the Guarantors and any other grantor, as applicable, to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes. So long as no default or event of default under the Indenture or the Senior Facilities would result therefrom, the Issuer, the Guarantors and any other grantor, as applicable, may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, abandoning or otherwise disposing of Collateral and making ordinary course cash payments, including repayments of indebtedness.

Further, a general notarial bond does not automatically constitute the holder as a secured creditor in terms of the South Africa Insolvency Act of 1936 except if the bond has been perfected by way of, *inter alia*, a court order prior to the commencement of the liquidation of the company.

The Notes and the Guarantees will be secured only to the extent of the value of the Collateral that has been granted as security for the Notes and the Guarantees, and such security may not be sufficient to satisfy the obligations under the Notes and the Guarantees.

The Collateral will secure the obligations of the Issuer and Guarantors under the Notes and the Guarantees as set forth under “*Description of the Notes—Security*”, as well as obligations under the Senior Facilities. Pursuant to the Intercreditor Agreement, proceeds from enforcement of the Collateral will be shared *pari passu* among the holders of the Notes, the lenders under the Senior Facilities and future creditors to the extent permitted by the Indenture, the Senior Facilities and the Intercreditor Agreement.

If there is an event of default on the Notes, the holders of the Notes and the Guarantees will be secured only by the Collateral as set forth under “*Description of the Notes—Security*”. To the extent that the claims of the holders of the Notes exceed the value of the Collateral securing the Notes and such other obligations, these claims will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking *pari passu* with the Notes and the Guarantees. There is no guarantee that the value of the Collateral will be sufficient to enable the Issuer to satisfy its obligations under the Notes. The proceeds of any sale of the Collateral following an event of default with respect to the Notes may not be sufficient to satisfy, and may be substantially less than, amounts due on the Notes.

No appraisals have been prepared by or on behalf of the Issuer or the Guarantors in connection with the issue of the Notes. The fair market value of the Collateral may be subject to fluctuations based on factors that include, among others, general economic conditions, industry conditions and similar factors. The amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the availability of buyers, whether or not our business is sold as a going concern, the jurisdiction in which the enforcement action or sale is completed, the ability to readily liquidate the Collateral and the fair market value and condition of the Collateral. Further, there may not be any buyer willing and able to purchase our business as a going concern, or willing to buy a significant portion of our assets in the event of an enforcement action. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in our liquidation.

The Collateral will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral as well as the ability of the Security Agent (or the Security SPV acting on the instructions of the Security Agent) to realize or foreclose on such security.

To the extent that security interests and other rights granted to other parties encumber assets constituting Collateral owned by the Issuer or the Guarantors, those parties have or may exercise rights and remedies with respect to the property subject to their security interests or other rights that could adversely affect the value of that Collateral and the ability of the Security Agent, the Security SPV, Trustees or investors as holders of the Notes to realize or enforce that Collateral. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due on the Notes and the Guarantees, investors (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim (if the relevant guarantee has not been released) against the Issuer's and the Guarantors' remaining assets. Each of these factors or any challenge to the validity of the Collateral or the Intercreditor Agreement could reduce the proceeds realized upon enforcement of the Collateral.

Under the terms of the Intercreditor Agreement, holders of the Notes do not control certain decisions relating to the Collateral.

As of the Issue Date, the Senior Secured Creditors (as defined in the Intercreditor Agreement) will include creditors under the Senior Syndicated Term Loan Facilities Agreement, the New IFC Term Loan Facilities Agreement and the Senior Syndicated Revolving Facility Agreement and holders of Notes. Among other things, the Intercreditor Agreement governs the enforcement of the Security Documents, the sharing in any recoveries from such enforcement among such creditors and the release of the Collateral by the Security Agent. Each holder of Notes, by accepting a Note, will be deemed to have agreed to and be bound by the terms of the Intercreditor Agreement.

The Intercreditor Agreement provides that the Security Agent shall act upon the instructions of the senior secured creditors whose senior secured credit participations at that time aggregate more than 50.1% of the total senior secured credit participations at that time (the “**Instructing Group**”), which will be determined in accordance with the terms and conditions of the Intercreditor Agreement. The Intercreditor Agreement provides that the Security Agent may refrain from enforcing the Security Documents unless instructed otherwise by the Instructing Group. As of November 30, 2025, after giving effect to the Transactions, we would have had US\$819.6 million in borrowings outstanding in a combination of the Notes, the Senior Facilities and certain other indebtedness. In addition, we expect to have undrawn capacity under the Senior Syndicated Revolving Credit Facility. Lenders under the Senior Facilities may have interests that are different from the interests of holders of the Notes and may not agree to pursue their remedies under their indebtedness at a time when it would otherwise be advantageous for the holders of the Notes to do so. See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*”

Under the terms of the Indenture, we are permitted in the future to incur certain additional indebtedness and other obligations that may share in the liens on the Collateral securing the Notes and the Guarantees and the liens on the collateral securing our other secured debt. The Collateral will secure the obligations under the Notes, the Senior Facilities and certain hedging obligations that may share in transaction security (see “*Description of Certain Financing Arrangements—Intercreditor Agreement*”).

Further, disputes may arise among the holders of the Notes, the lenders under the Senior Facilities or other creditors forming part of the Instructing Group as to the appropriate manner of pursuing enforcement remedies with respect to the Collateral which may delay enforcement until agreement is reached.

Further, the holders of the Notes will not be able to effect foreclosure on such collateral or otherwise independently pursue the remedies of a secured creditor under the relevant security documents, which may lead to delays that reduce recoveries available to holders of the Notes. In addition, the Intercreditor Agreement does not require independent valuations with respect to sales of Collateral and provides that security interests in the Collateral will be released if agreed to by majority of senior secured creditors or in the event of an enforcement or certain other permitted disposals. See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*”

The Guarantees and the Collateral securing the Notes are subject or will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.

The Notes will be guaranteed by certain of our subsidiaries which are incorporated under the laws of Mauritius, South Africa, Kenya, Zambia, Democratic Republic of Congo, Uganda and England and Wales, and secured by security interests over the Collateral pursuant to the relevant Security Documents, which are governed by the laws of these jurisdictions. The Indenture provides that certain Guarantees, and the Indenture and the relevant Security Documents provide that certain security interests, are limited to the maximum amount that can be guaranteed or in respect of which security interests may be granted by the relevant Guarantor or grantor, as applicable, without rendering the relevant Guarantee or security interest, as it relates to that Guarantor or grantor, voidable or otherwise ineffective or limited under applicable law. See “*Certain Insolvency and Enforceability Considerations.*”

Certain jurisdictions may impose regulatory conditions or limitations on the Guarantees to be provided by the Guarantors. In granting its pre-approval for the Guarantees to be granted by the South African Subsidiary Guarantors, the South African Reserve Bank stated that, should there be a claim in respect of the Guarantees, they must be notified thereof and that the claim may not exceed the net asset value of such Guarantor. The net asset value is an accounting determination with reference to the financial statements of the Guarantors. The limitation of the guarantees provided by the South African Subsidiary Guarantors in this way with reference to net asset value effectively subordinates claims under the Guarantees below those of creditors the claims of which may need be deducted in order to reach the net asset value. Because the SPV Guarantee guarantees the obligations under the Guarantees of the South African Subsidiary Guarantors, the claims of Secured Parties under the SPV Guarantee are or will be limited by the relevant approvals obtained from the Financial Surveillance Department of the SARB in the same way as the Note Guarantees of the South African Subsidiary Guarantors are limited (see “*Description of the Notes—Note Guarantees and SPV Guarantee*”). Further, the claims of the Security SPV under the Counter-Indemnity Agreement and the South African Collateral, to the extent these ultimately secure the claims under the guarantees by the South African Subsidiary Guarantors, are or will be limited in the same manner. See “*Certain Insolvency and Enforceability Considerations—South Africa.*”

The enforcement of any of the Guarantees against any Guarantor or security interests against any security provider are or will be subject to certain defenses available to Guarantors or security providers in the relevant jurisdiction. Although laws differ among these jurisdictions, these laws and defenses generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance, set-off counter-claim and prescription (time bar) or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a Guarantor or grantor of security interests may have no liability or decreased liability under its Guarantee or security interest, as applicable, depending on the amount of its other obligations and applicable law.

In addition, the security interests in the Collateral that will secure the obligations of the Issuer and the Guarantors under the Notes and the Guarantees, respectively, will not be granted directly to the holders of the Notes but are granted or will be granted only in favor of the Security Agent for the Notes, either directly or through Security SPV. See “—*The security over the Collateral will not be granted directly to the holders of the Notes.*”

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) subordinate or void any Guarantee or any security interest (ii) direct that the holders of the Notes return any amounts paid under a Guarantee or security interest to the relevant Guarantor or security provider, or to a fund for the benefit of the Guarantor’s creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the Guarantee or security interest was granted with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or the security provider or, in certain jurisdictions, even when the recipient was

merely aware that the Guarantor or the security provider was insolvent when it granted the relevant Guarantee or security;

- the Guarantor or security provider did not receive fair consideration or reasonably equivalent value for the granting of the Guarantee and/or security interest and the Guarantor or security provider: (i) was insolvent or was rendered insolvent as a result of having granted the relevant Guarantee or security interest; (ii) was under-capitalized or became under-capitalized because of the relevant Guarantee or security interest; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the granting of the relevant Guarantee and/or security interest was held not to be in the best interests or not to be for the corporate benefit of the Guarantor or security provider or was held to exceed the corporate objects of the Guarantor or security provider; or
- the aggregate amounts paid or payable under the relevant Guarantee or enforcement proceeds under the relevant security were in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to any future guarantee granted by any of our subsidiaries pursuant to the Indenture. In addition, for other circumstances contemplated in relation to certain jurisdictions, see “*Certain Insolvency and Enforceability Considerations*.”

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon applicable governing law. Generally, an entity would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair value of all its assets;
- the present fair value of its assets was less than the amount required to pay its existing debts and liabilities, including contingent liabilities, as they became due; or
- it could not pay its debts as they became due.

The liability of each Guarantor under its Guarantee, or security provider under the relevant Security Document, will be limited to the amount that will result in such Guarantee or security interest not constituting a voidable preference, disposition without value, fraudulent preference or conveyance or improper corporate distribution or other transaction capable of being set aside under applicable law fraudulent preference or conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurances as to what standard a court will apply in making a determination of the maximum liability of each Guarantor or security provider. There is a possibility that the entire Guarantee or security interest may be set aside, in which case the entire liability may be extinguished.

If a court were to find that the issuance of the Notes or a Guarantee, or the granting of the security, was a voidable preference, disposition without value, collusive dealing, a fraudulent preference or conveyance or unenforceable for any other reason, the court could hold that the payment obligations under the Notes or such Guarantee or Security Document are ineffective, could void the security over the Collateral, or could require the holders of the relevant Notes to repay any amounts received with respect to the Notes or such Guarantee or any enforcement proceeds received from enforcement of the security. In the event of a finding that a fraudulent preference conveyance occurred, or that one of the other instances referred to above has occurred, you may cease to have any claim in respect of the relevant Guarantor or security provider and would be a creditor solely of the Issuer, any other Guarantor or security provider, if applicable, under any Guarantees or Security Documents that have not been declared void.

Additionally, any future pledge or charge of Collateral that secures the Notes and the Guarantees directly or indirectly, including pursuant to Security Documents delivered after the date of the Indenture, might be avoidable by the security provider (as debtor-in-possession) or by its trustee in bankruptcy (or similar officer) if certain events or circumstances exist or occur, including, among others, if the security provider is insolvent at the time of the pledge or charge, the pledge or charge permits the holders of the Notes to receive a greater recovery than if the pledge or charge had not

been given and a bankruptcy proceeding in respect of the security provider is commenced within a certain time period following the pledge or charge.

Enforcement of civil liabilities and judgments against the Issuer or the Guarantors or any of our directors or officers may be difficult.

The Issuer is a public company limited by shares organized under the laws of England and Wales and the Guarantors of the Notes are incorporated under the laws of Mauritius, South Africa, Kenya, Zambia, Democratic Republic of Congo, Uganda and England and Wales. All of their directors and executive officers are non-residents of the United States and all of the Issuer's and Guarantors' assets and those of such persons are located outside the United States. Although the Issuer will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case, in connection with any action under U.S. securities laws, you may not be able to effect service of process on such persons or the Issuer or the Guarantors within the United States in any action, including actions predicated on civil liability provisions of the U.S. federal and state securities laws or other laws. As a result, investors may be unable to effect service of process within the United States upon such persons, or to enforce judgments against them obtained in U.S. courts, including judgments predicated upon the civil liability provisions of the U.S. Federal and state securities laws. In addition, we cannot assure you that civil liabilities predicated upon the Federal securities laws of the United States will be enforceable in Mauritius, South Africa, Kenya, Zambia, Democratic Republic of Congo, Uganda and England and Wales. See "*Enforcement of Civil Liabilities.*"

The security over the Collateral will not be granted directly to the holders of the Notes.

The security interests in the Collateral that secure the obligations of the Issuer and the Guarantors under the Notes and the Guarantees, respectively, are not and will not be granted directly to the holders of the Notes but are or will be granted only in favor of the Security Agent for the Notes, either directly or through the Security SPV. The Intercreditor Agreement provides for the creation of "parallel debt" obligations in favor of the Security Agent mirroring the obligations of the Issuer and the Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the Indenture. The Indenture and the Intercreditor Agreement provide that only the Security Agent has the right to enforce the Security Documents (including by directing the Security SPV). As a consequence, the holders of the Notes will not be entitled to take enforcement action in respect of the Collateral securing the Notes and the Guarantees, except through the Trustee for the Notes, who will provide instructions to the Security Agent in accordance with the Intercreditor Agreement. Holders of the Notes will also bear some risks associated with a possible insolvency or bankruptcy of the Security Agent as the beneficiary of the parallel debt.

There can be no assurances that such a "parallel debt" structure will be recognized and effective in all cases in all relevant jurisdictions. See "*Certain Insolvency and Enforceability Considerations.*"

To the extent that the security interests in the Collateral created to the benefit of the Security Agent as parallel debt creditor under the parallel debt construction are successfully challenged by other parties, holders of the Notes will not be entitled to receive on this basis any proceeds from an enforcement of the security interests in the Collateral.

The Security Documents are in some instances also granted to the benefit of inter alia the Trustee or the holders of the Notes represented by the Trustee. The Trustee has certain assigned duties and rights under the Indenture that become particularly important if an event of default has occurred and is continuing, during which time the Trustee is required to exercise the rights and powers vested in it by the Indenture using the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. There can be no assurances that such a "trust" concept will be recognized and effective in all cases in all relevant jurisdictions. See "*Certain Insolvency and Enforceability Considerations.*"

To the extent that the security interests in the Collateral created to the benefit of the Trustee and/or the Security Agent are successfully challenged by other parties, holders of the Notes will not be entitled to receive on this basis any proceeds from an enforcement of the security interests in the Collateral. In addition, the holders of the Notes may bear risks associated with the possible insolvency or bankruptcy of the Trustee.

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Guarantees will be released automatically and under which the Guarantees will be released automatically, without your consent or the consent of the Trustee.

Under various circumstances, the Collateral securing the Notes and the Guarantees will be released automatically, including:

- in connection with any sale or other disposition of Collateral to a person that is not the Company or a restricted subsidiary (but excluding any transaction subject to the merger and consolidation covenant, if such sale or other disposition does not violate the asset sales covenant);
- in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and capital stock, of such Guarantor;
- as described under “*Description of the Notes—Note Guarantees and SPV Guarantee—Release of the Note Guarantees*” and “*Description of the Notes—Security—Release of Liens*”;
- upon payment in full of principal, interest and all other obligations under the Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes, as provided in “*Description of the Note—Satisfaction and Discharge*”;
- upon the designation of any restricted subsidiary as an unrestricted subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and capital stock, of such unrestricted subsidiary;
- in accordance with the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;
- as permitted by “*Description of the Notes—Certain Covenants—Merger, Consolidation or Sale of Assets*”; or
- as otherwise permitted in accordance with the Indenture.

In addition, under various circumstances, the Guarantees will be released automatically, including:

- upon a sale or other disposition (including by way of consolidation or merger) of the capital stock of the relevant Guarantor (whether by direct sale or sale of a holding company) or the sale, assignment, transfer, conveyance or other disposition of all or substantially all the assets of the Guarantor (including by way of consolidation, merger or amalgamation) other than to the Company or a restricted subsidiary, if the sale assignment, transfer, conveyance or other disposition does not violate the asset sales covenant and the Guarantor ceases to be a restricted subsidiary of the Company as a result of the sale or other disposition;
- upon the designation in accordance with the Indenture of the Guarantor as an unrestricted subsidiary;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture, as provided in “*Description of the Notes—Legal Defeasance and Covenant Defeasance*” and “*Description of the Notes—Satisfaction and Discharge*”;
- in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement, including upon an enforcement action;
- as described under “*Description of the Notes—Amendment, Supplement and Waiver*”;
- upon release of the guarantee of Indebtedness that resulted in the creation of the Guarantee under the covenant described below under the caption “*Description of the Notes—Certain Covenants—Additional Guarantees*”; or

- as a result of any transaction permitted by the merger covenant.

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor, as applicable, of the security. The liens on the Collateral securing the Notes and the Guarantees may not be perfected with respect to the claims of such Notes if we fail or are unable to take the actions required to perfect any of these liens.

Absent perfection, the holder of the security interest may have difficulty enforcing such holder's rights in the Collateral with regard to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral. In addition, a debtor may discharge its obligation by paying the security provider until, but not after, the debtor receives a notification of the existence of the security interest granted by the security provider in favor of the security taker over the claims the security taker (as creditor) has against the debtor. Finally, a security interest may not in all circumstances have priority over a security interest granted over the same Collateral on a later date. None of the Trustee or the Security Agent has any obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of, or to take steps to perfect, any security interest in the Notes against third parties.

It may be difficult to realize the value of the Collateral securing the Notes and the Guarantees, and investors should also be aware that Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC) will not provide Guarantees or pledge Collateral until after the Notes are issued.

The Collateral securing the Notes and the Guarantees is subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture and Intercreditor Agreement and accepted by other creditors that have the benefit of security interests in the Collateral from time to time. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes as well as the ability of the Security Agent to realize or foreclose on such security. Furthermore, the ranking of security interests with respect to the Notes and the Guarantees can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens, re-characterization under applicable law or regulatory approvals.

The security interests of the Security Agent are subject to practical problems generally associated with the realization of security interests. For example, the Security Agent may need to obtain the consent of a third party to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such consents or that such consents will be given when required. Accordingly, the Security Agent may not have the ability to foreclose upon security and the value of the security may significantly decrease.

In South Africa, the security interests were granted to the Security SPV to secure the Counter-Indemnity Agreement, rather than directly to the Security Agent to secure our obligations under the Notes and the Guarantees. Enforcement of this indirect security interest may be subject to delays, judicial intervention and additional costs. The process of enforcing the security interests in South Africa may be more cumbersome and less efficient than in other jurisdictions.

The granting of the security interests in connection with the issuance of the Notes, or the incurrence of permitted debt in the future, may create or restart hardening periods, i.e., the periods of time following the granting of security interests during which such security interests may be challenged in accordance with the laws applicable in certain jurisdictions.

The granting of the security interests in connection with the issuance of the Notes, or the incurrence of permitted debt in the future, may create or restart hardening periods, i.e., the periods of time following the granting of security interests during which such security interests may be challenged in accordance with applicable laws.

The granting of security interests to secure the Notes and the Guarantees may create hardening periods for such security interests in each of the above-mentioned jurisdictions. The granting of shared security interests to secure

future indebtedness permitted to be secured on the Collateral may restart or reopen such hardening periods in particular, because the Indenture permits the release and retaking of security granted in favor of the Notes in certain circumstances, including in connection with the incurrence of future indebtedness. The applicable hardening period for these new security interests can run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it. See “*Certain Insolvency and Enforceability Considerations.*”

The same considerations also apply following the issuance of the Notes in connection with the accession of further subsidiaries as Guarantors and the granting of security interest over their relevant assets and equity interests for the benefit of holders of the Notes.

In addition, two of the Guarantors, Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC), will (subject to the Agreed Security Principles and certain limitations under applicable law and certain contractual limitations) accede as Guarantors under the Indenture and certain security interests over such entity’s equity and/or assets will (subject to the Agreed Security Principles, certain perfection requirements, Permitted Collateral Liens and limitations under applicable law) be granted only within 120 days after the Issue Date (or such earlier date on which such entities become borrowers or guarantors, or such security is granted, as applicable under or in relation to the Senior Facilities). Accordingly, the Notes will not have the benefit of guarantees by Liquid Telecommunications Uganda Limited or Africa Digital Networks SASU (DRC) or security over the Post-Issue Date Global Collateral at the Issue Date or thereafter for a period of up to 120 days, and as a result, during this time, the Notes will benefit from reduced credit support.

Our substantial debt could limit our flexibility, adversely affect our financial health and prevent us from fulfilling our obligations under the Notes.

We have a substantial amount of debt and significant debt service obligations. As of November 30, 2025, and as adjusted to give effect to the Transactions, our total indebtedness would have been US\$819.6 million. Our ability to fund capital expenditures and other expenses and to service our indebtedness will depend on our future operating performance and ability to generate sufficient cash. For a detailed description of our debt, please see “*Description of Certain Financing Arrangements.*”

Our substantial debt could have important negative consequences for us and you as holder of the Notes. For example, our substantial debt could:

- make it difficult for us to satisfy our obligations with respect to the Notes and our other debt;
- require us to dedicate a substantial portion of our cash flow from operations to making payments on our debt, thereby limiting the availability of funds for investment capital expenditures, business opportunities and other general corporate purposes;
- increase our vulnerability to a downturn in our business or adverse general economic or industry conditions;
- limit our flexibility in reacting adequately to changes in our business or the industry in which we operate;
- place us at a competitive disadvantage compared to those of our competitors that have less debt than we do; or
- limit our ability to borrow additional funds or raise equity capital in the future and increase the costs of any such additional capital.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes.

Despite our high level of indebtedness, we and our subsidiaries may be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We may be able to incur substantial additional debt in the future. Although the Indenture and the Senior Facilities contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions. Debt incurred in compliance with these restrictions, including secured debt that shares in the Collateral securing the Notes and the Guarantees on a *pari passu* or subordinated basis, could be substantial. Incurring such additional debt could further increase the related risks we now face. In addition, the Indenture and the Senior Facilities will not prevent us from incurring obligations that do not constitute indebtedness under those agreements.

We are subject to restrictive debt covenants under our financing agreements that limit our operating and financial flexibility.

The Indenture and the Senior Facilities contain covenants that impose significant operating and financial restrictions on us. These agreements limit our ability to, among other things:

- incur or guarantee additional indebtedness;
- make certain restricted payments and investments;
- transfer or sell assets;
- enter into transactions with affiliates;
- create or incur certain liens;
- make certain loans, investments or acquisitions;
- issue or sell share capital of certain of our subsidiaries;
- issue or sell redeemable preferred shares;
- create or incur restrictions on the ability of our subsidiaries to pay dividends or to make other payments to us; and
- merge, consolidate or transfer substantially all of our assets.

All of these limitations are subject to significant exceptions and qualifications. See “*Description of the Notes—Certain Covenants.*” The covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

In addition, the Senior Facilities require us to comply with certain affirmative and negative covenants and a financial ratio while certain amounts under the Senior Facilities remain outstanding. See “*Description of Certain Financing Arrangements.*” Our ability to meet that financial ratio may be affected by events beyond our control, and we cannot assure you that we will meet such financial ratio. A breach of any of those covenants, ratio or restrictions could result in an event of default under the Senior Facilities. Upon the occurrence of any event of default that is continuing under the Senior Facilities, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the Senior Facilities and elect to declare any amounts outstanding under the Senior Facilities, together with accrued interest, immediately due and payable. In addition, a default under the Senior Facilities could lead to an event of default and acceleration under other debt instruments that contain cross default or cross acceleration provisions, including the Indenture. If our creditors, including the creditors under the Senior Facilities, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries that

would be due and payable and to make payments to enable us to repay the Notes. In addition, if we are unable to repay those amounts, our creditors could proceed against any Collateral granted to them to secure repayment of those amounts.

We will require a significant amount of cash to service our debt and sustain our operations, which we may not be able to generate or raise.

Our ability to make principal or interest payments when due on our indebtedness, including the Senior Facilities and our obligations under the Notes, and to fund our ongoing operations or expansion plans, will depend on our future performance and ability to generate cash, which, to a certain extent, is subject to the success of our business strategy as well as general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in these “*Risk Factors*,” many of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flows from operations, that currently anticipated growth, cost savings or synergies will be realized or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs including the repayment at maturity of the then-outstanding amount under the Senior Facilities. At the maturity of the Senior Facilities, the Notes or any other debt that we may incur, if we do not have sufficient cash flows from operations and other capital resources to pay our debt obligations, or to fund our other liquidity needs, we may be required to refinance or restructure our indebtedness.

If our future cash flows from operations and other capital resources (including borrowings under the Senior Facilities, supplier financing and factoring agreements) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our capital expenditure plans;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

The type, timing and terms of any future financing, restructuring, asset sales or other capital raising transactions will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In such an event, we may not have sufficient assets to repay all of our debt.

Any failure to make payments on the Notes on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the Notes, the Indenture and the Senior Facilities, will limit, and any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business, financial condition and results of operations. There can be no assurances that any assets that we could be required to dispose of could be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale would be acceptable. If we are unsuccessful in any of these efforts, we may not have sufficient cash to meet our obligations.

Drawings under the Senior Facilities and any future variable interest rate debt we incur in the future will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow.

Drawings under the Senior Facilities will bear interest at floating rates as adjusted periodically, plus a spread. These interest rates could rise significantly in the future. While we have entered into hedging arrangement in the past and may enter into further hedging arrangements in the future with respect to our interest obligations, hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging

arrangements. To the extent that interest rates or any drawings were to increase significantly, our interest expense would correspondingly increase, reducing our cash flow.

The Issuer and certain of the Guarantors are holding companies that have no revenue generating operations of their own and will depend on cash from other members of the Liquid Group to be able to meet their obligations on the Notes and the Guarantees, respectively; not all of our subsidiaries, including certain of the Guarantors, are wholly owned by us.

The Issuer is a wholly owned finance subsidiary of the Company with no business operations or significant assets, other than certain intercompany loans and its holdings in the capital stock of its subsidiaries (which, as of the date of this Offering Memorandum, comprise only Liquid Telecommunications Investments Limited, a wholly owned finance subsidiary of the Issuer with no business operations or significant assets of its own). The Issuer is dependent upon the cash flow from our operating companies to meet its obligations under the Notes. We intend to provide funds to the Company principally through the provisions of intercompany loans and dividends and other distributions. If the subsidiaries within the Liquid Group do not fulfil their obligations under any such intercompany loans and do not otherwise distribute cash to the Company, and in turn to the Issuer, in order for the Issuer to make scheduled payments on the Notes, the Issuer will not have any other source of funds that would allow it to make payments to the holders of the Notes.

In addition, certain of the Guarantors are holding companies with no independent business operations and no significant assets, other than the equity interests each of the companies holds in its subsidiaries. Each of these holding companies will be dependent upon the cash flow from its subsidiaries in the form of dividends or other distributions or payments to meet its obligations, including its obligations under the Notes and the Guarantees, respectively.

The amount of cash available to the Issuer will depend on the profitability and cash flows of the operating companies in the Liquid Group and the ability of those companies to transfer funds under applicable law or otherwise. In addition, we currently hold, and may in the future hold minority equity interests in entities that we do not control. The amounts of dividends and distributions available to each holding company Guarantor will depend on the profitability and cash flows of its subsidiaries and the ability of its subsidiaries to issue dividends to it under applicable law or otherwise. The operating companies in the Liquid Group, however, may not be able to, or may not be permitted under applicable law to, make distributions, move cash within their group or advance loans, directly or indirectly, to the Issuer or Guarantors to make payments in respect of the Issuer's indebtedness, including the Notes and Guarantees. The requirement to withhold tax on any such intra-group transfers may have an adverse impact on such payments. Various agreements governing the Liquid Group's debt may restrict, and in some cases, may prevent the ability of the members of the Liquid Group to transfer funds within the Liquid Group. In addition, the members of the Liquid Group that do not guarantee the Notes have no obligation to make payments with respect to the Notes. Furthermore, some of our subsidiaries are not wholly owned by us. When funds are distributed to us by such non wholly-owned subsidiaries, funds also will be distributed to their other owners.

We may not be able to convert certain of our local currency earnings into U.S. dollars, which could adversely affect our ability to make payments on the Notes.

The Notes are denominated and payable in U.S. dollars. Any currency constraints in one or more of the countries in which we operate, which include expropriation, confiscation, nationalization, discriminatory legislative actions or other governmental measures, may limit our ability to convert our earnings in those countries into U.S. dollars, which in turn our ability to make payments on the Notes.

Limitations on the movement of capital out of Zimbabwe may impair our ability to remove currency from the country on a regular basis.

Historically, the Zimbabwean banking system has experienced liquidity deficits and cash shortages of varying severity in respect of international payments. In 2019, Zimbabwe imposed restrictions on local trading in U.S. dollars, making an interim synthetic currency, the RTGS, the sole legal tender. The RTGS was replaced by the Zimbabwean dollar.

The Reserve Bank of Zimbabwe, Zimbabwe's central bank, controls the interbank foreign exchange trading market, which was introduced in 2019, though official rate setting has been complicated by the lack of an effective and transparent foreign exchange trading platform for the Zimbabwean dollar. In March 2020, the Reserve Bank of Zimbabwe announced that it would adopt the Managed Float exchange rate regime, abandoning strict control and permitting limited trading by banks. As a result, mechanisms were established to facilitate payments in U.S. dollars in and out of the country. In June 2020, the Reserve Bank of Zimbabwe commenced weekly U.S. dollar auctions, whereby companies had the opportunity to submit requests for their U.S. dollar requirements, and allocations were made according to government derived criteria. Despite these changes, the Zimbabwean dollar began to collapse in 2021 and many companies in Zimbabwe found their cash reserves suddenly worthless.

On April 5, 2024, the Reserve Bank of Zimbabwe issued a new structured currency known as Zimbabwe Gold or the ZWG which replaced the previous currency. This move was followed by the replacement of the foreign currency auction system with a Willing-Buyer-Willing-Seller (WBWS) trading arrangement, which is an inter-bank market in which the Reserve Bank of Zimbabwe injects foreign currency as and when it is required. This has enhanced access to foreign currency for both individuals and companies for bona-fide foreign payments. Movement of cash notes out of Zimbabwe is limited to US\$2,000 per person. Domestic foreign currency withdrawal limits are US\$1,000 for individuals and US\$10,000 for companies. Although we have limited additional approvals from the Reserve Bank of Zimbabwe to move funds out of Zimbabwe pursuant to which we have been able to make foreign currency payments to meet operational needs, such approvals must be renewed annually, and if not renewed in the future (or renewed subject to heightened restrictions), our ability to upstream cash from Zimbabwe could be further limited, we may be unable to do so in the future, or our use of such funds may be otherwise restricted. Additionally, the Reserve Bank of Zimbabwe could choose not to issue approvals to us in the future. The rate of exchange we are able to achieve in moving the funds out of Zimbabwe may be higher than forecast depending on the demand in country for U.S. Dollars.

We may not be able to finance an offer to repurchase the Notes upon a change of control, and the occurrence of certain important corporate events will not constitute a change of control.

Upon a change of control, as defined in the Indenture, we are required to make an offer to repurchase the Notes at 101% of their principal amount. Our ability to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by our financial resources at that time. Sufficient funds may not be available when necessary to make any required repurchases. We expect that we would require third-party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that we would be able to obtain such financing. Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Indenture, which would, in turn, constitute a default under the Senior Facilities. Please see “*Description of the Notes—Repurchase at the Option of Holders—Change of Control.*” In addition, a change of control could constitute a default under our other indebtedness. In addition, the occurrence of certain of the events that constitute a change of control would also require the Issuer to make a similar offer to the creditors of any indebtedness outstanding under the Senior Facilities. Enforcement of the pledge over the capital stock of the Issuer may also result in a change of control. Future indebtedness of the Issuer, the Company or their respective subsidiaries may also contain prohibitions of certain events that would constitute a change of control or require such Indebtedness to be repurchased or repaid upon a change of control.

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including reorganizations, restructurings, mergers or other similar transactions involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a “change of control” as defined in the Indenture.

The definition of “change of control” contained in the Indenture includes a disposition of all or substantially all of the assets of the Issuer, the Company and their restricted subsidiaries, taken as whole, to any person. Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of the Issuer, the

Company and their restricted subsidiaries, taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

Your right to receive distributions on the assets of our subsidiaries other than the Collateral is effectively subordinated to the right of lenders who have a security interest in such assets to the extent of the value of those assets.

Subject to the restrictions in the Indenture and the agreements governing our other indebtedness, we may incur significant additional indebtedness secured by assets other than the Collateral. If we are declared bankrupt or insolvent, or if we default under any of our existing or future indebtedness that is secured by such assets, the holders of such indebtedness could declare all of the funds borrowed thereunder, together with accrued interest, immediately due and payable. If we were unable to repay such indebtedness, the holders of such indebtedness could foreclose on such assets to the exclusion of holders of the Notes, even if an event of default exists at such time under the Indenture. Furthermore, if the holders of such indebtedness foreclose and sell the pledged equity interests in any Guarantor under the Notes (to the extent such equity interests are not part of the Collateral), then that Guarantor will be released from its Guarantee of the Notes automatically and immediately upon such sale. In any such event, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims fully. In addition, the Indenture permits us to incur additional indebtedness secured on a *pari passu* basis with the Notes. Any such indebtedness may further limit the recovery from the realization of the assets available to satisfy holders of the Notes.

The consolidated financial information included in this Offering Memorandum may be of limited use in assessing the financial position of the subsidiaries guaranteeing the Notes.

The consolidated financial information included in this Offering Memorandum includes the financial information for our subsidiaries guaranteeing the Notes and also our non-Guarantor subsidiaries. As of and for the year ended February 28, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 79.0% of our total assets, after adjusting for intercompany payables and receivables and (ii) 63.6% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries. As of and for the nine months ended November 30, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 80.3% of our total assets, after adjusting for intercompany payables and receivables and (ii) 56.2% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries. The Issuer is a finance subsidiary and has historically generated de minimis Adjusted EBITDA and has de minimis total assets, including during the periods above. Our non-Guarantor subsidiaries accounted for the balance of Adjusted EBITDA and net assets in the periods presented above and therefore, the consolidated financial information included in this Offering Memorandum may be of limited use in assessing the financial position of the subsidiaries guaranteeing the Notes. Investors should also be aware that the relative portion of our Adjusted EBITDA that our Guarantor and non-Guarantor subsidiaries represent in any given period may vary due to timing differences arising from accounting or regulatory requirements. This could include, for example, the timing impact of revenue recognition, tariff reviews or expected credit loss provision movements. As a result of such adjustments, the portion of our Adjusted EBITDA represented by our Guarantor subsidiaries was lower in the nine months ended November 30, 2025 compared to a more normalized position in the absence of such considerations, as shown by the portion of our Adjusted EBITDA represented by our Guarantor subsidiaries in the year ended February 28, 2025.

The insolvency laws of England and Wales, Mauritius, South Africa, Kenya, Zambia, the Democratic Republic of Congo and Uganda may not be as favorable to prospective investors as other insolvency laws, and the Issuer's ability to recover any amounts may be limited.

The Issuer and one of the Guarantors are organized under the laws of England and Wales. Some of the Guarantors and providers of security are incorporated under the laws of Mauritius, South Africa, Kenya, Zambia, the Democratic Republic of Congo and Uganda. Consequently, in the event of a bankruptcy or insolvency of the Issuer or any of the Guarantors, insolvency proceedings with respect to the Issuer or the Guarantors would most likely be based on and governed by the insolvency laws of the jurisdiction under which the relevant entity is established. The insolvency laws

of England and Wales, Mauritius, South Africa, Kenya, Zambia, Democratic Republic of Congo and Uganda may be less favorable to your interests as creditors than the bankruptcy laws of the United States or another jurisdiction with which you may be familiar, in particular with respect to priority of creditors, ability to obtain post-petition interest and the duration of the insolvency proceedings. The application of these laws, and any conflict between them, may limit your ability to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws. See also “*Certain Insolvency and Enforceability Considerations*” for additional information on the insolvency laws of England and Wales, Mauritius, South Africa, Kenya, Zambia, the Democratic Republic of Congo and Uganda.

The market value of the Notes could decrease if our creditworthiness worsens.

The market value of the Notes will suffer if the market perceives us to be less likely to fully perform all obligations under the Notes when they fall due. This could occur, for example, because of the materialization of any of the risks listed in this “*Risk Factors*” section. Even if our ability to fully perform all obligations under the Notes when they fall due has not actually decreased, market participants could nevertheless have a different perception. In addition, market participants’ estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as us could adversely change, causing the market value of the Notes to fall. If any of these events occurs, third parties would only be willing to purchase Notes for a lower price than before the materialization of these risks. Under these circumstances, the market value of the Notes could decrease.

Ratings agency downgrades could lead to increased borrowing costs and credit stress.

In November 2025, Moody’s downgraded the corporate family rating of the Company and the instrument rating on the Existing 2026 Notes from “Caa1” to “Caa2” with a negative outlook. In June 2025, Fitch re-affirmed the Company’s long-term issuer default rating at “CCC+” after downgrading the rating in July 2024 from “B”. These credit downgrades were primarily attributable to the Company’s heightened refinancing risk, its liquidity position and cash generation. In particular, Moody’s and Fitch have highlighted the Company’s need to reduce debt attributable to the South African term loans that form part of the Existing Facilities and the Existing 2026 Notes and its reliance on external financing, such as fresh equity and asset monetization, and improved operating conditions to avoid a debt restructuring. Moody’s has also stated that the existing debt structure is unsustainable given the higher interest rates the Company will have to pay on newly issued debt which could put pressure on the Company’s ability to generate free cash flow which could lead to a weakening of its interest coverage ratio to below 1x.

Although we expect that the Transactions will generally address the issues raised by the rating agencies, if any of our outstanding debt that is rated is further downgraded, raising capital will become more difficult for us, borrowing costs under our credit facilities may increase and the market price of our outstanding debt securities may decrease.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The credit ratings address our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurances can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes, and you may lose some or all of the value of your investment.

Many of the covenants in the Indenture will be suspended if the Notes are rated investment grade.

Many of the covenants contained in the Indenture will be suspended if the Notes are rated investment grade by each of Standard & Poor's Ratings Services, Moody's Investors Services and Fitch Ratings Inc., provided at such time no default under the Indenture has occurred and is continuing. These covenants will be suspended for the duration of the period during which the Notes maintain an investment grade rating and include covenants that restrict, among other things, our ability to pay dividends, to incur debt and to enter into certain other transactions. There can be no assurance that the Notes will ever be rated investment grade, or that if they are rated investment grade, the Notes will maintain such ratings. Suspension of these covenants, however, would allow us to engage in certain transactions that would not be permitted while these covenants were in force, and such transactions will not result in a breach of the Indenture if the Notes fail to maintain an investment grade rating. See "*Description of the Notes— Suspension of Certain Covenants when Notes Rated Investment Grade.*"

Early redemption of the Notes may reduce the yield expected by the holders of the Notes.

The Notes may be redeemed at the option of the Issuer as more fully described in "*Description of the Notes.*" Prior to April 14, 2028, we will have the ability to redeem up to 40% of the aggregate principal amount of the Notes with the proceeds of certain equity offerings at a price of 110.7500%. On or after April 14, 2028, we will have the ability to redeem the Notes in whole or in part on one or more occasions at the redemption prices set forth in "*Description of the Notes—Optional Redemption.*" We will have the ability to redeem the Notes at any time, in whole but not in part, on the occurrence of certain events related to taxation. In the event that the Issuer exercises the option to redeem the Notes, the holders of the Notes may suffer a lower than expected yield and may not be able to reinvest the funds on the same terms.

Transfers of the Notes will be subject to certain restrictions.

The Issuer has not agreed to register and does not intend to register the Notes under the U.S. Securities Act or any securities laws of any state or any other jurisdiction of the United States. The holders of the Notes may not offer to sell the Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or any other jurisdiction of the United States. The Issuer has not undertaken to register the Notes or to effect any exchange offer for the Notes in the future. Furthermore, the Issuer has not registered and does not intend to register the Notes under any other country's securities laws. Prospective investors in the Notes should read the discussion under the heading "*Notice to Investors*" for further information about these transfer restrictions. It is the obligation of the investors in the Notes to ensure that their subscription for or subsequent offers, sales or transfers of the Notes within the United States and other countries comply with any applicable securities laws.

There is no established trading market for the Notes and no assurance that the holders of the Notes will be able to sell them.

There is no existing market for the Notes. We will make an application to the Authority to list the Notes on its Official List and admit them to trading on the Exchange. We cannot guarantee the liquidity of any market that may develop for the Notes, the ability of the holders of the Notes to sell such Notes or the price at which they may be able to sell such Notes. Liquidity and future trading prices of the Notes depend on many factors, including, among other things, prevailing interest rates, results of operations, the market for similar securities and general economic conditions. The Initial Purchasers have informed us that they intend to make a market in the Notes after completing the Offering. They are not, however, required to do so. Any market-making that begins may be halted at any time. In addition, changes in the overall market for high yield securities and changes in our financial performance in the markets in which we operate may adversely affect the liquidity of any trading market in the Notes that does develop and any market price quoted for the Notes. As a result, we cannot ensure that an active trading market will actually develop for the Notes.

Historically, markets for non-investment grade debt such as the Notes have been subject to disruptions that have caused substantial volatility in the prices of such debt. Any market for the Notes may be subject to similar disruptions. Any

such disruptions may affect the liquidity and trading of the Notes independent of our financial performance and prospects and may have an adverse effect on the holders of the Notes.

The Notes may not become, or remain, listed on the Official List of the Exchange, which may have implications for U.K. withholding tax.

Although the Issuer has, in the Indenture, agreed to have the Notes listed on the Official List and admitted to trading on the Official List of the Exchange on the Issue Date and to use its commercially reasonable efforts to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure prospective investors that the Notes will become or remain listed. If the Issuer cannot maintain the listing of the Notes on the Official List of the Exchange or it becomes unduly onerous to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Exchange, provided that it will use commercially reasonable efforts to obtain and maintain the listing of the Notes on another recognized listing exchange for high yield issuers, although there can be no assurance that the Issuer will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Exchange or another recognized listing exchange for high yield issuers in accordance with the Indenture, failure to be approved for listing or the delisting of the Notes from the Official List of the Exchange or another stock exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell the Notes in the secondary market.

If the Notes are not listed on the Official List of the Exchange, or cease to be so listed, or if the Notes are not listed, or cease to be listed, on another "recognised stock exchange" within the meaning of section 1005 of the UK Income Tax Act 2007, interest payments made by the Issuer are expected to have U.K. source and, therefore, will generally be paid by the Issuer subject to a deduction on account of U.K. income tax at the basic rate (currently 20%), subject to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. See "*Tax Considerations — U.K. Tax Considerations.*" In certain circumstances and subject to certain exceptions, the Issuer and Guarantors (as applicable) will be obliged to gross-up payments on the Notes to ensure that the holders of the Notes receive and retain a net payment equal to the payment which it would have received had no such deduction or withholding for or on account of United Kingdom income tax been required. See "*Description of the Notes — Additional Amounts.*"

In certain circumstances, and subject to certain exceptions, in the event that the Issuer or Guarantors (as applicable) will be obliged to gross-up payments on the Notes, the Issuer may be entitled to redeem the Notes in whole (but not in part). See "*Description of the Notes—Redemption for Changes in Taxes.*"

Prospective investors may face foreign exchange risks by investing in the Notes.

The Notes are denominated and payable in U.S. dollars. If prospective investors measure their investment returns by reference to a currency other than the U.S. dollar, an investment in the Notes entails foreign exchange related risks due to, among other factors, possible significant changes in the value of the U.S. dollar, relative to the currency by reference to which such prospective investors measure their returns because of economic, political or other factors over which we have no control. Depreciation of the U.S. dollar, against the currency by reference to which prospective investors measure their respective investment returns could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return of the Notes is translated into the currency by reference to which such investors measure their investment returns. There may be tax consequences for prospective investors as a result of any foreign exchange gains or losses for any investment in the Notes.

The Notes will initially be held in book-entry form and therefore prospective investors must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until the Notes in definitive registered form, or definitive registered Notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or the holders of the Notes. The common depository for Euroclear and/or Clearstream or their respective nominees will be the registered holders of the Additional Regulation S Global Notes, and DTC, or its nominee, will be the registered holder of the Additional

Rule 144A Global Notes. After payment to the common depository, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests.

Accordingly, if an investor owns a book-entry interest, it must rely on the procedures of DTC, Euroclear or Clearstream, as applicable, and if it is not a participant in DTC, Euroclear or Clearstream, on the procedures of the participant through which it owns its interest, to exercise any rights and obligations as a holder of the Notes. See “*Book-Entry; Delivery and Form.*” Unlike the holders of the Notes themselves, owners of book-entry interests will not have any direct rights to act upon our solicitations for consents, requests for waivers or other actions from the holders of the Notes. Instead, if an investor owns a book-entry interest, it will be permitted to act only to the extent it has received appropriate proxies to do so from DTC, Euroclear or Clearstream, or if applicable, from a participant in these systems. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable investors to vote on any matters or otherwise exercise their rights with respect to the Notes on a timely basis.

Similarly, upon the occurrence of an event of default, unless and until definitive registered Notes are issued in respect of all book-entry interests, if an investor owns a book-entry interest it will be restricted to acting through DTC, Euroclear or Clearstream, as applicable. No assurance can be provided that the procedures to be implemented through DTC, Euroclear or Clearstream, as applicable, will be adequate to ensure the timely exercise of the investors’ rights under the Notes. See “*Book-Entry; Delivery and Form.*”

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the merits and risks of investing in the Notes;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect their investment and their ability to bear the applicable risks.

Potential investors should not invest in the Notes unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor’s overall investment portfolio. The investment activities of investors are subject to applicable investment laws and regulations and/or review or regulation by certain authorities and each potential investor should consult its legal advisers or the appropriate regulators.

The Notes may not be a suitable investment for all development impact focused investors and the potential development outcomes which may be enabled by the offering do not have any impact on the terms of the Notes.

There is currently no market consensus on what precise attributes are required for a particular project or financing to be defined as “green,” “sustainable” or “development,” and therefore no assurance can be provided to investors that the Notes and the use of proceeds by the Company or any development impact projects, will satisfy, whether in whole or in part, any expectations or requirements of any investor or any present or future expectations or requirements with

respect to development finance, green Notes or sustainability. Neither the Company nor the Development Finance Structuring Agents make any representations or assurances as to whether (and are not responsible for ensuring that) (a) the characterization of the Notes as development finance or the level of its expected development intensity rating impact will (i) comport with any investor's definition of green, sustainable or development finance, (ii) meet any investor's criteria and expectations with regard to developmental impact, or (iii) comport with the characterization or definitions used by any other development finance institution in the public or private sectors or (b) the proceeds of the Notes will in fact be used for eligible development finance projects. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Memorandum regarding the use of proceeds and its purchase of Notes should be based upon such investigation as it deems necessary.

In addition, although the proceeds from the issue of Notes are expected to enable the development finance initiatives described under "*Sustainable Development Impact*", it will not be an event of default under the terms and conditions of the Notes if the Company fails to comply with such development finance initiatives.

Furthermore, there can be no assurance that the projects or financings defined as "development" will be capable of being implemented in, or substantially in, such a manner and/or accordance with any timing schedule, and that accordingly, such proceeds will be totally or partially disbursed for such projects. There can also be no assurance that such projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Company. Any such event or failure by the Company will not constitute an event of default under the terms and conditions of the Notes.

Investors in the Notes may have limited recourse against the independent auditors.

See "*Independent Auditor*" for a description of the reports of the independent auditor of the Liquid Group, Deloitte, on the consolidated financial statements of Liquid Telecommunications Holdings Limited. Deloitte's reports state that the report was made solely to the Company and its shareholders as a body; that the independent auditor's work was undertaken so that the independent auditor might state to the shareholders of the Company those matters that were required to be stated to them in an auditor's report and for no other purpose; and that Deloitte does not accept or assume responsibility to anyone other than the Company and shareholders of the Company as a body for its audit work, for its report or the opinions it has formed.

Investors in the Notes should understand that in making these statements, Deloitte stated that it does not accept or assume any liability to parties (such as the purchasers of the Notes) other than to us and our shareholders as a body with respect to the reports and to the independent auditor's audit work and opinions. The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the U.S. Securities Act or in a report filed under the U.S. Exchange Act. If a U.S. court (or any other court) were to give effect to such limiting language, the recourse that investors in the Notes may have against the independent auditor based on its report or the consolidated financial statements to which it relates could be limited.

The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.

The Indenture will not be required to be, and will not be, qualified under the U.S. Trust Indenture Act of 1939, as amended (the "**TIA**") and will not incorporate or include and will not be subject to any of the provisions of the TIA. Consequently, the holders of Notes will not be entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including those respecting preferential collections by the Trustee or conflicting interests of the Trustee. See "*Description of the Notes.*"

USE OF PROCEEDS

We expect the gross proceeds from the issuance and sale of the Notes to be US\$300 million, without giving effect to any original issue premium or accrued and unpaid interest.

As an initial step in the Transactions, on February 25, 2026, a portion of the proceeds of the Parent Contribution, together with other cash on hand, was used to repay all amounts outstanding under the Existing Facilities. In order to complete the Transactions, the proceeds from the offering of the Notes, together with a portion of the proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities, are intended to be used to: (i) fully redeem the Existing 2026 Notes, and (ii) pay costs, expenses and fees (including the Initial Purchasers' fees, legal, accounting and other fees and expenses) in connection with the Transactions. The remaining proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities will effectively replenish a portion of the Company's cash on hand that was used for repayment of the Existing Facilities and be available for general corporate purposes.

The following table summarizes the currently expected sources and uses of funds in connection with the Transactions. Actual amounts may vary from estimated amounts depending on several factors, including estimated costs, fees and expenses.

Sources of funds	(US\$ millions)	Uses of funds	(US\$ millions)
Notes offered hereby ⁽¹⁾	\$300	Redemption of the Existing 2026 Notes ⁽⁴⁾	\$620
Senior Facilities ⁽²⁾	\$360	Repayment of the Existing Facilities ⁽⁵⁾	\$170
Parent Contribution ⁽³⁾	\$150	Fees and expenses ⁽⁶⁾	\$12
Cash on Hand	\$20	General corporate purposes.....	\$28
Total sources	\$830	Total uses	\$830

1. Represents the gross proceeds of the Notes offered hereby.
2. In connection with the Transactions, (i) the Company and Liquid Telecommunications South Africa (Pty) Ltd as original borrowers have entered into the Senior Syndicated Term Loan Facilities Agreement providing for U.S. dollar and South African Rand senior secured term loan facilities in aggregate amounts up to US\$200,000,000 and ZAR 2,560,000,000, respectively; (ii) Liquid Telecommunications South Africa (Pty) Ltd as original borrower has entered into the New IFC Term Loan Facilities Agreement providing for South African Rand senior secured term loan facilities in aggregate amounts up to ZAR 883,640,000; and (iii) the Company as original borrower has entered into the Senior Syndicated Revolving Facility Agreement providing for a senior secured revolving credit facility up to a committed amount equal to the lesser of US\$30,000,000 and 10% of the aggregate principal amount of the Notes issued on the Issue Date. The Trustee (in its capacity as the trustee for the Notes) will accede to the Intercreditor Agreement on the Issue Date. Pursuant to the Intercreditor Agreement, proceeds from enforcement of the Collateral will be shared pro rata among the holders of the Notes and the lenders under the Senior Facilities. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".
3. On February 25, 2026, a portion of the proceeds of the Parent Contribution, together with other cash on hand, was used to repay all amounts outstanding under the Existing Facilities as part of the Transactions, as further described in "*Summary—The Transactions*". The approximately US\$25.0 million portion of the Parent Contribution that has not already been made is expected to be made in the coming months following the completion of the Offering.
4. Represents the entire aggregate principal amount of the Existing 2026 Notes. The Conditional Notice of Redemption is expected to be distributed to the holders of the Existing 2026 Notes on or about March 31, 2026. On or about the Issue Date, we intend to deposit the corresponding amounts with the trustee for the Existing 2026 Notes (or such other entity designated (as agent) for such purposes), thus causing the indenture for the Existing 2026 Notes to be satisfied and discharged.
5. Represents aggregate costs for the repayment of the Existing Facilities, which occurred on February 25, 2026. The amount in excess of the US\$160 million aggregate amount of drawings under the Existing Facilities as of November 30, 2025 largely reflects a

strengthening of the ZAR against US\$ in the subsequent period to repayment, and to some extent accrued and unpaid interest (and other movements in amounts outstanding) as well as certain repayment-related fees and expenses.

6. Represents estimated fees and expenses associated with the Offering, including accrued and unpaid interest (from and including the most recent interest payment date of March 4, 2026) on the Existing 2026 Notes on their redemption, the Initial Purchasers' fees, legal and accounting expenses and certain other Transaction costs not reflected in the other uses of proceeds shown above.

CAPITALIZATION

The following table sets forth the Liquid Group’s capitalization, along with our unrestricted cash and cash equivalents and restricted cash, as of November 30, 2025:

- on a historical basis, which is derived from the Financial Statements included elsewhere in this Offering Memorandum; and
- as adjusted to give effect to the Transactions, as if they had occurred on November 30, 2025.

The table below is presented in U.S. dollars. ZAR equivalent amounts have (as in the preparation of the consolidated statement of financial position as of November 30, 2026 in the Interim Financial Statements) been converted to U.S. dollars at an exchange rate of 17.108921743 to U.S.\$1.00.

You should read this table in conjunction with sections entitled “*Presentation of Financial Information*,” “*Use of Proceeds*,” “*Business*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” and “*Description of Certain Financing Arrangements*,” as well as the Financial Statements and the notes thereto included in this Offering Memorandum. Actual amounts may vary from estimated amounts depending on several factors, including differences from our estimate of fees and expenses, fluctuations in cash on hand between November 30, 2025 and the Issue Date and fluctuations in applicable exchange rates.

	<u>As of November 30, 2025</u>	<u>Adjustments</u>	<u>As of November 30, 2025 (adjusted)</u>
		(US\$ thousands) (Unaudited)	
Unrestricted Cash and Cash Equivalents⁽¹⁾	65,800	28,000	93,800
Notes offered hereby	—	300,000	300,000
Senior Facilities	—	360,000	360,000
Existing 2026 Notes ⁽²⁾	620,000	(620,000)	—
Existing Facilities	160,000	(160,000)	—
Leases liabilities	183,700	—	183,700
Total Long-term liability (current and non-current)	963,700	(120,000)	843,700
Shareholders’ equity⁽³⁾	224,177	—	224,177
Total capitalization	1,253,677	(92,000)	1,161,677







1. Does not include restricted cash. As of November 30, 2025, an amount of US\$0.4 million has been treated as restricted cash, representing 0.7% of our total cash and cash equivalents. Restricted cash comprises cash held in restricted accounts for bank guarantees and customer deposits. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*.” The adjustment of US\$28.0 million represents the estimated net proceeds from the Transactions available for general corporate purposes after the redemption of the Existing 2026 Notes, repayment of the Existing Facilities, and estimated fees and expenses associated with the Offering. See “*Use of Proceeds*.”
2. The Conditional Notice of Redemption is expected to be distributed to the holders of the Existing 2026 Notes on or about March 31, 2026. On or about the Issue Date, we intend to deposit the corresponding amounts with the trustee for the Existing 2026 Notes (or such other entity designated (as agent) for such purposes), thus causing the indenture for the Existing 2026 Notes to be satisfied and discharged.
3. Excludes expenses of unamortized fees, expenses of derivative liabilities and adjustments taken into account in the calculation of unrestricted cash and cash equivalents.


SUSTAINABLE DEVELOPMENT IMPACT

The Company’s impact story is one of enabling digital transformation across Africa while embedding sustainability at the core of its operations. As the leading pan-African digital infrastructure provider, the Company has connected millions through its vast fiber network, cloud services, and telecommunications services, driving economic growth, job creation, and digital inclusion in over 25 countries across Africa. At the same time, the Company has prioritized responsible resource use — reducing its carbon and water footprint, investing in renewable energy, and supporting local communities through education, youth empowerment, and health initiatives. By integrating environmental stewardship, social investment, and robust governance into its business model, the Company not only delivers innovative technology solutions but also helps build resilient, inclusive, and sustainable societies across Africa.

This Sustainable Development Impact disclosure presents the intended development impacts of the Company using the Sustainable Development Goals (the “SDGs”) as its central analytical framework. The disclosure has been prepared in accordance with the Impact Disclosure Guidance, which has been developed within the financial markets industry involving sell-side and buy-side institutions. It is available on the International Capital Market Association’s website.

As the Company matures, its strategy is to expand access to information and technologies services across Africa, improving the quality, accessibility and affordability of its services, while improving its environmental performance. In alignment with this strategy, the Company has published four driving impact themes that it pursues: (1) **Densification of Network**, (2) **Access to Broadband**, (3) **Local Economic Development, Employment, and Training**, and (4) **Environmental Sustainability**. In pursuit of its strategy, the Company contributes to the Cassava Technologies Group’s sustainability purpose, “to provide access to sustainable technology solutions enabling us to transform lives in a responsible and impactful manner,” and the Cassava Technologies Group’s four strategic sustainability pillars: 1) live responsibly, 2) learn continuously, 3) listen attentively, and 4) lead impactfully. In this Sustainable Development Impact disclosure, the Company has disclosed its planned actions to achieve its impact intentions, which in turn also contribute to the Cassava Technologies Group’s strategic pillars, with corresponding anticipated contributions to the SDGs.

Impact Theme	SDG Contribution
#1: Densification of Network	
#2: Access to Broadband	
#3: Local Economic Development, Employment, and Training	
#4: Environmental Sustainability	   

Impact Theme #1: Densification of Network	
	<p>SDG Target 9.a: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States.</p>
	<p>SDG Target 9.b: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, <i>inter alia</i>, industrial diversification and value addition to commodities.</p>
	<p>As the Company’s expansion priorities move away from network expansion and towards densification, the Company intends to leverage its more than 114,000 km of fiber to pursue network densification, increasing the number of cell sites or access points within its network to enhance bridge network capacity and coverage, and expanding overall network performance. The Company intends to densify its network by expanding incremental connections, broadband coverage, and fiber laid across the following geographies by:¹</p> <ul style="list-style-type: none"> • investing in South Africa, building on R1 billion invested over the past four years to expand fiber to create additional incremental Electronic Commerce Gateway site connections and increase coverage in the Western Cape;² • expanding fixed broadband connectivity in Rwanda, by focusing on network expansion in Nyamata, Huye, Muhanga, Rusizi, Rubavu, and Musanze to improve digital inclusion;³ • continuing to grow the network in Botswana, building on its 730 km fiber expansion connecting major hubs like Francistown, Mahalapye, and Palapye;⁴ and • expanding sub-sea capacity in Kenya by partnering with PEACE Cable Company to introduce 800 Gbps of additional subsea capacity in Mombasa, bolstering internet reliability across Africa.⁵
	<p>Theory of Change: Network densification is increasingly important as the demand for mobile data continues to grow at an exponential rate. In the geographies where the Company operates, the mining and agriculture sectors are key contributors to GDP growth, and mobile data penetration plays a significant enabling role in allowing Africa’s economies to adapt to the digital age.⁶ The Company’s targeted and specific goals to densify physical telecommunications infrastructure in South Africa, Rwanda, Botswana, and Kenya are expected to contribute to overall telecommunications adoption in these countries. The Company’s investment in South Africa, connecting over 2,700 government buildings in the Eastern Cape—where many communities face high unemployment and limited access to services—will enable schools, clinics, and municipal offices to deliver better digital services, especially in rural and township areas, while expanded coverage in the Western Cape supports the province’s growing tech and education sectors.⁷ In Rwanda, bringing fixed broadband to upcountry towns like Nyamata, Huye, Muhanga, Rusizi, Rubavu, and Musanze will help farmers, students, and small businesses access online markets, training, and government resources, reducing the urban-rural digital gap.⁸ In Botswana, expanding 730 km of fiber to connect Francistown, Mahalapye, and Palapye will support local enterprises and public services, making digital tools more accessible in areas outside the capital, Gaborone.⁹ In Kenya, partnering with PEACE Cable Company to boost subsea capacity in Mombasa, a major port city and gateway for East Africa, will improve internet speed and reliability for businesses, schools, and government offices, supporting Kenya’s role as a regional tech leader and benefiting</p>

¹ The Company has set incremental targets for each of the metrics stated below, annually, through 2031. See “Reporting Table” for full list of metrics, including incremental targets.

² Source: [IT Web](#), The Company spends R1bn on fibre network expansion across SA.

³ Source: [Liquid Intelligent Technologies](#), Liquid Intelligent Technologies Rwanda expands fixed broadband connectivity to users in upcountry regions.

⁴ Source: [Liquid Intelligent Technologies](#), Liquid Intelligent Technologies extends its fibre network increasing resilience and capacity between Botswana and the African continent.

⁵ Source: [Cassava Technologies Limited](#), The Company brings additional subsea cable capacity in Kenya in partnership with PEACE Cable Company.


⁶ Source: Liquid Intelligent Technologies, [From smart mines to smart farms: The digital infrastructure connecting Zambia’s industries](#).

⁷ Source: World Bank. (2021). World Development Report 2021: Data for Better Lives. Washington, DC: World Bank; James, J. (2014). Digital Divide Across Africa: ICT Policy and Implementation. Telecommunications Policy, 38(7), 679-691.

⁸ Hjort, J., & Poulsen, J. (2019). The Arrival of Fast Internet and Employment in Africa. American Economic Review, 109(3), 1032-1079.

⁹ Source: Donner, J. (2008). Research Approaches to Mobile Use in the Developing World: A Review of the Literature. The Information Society, 24(3), 140-159.

neighboring countries.¹⁰ These locally focused investments help each region advance global development goals by improving infrastructure, digital inclusion, and economic opportunities tailored to their unique contexts.

Impact Theme #2: Access to Broadband	
	<p>SDG Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p>
	<p>SDG Target 9.c: Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries.</p>
	<p>Focusing on service and adoption, the Company intends to make its broadband services affordable, improve service quality, and ensure adoption by:¹¹</p> <ul style="list-style-type: none"> • expanding the number of active customers with respect to 4G, 5G, LTE, and fiber users;¹² • in Tanzania, increasing its enterprise customer base by 10–15% annually across key industries including banking, financial services, and insurance, logistics, hospitality, retail, and non-government organizations (“NGOs”); • in Zimbabwe, simplifying the onboarding process through the procurement of AI-enabled onboarding terminals for direct sales teams across the country by Q2 FY27 and accelerating and enhancing marketing efforts to increase and improve registration processes; and • in Zambia, densifying its network to shorten last mile connection distance to under 300 meters, and providing wireless alternatives to fiber connectivity, prioritizing underserved areas.
	<p>Theory of Change: By expanding fibre, wireless, and cloud connectivity into underserved markets across Africa, the Company enables households, schools, businesses and public institutions to participate in the digital economy. Improved connectivity reduces the cost of communication and access to information, which in turn fosters economic growth. According to the United Nations International Telecommunication Union (ITU), an increase of 10% in fixed-broadband penetration is associated with a 1.6% increase in GDP per capita, and an increase of 10% in mobile-broadband penetration is associated with a 2.3% increase in GDP per capita. Digitization also drives increases in GDP, labor productivity, and total factor productivity.¹³</p> <p>In the geographies where the Company operates, infrastructure investment, affordability, and digital literacy are critical for closing the digital divide. For example, in 2024 only 27% of Ugandans used the internet, with 73% offline despite a 96% 4G coverage ratio — a gap which can be attributed to affordability and digital literacy gaps.¹⁴ In Kenya, urban mobile phone ownership is 64.6% compared to 48.6% in rural areas, with internet usage as low as 9.1% in certain counties.¹⁵ Only 45% of the DRC population is covered by mobile internet, leaving over 70% unconnected due to weak infrastructure and high device and data costs. By prioritizing underserved populations and affordable access, the Company’s actions catalyze progress toward the SDGs and foster inclusive growth across the continent.¹⁶</p>

¹⁰ Source: International Telecommunication Union (ITU). (2020). Africa’s Connectivity: Submarine Cables and Internet Infrastructure. Geneva: ITU; GSMA. (2022). The Mobile Economy Sub-Saharan Africa 2022. GSMA Intelligence.

¹¹ The Company has set incremental targets for each of the metrics stated below, annually, through 2031. See “Reporting Table” for full list of metrics, including incremental targets.

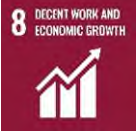
¹² The Company intends to report on the number of 4G, 5G, Microsoft Airband Initiative, 4G Active, 5G Active, LTE Active, and Fibre Active customers for its operations in South Africa, DRC, Tanzania, Zimbabwe, Kenya, and Tanzania, and has set targets for select metrics. See “Reporting Table.”

¹³ Source: [UN International Telecommunication Union](#), 2025.

¹⁴ Source: [GSMA, 2025; DataReportal, 2024](#).

¹⁵ Source: [CA & KNBS, 2025](#).

¹⁶ Source: World Bank, IFC, AfDB, GSMA, A4AI Reports.

Impact Theme #3: Local Economic Development, Employment, and Training	
	<p>SDG Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.</p> <p>The Company intends to support an increase in economic productivity in the geographies where it is expanding its services by:</p> <ul style="list-style-type: none"> • improving reliability and expanding access to telecommunications services to clients in the enterprise and specialized channels, which include cloud and cybersecurity, wholesale data, and government sectors;¹⁷ • in South Africa, increasing efficiency for users of the Company’s services by expanding its marketplace to include solution bundles, which are managed services that encompass cloud, cybersecurity, and connectivity services; • in Kenya, automating processes for increased efficiency and improving customer experience by promoting internal and external education campaigns, including webinars, seminars, lunch learning sessions, and workshops; • in Tanzania, introducing self-service digital portals to reduce resolution times, deploying AI-driven traffic optimization to enhance network performance and reduce congestion, and expanding edge-computing nodes to support faster data processing and lower latency; • in Zambia, accelerating caching strategy to ensure commonly accessed services are locally hosted to reduce latencies and response times, and implementing AI network assurance to improve fault correlation and response times; • in Zimbabwe, reducing query resolution times by integrating AI into contact centers; and • increasing procurement spend on local suppliers and small, micro, and medium enterprises (“SMMEs”) in South Africa, Kenya, DRC, Tanzania, Uganda, and Zambia.¹⁸
	<p>SDG Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>
	<p>The Company intends to promote local employment and training by:</p> <ul style="list-style-type: none"> • increasing direct employment, and creating local jobs;¹⁹ and • ensuring equal access to career growth opportunities and equal, fair and market-related reward, and prioritizing equal employment opportunities for women, youth, and persons with disabilities.
	<p>SDG Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training.</p> <p>The Company intends to support youth employment by:</p> <ul style="list-style-type: none"> • expanding the YES4Youth campaign by another 400 or more participants by 2030; and • providing training and development that supports career growth and enhances employee skills and knowledge, enhancing their future employability.
	<p>SDG Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>

¹⁷ The Company has set incremental annual targets by country, including targets corresponding to South Africa, Kenya, DRC, Tanzania, Uganda, and Zambia. See “Reporting Table.”

¹⁸ The Company has set targets to increase the local proportion of total spend in Kenya, Tanzania, Uganda, Zambia, and Zimbabwe. See “Reporting Table.”

¹⁹ The Company has set targets to increase total employment across the markets where it operates. Please see “Reporting Table.”

	<p>The Company intends to protect labor rights and ensure safe and secure working environments across its footprint by:</p> <ul style="list-style-type: none"> • decreasing the number of Health, Safety, and Environment (“HSE”) grievances by prioritizing the health, safety and wellbeing of its employees and business partners;²⁰ and • Maintaining a low Lost Time Injury Frequency Rate (“LTIFR”). <p>Theory of Change: The Company’s intentions to provide higher quality service leading to enhanced economic activity, invest in local supplier development, promote direct and indirect employment with a focus on youth employment and training, and maintain a safe and secure work environment all leads to improved long-term livelihoods and economic resilience in the communities where it operates. Improved telecommunications services enhance information flow, market access, and connectivity, which increases productivity, facilitates innovation, and enables new business opportunities—driving economic growth and job creation.²¹ Academic and development finance research consistently finds that expanded telecom infrastructure correlates with higher GDP growth and poverty reduction by empowering individuals and firms to participate more fully in the economy. Supplier development enhances the capacity and competitiveness of local SMMEs, supporting enterprise growth and job creation. Over time, by formalizing employment in the local economies where it operates, the Company’s interventions will contribute to local job creation and stronger local supplier ecosystems. According to KfW, in addition to benefitting the buyer, local sourcing may bring significant developmental effects to society, including short-term gains pertaining to local incomes and employment, and long-term gains that can enable structural economic transformations.²² Implementing appropriate health and safety policies and procedures ensures safe and healthy working conditions for its employees and business partners. These measures lead to improved hazard identification, reduced workplace injuries and illnesses, and strengthened labor-rights protection across operations and the value chain.²³ Lastly, promoting youth employment by placing additional young people into 12-month paid work experiences coupled with accredited work-readiness and 21st-century skills training creates a critical mass of job-relevant “first experience” candidates, leading to improved employability. Integrated youth programs combining work experience, training and intermediation significantly improves youth employment and earnings in low- and middle-income contexts, strengthening employer demand and partnerships that enable scaling.²⁴ In Uganda, youth unemployment reached 16.1% in 2024, with 41% of people aged 18–30 neither in employment, education, nor training, highlighting the urgent need for employment creation and skills training initiatives.²⁵ In South Africa, unemployment among those aged 15–24 reached 62.4% in Q1 2025, reflecting one of the highest youth jobless rates globally and underscoring the critical importance of direct job creation and youth training programs.²⁶ In Zambia, youth unemployment was reported at 14.5% in the 2022 census report, demonstrating the pressing need for formal-sector job creation and skills development programs that can provide pathways to employment for young entrants to the labour market.²⁷ In the Democratic Republic of Congo, the overall unemployment rate stood at 4.6% in 2024, with youth unemployment at 8.48%. These figures likely understate informal-sector challenges and therefore emphasize the importance of formal job creation and economic diversification to absorb the country’s youthful workforce.²⁸ In Zimbabwe, youth unemployment is</p>
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²⁰ The Company has set targets to reduce the LTIFR and HSE grievances. See “Reporting Table.”

²¹ Source: [World Bank \(2016\)](#). World Development Report 2016: Digital Dividends. Washington, DC: World Bank; [Aker, J. C., & Mbiti, I. M. \(2010\)](#). Mobile Phones and Economic Development in Africa. *Journal of Economic Perspectives*, 24(3), 207–232.

²² Source: KfW: [Unlocking the benefits of local sourcing for companies and society](#).

²³ Source: World Health Organization, [WHO/ILO joint estimates of the work-related burden of disease and injury, 2000-2016](#): global monitoring report.

²⁴ Source: World Bank, [An Impact Evaluation of the Youth Employment Services Program](#).

²⁵ <https://www.independent.co.ug/ugandas-youth-unemployment-problem/>




²⁶ <https://www.ecofinagency.com/public-management/1505-45191-south-africa-s-youth-unemployment-hits-62-4-in-q1-2025>

²⁷ <https://www.zambiamonitor.com/latest-zambia-census-report-shows-youth-unemployment-at-14-5-teenage-pregnancy-16-3/>

²⁸ https://www.theglobaleconomy.com/Congo/Youth_unemployment/ and <https://www.worldviewdata.com/countries/dr-congo/unemployment>


	37.7%, underscoring the critical need for employment generation, skills training, and entrepreneurship support to harness the potential of the country’s young population. ²⁹
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Impact Theme #4: Environmental Sustainability

	<p>SDG Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</p>
	<p>The Company intends to prioritize water efficiency by:</p> <ul style="list-style-type: none"> reducing water consumption by 20% (based on headcount) by 2035, from a baseline of 35,639 kl in 2025. <p>Theory of Change: The Company’s reduction of water consumption and efforts to improve water efficiency in countries like Botswana, DRC, Kenya, Rwanda, South Africa, South Sudan, Tanzania, Uganda, Zambia, and Zimbabwe directly contributes to addressing water scarcity by lowering industrial demand on already stressed water resources. By implementing water-efficient technologies and practices, the Company helps free up water for local communities and agriculture, supports the resilience of municipal water systems, and sets a positive example for other businesses. This approach aligns with global development research, which shows that corporate water stewardship in water-scarce regions can have significant positive impacts on local water security and progress towards SDG 6.³⁰</p>
	<p>SDG Target 7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.</p>
	<p>The Company intends to reduce energy consumption, including by:</p> <ul style="list-style-type: none"> reducing grid electricity consumed by 98% by 2040, from a baseline of 18,593 MWh in 2025; and reducing diesel consumption by 90% by 2040, from a baseline of 491,671 liters consumed in 2025.
	<p>SDG Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.</p>
	<p>The Company intends to improve its waste management practices by:</p> <ul style="list-style-type: none"> increasing the diversion of waste, from a baseline of 4,471 tons in 2025; updating and aligning waste management plans across subsidiaries, with a focus on e-waste; achieving high rates of recycling (50% general waste, 80% e-waste in in FY26) and continuing such reduction year-on-year with the aim of achieving a 100% diversion from landfill by 2035; and conducting waste audits and working with accredited partners for hazardous waste disposal in South Africa, Kenya, and Zimbabwe.
	<p>SDG Target 13.2: Integrate climate change measures into national policies, strategies and planning.</p>

²⁹ <https://www.unicef.org/zimbabwe/media/13096/file/Adolescent%20and%20Youth%20Skills%20Development,%20Employability%20and%20Entrepreneurship.pdf>

³⁰ UNICEF, 2021; Mytton, 2020.

	<p>The Company intends to reduce emissions and improve energy efficiency by:</p> <ul style="list-style-type: none"> • reducing Scope 1 emissions by 95% by 2040; • reducing Scope 2 emissions by 95% by 2040; • implementing energy efficiency projects, such as replacing inefficient air-conditioning systems and installing electronic metering for energy and water; and • increasing the use of renewable energy, including solar power installations at points of presence and data centers.
	<p>Theory of Change: Academic research and development finance literature show that corporate actions to minimize water use and emissions help preserve local resources, improve community health, and mitigate climate risks, especially in regions vulnerable to drought and pollution, which many geographies in the Company’s operations face.³¹ Transitioning to renewable energy in telecom operations also drives innovation, reduces operational costs, and sets an example for other sectors, accelerating the shift toward sustainable economies.³² These efforts contribute to resilient infrastructure, healthier communities, and progress toward a low-carbon future.</p>

Policies and Procedures to Mitigate Negative Impacts

As a subsidiary of Cassava Technologies Limited, the Company’s operations are guided by a comprehensive set of group and subsidiary level frameworks designed to prevent, minimise and remedy potential negative environmental and social impacts. Listed alongside these frameworks are a comprehensive set of policies and procedures. These include, but are not limited to:

- [the Health, Safety and Environmental Policy Statement](#);
- [the Group External Grievance Procedure](#);
- [the Supplier Code of Conduct - Environmental and Social](#);
- internal business integrity and compliance frameworks, including antibribery and corruption policies, a whistleblowing hotline, conflicts of interest procedures and mandatory ethics training;
- data privacy and cybersecurity policies, which are critical given the Company’s role as a digital infrastructure provider, to protect customer data, ensure network resilience and comply with applicable data protection regulations; and
- International Organization for Standardization (ISO) 9001 for Quality Management, 14001 for Environmental Management Systems (EMS), and 27001 for Information Security Management (ISMS).

Frameworks, policies and procedures are reviewed and updated every two years at minimum.

Governance and Reporting

Sustainability and impact governance at the Company is embedded within the Cassava Technologies Group’s group-wide governance framework. At the Board level, climate and broader ESG matters are overseen by the Nominations, Governance and Impact Committee, the Audit and Risk Committee and the Remuneration Committee. These committees receive regular updates on sustainability strategy, key risks and performance, informed by the Cassava Technologies Group’s Chief Risk and Compliance Officer and Group Executive: Environmental and Social Governance.

At a subsidiary level, regional ESG committees are chaired by the relevant regional or subsidiary CEO, who is accountable for local sustainability performance. These committees review progress against the Group Sustainability

³¹ Source: United Nations Environment Programme (UNEP). (2022). Emissions Gap Report 2022: The Closing Window – Climate Crisis Calls for Rapid Transformation of Societies. Nairobi: UNEP; Sorrell, S. (2010). Reducing Energy Consumption: Lessons from the UK. Energy Policy, 38(7), 3643-3654.
³² Source: International Renewable Energy Agency (IRENA). (2021). Renewable Energy in Africa: Status and Trends. Abu Dhabi: IRENA.

Strategy, decarbonisation roadmap and environmental and social KPIs, and escalate material issues to the Cassava Technologies Group level.

The Company collects environmental, social and governance data across its operations (including energy, water, waste, greenhouse gas emissions, health and safety, training, diversity and community investments) through a structured ESG data management process that is being enhanced as part of the Cassava Technologies Group’s new sustainability data strategy. These metrics inform management decisions on capital allocation, operational improvements (e.g., energy efficiency and waste reduction), and the design of social programmes (e.g., digital inclusion and youth employment initiatives). Over time, the Cassava Technologies Group intends to link achievement of key environmental and climate targets – to which the Company is a major contributor – to executive remuneration.

Reporting Table³³

Impact Intention #1: Densification of Network				
Metric	Baseline Year	Baseline Value	Target Year	Target Value
Incremental connections				
South Africa	FY2026	2,091	FY2031	2,700
Rwanda		3,135		6,934
Botswana		247		391
Kenya		6,200		24,381
Broadband Coverage³⁴				
Rwanda (Electronic Commerce Gateway sites connected)	FY2026	3,543	FY2031	305,500
Botswana (Individuals covered)		16,393		17,742
Kenya (Individuals covered)		6,200		24,381
Fiber laid (km)				
South Africa	FY2026	4,662	2031	6,546
Rwanda		7,230		12,340
Botswana		70		168
Kenya		7,980		9,793

Impact Intention #2: Access to Broadband				
Metric	Baseline Year	Baseline Value	Target Year	Target Value
Population covered by 4G (#)				
Zimbabwe	FY2026	380	FY2031	600
4G / LTE Active customers (#)				
Zimbabwe	FY2026	121,892	FY2031	217,250
Zambia		22,277		75,267
Fiber Active customers (#)				
DRC	FY2026	3,372	FY2031	6,592
Tanzania		2,325		3,440
Zimbabwe		36,247		57,765
Zambia		5,847		22,478

³³ Available metrics are provided; not all metrics are available for each country, so data available is shown in table.

³⁴ No broadband coverage figures available for South Africa.

Impact Intention #3: Local Economic Development, Employment, and Training				
Metric	Baseline Year	Baseline Value	Target Year	Target Value
Clients served (#)				
South Africa ³⁵ (#)	FY2026	4,097	FY2031	4,702
Kenya ³⁶ (#)		1,278		2,308
Uganda ³⁷ (#)		<i>Not available</i>		11,170
Zambia ³⁸ (#)		1,015		1,394
Zimbabwe ³⁹ (#)		2,729		3,664
Direct Employment				
South Africa (#)	FY2026	2,017	FY2031	2,213
Kenya (#)		180		250
Zambia (#)		213		245
Zimbabwe (#)		334		350
Local Procurement Spend				
Kenya (%)	FY2026	52		70
Tanzania (%)		45		60
Uganda (%)		84		90
Zambia (%)		30		40
Zimbabwe (%)		15		30

Impact Intention #4: Environmental Sustainability				
Metric	Baseline Year	Baseline Value	Target Year	Target Value
Water Consumption (kl)	2025	35,639	2035	28,511 ⁴⁰
Grid Electricity Consumed (mWh)	2025	18,593	2040	372 ⁴¹
Diesel Consumption (liters)	2025	2,025,491,671	2040	202,549,167 ⁴²
Waste recycled (tons)*	2026	4,471	2035	100% ⁻⁴³
Recycling rate – general waste (%)*	2026	50	2035	100
Recycling rate – e-waste (%)*	2026	80	2035	100
Scope 1 Emissions reduction (tCO ₂ e)(%)	2025	5,647	2040	282 ⁴⁴
Scope 2 Emissions reduction (tCO ₂ e)(%)	2025	16,261	2040	813 ⁴⁵

*Targets above are subject to change subject to additional operations to be included and outcome of the first external limited assurance.

³⁵ In South Africa, the Company intends to serve Enterprise, Specialised Channels, Wholesale Data, and Government clients, and has set targets to serve each client type accordingly.

³⁶ In Kenya, the Company intends to serve Public Sector, NGO, Wholesale, Enterprise, and SME clients, and has set targets to serve each client type accordingly.

³⁷ In Uganda, the Company intends to serve Consumer, Enterprise, Wholesale, Government, and NGO clients, and has set targets to serve each client type accordingly.

³⁸ In Zambia, the Company intends to serve Enterprise, Government, and Wholesale clients, and has set targets to serve each client type accordingly.

³⁹ In Zimbabwe, the Company intends to serve Financial Services, Public Sector, Mining and Manufacturing, Retail, Tourism, and Hospitality, and SME clients, and has set targets to serve each client type accordingly.

⁴⁰ Reflects a 20% reduction.

⁴¹ Reflects a 98% reduction.

⁴² Reflects a 90% reduction.

⁴³ The Company aims to divert 100% of waste generated by 2035; total tonnage of waste is yet to be determined for 2035.

⁴⁴ Reflects a 95% reduction.

⁴⁵ Reflects a 95% reduction.

SELECTED FINANCIAL AND OTHER INFORMATION

The tables below show selected consolidated financial information for (i) the Liquid Group as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025 and (ii) the Liquid Group as of and for the nine-month period ended November 30, 2025 with comparative figures for the nine-month period ended November 30, 2024. The financial information for the Liquid Group as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025 has been extracted or derived from audited consolidated financial statements of Liquid Group as of and for the years ended February 29, 2024 and February 28, 2025. The Financial Statements are included elsewhere in this Offering Memorandum.

The Annual Financial Statements have been audited by Deloitte. The Interim Financial Statements have been reviewed by Deloitte. Without modifying the audit opinions expressed by their reports on the Annual Financial Statements as of and for the years ended February 29, 2024 and February 28, 2025, and the conclusion on the Interim Financial Statements as of and for the period ended November 30, 2025, Deloitte have reported on a material uncertainty related to Liquid Group's ability to continue as a going concern, and draw attention to management assessment in Note 42 (Going concern) to such Annual Financial Statements, and management's assessment in Note 2.1 (Going concern) to the Interim Financial Statements.

This section contains non-IFRS financial measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Capital Expenditure, Gross Debt, Net Debt, Gross Debt to Adjusted EBITDA ratio, Net Debt to Adjusted EBITDA ratio, Interest Coverage and Gross Profit Margin. The non-IFRS financial measures are not measurements of performance or liquidity under IFRS or any other generally accepted accounting principles. Our management believes that the presentation of these non-IFRS financial measures is helpful to investors as measures of our operating performance and our ability to service our debt. Since all companies do not calculate these measures in an identical manner, our presentation may not be consistent with similar measures used by other companies.

This section also contains certain as adjusted financial information, presented on an as adjusted basis to give effect to the Transactions as if they had been consummated on: (A) December 1, 2024 (with respect to as adjusted Interest Coverage for the 12 months ended November 30, 2025); and (B) November 30, 2025 (with respect to all other metrics). The as adjusted financial information should not be taken as indicative of our future consolidated results of operations or financial position. Our historical results may not be indicative of our future results following completion of the Transactions. The as adjusted financial information has not been prepared in accordance with any generally accepted accounting standards.

The information below should be read in conjunction with the Financial Statements and accompanying notes included elsewhere in this Offering Memorandum and the discussion in sections entitled "Presentation of Financial and Other Data," "Summary," "Use of Proceeds," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business."

FINANCIAL AND OTHER INFORMATION FOR THE LIQUID GROUP

Statements of Profit or Loss and Other Comprehensive Income

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
Revenue	622,506	686,718	693,534	512,906	561,181
Interconnect related costs	(50,023)	(43,905)	(38,829)	(27,294)	(26,904)
Data and network related costs	(158,614)	(201,845)	(203,436)	(159,801)	(174,494)
Other income	7,762	12,234	1,671	2,950	2,082
Selling, distribution and marketing costs	(9,513)	(10,764)	(11,286)	(7,109)	(8,989)
Expected credit loss provision	(9,894)	(7,665)	(823)	4,095	(2,901)
Administrative expenses	(57,089)	(66,898)	(58,870)	(45,759)	(44,869)
Staff costs	(107,234)	(110,645)	(116,993)	(83,985)	(76,018)
Depreciation, impairment and amortization	(164,204)	(115,052)	(124,666)	(86,631)	(92,467)
Operating profit	73,697	142,178	140,302	109,372	136,621
Dividends received from investments at FVTOCI	—	44	59	25	255
Restructuring costs	—	—	(3,619)	(2,975)	(767)
Acquisition and other investment costs	(1,737)	(106)	—	—	—
Fair value (loss) / gain on derivative assets	(3,997)	—	—	—	—
Gain on bargain purchase	—	272	—	—	—
Interest income	17,233	24,610	24,291	17,098	19,320
Finance costs	(75,328)	(79,894)	(101,847)	(73,364)	(74,921)
Net foreign exchange (loss) / gain	(257,220)	(440,858)	(321,579)	(262,072)	9,668
Hyperinflation monetary gain	156,854	386,603	306,722	263,927	6,640
Share of profits of associate	25	21	14	15	10
Profit / (loss) before taxation	(90,473)	32,870	44,343	52,026	96,826
Tax (expense) / credit	2,465	(27,592)	(25,894)	(18,118)	(33,104)
Profit / (loss) for the period	(88,008)	5,278	18,449	33,908	63,722
Other comprehensive (expense) / income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation (loss) / gain on accounting for foreign entities	(224,185)	(8,688)	30,341	38,027	19,363
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	19,356	(53,200)	(62,819)	(54,280)	(2,739)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Fair value gain / (loss) on investments in equity instruments designated as FVTOCI	—	867	(636)	(351)	1,059
Other comprehensive (loss) / profit for the period	(204,829)	(61,021)	(33,114)	(16,604)	17,683

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
Total comprehensive (loss) / profit for the period	<u>(292,837)</u>	<u>(55,743)</u>	<u>(14,665)</u>	<u>17,304</u>	<u>81,405</u>
Profit / (loss) attributable to:					
Owners of the company	(87,565)	5,631	18,443	34,329	62,833
Non-controlling interest	<u>(443)</u>	<u>(353)</u>	<u>6</u>	<u>(421)</u>	<u>889</u>
	<u>(88,008)</u>	<u>5,278</u>	<u>18,449</u>	<u>33,908</u>	<u>63,722</u>
Total comprehensive (loss) / profit attributable to:					
Owners of the company	(292,218)	(55,179)	(14,577)	17,774	80,496
Non-controlling interest	<u>(619)</u>	<u>(564)</u>	<u>(88)</u>	<u>(470)</u>	<u>909</u>
	<u>(292,837)</u>	<u>(55,743)</u>	<u>(14,665)</u>	<u>17,304</u>	<u>81,405</u>
(Loss) / earnings per share					
Basic and diluted (Cents per share)	<u>(70.13)</u>	<u>4.51</u>	<u>14.77</u>	<u>27.49</u>	<u>50.32</u>

Statements of Financial Position

	As of			
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2025
		(US\$ thousands) (Audited)		(US\$ thousands) (Unaudited)
Non-current assets				
Goodwill	76,576	73,990	76,089	81,097
Intangible assets	64,214	60,131	58,812	57,029
Property, plant and equipment	526,043	483,704	475,990	489,793
Right-of-Use assets	221,319	216,956	233,008	235,306
Investment in associate	543	540	573	631
Investments at FVTOCI	15,314	15,362	16,672	17,849
Deferred tax assets	48,388	41,869	49,912	45,455
Investments at amortized cost	45	41	41	42
Long-term receivables	133,236	143,074	136,330	161,418
Pre-commencement lease payments	8,464	9,565	10,754	5,754
Total non-current assets	1,094,142	1,045,232	1,058,181	1,094,374
Current assets				
Inventories	27,341	50,399	22,005	26,099
Trade and other receivables	246,927	258,944	331,750	406,171
Taxation	3,098	5,277	2,953	3,482
Cash and cash equivalents	88,393	56,654	85,368	65,843
Restricted cash and cash equivalents	425	422	425	448
Assets classified as held for sale	—	—	—	11,289
Total current assets	366,184	371,696	442,501	513,332
Total assets	1,460,326	1,416,928	1,500,682	1,607,706
Equity and liabilities				
Capital and reserves				
Share capital	3,716	3,716	3,716	3,716
Share premium	276,714	276,714	276,714	276,714
Convertible preference shares	180,000	180,000	180,000	180,000
Share application monies	—	—	35,000	35,000
Investment revaluation reserve	—	16	(620)	439
(Accumulated losses) / Retained earnings	(64,098)	(57,616)	(39,173)	23,660
Foreign currency translation reserve	(217,565)	(279,242)	(311,626)	(295,022)
Total equity attributable to owners of the parent	178,767	123,588	144,011	224,507
Non-controlling interests	1,146	86	(918)	(330)
Total equity	179,913	123,674	143,093	224,177

	As of			
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2025
		(US\$ thousands) (Audited)		(US\$ thousands) (Unaudited)
Non-current liabilities				
Long-term borrowings	763,373	742,252	617,583	—
Long-term lease liabilities	103,661	116,804	140,740	135,281
Long-term provisions	7,194	6,372	5,479	4,483
Deferred revenue	65,553	56,967	47,179	50,484
Deferred tax liabilities	15,986	4,615	3,346	6,625
Total non-current liabilities	955,767	927,010	814,327	196,873
Current liabilities				
Short-term portion of long-term borrowing	34,687	80,987	177,174	790,308
Short-term portion of long-term lease liabilities	31,342	20,441	36,628	48,402
Trade and other payables	190,304	199,889	238,979	276,714
Short-term provisions	23,679	13,912	24,120	11,258
Deferred revenue	33,806	40,443	47,595	45,381
Taxation	10,828	10,572	18,766	10,930
Liabilities classified as held for sale	—	—	—	3,663
Total current liabilities	324,646	366,244	543,262	1,186,656
Total equity and liabilities	1,460,326	1,416,928	1,500,682	1,607,706

Statements of Cash Flow

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
Cash flows from operating activities:					
Profit / (loss) before tax	(90,473)	32,870	44,343	52,026	96,826
Adjustments for:					
Depreciation, impairment and amortization	164,204	115,052	124,666	86,631	92,467
Fair value loss on derivative assets	3,997	—	—	—	—
Dividends received from investments at FVTOCI	—	(44)	(59)	(25)	(255)
Expected credit loss (reversal) / provision	5,961	3,617	(5,694)	(4,095)	2,901
Increase / (decrease) in provisions	(6,048)	(9,276)	9,940	2,852	(14,727)
Foreign exchange loss / (gain)	233,831	423,960	288,551	225,768	(7,571)
Hyperinflation monetary (gain)	(156,854)	(386,603)	(306,722)	(263,927)	(6,640)
Profit on disposal of fixed assets	(66)	(253)	(984)	(970)	(61)
Profit (loss) on disposal of Right-of-Use assets	—	(1,554)	133	—	—
Gain on lease terminations and modifications	—	—	—	210	358
Interest income	(17,233)	(24,610)	(24,291)	(17,098)	(19,320)
Finance costs	75,328	79,894	101,847	73,364	74,921
Gain on bargain purchase	—	(272)	—	—	—
Share of profits of associate	(25)	(21)	(14)	(15)	(10)
	<u>212,622</u>	<u>232,760</u>	<u>231,716</u>	<u>154,721</u>	<u>218,889</u>
Working capital changes:					
Decrease / (increase) in inventories	(10,569)	(22,564)	19,524	7,998	(3,313)
Increase in trade and other receivables	(141,462)	(39,916)	(64,916)	(75,395)	(93,519)
Increase / (decrease) in trade and other payables	160,695	(19,599)	42,032	60,932	42,607
Increase in deferred revenue	<u>19,461</u>	<u>4,873</u>	<u>(4,290)</u>	<u>2,676</u>	<u>(3,255)</u>
Cash generated from operations	240,747	155,554	224,066	150,932	161,409
Income tax paid	<u>(24,313)</u>	<u>(30,987)</u>	<u>(25,026)</u>	<u>(18,012)</u>	<u>(28,894)</u>
<i>Net cash generated from operating activities</i>	<u>216,434</u>	<u>124,567</u>	<u>199,040</u>	<u>132,920</u>	<u>132,515</u>
Cash flows from investing activities:					
Interest income	1,542	5,028	1,542	1,369	1,177
Purchase of investment at FVTOCI	—	(953)	(1,983)	(2,069)	(102)
Disposal of investment at FVTOCI	—	1,772	—	—	—

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
Purchase of investments at amortized cost	(46)	—	—	—	—
Net cash inflow on acquisition of subsidiary	—	148	—	—	—
Dividends received from investments at FVTOCI	—	44	59	25	255
Purchase of property, plant and equipment	(87,567)	(61,290)	(41,386)	(27,298)	(31,953)
Proceeds on disposal of property, plant and equipment	3,518	23,703	2,088	1,739	312
Pre-commencement lease payments	(3,105)	(1,101)	(1,189)	(435)	—
Purchase of intangible assets	(14,134)	(7,938)	(8,256)	(5,268)	(5,075)
Proceeds on disposal of intangible assets	558	84	—	—	103
(Increase) / decrease of long-term receivables from related parties	4,437	(8,364)	10,435	(165)	(131)
Decrease in long-term receivables	—	—	(304)	—	(605)
<i>Net cash used in investing activities</i>	<u>(94,797)</u>	<u>(48,867)</u>	<u>(38,994)</u>	<u>(32,102)</u>	<u>(36,019)</u>
Cash flows from financing activities:					
Dividend paid	(441)	(360)	(1,090)	(623)	(321)
Finance costs paid	(58,726)	(57,504)	(60,251)	(52,427)	(48,881)
Receipt of share application monies	—	—	35,000	—	—
(Decrease) / Increase in borrowings	(14,325)	28,603	(37,567)	(3,340)	(10,231)
Decrease in lease liabilities	(46,738)	(50,354)	(59,247)	(38,582)	(54,489)
Increase in external long-term intercompany borrowings	407	—	—	—	—
<i>Net cash used in financing activities</i>	<u>(119,823)</u>	<u>(79,615)</u>	<u>(123,155)</u>	<u>(94,972)</u>	<u>(113,922)</u>
Net (decrease) / increase in cash and cash equivalents	1,814	(3,915)	36,891	5,846	(17,426)
Cash and cash equivalents at beginning of the period	163,643	88,818	57,076	57,076	85,793
Cash transferred to assets held for sale	—	—	—	—	(1,310)
Translation of cash with respect to foreign operations	(76,639)	(27,827)	(8,174)	(7,247)	(766)
Cash and cash equivalents at end of the period	<u>88,818</u>	<u>57,076</u>	<u>85,793</u>	<u>55,675</u>	<u>66,291</u>
Represented by:					
Cash and cash equivalents	88,393	56,654	85,368	55,244	65,843
Restricted cash and cash equivalents	425	422	425	431	448
	<u>88,818</u>	<u>57,076</u>	<u>85,793</u>	<u>55,675</u>	<u>66,291</u>

Certain Non-IFRS Financial Measures

	As of and for the year ended February 28/29,			As of and for the nine months ended November 30,		As of and for the 12 months ended November 30, ⁽⁶⁾
	2023	2024	2025	2024	2025	2025
	(US\$ thousands) (Unaudited)					
EBITDA ⁽¹⁾	93,018	201,706	241,978	194,639	244,182	291,521
Adjusted EBITDA ⁽¹⁾	237,901	257,274	265,027	196,028	229,343	298,342
Adjusted EBITDA Margin ⁽²⁾	38%	37%	38%	38%	41%	40%
Capital Expenditure ⁽³⁾	104,819	70,329	50,831	33,001	37,028	54,858
Gross Debt ⁽⁴⁾	943,533	949,917	957,826	982,937	948,818	948,818
Unrestricted cash and cash equivalents ⁽⁷⁾	88,393	56,654	85,368	55,245	65,843	65,843
Net Debt ⁽⁴⁾	855,140	893,263	872,458	927,692	882,975	882,975
Gross Profit Margin ⁽⁵⁾	66%	64%	65%	64%	64%	65%

- (1) EBITDA is defined as consolidated profit or loss for the year / period, excluding the impact of tax benefit or expense, interest income, finance costs and depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted for the following items: impairment expense, stock write off / obsolescence expense, restructuring costs, acquisition and other investment costs, foreign exchange loss, hyperinflation monetary gain, share of profits of associate, fair value loss on derivative assets and gain on bargain purchase. The following table sets forth a reconciliation of EBITDA and Adjusted EBITDA for the periods indicated:

	For the year ended			For the nine months ended		For the 12 months ended
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025	November 30, 2025 ^(a)
	(US\$ thousands) (Unaudited)					
Profit / (loss) for the period	(88,008)	5,278	18,449	33,908	63,722	48,263
<i>Add back:</i>						
Tax expense / (benefit)	(2,465)	27,592	25,894	18,118	33,104	40,880
Interest Income	(17,233)	(24,610)	(24,291)	(17,098)	(19,320)	(26,513)
Finance costs	75,328	79,894	101,847	73,364	74,921	103,404
Depreciation and amortization	125,396	113,552	120,079	86,347	91,755	125,487
EBITDA	93,018	201,706	241,978	194,639	244,182	291,521
<i>Add back:</i>						
Impairment expense	38,702	1,349	3,989	276	653	4,366
Stock write off/obsolescence expense	106	153	598	8	59	649
Restructuring costs	—	—	3,619	2,975	767	1,411
Acquisition and other investment costs	1,737	106	—	—	—	—
Foreign exchange loss	257,220	440,858	321,579	262,072	(9,668)	49,839
Hyperinflation monetary gain	(156,854)	(386,603)	(306,722)	(263,927)	(6,640)	(49,435)
Share of profits of associate	(25)	(21)	(14)	(15)	(10)	(9)

Fair value loss on derivative assets	3,997	—	—	—	—	—
Gain on bargain purchase	—	(274)	—	—	—	—
Adjusted EBITDA	237,901	257,274	265,027	196,028	229,343	298,342

- (a) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.
- (2) Adjusted EBITDA Margin is defined as the ratio of Adjusted EBITDA to total revenue, expressed as a percentage.
- (3) Capital Expenditure is defined as any expenditure that should be treated as capital expenditure in the financial statements in accordance with applicable accounting principles, including advance payments for capital expenditure and excluding any non-cash expenditure. The table below provides a breakdown of the Liquid Group's capital expenditure for each of the periods indicated:

	As of and for the year ended February 28/29,			As of and for the nine months ended November 30,		As of and for the 12 months ended November 30, ^(a)
	2023	2024	2025	2024	2025	2025
	(US\$ thousands) (Unaudited)					
Customer Connections	41,590	27,461	17,900	12,783	13,235	18,352
Maintenance	3,428	19,524	8,549	6,732	13,004	14,821
Discretionary Projects	59,801	23,344	24,382	13,486	10,789	21,685
Capital Expenditure	104,819	70,329	50,831	33,001	37,028	54,858

- (a) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.
- (4) Gross Debt is defined as the sum of borrowings, lease liabilities and unamortized arrangement fees as stated on the balance sheet. Net Debt is defined as Gross Debt less unrestricted cash and cash equivalents at a stated balance sheet date. The following table sets forth a reconciliation of Gross Debt and Net Debt as of the dates indicated:

	February 28, 2023	As of February 29, 2024	February 28, 2025	November 30, 2024	As of November 30, 2024	November 30, 2025
				(Pre-IAS 29) ^(c)	(Post-IAS 29) ^(c)	
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)		
Liabilities (current and non-current)						
Borrowings	796,183	804,012	775,364	812,586	812,585	779,515
Lease liabilities	135,003	137,245	177,369	167,676	164,331	166,911
Unamortized arrangement fees	12,347	8,660	5,092	6,021	6,021	2,392
Gross Debt	943,533	949,917	957,826	986,283	982,937	948,818
<i>Less:</i>						
Unrestricted cash and cash equivalents ^(a)	88,393	56,654	85,368	54,692	55,245	65,843
Net Debt^(b)	855,140	893,263	872,458	931,591	927,692	882,975

- (a) Does not include restricted cash. As of November 30, 2025, an amount of US\$0.4 million has been treated as restricted cash, representing 0.7% of our total cash and cash equivalents. Restricted cash comprises cash held in restricted accounts for bank guarantees and customer deposits. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

- (b) Net Debt is presented net of restricted cash. Deducting restricted cash, Net Debt would amount to US\$854.7 million, US\$892.8 million and US\$872.0 million as of February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and US\$931.2 million (pre-IAS 29) and US\$882.5 million as of November 30, 2024 and November 30, 2025, respectively.
- (c) The Pre-IAS 29 figures represent the relevant amounts prior to the application of the principles of IAS 29 - “*Financial Reporting in Hyperinflationary Economies*” and the Post-IAS 29 figures represent the relevant amounts following the application of the principles of IAS 29 - “*Financial Reporting in Hyperinflationary Economies*.”
- (5) Gross Profit Margin is defined as the ratio of consolidated gross profit for the year / period to total revenue, expressed as a percentage. The following table sets forth a reconciliation of Gross Profit Margin for the periods indicated:

	<u>For the year ended</u>			<u>For the nine months ended</u>		<u>For the 12 months ended</u>
	<u>February 28, 2023</u>	<u>February 29, 2024</u>	<u>February 28, 2025</u>	<u>November 30, 2024</u>	<u>November 30, 2025</u>	<u>November 30, 2025^(a)</u>
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)		
Revenue	622,506	686,718	693,534	512,906	561,181	741,809
Interconnect related costs	(50,023)	(43,905)	(38,829)	(27,294)	(26,904)	(38,439)
Data and network related costs	(123,036)	(165,393)	(170,032)	(135,417)	(148,665)	(183,280)
Network costs	(35,578)	(36,452)	(33,404)	(24,384)	(25,829)	(34,849)
Gross profit	413,869	440,968	451,269	325,811	359,783	485,241
Gross profit margin	66%	64%	65%	64%	64%	65%

- (a) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.
- (6) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.
- (7) Does not include restricted cash. As of November 30, 2025, an amount of US\$0.4 million has been treated as restricted cash, representing 0.7% of our total cash and cash equivalents. Restricted cash comprises cash held in restricted accounts for bank guarantees and customer deposits. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*.”

As Adjusted Financial Information

The below table sets forth certain as adjusted financial information giving effect to the Transactions as if they had been consummated on: (i) December 1, 2024 (with respect to as adjusted Interest Coverage for the 12 months ended November 30, 2025); and (ii) November 30, 2025 (with respect to all other metrics).

	As of and for the 12 months ended November 30, 2025⁽¹⁾
	(US\$ millions, other than ratios)
	(Unaudited)
<i>As Adjusted to give effect to the Transactions:</i>	
Adjusted EBITDA	298.3
Gross Debt ⁽²⁾	819.6
Net Debt ⁽³⁾	729.2
Gross Debt to Adjusted EBITDA ⁽⁴⁾	2.75x
Net Debt to Adjusted EBITDA ⁽⁵⁾	2.44x
Interest Coverage ⁽⁶⁾	2.99x

- (1) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.
- (2) Gross Debt, as adjusted to give effect to the Transactions, is defined as the sum of borrowings, lease liabilities and unamortized arrangement fees as stated on the balance sheet as of November 30, 2025, as adjusted to give effect to the Transactions as if they had been consummated on November 30, 2025.
- (3) Net Debt, as adjusted to give effect to the Transactions, is defined as adjusted Gross Debt less unrestricted cash and cash equivalents as of November 30, 2025, as adjusted to give effect to the Transactions as if they had been consummated on November 30, 2025. Net Debt would be US\$729.2 million, assuming US\$90.4 million of unrestricted cash and cash equivalents following completion of the Transactions. See “*Use of Proceeds*” and “*Capitalization*.”
- (4) Gross Debt, as adjusted to give effect to the Transactions (as defined above), divided by Adjusted EBITDA.
- (5) Net Debt, as adjusted to give effect to the Transactions (as defined above), divided by Adjusted EBITDA.
- (6) Interest Coverage, as adjusted to give effect to the Transactions, is defined as Adjusted EBITDA divided by the net of interest income and finance costs for the 12 months ended November 30, 2025, expressed as a multiple, as adjusted to give effect to the Transactions as if they had been consummated on December 1, 2024.

Certain Financial Measures Provided on a Geographic Basis

	For the year ended February 28/29,			For the nine months ended November 30,		For the 12 months ended November 30 ⁽²⁾ ,
	2023	2024	2025	2024	2025	2025
	(US\$ thousands) (Unaudited)					
Adjusted EBITDA						
South Africa	80,819	78,816	91,017	71,200	81,639	101,456
Zimbabwe	65,711	85,387	100,662	67,227	84,359	117,794
Rest of Africa	47,315	42,157	43,918	32,427	38,532	50,023
Rest of World	70,810	76,267	49,063	47,805	26,761	28,019
Central administration costs ⁽¹⁾	(17,598)	(16,484)	(22,396)	(15,961)	(8,669)	(15,104)
Eliminations	(9,156)	(8,869)	2,763	(6,670)	6,721	16,154
Total	237,901	257,274	265,027	196,028	229,343	298,342

(1) Central administration costs include certain staff and other stewardship costs not allocated to other business lines.

(2) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.

Key Operating Measures and Performance Indicators

The following table sets out certain of the Liquid Group's key operating measures and performance indicators for the periods indicated:

	As of and for the year ended February 28/29			As of and for the nine months ended November 30,		As of and for the 12 months ended November 30 ⁽⁷⁾ ,
	2023	2024	2025	2024	2025	2025
Voice minutes ⁽¹⁾	593,966,781	554,847,797	515,961,109	394,130,324	349,658,532	471,489,318
Total fiber network (kms) ⁽²⁾	104,353	107,844	108,868	108,441	114,780	114,780
Average churn rate ⁽³⁾	0.78%	0.46%	0.53%	0.57%	0.38%	0.39%
Monthly recurring revenue ⁽⁴⁾	87.1%	84.0%	87.3%	86.0%	90.7%	90.8%
Cloud seats year-on-year growth ⁽⁵⁾	73.0%	17.2%	15.4%	10.2%	9.3%	21.4%
Total capacity on subsea assets (Gbps) ⁽⁶⁾	1,034	3,519	4,341	4,341	5,341	5,341

- (1) Voice minutes represent the total wholesale voice minutes on our network.
- (2) Total fiber network in kilometers (including backbone, metro and FTTX) through which fiber is installed. Multiple kilometers of fiber cables or ducts within the same trench/overhead line are counted individually. Includes both owned and leased capacity through partnerships.
- (3) 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.
- (4) Monthly recurring revenue is the total of all recurring revenue usage in the period normalized into a monthly amount and expressed as a percentage of total revenue in the same period.
- (5) Year-on-year growth for the equivalent period in the number of paid for Cloud license seats.
- (6) Capacity, in gigabits per second, purchased by, activated by, or reserved for, the Liquid Group on subsea cables (including IRUs).
- (7) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of the Liquid Group should be read in conjunction with the Annual Financial Statements and the Interim Financial Statements appearing elsewhere in this Offering Memorandum and information in the sections captioned “Presentation of Financial and Other Data” and “Selected Financial and Other Information” of this Offering Memorandum. The following discussion should also be read in conjunction with the Financial Statements together with the related notes included elsewhere in this Offering Memorandum.

The following discussion and analysis is intended to assist in the understanding and assessment of the trends and significant changes in our results of operations and financial condition. Historical results may not indicate future performance. Some of the information in this section, including information in respect of our plans and strategies for the business and expected sources of financing, contain forward-looking statements that involve risk and uncertainties and are based on assumptions about our future business. Our actual results could differ materially from those contained in these forward-looking statements as a result of many factors, including but not limited to those described in sections captioned “Forward-Looking Statements” and “Risk Factors” of this Offering Memorandum. Potential investors should read “Forward-looking Statements” for a discussion of the risks and uncertainties related to those statements and should also read “Risk Factors” for a discussion of certain factors that may affect our business, results of operations or financial condition.

OVERVIEW

We are a subsidiary of Cassava Technologies Limited, a technology leader providing a vertically integrated ecosystem of digital services and infrastructure that enables and supports digital transformation. As a pan-African technology solutions provider, we deliver broadband digital connectivity infrastructure as well as digital services and solutions to public and private sector enterprises in more than 25 countries across Africa. Over the last two decades, we have established ourselves as the leading pan-African digital infrastructure provider with an extensive fiber network spanning more than 114,000 km, including dense metro, long-haul and FTTB networks. In addition, we are one of the predominant infrastructure providers that connects the rest of the world to Africa, and Africa to the rest of the world. We have capacity access on 5 major submarine cable systems on both the East and West African seaboard that in aggregate amount to more than 70,000 km of submarine fiber.

Our network includes metropolitan and last-mile infrastructure, which comprises fiber and fixed wireless access networks in most major and secondary cities in the region. These integrate seamlessly with our submarine and satellite operations. As a result, it is well suited to support high-bandwidth, low-latency applications, including 3G/4G/LTE/5G mobile tower backhauling, over-the-top content service delivery, entertainment video and security CCTV streaming, machine-to-machine connectivity, private connections to data center storage and computing services, cloud services and other applications. Accordingly, as African consumers switch from 2G to 3G, 4G, LTE and, eventually, 5G enabled handsets; from traditional voice calls to broadband and VoIP calls; and from individual low-resolution small screen data consumption to always-on high-definition multiscreen broadband in the home, and enterprises expand their geographic reach and increase their connectivity, reliability and digital service requirements, we believe that we are well positioned to build and capture the potential of Africa’s digital transformation.

We have a high-quality and geographically diversified customer base located in many of Africa’s fastest growing markets. These include some of the largest consumers of digital infrastructure solutions, such as MNOs, OTTs, international carriers, enterprises, media and content companies, other ISPs, national and local governments as well as other public entities. Our customers also include financial institutions, multinational corporations and leading national companies, in addition to SMEs who operate across multiple territories.

In the last two years, we have implemented a “whole of business” reorganization aimed at transforming the Company from a geographically focused telecommunications provider to a full technology and digital services group. This reorganization has led to several new initiatives, including: redefining our network, bringing innovative business

applications, AI-enabled cloud and cybersecurity services to large and small enterprises operating nationally, regionally and continentally through strategic partnerships with leading global players. We have accelerated our focus on monetizing our existing network infrastructure by becoming a multi-product systems integrator offering connectivity, cloud and cybersecurity solutions.

In particular, we believe that our digital services in Africa represent a significant revenue growth opportunity. We have partnered with Microsoft to deploy hybrid cloud infrastructure in Africa and we also offer leading cloud, cybersecurity and generative AI solutions through our partnerships with Google Cloud and Anthropic. In addition, we also offer comprehensive advisory and managed cloud and cybersecurity services to our customers. Moreover, our network connects to data centers within the wider Cassava Technologies Group ecosystem where we provide co-location, cloud, cyber-security as well as fintech services and solutions, and more recently, AI services. All of this increasingly allows us to be one of the most competitive and leading digital transformation enablers across Africa while democratizing access to cloud infrastructure across the continent as a multi-cloud provider. Through our partnership with Globalstar, Inc. (“Globalstar”) we have exclusive rights in Africa and the Gulf region to sell and distribute Globalstar’s private networks 5G access solution, which we believe is crucial to the competitiveness of logistics, manufacturing and mining industries in Africa and high-end markets in the Middle East and Gulf regions. We have also recently launched Cloudmania in Egypt and extended the provisions of our existing partnership with Microsoft Azure to more markets with a new stack in Uganda. We believe that all these efforts will continue to drive the growth of our operations and revenues in line with the high growth forecasts for the continent and the countries where we operate.

KEY OPERATING MEASURES AND PERFORMANCE INDICATORS

The following table sets out certain of the Liquid Group’s key operating measures and performance indicators for the periods indicated. These metrics are used by management to assess the reach and return of our network, the attractiveness and competitiveness of our products and our ability to serve those our strategy is designed to help.

	As of and for the year ended February 28/29			As of and for the nine months ended November 30,		As of and for the 12 months ended November 30 ⁽⁷⁾ ,
	2023	2024	2025	2024	2025	2025
Voice minutes ⁽¹⁾	593,966,781	554,847,797	515,961,109	394,130,324	349,658,532	471,489,318
Total fiber network (kms) ⁽²⁾	104,353	107,844	108,868	108,441	114,780	114,780
Average churn rate ⁽³⁾	0.78%	0.46%	0.53%	0.57%	0.38%	0.39%
Monthly recurring revenue ⁽⁴⁾	87.1%	84.0%	87.3%	86.0%	90.7%	90.8%
Cloud seats year-on-year growth ⁽⁵⁾	73.0%	17.2%	15.4%	10.2%	9.3%	21.4%
Total capacity on subsea assets (Gbps) ⁽⁶⁾	1,034	3,519	4,341	4,341	5,341	5,341

- (1) Voice minutes represent the total wholesale voice minutes on our network.
- (2) Total fiber network in kilometers (including backbone, metro and FTTX) through which fiber is installed. Multiple kilometers of fiber cables or ducts within the same trench/overhead line are counted individually. Includes both owned and leased capacity through partnerships.
- (3) 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.
- (4) Monthly recurring revenue is the total of all recurring revenue usage in the period normalized into a monthly amount and expressed as a percentage of total revenue in the same period.
- (5) Year-on-year growth for the equivalent period in the number of paid for Cloud license seats.
- (6) Capacity, in gigabits per second, purchased by, activated by, or reserved for, the Liquid Group on subsea cables (including IRUs).

- (7) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.

RECENT DEVELOPMENTS

In addition to the recent developments discussed under “*Summary—The Transactions*” above, on February 1, 2026, Liquid Telecommunications Zimbabwe entered into a sale and leaseback transaction with Econet Wireless Zimbabwe Limited, pursuant to which certain telecommunications assets were sold to Econet Wireless Zimbabwe Limited for US\$25.7 million and concurrently leased back under a four-year lease arrangement which increased the Company’s lease liabilities by US\$24.5 million.

Furthermore, trading in the fourth quarter continues to strengthen with revenue on an improving trajectory. Gross profit margins have remained broadly consistent with the November 2025 year-to-date reported position and Adjusted EBITDA is on track to meet full-year expectations. Our focus on cash generation remains in the final three months through continued EBITDA growth and ongoing collection of aged receivables.

KEY FACTORS IMPACTING OUR RESULTS OF OPERATIONS

The following are the key factors that have significantly affected the Liquid Group’s results of operations and financial condition during the periods under review, or which we expect will significantly affect the Liquid Group’s operations in the future.

Our Network and C2 business segments respectively represented 70.5% and 11.1% of our revenues in the year ended February 28, 2023, 69.9% and 13.8% of our revenues in the year ended February 29, 2024, 70.5% and 16.6% of our revenues in the year ended February 28, 2025 and 71.0% and 18.3% of our revenues in the nine months ended November 30, 2025, with our Dataport and Voice Traffic business segments representing the balance of our revenues in such periods. Accordingly, the key factors that have significantly affected the Liquid Group’s results of operations and financial condition in the periods under review, and which are discussed at length below, are those which are primarily relevant to the Network and C2 business segments.

In future periods, we expect these factors to continue to remain highly relevant. However, as we anticipate that our C2 business segment will come, over time, to represent an increasingly significant portion of our operations, revenues and profitability, we expect that factors that are more specifically relevant to our C2 business segment will assume greater significance. These factors include both those discussed briefly below and others which may emerge in time but which, owing to the relatively early-stage nature of the C2 business segment, are more challenging to anticipate.

Continued growth in demand for data connectivity and digital services

Our ability to increase the number of customers we serve, the range of services that we provide to them and the volume of data transited through our networks depends on the underlying demand for our services in our principal regions of operation. We market our services to enterprise, public sector and retail (small businesses and households) customers, as well as MNOs, carriers and service providers. Our current customer base includes some of the leading national and international MNOs, international carriers, ISPs, software and cloud service providers, web service providers, OTT service providers, financial institutions, national and multinational corporations, as well as SMEs and retail consumers that require fast and secure data connectivity solutions and hosting. Our top five customers accounted for 32.7%, 17.0%, and 23.1% of our revenue, respectively, in the years ended February 28, 2023, February 29, 2024 and February 28, 2025, and 27.7% of our revenue in the nine months ended November 30, 2025.

Network

Our Network business segment primarily supports global Internet Protocol (“IP”) transit and fiber connectivity to 2G, 3G, 4G and 5G mobile base stations by providing customers with connectivity over our owned and leased fiber infrastructure. These customers range from international carriers to African mobile and public telecom operators and

African ISPs. We also help other ISPs reach more customers with attractive offers using our wholesale FTTH services whilst also monetizing our open-access fiber broadband network.

Our Network business segment has become an increasingly important measure of demand and a significant component of our revenue, reflecting evolving customer trends across a range of customer segments. IP transit traffic in Africa has grown rapidly, mainly driven by the rising numbers of users and “smart” devices, a shift to data-hungry applications and the proliferation of cloud, data center and various other digital services. According to Ericsson (November 2025), in 2025, mobile data traffic in Sub-Saharan Africa was 5.3 GB per smartphone per month, which remains relatively low compared to the global average of 21 GB per smartphone per month; however, data usage per smartphone in Sub-Saharan Africa is expected to grow by 230% to 12 GB per smartphone per month by 2031 according to Ericsson (November 2025). Furthermore, GSMA Intelligence (2025) forecasts that the number of internet users in Sub-Saharan Africa will rise from 416 million in 2024 to 576 million in 2030, representing an increase in penetration rate from 28% to 33%.

Leveraging our network allows us to also service large business and industry segments that require significant amounts of voice, data and internet services such as financial services, manufacturing, mining, security, retail and information technology sectors. Our Network business segment’s key selling proposition to customers in these industry segments and sectors is the local and international reach of our fiber networks. Our ability to cope with specific requirements from multi-site customers (with offices spread over several sub-Saharan countries) on an end-to-end basis has enabled us to attract significant contracts. We rely less on other carriers to provide an international service than our peers, which we market as a key differentiator. This also allows us to control the quality and the cost of delivering the services and to be price competitive. We also leverage satellite services (with VSAT antennas) to connect remote sites (such as mines and rural manufacturing plants).

A growing number of our larger customers rely on our telecommunications expertise to manage their internal telecommunication and IT systems, such as local access networks, internal and guest Wi-Fi networks, security solutions and cloud-based systems (e.g., backup, storage, virtual machines) through broader solutions that are often highly integrated with our offerings. As an example of solution-based data services for enterprise customers, we provide payment solutions to large financial institutions and retailers, including communication, transaction processing (payment by debit and credit cards), branch banking, and POS terminal solutions. This leverages our expertise in time- and mission-critical IT systems, our telecommunications network, multi-country presence, and our familiarity with the vagaries of electronic communications which may impact digital payment systems.

Our revenues are also driven by our ability to enter into enterprise service and connectivity arrangements with MNOs, other carriers and service providers with telecommunications services. For instance, we have entered into strategic master service agreements with Vodacom South Africa, that includes a spectrum sharing arrangement whereby our 900MHz and 3500MHz spectrum is deployed, nation-wide on >13,000 base stations, in exchange for capacity that we can on-sell to our customers or partners to monetize.

Revenue from the Network business segment represented 69.9% of our revenue in the year ended February 29, 2024 as compared to 70.5% in the year ended February 28, 2025, and 71.0% in the nine months ended November 30, 2025.

C2

Our C2 business segment is responsible for building high-value cloud and cyber security solutions, services and capabilities to meet our customers’ changing needs, including Cloud Voice, Cloud Networking, Cloud Platforms, Cloud Applications, Cyber Defense Services, Cyber Risk Assurance, Cyber Security Solutions and Governance, Risk and Compliance (GRC). Our strategic partners for C2 include Microsoft, Google, AWS, Cloudflare, Fortinet, Sophos and Mimecast, among others. We have distinct customer types in our C2 business which include direct end-customer enterprises, governments, SMEs and value-added resellers who purchase our products and services for sale to their end-customers. We are investing in a digital marketplace to enable us to offer our services digitally and reach more markets in Africa with a higher margin focus. In Africa, cloud services have a relatively low adoption rate due to the

high cost and limited bandwidth of access to the internet. By combining our network services with cloud, and secured by our cyber security solutions, we can offer a comprehensive and cost-effective bundle.

Our C2 products and services are billed through the same systems as the Network business segment, with the same base MSA (to which there are addenda or service orders for specific terms and conditions related to cloud and cyber security solutions). We have a service provisioning and rating platform that integrates with our own services and those of global providers such as Microsoft. Our customers and partners have self-service access to order new services and manage existing services. Our indirect resellers enter contracts (typically annual) with us for the services they resell to their end-customers. We plan to launch higher margin products and services across our indirect channel which include cyber security risk assurance and security solutions.

Revenue from the C2 business segment 13.8% of our revenue in the year ended February 29, 2024 as compared to 16.6% in the year ended February 28, 2025, and 18.3% in the nine months ended November 30, 2025.

Dataport

Our Dataport business segment primarily consists of products and services we provide in connection with our agreements with subsea cable providers, cross border network services, satellite services, landing stations and large, global network provision agreements. Our Dataport customers consist of MNO's, fixed-network operators, hyperscalers and international carriers which all require multi-country networking solutions that we typically provide based on the customer type. Our offerings vary between providing our Dataport customers with pan-African connectivity across various markets or in key locations, providing dedicated networks to certain customers such as hyperscalers, or providing other network services or opportunities to boost last-mile connectivity. The billing for such services is done either in-country in local currency, or in Mauritius in US dollars, and is dependent on the customer or certain regulatory requirements.

The Dataport business segment continues to build up a strong pipeline. However, the solutions we provide within this business segment are typically large and non-recurring, resulting in fluctuating trends. Furthermore, recent performance in the Dataport business segment has been impacted by a more challenging environment in the Democratic Republic of Congo. This has resulted from an increase in armed insurgency in the North Kivu region forcing us to temporarily halt rollout and operations, which has impacted IP transit along our East to West route.

Revenue from the Dataport business segment made up 7.6% of our revenue in the year ended February 29, 2024 as compared to 5.2% in the year ended February 28, 2025, and 4.4% in the nine months ended November 30, 2025.

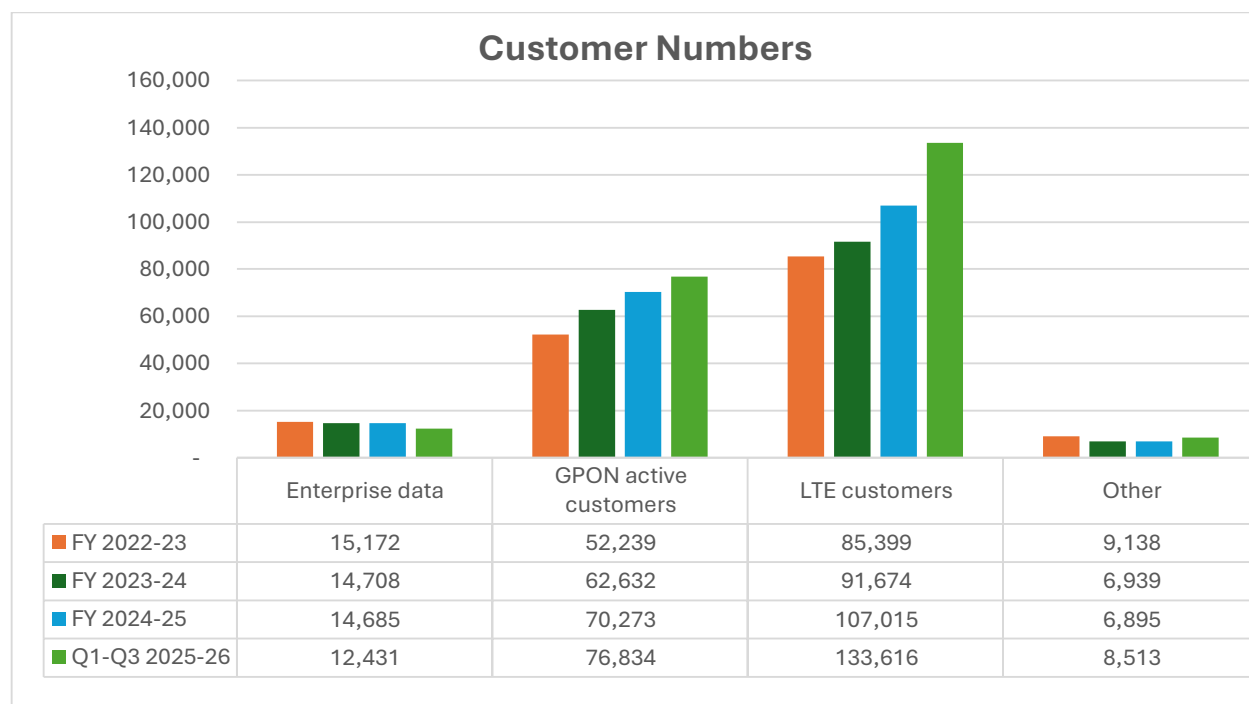
Voice Traffic

The Voice Traffic business segment also remains a notable part of our offering to customers, although its relative significance has reduced in recent years as global traffic trends have shifted away from traditional voice activity as a result of the shift towards more data-driven and -enabled services. Revenue from our Voice Traffic business segment is driven by the number of voice minutes on our network. We recognize revenue when calls are terminated from international carriers to African mobile and public telecom operators on our network and costs of sales when calls originated on our network terminate on another network. In the recent past, our revenue from voice services has been affected by the decrease in the number of voice minutes on our network and a decrease in the price per voice minute, largely as a result of the increase in the use of OTT services, linked to the more general shift towards data-driven and -enabled services mentioned above, as well as competitive pressures. As we expect these trends to continue, our focus is the managed decline of this revenue line through defensive tactics (e.g., detection and prevention of bypass traffic) while continuously seeking greater efficiencies to protect and expand margins (e.g., automation and route optimization).

Revenue from the Voice Traffic business segment made up 8.7% of our revenue in the year ended February 29, 2024 as compared to 7.7% in the year ended February 28, 2025, and 6.3% in the nine months ended November 30, 2025.

Number of Customers Served and Composition of Customer Mix

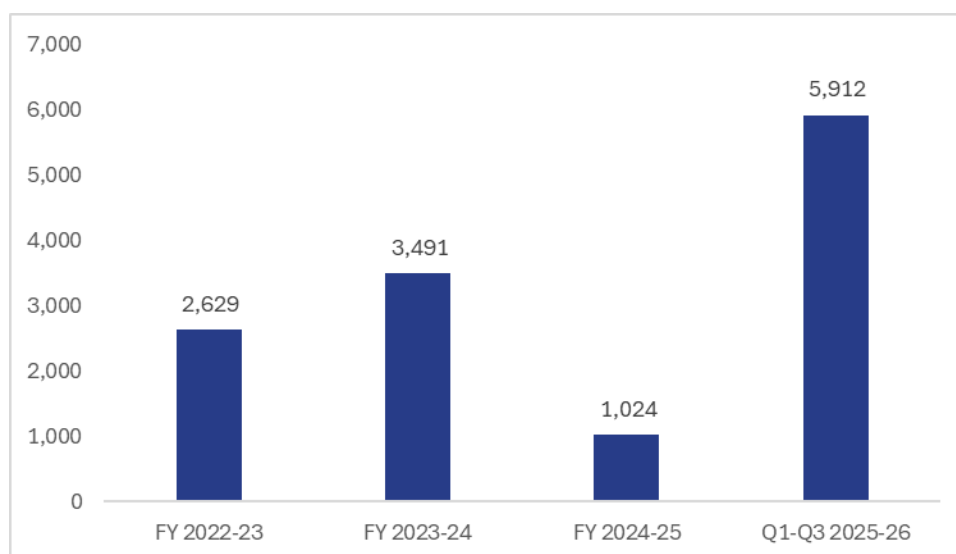
Our customer base primarily consists of wholesale, enterprise and retail customers who consume connectivity services and/or cloud services. The table below highlights the trends in our customer numbers over the years ended February 28, 2023, February 29, 2024 and February 28, 2025 and the nine months ended November 30, 2025:



Revenue for our enterprise and retail focused business primarily related to the number of customers we serve and, to a lesser extent, the number of services they avail. Our ability to provide services to a larger number of customers and locations depends in part on our ability to extend our fiber network to connect new customer premises, to add base stations for radio transmission, and to upgrade key technical components of our network such as IP transmission equipment, VSAT teleport facilities, international connectivity and other core network elements.

During each of the years ended February 28, 2023, February 29, 2024 and February 28, 2025, and the nine-month period ended November 30, 2025, we deployed and extended a substantial part of our fiber network, as shown in the chart below, with the increase in the nine-month period ended November 30, 2025 largely the result of completion and operationalization of Eastern Cape Government infrastructure that was planned and deployed over many years.

Incremental fiber laid across the operations each year / period (in km)



Source: Company data. Note, the increase in Q1 – Q3 2025-26 was due to the inclusion of the recently largely completed and operational, Eastern Cape Government (ECG) infrastructure of approximately 4,500 kilometers.

Our ability to retain customers is tied to the high quality of our networks and service offering. Our network is built and operated to high standards of reliability, with our target being 99.99% availability. This depends on the quality of the initial build, which we monitor rigorously, and on operating an integrated network with multiple routes between any two points. Such an approach creates ‘redundancy’ whereby traffic can be seamlessly switched onto an alternative route in the event of an outage on the original route. We believe our network is now large enough to have excellent redundancy, whereas this is a real and expensive challenge for smaller networks.

We aim to increase the number of customers we serve by undertaking revenue-generating capital expenditures, such as fiber access network (“last mile”) installations which connect newly contracted customers to the network. We decide to commit capital expenditure to expand our fiber network by applying strict investment return and payback criteria. We incurred capital expenditure of US\$104.8 million, US\$70.3 million and US\$50.8 million in the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and US\$37.0 million in the nine months ended November 30, 2025. Our capital expenditure for the nine months ended November 30, 2025 was broadly in line with our planned capital expenditure of approximately US\$55 to US\$65 million for the year ending February 28, 2026. The reduction in capital expenditure over recent years is consistent with our intention, now that our fiber network build is largely completed, to increasingly focus on densifying our existing infrastructure through more targeted “last mile” and customer connection driven capital expenditures.

As an example of this “last mile” focus, one of our most significant access network developments has been the roll out of fixed and wireless broadband, which as at November 30, 2025 connected a total of 210,450 premises in Zimbabwe, Zambia, Rwanda, Zanzibar, Tanzania, Kenya, Uganda and the Democratic Republic of Congo. In certain countries, such as South Africa, Zambia, Zimbabwe and Rwanda, we also offer fast broadband connections to our network via fixed wireless (point to multipoint, WiMAX and LTE). We plan to expand these networks, thereby covering additional businesses and residential customers. In more remote areas and to be able to serve customers who are not located within coverage of our fiber and fixed-wireless networks, we offer high speed satellite connections, and for this purpose we lease satellite capacity on C-Band, Ku-Band and Ka-Band satellites operated by Intelsat and Eutelsat. We have our own satellite hubs in South Africa and Kenya (in addition to one in London), allowing us to route African traffic through Africa rather than backhauling it via Europe.

To maintain our service levels and retain customers, we continuously monitor and evaluate new technologies, and we sometimes invest in these either to improve the service quality of our network or to increase its capacity. For example, we are presently implementing 400G DWDM, implementing fixed LTE as a replacement for WiMAX, and working with partners to implement 5G technology. We have also deployed FSOC laser technology in the Democratic Republic of Congo to allow communications across the Congo River. We have continuously updated and progressively upgraded our core network infrastructure and IT elements (including transmission network, IP core, bandwidth shaping and caching, provisioning and billing systems, VSAT teleport, FTTx, and wireless core) located in several major hubs (including South Africa, Zimbabwe, Kenya, and Zambia) and these are now able to serve multiple countries, enabling a rich product portfolio in all our operations with reduced costs and increased product affordability.

Competition and pricing dynamics

The markets in which we operate include competition related to pricing and other factors and have different pricing and competition dynamics.

Network

In the Network market, which represents a significant proportion of our revenue (70.5%, 69.9% and 70.5% in the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and 71.0% in the nine months ended November 30, 2025), price competition varies considerably by country, depending on the number of fixed-line players, availability of fiber redundancy, sophistication of buyers and local regulation. South Africa and Kenya are particularly competitive, and customers have managed to push down prices by negotiating between carriers. Certain customers, for example the largest mobile operators in South Africa and Kenya, have invested directly in some of the city to city national fiber routes as leased dark fiber, either within a consortium or independently. Self-provisioning of that nature represents competition to us and can negatively affect the prices we are able to charge. Our strategy is to maintain strong relationships with key customers through service excellence, bundling additional services, and to emphasize our open-access and carrier neutrality policies, such that our independence remains a strong value proposition for our wholesale services.

C2

Given the bespoke requirements of the integrated services provided by our C2 business segment, which represents the second largest portion of our revenue (11.1%, 13.8% and 16.6% and in the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and 18.3% in the nine months ended November 30, 2025), competition and pricing structure can vary depending on the size and business of the company. Large corporates are sophisticated and highly price-sensitive, and they value speed, security and reliability. They tend to unbundle services and put them out to tender instead of renewing existing contracts. Smaller companies are more apt to bundle and place a premium on provider proximity. Competition includes other national and international carriers, as well as ICT service companies that bundle the connectivity element with value-add services (e.g., IT integration, transformation services, software). Our revenue depends upon both our number of customers and the number of services those customers use. We therefore aim to cross-sell as many services and products (such as LAN management, managed Wi-Fi, managed cloud voice, platforms and applications, and managed cyber security services including our CSOC) as we can as a bundle in order to increase revenue.

As cloud-based services allow businesses to transform their IT strategies and business models, we now offer customers a comprehensive suite of cloud services through our C2 business line, most notably Microsoft Azure, Amazon Web Services and Google Cloud. Our unique value proposition encompasses flexibility (an elastic cloud model that allows customers to scale quickly and on-demand), reliability (direct connectivity to the cloud on our highly resilient, meshed network) and security (secure network and dedicated connections that ensure our customer data journeys are always protected). Complementing our cloud solutions, our C2 business line also offers an extensive cyber security portfolio. We offer customers advisory and managed security services with specific focus on security and identity management, advanced threat protection, security monitoring and data loss prevention and compliance services.

Dataport

The Dataport business segment represents the smallest portion of our revenue (7.0%, 7.6% and 5.2% in the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and 4.4% in the nine months ended November 30, 2025). Our pricing strategies are determined on a case by case basis and are typically dependent upon our customers which typically purchase pan-African network services from us or across various locations in our key markets.

Voice traffic

The Voice Traffic services, which represents a declining share of our revenue (11.3%, 8.7% and 7.7% in the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and 6.3% in the nine months ended November 30, 2025), is highly competitive, with prices updated frequently based upon changing traffic patterns. We regard this market as largely commoditized, with low margins. Margins are mainly driven by international prices and there are limited scale efficiencies. Certain destinations or routes, however, such as landlocked African countries or countries where international voice termination prices are regulated at a certain level, remain less competitive and can offer higher margins. Additionally, non-conventional and OTT players are offering easily accessible internet based alternatives to traditional telephony services in some of our countries, thereby reducing the number of paid voice minutes generated in the country and cutting the number of voice minutes on our network.

Impact of churn

Churn refers to the value of revenue lost through customers terminating their service in any particular period, and includes lost customers, negative price changes, and disconnects associated with upgrades or replacement services. Churn is a factor which could negatively affect our results of operations through loss of revenue and lower return on investment due to the relatively high cost of acquiring new customers. Our average churn represented 0.78%, 0.46% and 0.53% our revenue for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and 0.33% of our revenue for the nine months ended November 30, 2025. This level of churn remains materially below industry standard and our target of below 1%. Despite this, the business continues to monitor the causes of churn closely to ensure a stable customer base.

With regards to through-the-cycle trends, larger customers tend to churn less frequently than smaller customers, due to the complexity of the solutions provided and lower levels of competition. In addition to competitive alternatives, churn levels may be affected by changes in our own or our competitors' prices, our level of customer satisfaction, impact of new or higher taxes on prices, new technologies or services, service bundling, macro-economic environment, political stability and other external factors. Increases in churn may lead to increased costs (resulting from customer retention discount, marketing and advertising, staff cost, commissions and other expenses) and reduced revenue.

The success of our business and our ability to limit churn by retaining existing customers, depends upon, among other factors, the introduction of new or enhanced products and services, flexible and competitive pricing models, high quality customer service, end-to-end network quality and reliability, reach of the network, and improved network capabilities in response to evolving customer expectations. High churn rates also place significant pressure on us to find innovative ways of distinguishing ourselves from our competitors to gain, and retain, customers.

Fixed and variable costs

We provide most of our services on networks that we own, operate and maintain. As the owner and operator of the network, we can control the investment, quality and reach of the network across our footprint. Relative to the initial investment to build the network, the cost of upgrading the data transmission equipment installed on our fiber network to transport a substantially higher amount of data is marginal. This fixed cost structure allows us to benefit from the fast growth in demand and associated potential revenues, with high margins for data services which were 66.7%, 61.1% and 60.0% in the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and 58.2% in the nine months ended November 30, 2025. Over time, we expect to expand our cloud and applications

offering and grow share of our ICT revenue, which has limited fixed costs linked to it and if sold as bundled with our voice and connectivity services should have a net positive impact on the gross margin.

Variable costs are principally our voice termination costs and equipment sales. These made up 30.0%, 23.9%, 19.2% of our costs of sales in the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and 17.4% of our cost of sales in the nine months ended November 30, 2025. The variable costs will principally vary with change in wholesale voice revenue and equipment sales.

We generally work towards achieving satisfactory operating margins in our businesses and focus on revenue enhancing measures once we have achieved such margins. We continuously work towards optimizing our cost base by implementing initiatives to improve our cost structure across the various regions in which we operate. We are implementing common technological platforms notably with respect to billing and account management systems and plan to leverage the benefits of AI across our operations. We have also achieved and expect to continue to achieve substantial reductions in our operating expenses as we implement the same best practice operational processes across the Liquid Group such as maximizing the use of local peering to reduce IP costs and the use of efficient route management to maximize the utilization of the network. We have centralized logistics through a centralized warehouse in Dubai and introduced common procurement processes across the Liquid Group services resulting in reduced operating and capital expenditure costs.

Potential opportunistic acquisitions

In addition to building out our network through capital expenditures, the Liquid Group has from time to time made significant direct and indirect equity investments in a number of fixed telecommunication businesses in various jurisdictions. For example, we completed the Raha acquisition (in January 2017), the Neotel acquisition (in February 2017), the Zanlink acquisition (in June 2017), the acquisition of the remaining 51% of Liquid Intelligent Technologies Zimbabwe (in 2019) and Cysiv MEA (in 2023). Acquisitions have been used to rapidly grow our fiber network footprint in new countries (for example in Kenya, Uganda, Rwanda, Tanzania and Egypt) or to strengthen our market position (for example in South Africa, Zimbabwe and Zambia). As our fiber network build is largely completed, and our current focus is and for some time is expected to remain on monetizing our existing network and leveraging it to access new (and generally capital light) opportunities, we currently expect that any acquisitions that occur in the near-to-medium term would occur on an opportunistic basis, while further geographic expansion is expect to primarily occur via network sharing agreements. Integrating and improving a newly acquired business and network generally also requires expenditures related to implementing network upgrades to bring the acquired business in line with our high Group-wide standards, which affects network reliability and reduces operational costs; investing in staff to support a seamless integration into the Liquid Group, which affects staff costs; investing in sales and marketing activities to increase brand awareness and strengthen the brand in new geographical territories, which affects selling and distribution costs; and reviewing operations to identify excess costs or unprofitable contracts, which affects administrative expenses. In addition, we generally record goodwill in connection with such acquisitions. As of November 30, 2025, the goodwill recorded on our balance sheet amounted to US\$81.1 million. Goodwill is subject to impairment reviews in accordance with IFRS and any impairment charge on goodwill would have a negative impact on operating income. We recognized an impairment to goodwill which amounted to US\$36.1 million in the year ended February 28, 2023. We did not recognize an impairment to goodwill in the years ended February 29, 2024 or February 28, 2025, or the nine months ended November 30, 2025. For the year ended February 29, 2024, there were US\$0.1 million acquisition and other investment costs recognized. For the year ended February 28, 2025 and the nine months ended November 30, 2025, there were no acquisition and other investment costs recognized.

In general, following any acquisition, our results of operations are impacted by the results of the newly acquired business, the cost of servicing any debt incurred to acquire the business and expenditures made to integrate the newly acquired business into the Liquid Group. As a result, revenues and cost of sales, among other line items, may not be comparable between periods in which acquisitions were consummated.

Interest costs and indebtedness

U.S. dollar and local currency denominated bank loans have been a significant source of our funding, primarily to finance both our organic and inorganic expansions as well as funding from previously issued senior secured notes. Our interest expense related to borrowings has therefore been a significant component of our finance costs in each of the years ended February 28, 2023, February 29, 2024 and February 28, 2025 at US\$63.4 million, US\$61.1 million and US\$65.1 million, respectively, and US\$44.2 million in the nine months ended November 30, 2025.

After giving effect to the Transactions, we expect our Net Debt to Adjusted EBITDA to be 2.44x, and are targeting Net Debt to Adjusted EBITDA of around 2.5x over the medium-term. To the extent the Liquid Group is successful in achieving this target, interest expense and finance costs (subject to cost of financing) may be expected to moderate over time.

Cost Optimization Program

In May 2024, we launched the Cost Optimization Program aimed at reducing our operating costs to support our profitability and increase the resilience of our business. In connection with the Cost Optimization Program, we undertook an in-depth review of our operating cost base and decided to shift our operating model from one which is geographic company led to one which is product and customer led. The announced targets for the Cost Optimization Program were to deliver cost savings of US\$25 million through a Group wide reduction in headcount of around 130 employees and implementing other cost savings initiatives, including optimizing savings from suppliers by better leveraging our pan-African capabilities to achieve better group-wide pricing, negotiating better contracts and finding lower price alternatives.

Our efforts have already had a positive impact on our financial results, leading to almost US\$10.7 million and US\$19.0 million of cost savings actually realized in the twelve months ended February 28, 2025 and the nine months ended November 30, 2025, respectively, although the benefit of such cost savings on our results of operations was moderated by one-off costs (including severance payments and restructuring fees) of US\$3.6 million and US\$0.8 million during those respective periods. We estimate cost savings that we have already realized to be approximately US\$25.4 million (on a run-rate basis) and we expect that the remaining US\$6.4 million of cost savings will be realized (on a run-rate basis) over the next three months.

Our reduced cost base has also contributed to our profitability. In the nine months ended November 30, 2025, our adjusted EBITDA was US\$229.3 million, 17.0% higher than our adjusted EBITDA of US\$196.0 million in the nine months ended November 30, 2024.

Our ability to achieve our targets under the Cost Optimization Program is subject to uncertainty; see “*Risk Factors—We could be unable to continue reducing costs sufficiently to support our profitability or achieve the benefits targeted by our Cost Optimization Program.*”

FACTORS AFFECTING COMPARABILITY

Financial Reporting in Hyperinflationary Economies

The economic conditions in Zimbabwe, particularly following changes to the currency in February 2019, are considered hyperinflationary, with local accounting bodies having determined that the principles of IAS 29 - “*Financial Reporting in Hyperinflationary Economies*” should be applied. The Liquid Group has applied the requirements of IAS 29 for hyperinflationary accounting in its consolidated financial statements since October 1, 2018 (the date on which the Reserve Bank of Zimbabwe mandated changes to foreign currency accounts). On April 5, 2024, the Reserve Bank of Zimbabwe issued a new structured currency known as Zimbabwe Gold or the ZWG which replaced the previous currency. The ZWG is a structured currency and is backed by the Zimbabwean Central Bank

with 2.5 tons of gold amongst other commodities. It is pegged to a specific exchange rate or currency basket and supported by a bundle of foreign exchange assets.

The application of hyperinflationary accounting results in certain assets, liabilities, revenues and costs being reported in inflation adjusted terms as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025 and for the nine months ended November 30, 2025.

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 Liquid Group has used the official published Zimbabwe CPI as the general price index. The gains on the net monetary position have been recognized in the consolidated statement of profit or loss through “*Hyperinflation monetary gain*” based on a CPI of 15,389.58 for the year ended February 28, 2023, 257,098.03 for the year ended February 29, 2024, 184.60 for the year ended February 28, 2025 and 190.88 for the nine months ended November 30, 2025. We recognized a hyperinflation monetary gain of US\$156.9 million in the year ended February 28, 2023, a hyperinflation monetary gain of US\$386.6 million in the year ended February 29, 2024, a hyperinflation monetary gain of US\$306.7 million in the year ended February 28, 2025, and a hyperinflation monetary gain of US\$6.6 million in the nine months ended November 30, 2025. The foreign exchange gain in the nine months ended November 30, 2025 was mainly due to the favorable exchange rate movement in the South African Rand, amidst the relative stability in the Zimbabwean Gold.

In addition, IAS 29 requires the translation of the results at closing rate rather than average rate. For this purpose, the Liquid Group has applied a rate of ZWL\$892.6:1, ZWL\$14,912.8:1 and ZWG:USD26.6:1 as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and ZWG:USD26.6:1 as of and for the nine month period ended November 30, 2025, to translate both the statement of profit or loss and the statement of financial position in respect of such periods. Of the US\$257.2 million, US\$440.9 million and US\$321.6 million net foreign exchange loss and the US\$9.7 million net foreign exchange gain in the consolidated statement of profit and loss for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, and the nine months ended November 30, 2025, respectively, Zimbabwe contributed US\$249.0 million, US\$407.4 million, US\$321.3 million and US\$0.8 million, respectively. The net foreign exchange loss arises mainly on the retranslation of USD denominated intra-group debt at the statement of financial position date.

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

BASIS OF FINANCIAL PRESENTATION

The Annual Financial Statements for the years ended February 28, 2023, February 29, 2024 and February 28, 2025 have been prepared in accordance with IFRS as issued by IASB. The Interim Financial Statements for the nine months ended November 30, 2025 have been prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting. For the periods discussed in this Offering Memorandum, the Liquid Group’s presentation currency was the U.S. dollar. The Liquid Group’s financial year ends on the last day of February of each calendar year. See “*Presentation of Financial and Other Data.*”

Functional Currencies and Presentation Currency

The Liquid Group presents its consolidated financial statements in U.S. dollars. The Liquid Group uses the U.S. dollar as the presentation currency of its consolidated financial statements because management analysis and reporting is prepared in U.S. dollars.

RESULTS OF OPERATIONS

The Liquid Group's results of operations

The information below presents the Liquid Group's results of operations for the periods indicated which has been extracted without material adjustment from the Liquid Financial Statements set out in "Selected Financial and Other Information".

Results of operations for the nine-month periods November 30, 2024 and November 30, 2025

The table below presents the Liquid Group's unaudited results of operations for the periods indicated.

	For the nine months ended	
	November 30, 2024	November 30, 2025
	(US\$ thousands) (Unaudited)	
Revenue	512,906	561,181
Interconnect related costs	(27,294)	(26,904)
Data and network related costs	(159,801)	(174,494)
Other income	2,950	2,082
Selling, distribution and marketing costs	(7,109)	(8,989)
Expected credit loss provision	4,095	(2,901)
Administrative expenses	(45,759)	(44,869)
Staff costs	(83,985)	(76,018)
Depreciation, impairment and amortization	(86,631)	(92,467)
Operating profit	109,372	136,621
Dividends received from investments at FVTOCI	25	255
Restructuring costs	(2,975)	(767)
Interest income	17,098	19,320
Finance costs	(73,364)	(74,921)
Net foreign exchange (loss) / gain	(262,072)	9,668
Hyperinflation monetary gain	263,927	6,640
Share of profits of associate	15	10
Profit / (loss) before taxation	52,026	96,826
Tax (expense) / credit	(18,118)	(33,104)
Profit / (loss) for the period	33,908	63,722

Revenue

The following table sets forth our revenue by segment for the periods indicated.

	For the nine months ended November 30, 2024					
	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Eliminations	Total
	(US\$ thousands)					
Network	159,114	104,668	89,034	48,352	(38,199)	362,969

C2	42,934	13,108	18,238	25,296	(15,309)	84,267
Dataport	5,509	1,156	8,270	19,082	(7,210)	26,807
Voice traffic	7,804	66	11	34,094	(3,112)	38,863
Inter-segmental revenue	(6,126)	(1,719)	(4,016)	(51,969)	63,830	—
Group External Revenue	209,235	117,279	111,537	74,855	—	512,906

For the nine months ended November 30, 2025

	<u>South Africa</u>	<u>Zimbabwe</u>	<u>Rest of Africa</u>	<u>Rest of the World</u>	<u>Eliminations</u>	<u>Total</u>
	(US\$ thousands)					
Network	169,579	120,725	98,653	39,679	(30,298)	398,338
C2	47,806	16,402	24,878	29,389	(15,829)	102,646
Dataport	5,036	673	6,851	17,659	(5,629)	24,590
Voice traffic	6,862	81	17	31,026	(2,379)	35,607
Inter-segmental revenue	(6,258)	(2,377)	(3,877)	(41,623)	54,135	—
Group External Revenue	223,025	135,504	126,522	76,130	—	561,181

Revenue comprises revenue from our Network, C2, Dataport and Voice Traffic business segments. Our Network and C2 business segments, which represent the most significant contributors to our revenue, primarily comprise revenue from national and international ISPs, MNOs, large corporates, SMEs and public sector organizations.

Revenue increased by US\$48.3 million, or 9.4%, from US\$512.9 million in the nine months ended November 30, 2024 to US\$561.2 million in the nine months ended November 30, 2025. This increase was primarily driven by strong, broad-based growth in our Network and C2 business segments as we benefit from growth in the underlying markets and our ability to cross- and up-sell to our different customer bases. This was offset by the ongoing decline in our Voice Traffic business segment as well as the timing of deals in our Dataport business segment.

Network revenue increased by US\$35.4 million, or 9.8%, from US\$362.9 million in the nine months ended November 30, 2024 to US\$398.4 million in the year ended November 30, 2025. This strong growth is attributable to revenue growth related to a new roaming agreement as well as good underlying growth related to ECG infrastructure sales in South Africa, customer driven growth in Zimbabwe and contract wins in the Rest of Africa.

C2 revenue increased by US\$18.4 million, or 21.7%, from US\$84.3 million in the nine months ended November 30, 2024 to US\$102.6 million in the nine months ended November 30, 2025, driven by strong growth across all regions. There continued to be a strong appetite for our cloud offerings as more businesses transition to integrated cloud solutions across most applications and platforms.

Dataport revenue decreased by US\$2.2 million, or 8.2%, from US\$26.8 million in the nine months ended November 30, 2024 to US\$24.6 million in the nine months ended November 30, 2025. This decrease was largely due to lower satellite services revenues in the Rest of World as well as instability in the east of the Democratic Republic of Congo, which impacted IP transit traffic through the country. Dataport continued to build up a strong pipeline, however; these typically large deals tend to have long lead times and are non-recurring, resulting in fluctuating trends.

Voice Traffic revenue declined by US\$3.3 million, or 8.5%, from 38.9 million in the nine months ended November 30, 2024 to US\$35.6 million in the nine months ended November 30, 2025. This decline was a result of global traffic trends away from traditional voice activity. Though there was a decline in overall revenue and minutes, we continued to focus on higher margin destinations to limit gross profit erosion.

Interconnect related costs

Interconnect related costs principally comprise wholesale voice termination fees paid to international and national carriers and international and African mobile network operators for the termination of wholesale voice minutes.

Interconnect related costs decreased by US\$0.4 million, or 1.4%, from US\$27.3 million in the nine months ended November 30, 2024 to US\$26.9 million in the nine months ended November 30, 2025. This movement corresponded to the ongoing decline in Voice Traffic revenue.

Data and network related costs

Data and network related costs principally comprises licensing fees paid to regulators for providing data connectivity services, colocation costs, cost of equipment sold to customers, satellite leasing costs, cloud services, and last mile connectivity services where the Liquid Group does not own or build the network.

Data and network related costs increased by US\$14.7 million, or 9.2%, from US\$159.8 million in the nine months ended November 30, 2024 to US\$174.5 million in the nine months ended November 30, 2025. This increase was broadly in line with the increase in network revenues.

Other income

Other income decreased by US\$0.9 million, or 29.4%, from US\$3.0 million in the nine months ended November 30, 2024 to US\$2.1 million in the nine months ended November 30, 2025. This decrease was primarily due to US\$0.9 million disposal proceeds related to a non-core asset sale in the prior year.

Selling, distribution and marketing costs

Selling, distribution and marketing costs principally comprise advertising and promotions costs and donations.

Selling, distribution and marketing costs increased by US\$1.9 million, or 26.4%, from US\$7.1 million in the nine months ended November 30, 2024 to US\$9.0 million in the nine months ended November 30, 2025. This increase was primarily due to increased sponsorship in South Africa as well as impacts in related exchange rate movements.

Expected credit loss provision

The expected credit loss provision represented a credit of US\$4.1 million in the nine months ended November 30, 2024 and an expense of US\$2.9 million in the nine months ended November 30, 2025. This change was primarily due to base effects, as a result of a significant improvement in the expected credit loss provision in the prior year following concerted efforts to collect large, aged debts.

Administrative expenses

Administrative expenses principally comprise short-term leases, office expenses, consulting fees, travel and entertainment costs, and computer expenses.

Administrative expenses decreased by US\$0.9 million, or 1.9%, from US\$45.8 million in the nine months ended November 30, 2024 to US\$44.9 million in the nine months ended November 30, 2025. This decrease was primarily due to savings in expenses related to our Cost Optimization Program and our focus on cost control more generally.

Staff costs

Staff costs decreased by US\$8.0 million, or 9.5%, from US\$84.0 million in the nine months ended November 30, 2024 to US\$76.0 million in the nine months ended November 30, 2025. This decrease was primarily due to the benefits related to the implementation of our Cost Optimization Program, partly offset by exchange rate movements.

Depreciation, impairment and amortization

Depreciation, impairment and amortization increased by US\$5.8 million, or 6.7%, from US\$86.6 million in the nine months ended November 30, 2024 to US\$92.5 million in the nine months ended November 30, 2025. This increase was primarily due to higher rights of use depreciation charges related to increased IFRS16 lease liabilities.

Dividends received from investments at FVTOCI

Dividends received from investments at FVTOCI increased by US\$0.2 million, or 920.0%, from US\$0.03 million in the nine months ended November 30, 2024 to US\$0.3 million in the nine months ended November 30, 2025, primarily due to equity instruments held in Zimbabwe.

Restructuring costs

Restructuring costs decreased by US\$2.2 million, or 74.2%, from US\$3.0 million in the nine months ended November 30, 2024 to US\$0.8 million in the nine months ended November 30, 2025. This decrease was primarily related to a higher level of restructuring costs during the time in which we first implemented our Cost Optimization Program.

Interest Income

Interest income increased by US\$2.2 million, or 13.0%, from US\$17.1 million in the nine months ended November 30, 2024 to US\$19.3 million in the nine months ended November 30, 2025. This increase was primarily due to funding provided to associated companies.

Finance costs

Finance costs increased by US\$1.6 million, or 2.1%, from US\$73.4 million in the nine months ended November 30, 2024 to US\$74.9 million in the nine months ended November 30, 2025. This slight increase was primarily due to higher interest on IFRS16 lease liabilities.

Net foreign exchange (loss) / gain and hyperinflation monetary gain

We had a foreign exchange loss of US\$262.1 million and a hyperinflation monetary gain of US\$263.9 million in the nine months ended November 30, 2024 compared to a foreign exchange gain of US\$9.7 million and a hyperinflation monetary gain of US\$6.6 million in the nine months ended November 30, 2025. The foreign exchange gain in the nine months ended November 30, 2025 was mainly due to the favorable exchange rate movement in the South African Rand, amidst the relative stability in the Zimbabwean Gold. For more information on the impacts on our results of operations of hyperinflation in Zimbabwe, see “—*Factors Affecting Comparability of our Results of Operations—Financial Reporting in Hyperinflationary Economies.*”

Tax (expense) / credit

We realized a tax expense of US\$18.1 million in the nine months ended November 30, 2024 compared to a tax expense of US\$33.1 million in the nine months ended November 30, 2025. This was primarily due to increased earnings in Zimbabwe during the period.

Profit / (loss) for the period

For the reasons discussed above, we realized a profit of US\$33.9 million in the nine months ended November 30, 2024 and a profit of US\$63.7 million in the nine months ended November 30, 2025.

Results of operations for the years ended February 28, 2023, February 29, 2024 and February 28, 2025

	For the year ended		
	February 28, 2023	February 29, 2024	February 28, 2025
	(US\$ thousands) (Audited)		
Revenue	622,506	686,718	693,534
Interconnect related costs	(50,023)	(43,905)	(38,829)
Data and network related costs	(158,614)	(201,845)	(203,436)
Other income	7,762	12,234	1,671
Selling, distribution and marketing costs	(9,513)	(10,764)	(11,286)
Expected credit loss provision	(9,894)	(7,665)	(823)
Administrative expenses	(57,089)	(66,898)	(58,870)
Staff costs	(107,234)	(110,645)	(116,993)
Depreciation, impairment and amortization	(164,204)	(115,052)	(124,666)
Operating profit	73,697	142,178	140,302
Dividends received from investments at FVTOCI	—	44	59
Restructuring costs	—	—	(3,619)
Acquisition and other investment costs	(1,737)	(106)	—
Fair value (loss) / gain on derivative assets	(3,997)	—	—
Gain on bargain purchase	—	272	—
Interest income	17,233	24,610	24,291
Finance costs	(75,328)	(79,894)	(101,847)
Net foreign exchange (loss) / gain	(257,220)	(440,858)	(321,579)
Hyperinflation monetary gain	156,854	386,603	306,722
Share of profits of associate	25	21	14
Profit / (loss) before taxation	(90,473)	32,870	44,343
Tax (expense) / credit	2,465	(27,592)	(25,894)
Profit / (loss) for the period	(88,008)	5,278	18,449

Revenue

The following table sets forth our revenue by segment for the periods indicated.

For the financial year ended February 28, 2023						
	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Eliminations	Total
	(US\$ thousands)					
Network	163,759	114,556	143,224	85,038	(67,638)	438,939
C2	43,363	9,703	10,655	17,906	(12,223)	69,404
Dataport	8,296	2,499	11,551	35,221	(13,913)	43,654
Voice traffic	8,794	72	64	62,993	(1,414)	70,509
Inter-segmental revenue	(8,063)	(772)	(13,057)	(73,296)	95,188	—
Group External Revenue	216,149	126,058	152,437	127,862	—	622,506

For the financial year ended February 29, 2024

	<u>South Africa</u>	<u>Zimbabwe</u>	<u>Rest of Africa</u>	<u>Rest of the World</u>	<u>Eliminations</u>	<u>Total</u>
	(US\$ thousands)					
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)	—
Group External Revenue	<u>241,403</u>	<u>167,601</u>	<u>154,028</u>	<u>123,686</u>	<u>—</u>	<u>686,718</u>

For the financial year ended February 28, 2025

	<u>South Africa</u>	<u>Zimbabwe</u>	<u>Rest of Africa</u>	<u>Rest of the World</u>	<u>Eliminations</u>	<u>Total</u>
	(US\$ thousands)					
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	—
Group External Revenue	<u>274,557</u>	<u>172,418</u>	<u>150,455</u>	<u>96,104</u>	<u>—</u>	<u>693,534</u>

Revenue comes from our Network, C2, Dataport and Voice Traffic business segments. Our Network and C2 business segments, which represent the most significant contributors to our revenue, primarily comprise revenue from national and international ISPs, MNOs, large corporates, SMEs and public sector organizations.

Revenue increased by US\$64.2 million, or 10.3%, from US\$622.5 million in the year ended February 28, 2023 to US\$686.7 million in the year ended February 29, 2024. This increase was primarily driven by a large public sector contract in South Africa, the benefit of tariff reviews in Zimbabwe and broad-based C2 growth across the Liquid Group, partly offset by significant adverse exchange rate movements.

Network revenue increased by US\$41.0 million, or 9.3%, from US\$438.9 million in the year ended February 28, 2023 to US\$479.9 million in the year ended February 29, 2024. This increase was driven by further increases in sites and capacity upgrades on the Eastern and Western Cape Government contracts and continued sales of IRUs on the national long distance (“**NLD**”) routes to MNOs in South Africa and, in part, an increased customer base in Zimbabwe.

C2 revenue continued to grow strongly, increasing by US\$25.5 million, or 36.7%, from US\$69.4 million in the year ended February 28, 2023 to US\$94.9 million in the year ended February 29, 2024. This increase was driven by a 17.2% year-on-year increase in Cloud seats with particularly strong growth in South Africa, Rest of Africa and Rest of World through indirect channels for our application and Azure platforms.

Dataport revenue increased by US\$8.8 million, or 19.9%, from US\$43.7 million in the year ended February 28, 2023 to US\$52.4 million in the year ended February 29, 2024. This increase was largely driven by large NRR contract wins in Rest of Africa and Rest of World.

Voice Traffic revenue declined by US\$11.0 million, or 15.6%, from US\$70.5 million in the year ended February 28, 2023 to US\$59.5 million in the year ended February 29, 2024. Voice revenue continued to be impacted by global traffic trends away from traditional voice activity.

Revenue increased by US\$6.8 million, or 1.0%, from US\$686.7 million in the year ended February 29, 2024 to US\$693.5 million in the year ended February 28, 2025. This increase was primarily driven by strong performances in the C2 and Network business segments as we benefit from growth in the underlying markets and our ability to cross-and up-sell to our different customer bases. This was offset by the ongoing volume driven decline in the Voice Traffic segment, the timing of large contracts in the Dataport segment and adverse exchange rate movements.

Network revenue increased by US\$9.1 million, or 1.9%, from US\$479.9 million in the year ended February 29, 2024 to US\$489.0 million in the year ended February 28, 2025. This growth was 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.

C2 revenue increased by US\$20.3 million, 21.5%, from US\$94.9 million in the year ended February 29, 2024 to US\$115.3 million in the year ended February 28, 2025. This increase primarily came from a 15.4% year-on-year increase in Cloud seats as well as high levels of renewals, complemented by good performances through our indirect channels for our Application and Azure platforms. In addition, we were able to capitalize on good underlying market growth and benefited from the pass through of USD linked rate increases.

Dataport revenue decreased by US\$16.6 million, or 31.7%, from US\$52.4 million in the year ended February 29, 2024 to US\$35.8 million in the year ended February 28, 2025. The year-on-year decrease largely resulted from large NRR contract wins in Rest of Africa in the prior year. Dataport continued to build up a solid pipeline; however, these deals are typically large and non-recurring, resulting in fluctuating trends.

Voice Traffic revenue decreased by US\$6.0 million, or 10.3%, from US\$59.5 million in the year ended February 29, 2024 to US\$53.4 million in the year ended February 28, 2025. This decrease is as a result of voice revenue continuing to be impacted by global traffic trends away from traditional voice activity.

Interconnect related costs

Interconnect related costs decreased by US\$6.1 million, or 12.2%, from US\$50.0 million in the year ended February 28, 2023 to US\$43.9 million in the year ended February 29, 2024. This was a result of the global traffic trends away from traditional voice activity which is reflected in our Voice Traffic revenue.

Interconnect related costs decreased by US\$5.1 million, or 11.6%, from US\$43.9 million in the year ended February 29, 2024 to US\$38.8 million in the year ended February 28, 2025. This was a result of the global traffic trends away from traditional voice activity which is reflected in our Voice Traffic revenue.

Data and network related costs

Data and network related costs increased by US\$43.2 million, or 27.3%, from US\$158.6 million in the year ended February 28, 2023 to US\$201.8 million in the year ended February 29, 2024. This increase was primarily due to the increase in network revenue as well as the impact of lower margin Eastern Cape Government infrastructure sales in the year ended February 29, 2024.

Data and network related costs increased by US\$1.6 million, or 0.8%, from US\$201.8 million in the year ended February 29, 2024 to US\$203.4 million in the year ended February 28, 2025. This increase was lower than our Network revenue growth as the prior year was impacted by the low margin Eastern Cape Government infrastructure sales in the year ended February 29, 2024 referenced above.

Other income

Other income increased by US\$4.5 million, or 57.6%, from US\$7.8 million in the year ended February 28, 2023 to US\$12.2 million in the year ended February 29, 2024. This increase was primarily due to the profit on disposal of retired assets.

Other income decreased by US\$10.6 million, or 86.3%, from US\$12.2 million in the year ended February 29, 2024 to US\$1.7 million in the year ended February 28, 2025. This decrease was primarily due to lower cost recharges related to our Cost Optimization Program in the year ended February 28, 2025.

Selling, distribution and marketing costs

Selling, distribution and marketing costs increased by US\$1.3 million, or 13.2%, from US\$9.5 million in the year ended February 28, 2023 to US\$10.8 million in the year ended February 29, 2024. This increase was primarily due to increased activity that helped to drive strong revenue growth, partly offset by weakening exchange rates in South Africa and Zimbabwe.

Selling, distribution and marketing costs increased by US\$0.5 million, or 4.8%, from US\$10.8 million in the year ended February 29, 2024 to US\$11.3 million in the year ended February 28, 2025. This increase was primarily due to increased activity that helped to drive strong revenue growth.

Expected credit loss provision

Expected credit loss provision decreased by US\$2.2 million, or 22.2%, from US\$9.9 million in the year ended February 28, 2023 to US\$7.7 million in the year ended February 29, 2024. This decrease was primarily due to improved collections of aged debt.

Expected credit loss provision decreased by US\$6.9 million, or 89.6%, from US\$7.7 million in the year ended February 29, 2024 to US\$0.8 million in the year ended February 28, 2025. This decrease was primarily due to concerted efforts to collect large, aged debts.

Administrative expenses

Administrative expenses principally comprise short-term leases, office expenses, consulting fees, travel and entertainment costs, and computer expenses.

Administrative expenses increased by US\$9.8 million, or 17.2%, from US\$57.1 million in the year ended February 28, 2023 to US\$66.9 million in the year ended February 29, 2024. This increase was primarily due to business growth and heightened inflation levels.

Administrative expenses decreased by US\$8.0 million, or 12.0%, from US\$66.9 million in the year ended February 29, 2024 to US\$58.9 million in the year ended February 28, 2025. This decrease was primarily due to the Cost Optimization Program, which was partly offset by inflationary pressures.

Staff costs

Staff costs increased by US\$3.4 million, or 3.2%, from US\$107.2 million in the year ended February 28, 2023 to US\$110.6 million in the year ended February 29, 2024. This increase was primarily due to heightened inflationary levels.

Staff costs increased by US\$6.3 million, or 5.7%, from US\$110.6 million in the year ended February 29, 2024 to US\$117.0 million in the year ended February 28, 2025. This increase was primarily due to inflationary pressures.

Depreciation, impairment and amortization

Depreciation, impairment and amortization decreased by US\$49.2 million, or 29.9%, from US\$164.2 million in the year ended February 28, 2023 to US\$115.1 million in the year ended February 29, 2024. This decrease primarily resulted from a non-cash impacting impairment charge of US\$36.1 million in the prior year. This reflected an increase in the Liquid Group's assumed weighted average cost of capital resulting from global inflationary trends, the reduction was also driven by the impact of exchange rate movements.

Depreciation, impairment and amortization increased by US\$9.6 million, or 8.4%, from US\$115.1 million in the year ended February 29, 2024 to US\$124.7 million in the year ended February 28, 2025. This increase was principally driven by exchange rate movements and higher depreciation changes from increased right-of-use (ROU) assets.

Dividends received from investments at FVTOCI

We did not receive any material dividends from investments at FVTOCI for the year ended February 28, 2023. Dividends received from investments at FVTOCI were US\$0.04 million in the year ended February 29, 2024 and US\$0.06 million in the year ended February 28, 2025.

Restructuring costs

We did not incur any restructuring costs in the years ended February 28, 2023 or February 29, 2024. Restructuring costs were US\$3.6 million in the year ended February 28, 2025 reflecting charges associated with our Cost Optimization Program.

Acquisition and other investment costs

Acquisition and other investment costs decreased by US\$1.6 million, or 93.9%, from US\$1.7 million in the year ended February 28, 2023 to US\$0.1 million in the year ended February 29, 2024. This was primarily due to non-recurring costs that were incurred in the year ended February 2023 for the acquisition of Worldstream.

We did not incur any acquisition and other investment costs in the year ended February 28, 2025.

Fair value (loss) / gain on derivative assets

In the year ended February 28, 2023, fair value loss was US\$4.0 million, which was primarily attributable to the devaluation of our bond price which moved from trading at 97.758% in February 2022 to 70.6% at February 2023, impacting the valuation of the derivative assets.

We did not incur a fair value loss or gain on derivative assets in the years ended February 29, 2024 or February 28, 2025.

Gain on bargain purchase

We did not receive a gain on bargain purchase in the years ended February 28, 2023 or February 28, 2025. In the year ended February 29, 2024, we received a US\$0.3 million gain on bargain purchase which was primarily attributable to the acquisition of Cysiv MEA, which was subsequently rebranded to Liquid Intelligent Technologies Egypt.

Interest Income

Interest income increased by US\$7.4 million, or 42.8%, from US\$17.2 million in the year ended February 28, 2023 to US\$24.6 million in the year ended February 29, 2024. This increase was principally driven by higher cash deposits and funding provided to associated companies.

Interest income decreased by US\$0.3 million, or 1.3%, from US\$24.6 million in the year ended February 29, 2024 to US\$24.3 million in the year ended February 28, 2025. This decrease was principally driven by a small reduction in third party interest income.

Finance costs

Finance costs increased by US\$4.6 million, or 6.1%, from US\$75.3 million in the year ended February 28, 2023 to US\$79.9 million in the year ended February 29, 2024. This increase was largely driven by the scheduled step-up in capital repayments on the South African Rand term loan and the utilization of the Revolving Credit Facility.

Finance costs increased by US\$22.0 million, or 27.5%, from US\$79.9 million in the year ended February 29, 2024 to US\$101.8 million in the year ended February 28, 2025. This increase was largely driven by the scheduled step-up in capital repayments on the South African Rand term loan and increased IFRS16 lease costs.

Net Foreign exchange (loss) / gain and hyperinflation monetary gain

We recognized a foreign exchange loss of US\$257.2 million and a hyperinflation monetary gain of US\$156.9 million in the year ended February 28, 2023, a foreign exchange loss of US\$440.9 million and a hyperinflation monetary gain of US\$386.6 million in the year ended February 29, 2024 and a foreign exchange loss of US\$321.6 million and a hyperinflation monetary gain of US\$306.7 million in the year ended February 28, 2025. The foreign exchange loss in the years ended February 28, 2023, February 29, 2024 and February 28, 2025 was primarily due to South African and Zimbabwean exchange rate movements. The monetary adjustments during those years relate entirely to the use of IAS 29 “*Financial Reporting in Hyperinflationary Economies*.”

For more information on the impacts on our results of operations of hyperinflation in certain markets in which we operate, see “—*Factors Affecting Comparability of our Results of Operations— Financial Reporting in Hyperinflationary Economies*.”

Tax (expense) / credit

We realized a tax credit of US\$2.5 million in the year ended February 28, 2023 compared to a tax expense of US\$27.6 million in the year ended February 29, 2024. This was primarily due to a significant deferred tax credit recognized in year ended February 28, 2023 relating to unrealized exchange differences and IFRS16 adjustments.

We realized a tax expense of US\$27.6 million in the year ended February 29, 2024 compared to a tax expense of US\$25.9 million in the year ended February 28, 2025. This decrease was due to a higher deferred tax credit due to increased loss utilization around the Liquid Group and recognition of tax losses in Zambia in the year ended February 29, 2024.

Profit / (loss) for the year

We realized a loss of US\$88.0 million in the year ended February 28, 2023 compared to a profit of US\$5.3 million in the year ended February 29, 2024 and a profit of US\$18.4 million in the year ended February 28, 2025. This was due to the reasons discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity have been cash flows from operations and bank borrowings, and our principal uses of cash flows from operations include capital expenditures, interest payments, tax payments and loan principal repayments. In recent years, equity contributions from our parent companies in the Cassava Technologies Group have also been a helpful source of liquidity.

Our ability to fund planned capital expenditures and working capital, and to make scheduled payments of principal, or to pay the interest on, or to refinance, our indebtedness, will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors that are beyond our control, as well as our ability to repatriate profits and capital from certain of the jurisdictions in which we operate which have jurisdictionally-specific restrictive exchange control policies, particularly the Democratic Republic of Congo and Zimbabwe.

We have generally enjoyed a strong ability to upstream cash flows through other operating functions, including procurement invoices as well as inter-company loans (including, for example, from our subsidiaries in Zimbabwe). See “*Risk Factors – Risks Relating to Investments in Countries Where We Operate- Characteristics of and changes in taxation laws, in particular in respect of the South African, Mauritian, UK and Kenyan tax systems, could materially*

adversely affect our business, financial condition, results of operations and prospects and/or payment under or pursuant to the Notes.”

We believe that our cash flows from operating activities, bank borrowings and issuance of securities will be sufficient to fund our anticipated capital expenditure, working capital requirements and debt service requirements as they become due.

As of November 30, 2025, our cash and cash equivalents amounted to US\$66.3 million (including restricted cash), of which US\$11.2 million was held in Zimbabwe, US\$9.8 million was held in South Africa, US\$14.6 million was held in the Rest of Africa (other than South Africa and Zimbabwe), and US\$30.7 million was held in the Rest of World (International) geographical segment. Out of our total cash and cash equivalents as of November 30, 2025, an amount of US\$0.4 million, or 0.7%, has been treated as restricted cash. Restricted cash comprises cash held in restricted accounts for bank guarantees and customer deposits.

Historical cash flows summary

The Liquid Group’s historical cash flows

The following table sets forth, for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, and the nine months ended November 30, 2024 and November 30, 2025, the Liquid Group’s consolidated cash flows generated from operating activities, cash flows used in investing activities and cash flows generated from financing activities.

	For the year ended			Nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	<i>(US\$ thousands) (Audited)</i>			<i>(US\$ thousands) (Unaudited)</i>	
Net cash generated from operating activities	216,434	124,567	199,040	132,920	132,515
Net cash used in investing activities	(94,797)	(48,867)	(38,994)	(32,102)	(36,019)
Net cash used in financing activities	(119,823)	(79,615)	(123,155)	(94,972)	(113,922)
Net (decrease) / increase in cash and cash equivalents	1,814	(3,915)	36,891	5,840	(17,426)
Cash and cash equivalents at beginning of the period	163,643	88,818	57,076	57,076	85,793
Cash transferred to assets held for sale	—	—	—	—	(1,310)
Translation of cash with respect to foreign operations	(76,639)	(27,827)	(8,174)	(7,247)	(766)
Cash and cash equivalents at end of the period	88,818	57,076	85,793	55,675	66,291

Cash flows from operating activities before working capital changes were US\$154.7 million in the nine months ended November 30, 2024 and US\$218.9 million in the nine months ended November 30, 2025, primarily due to the reasons discussed in “—*The Liquid Group’s results of operations—Results of operations for the nine months ended November 30, 2024 and November 30, 2025.*”

Cash flows from operating activities before working capital changes were US\$212.6 million in the year ended February 28, 2023, US\$232.8 million in the year ended February 29, 2024 and US\$231.7 million in the year ended February 28, 2025, primarily due to the reasons discussed in “—*The Liquid Group’s results of operations—Results of operations for the years ended February 28, 2023, February 29, 2024 and February 28, 2025.*”

Working Capital

The following table shows changes in our working capital:

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
Cash flow from operating activities before working capital changes	212,622	232,760	231,716	154,721	218,889
Decrease / (increase) in inventories	(10,569)	(22,564)	19,524	7,998	(3,313)
Increase in trade and other receivables	(141,462)	(39,916)	(64,916)	(75,395)	(93,519)
Increase / (decrease) in trade and other payables	160,695	(19,599)	42,032	60,932	42,607
Increase / (decrease) in deferred revenue	19,461	4,873	(4,290)	2,676	(3,255)
Cash generated from operations	240,747	155,554	224,066	150,932	161,409
Income tax paid	(24,313)	(30,987)	(25,026)	(18,012)	(28,894)
Net cash generated from operating activities	216,434	124,567	199,040	132,920	132,515

We had a working capital inflow of US\$28.1 million in the year ended February 28, 2023. This was primarily due to increased deferred revenue representing the upfront cash payment of IRUs and Dark Fiber sold during the period and the ongoing focus on cash and collections.

We had a working capital utilization of US\$77.2 million in the year ended February 29, 2024. This was primarily due to increased prepayments, largely in Zimbabwe to mitigate currency devaluation as well as increased inventories as we built out the Eastern Cape Government infrastructure.

We had a working capital utilization of US\$7.7 million in the year ended February 28, 2025. This was primarily due to due to increased receivables related to the build out of the Eastern Cape Government infrastructure partly offset by a decrease in our inventory levels.

We had a working capital utilization of US\$57.5 million in the nine months ended November 30, 2025. This was primarily due to increased receivables related to the build out of the Eastern Cape Government infrastructure, which more than offset an increase in trade and other payables as we maximized terms to manage our working capital.

Net cash generated from operating activities

Net cash generated from operating activities was US\$216.4 million in the year ended February 28, 2023 and US\$124.6 million in the year ended February 29, 2024. The decrease in net cash generated from operating activities in the year ended February 29, 2024, as compared with the year ended February 28, 2023, was primarily due to the large capital working outflow in the year. This resulted from increased prepayments as noted above, largely in Zimbabwe to mitigate currency devaluation.

Net cash generated from operating activities was US\$124.6 million in the year ended February 29, 2024 and US\$199.0 million in the year ended February 28, 2025. The increase in cash generated from operating activities in the year ended February 28, 2025, as compared with the year ended February 29, 2024, was primarily 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 increased inventories in South Africa.

Net cash generated from operating activities was US\$132.9 million in the nine months ended November 30, 2024 and US\$132.5 million in the nine months ended November 30, 2025. The increase in cash generated from operating activities in the nine months ended November 30, 2025, as compared with the nine months ended November 30, 2024, was primarily due to the strong growth in adjusted EBITDA.

Net cash used in investing activities

Net cash used in investing activities was US\$94.8 million in the year ended February 28, 2023 and US\$48.9 million in the year ended February 29, 2024. The decrease in net cash used in investing activities in the year ended February 29, 2024, as compared with the year ended February 28, 2023, was primarily due to the ongoing strategic reduction in investment on network expansion as we focused capital expenditures on lower cost, shorter payback customer connections.

Net cash used in investing activities were US\$48.9 million in the year ended February 29, 2024 and US\$39.0 million in the year ended February 28, 2025. The decrease in net cash used in investing activities in the year ended February 28, 2025, as compared to the year ended February 29, 2024, was primarily driven by the continued reduction in our network expansion as the long distance build projects had come to an end.

Net cash used in investing activities was US\$32.1 million in the nine months ended November 30, 2024 and US\$36.0 million in the nine months ended November 30, 2025. The increase in net cash used in investing activities in the nine months ended November 30, 2025, as compared with the nine months ended November 30, 2024, was primarily due to higher levels of maintenance capex due to several upgrades across the network in response to evolving customer needs and technology changes.

Net cash used in financing activities

Net cash used in financing activities was US\$119.8 million in the year ended February 28, 2023 and US\$79.6 million in the year ended February 29, 2024. This was lower due to the Revolving Credit Facility net drawdown of US\$42.3 million. Excluding this, net cash used in financing activities was marginally higher than the prior year due to increased leases in South Africa and increased capital repayments on the South African Term Loan.

Net cash used in financing activities was US\$79.6 million in the year ended February 29, 2024 and US\$123.2 million in the year ended February 28, 2025. This increase was primarily due to the net reduction of the Revolving Credit Facility during the year ended February 28, 2025 as well as increased lease liabilities and principal repayments on the South African Rand term loan.

Net cash used in financing activities was US\$95.0 million in the nine months ended November 30, 2024 and US\$113.9 million in the nine months ended November 30, 2025. This increase primarily reflected higher lease costs and an increased level of amortization on the ZAR term loan.

Planned Cash Requirements and Capital Expenditure Plan

We continue to spend efficiently on maintenance, upgrades and customer connections, ensuring our network continues to be fit for purpose and future proof, providing resilience and redundancy, so we are well positioned to meet increases in customer demand and respond to unforeseen events. The remainder of the capital expenditure, albeit a declining portion, is invested in strategic growth projects, such as the connections across South Africa, Zimbabwe, Zambia and Kenya, either on our own or in conjunction with key partners with whom we look to build long-term relationships. These projects are at the discretion of the Board and reviewed regularly to ensure delivery and cost management is on track.

As of November 30, 2025, we were contractually committed to capital expenditures of US\$28.0 million over the next twelve months to November 30, 2026. This principally relates to the expansion of our network in targeted areas.

We are planning a number of projects of a more recurring nature which, in line with our general approach to de-risking our capital expenditure, will be tied to committed orders from one or more customers. We will always seek, where possible, to take cash deposit towards such projects, either by way of an advance payment or as a committed stage payment. These include last-mile customer connections in several of our present countries, in particular for enterprise MPLS connections, and network expansion.

We are also evaluating projects to expand our network and maintain our growth momentum where we can establish a strong business case for this investment. However, as our fiber network build is largely completed, our current focus is and for some time is expected to remain on monetizing our existing network and leveraging it to access new (and generally capital light) opportunities.

Contractual obligations

Our principal contractual obligations consist of our obligations in respect of financial indebtedness that is owed under our credit facilities. In addition, we have obligations under leases, trade and other payables, capital commitments and other contractual commitments, including interest accrued. We expect that our contractual commitments may evolve over time in response to current business and market conditions, with the result that future amounts due may differ considerably from the expected amounts payable set out in the table below.

	Carrying amount as of February 28, 2025 ⁽¹⁾	Carrying amount as of November 30, 2025 ⁽¹⁾	Less than 1 year ⁽¹⁾	1 to 5 years ⁽¹⁾	More than 5 years ⁽¹⁾
			(unaudited) (US\$ thousands)		
Interest bearing loans and borrowings, including bonds	794,757	790,308	790,308	—	—
Leases	177,368	183,683	48,403	118,300	16,980
Trade and other payables and other liabilities	238,979	276,714	276,714	—	—
Capital expenditure and operating expenditure contractual commitments	23,818	27,979	27,979	—	—
	<u>1,234,922</u>	<u>1,278,684</u>	<u>1,143,404</u>	<u>118,300</u>	<u>16,980</u>

(1) As adjusted to give effect to the Transactions.

Financial obligations

Loans and Borrowings

Please refer to “*Description of Certain Financing Arrangements*” for the material terms of the Liquid Group’s key financings after giving effect to the Transactions.

Financial leasing agreements

As of November 30, 2025, the Liquid Group has recognized Right-of-Use assets relating to land and buildings, furniture and fittings, computer equipment, network equipment, motor vehicles, work in progress and fiber infrastructure of approximately US\$235.3 million, together with their corresponding lease liability.

Pension obligations

We have pension arrangements in most of the countries in which we operate and have implemented pension plans worldwide. All pension schemes are defined contribution schemes.

Contingent obligations

In addition to the commitments described above and in the section entitled “*Risk Factors*”, we provide letters of support for Uganda, Kenya, Botswana, Tanzania, UK and Zimbabwe.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any material off-balance sheet arrangements other than those already disclosed in our consolidated financial statements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Management co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Liquid Group through internal management reports, which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Market risk

Our activities expose us primarily to the financial risks of changes in foreign currency exchange rates and interest rates. We do enter derivative financial instruments to manage our exposure to interest rate and foreign currency risk.

Foreign currency risk management

The Liquid Group undertakes certain transactions denominated in foreign currencies and is therefore exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The Liquid Group constantly reviews its foreign exchange rate exposures and enters into foreign currency hedging contracts when appropriate.

The carrying amounts of our foreign currency denominated monetary assets and monetary liabilities as of the periods indicated are as follows:

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
Assets					
Currency of the United Kingdom (GBP)	8,822	7,151	6,075	6,529	3,407
Currency of United States (USD)	119,365	176,207	229,020	180,818	197,843
Currency of Zimbabwe (ZWL\$ / ZWG)	52,093	27,060	38,713	35,320	50,813
Currency of South Africa (ZAR)	183,173	152,139	176,717	220,732	265,186
Currency of Botswana (BWP)	1,741	2,334	3,823	2,237	2,045
Currency of Kenya (KES)	51,475	51,061	51,645	53,635	46,153
Currency of Zambia (ZMK)	13,293	11,729	10,182	9,700	13,232
Currency of Rwanda (RWF)	5,068	3,876	3,345	3,721	4,547
Currency of Nigeria (NGN)	88	35	37	33	38
Currency of Uganda (UGX)	2,199	1,930	2,045	2,103	1,559
Currency of Egypt (EGP)	—	396	2,550	1,936	3,330
Currency of Tanzania (TZS)	2,245	2,514	3,273	3,223	3,995
	439,562	436,432	527,425	519,987	592,148

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
Liabilities					
Currency of the United Kingdom (GBP)	5,457	12,002	10,496	8,336	11,449
Currency of United States (USD)	716,335	821,285	835,178	854,028	843,076
Currency of Zimbabwe (2023/2024: ZWL\$ / ZWG)	31,741	22,598	29,755	16,001	23,455
Currency of South Africa (ZAR)	303,555	233,618	257,243	263,878	288,134
Currency of Botswana (BWP)	748	934	2,964	2,574	1,381
Currency of Kenya (KES)	24,343	31,646	37,745	35,601	37,143
Currency of Zambia (ZMK)	20,098	14,451	9,067	9,943	16,428
Currency of Rwanda (RWF)	3,521	4,136	4,063	4,254	3,566
Currency of Nigeria (NGN)	2	1	1	—	1
Currency of Uganda (UGX)	3,161	4,400	4,735	4,074	5,300
Currency of Egypt (EGP)	—	94	133	1,060	3,137
Currency of Tanzania (TZS)	5,205	3,888	3,214	2,759	3,116
	1,114,166	1,149,053	1,194,594	1,202,508	1,236,186

Foreign currency sensitivity analysis

We are mainly exposed to the currencies of the United Kingdom (GBP), Zimbabwe (ZWL\$ / ZWG), South Africa (ZAR), Kenya (KES), Rwanda (RWF) and Zambia (ZMK).

The following table details the Liquid Group's sensitivity to a 10% deterioration in the U.S. dollar (the reporting currency of the Liquid Group) against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Liquid Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where the U.S. dollar strengthens 10% against the relevant currency. For a 10% weakening of the U.S. dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be reversed.

	For the year ended			For the nine months ended	
	February 28, 2023	February 29, 2024	February 28, 2025	November 30, 2024	November 30, 2025
	(US\$ thousands) (Audited)			(US\$ thousands) (Unaudited)	
GBP Currency impact	336	(485)	(442)	(181)	(804)
ZWL\$ / ZWG Currency impact	2,035	446	896	1,932	2,736
ZAR Currency impact	(12,038)	(8,148)	(8,053)	(4,315)	(2,295)
KES Currency impact	2,713	1,941	1,390	1,803	901
RWF Currency impact	155	(26)	(72)	(53)	98
ZMK Currency impact	(680)	(272)	111	(24)	(320)
	(7,479)	(6,544)	(6,170)	(838)	316

The sensitivity on statements of profit or loss and other comprehensive income is mainly attributable to the exposure outstanding on foreign currency receivables, payables and long-term loans at year end in the Liquid Group.

Interest rate risk management

We are exposed to interest rate risk as entities in the Liquid Group borrow funds at both fixed and floating interest rates. The risk is managed by the Liquid Group by securing an appropriate mix between fixed and floating rate borrowings on initial signing of borrowing contracts. For our exposure to interest rates, see “—*Liquidity risk management*.”

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis points’ increase or decrease represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Liquid Group’s profit for the nine months ended November 30, 2025 would increase by US\$1.4 million. This is mainly attributable to the Liquid Group’s limited exposure to interest rates on variable rate borrowings as most of the Liquid Group’s borrowings are at fixed rates.

Profit for the year ended February 28, 2025 for the Liquid Group would increase by US\$1.2 million (2024: increase of US\$0.3 million) and decrease by US\$3.0 million (2024: decrease of US\$3.6 million). This is mainly attributable to the Liquid Group’s limited exposure to interest rates on variable rate borrowings as most of the Liquid Group’s borrowings are at fixed rates. There would be no increase or decrease in other equity reserves for the year ended February 28, 2025 (2024: no increase or decrease).

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Liquid Group. The Liquid Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Liquid Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Liquid Group uses other publicly available financial information and its own trading records to rate its major customers. The Liquid Group’s exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Other than those disclosed in the Annual Financial Statements and the Interim Financial Statements appearing elsewhere in this Offering Memorandum, we do not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. We define counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Liquid Group’s maximum exposure to credit risk.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Liquid Group’s short, medium and long-term funding and liquidity management requirements. The Liquid Group manages liquidity risk by maintaining adequate reserves,

banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below details the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities bases on the earliest date on which they can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective Interest Rate	Less than 1 year	2 to 5 years	More than 5 years	Total
(US\$ thousands)					
Group 2025					
Financial liabilities	6.81%	<u>643,278</u>	<u>791,698</u>	<u>56,130</u>	<u>1,491,106</u>
Group 2024					
Financial liabilities	7.07%	<u>448,596</u>	<u>884,395</u>	<u>41,651</u>	<u>1,374,642</u>
Group 2023					
Financial liabilities	6.96%	<u>397,730</u>	<u>851,397</u>	<u>65,572</u>	<u>1,314,699</u>

Fair value of financial instruments

The directors consider the financial assets and financial liabilities stated at amortized costs in the financial statements approximate their fair values. They are classified under level 3 of the fair value hierarchy.

ACCOUNTING POLICIES REQUIRING MANAGEMENT JUDGMENT AND DISCRETION

We prepare our financial statements in accordance with IFRS. Certain financial reporting standards under IFRS require us to make judgments or to use our discretion in determining the values to be recorded, as described in the notes to our audited financial statements included elsewhere in this Offering Memorandum. The most material of these include the following:

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 Liquid 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 fiber line channels, rather than capacity; and
- 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.

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 recognized as a liability or provision or disclosed as a contingent liability. Where this judgement relates to uncertain tax positions, the Liquid 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.

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.

INDUSTRY OVERVIEW

The following information relating to the Company’s industry has been provided for background purposes only. The information has been extracted from a variety of sources released by public and private organizations. The information has been accurately reproduced and, as far as the Company is reasonably aware and able to ascertain from the information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. We believe that these industry publications, surveys and forecasts are reliable, but we have not independently verified them and cannot guarantee their accuracy or completeness. See “Industry Overview”.

The projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. Investors should read this section in conjunction with the more detailed information contained in this Offering Memorandum including “Risk Factors” and “Forward-Looking Statements”.

Sub-Saharan Africa Macroeconomic Overview

The Sub-Saharan Africa (“SSA”) region presents significant opportunities supported by a growing working-class population and increasingly diversified economies. Notably, seven countries in the region feature among the top ten fastest growing economies globally based on 2026 projected real GDP growth rates according to the IMF World Economic Outlook Database⁴⁶ The World Bank further asserts that the African Continental Free Trade Area once fully implemented, will be the biggest in the world by area and population boasting a combined GDP of over US\$ 3.4 trillion.

The region’s GDP growth rate was estimated to be 4.4% in 2025 and is set to accelerate further, with projected GDP growth rates of 4.6% in both 2026 and 2027. The growth is largely driven by macroeconomic stabilization and reform efforts in key countries including Nigeria and Ethiopia⁴⁷. This outpaces the estimated global GDP growth of 3.3% in 2025 and projected GDP growth of 3.3% and 3.2% in 2026 and 2027, respectively. The region has demonstrated remarkable resilience to several shocks in the recent past including the Covid-19 pandemic, tight external borrowing conditions which persist, and most recently, deteriorating global trade policy and aid.

Table 1: Summary statistics of the Company’s core markets

	South Africa*	Zimbabwe	Kenya	DRC	Zambia	Tanzania
GDP 2025 (current US\$ billion)	426	53	136	82	29	87
GDP growth 2025 (real, annual %)	1.3%	6.0%	4.8%	5.3%	5.8%	6.0%
GDP growth forecast 2026 (real, annual %)	1.4%	4.6%	4.9%	5.3%	6.4%	6.3%
GDP per capita 2025 (US\$)	6 667	3 071	2 549	772	1 353	1 302
Population, 2025 total (m)	64	17	53	107	22	67
Household & NPISH consumption 2024 (current international US\$ billion) **	617	42	284	66	42	165

Source: IMF World Economic Outlook Database October 2025, IMF World Economic Outlook Update October 2025, UN Data World Development Indicators (Last updated 2026/01/22)

*South Africa GDP growth 2025 and GDP growth forecast 2026 is per January 2026 data

** Zimbabwe and the Democratic Republic of Congo data reflects 2021

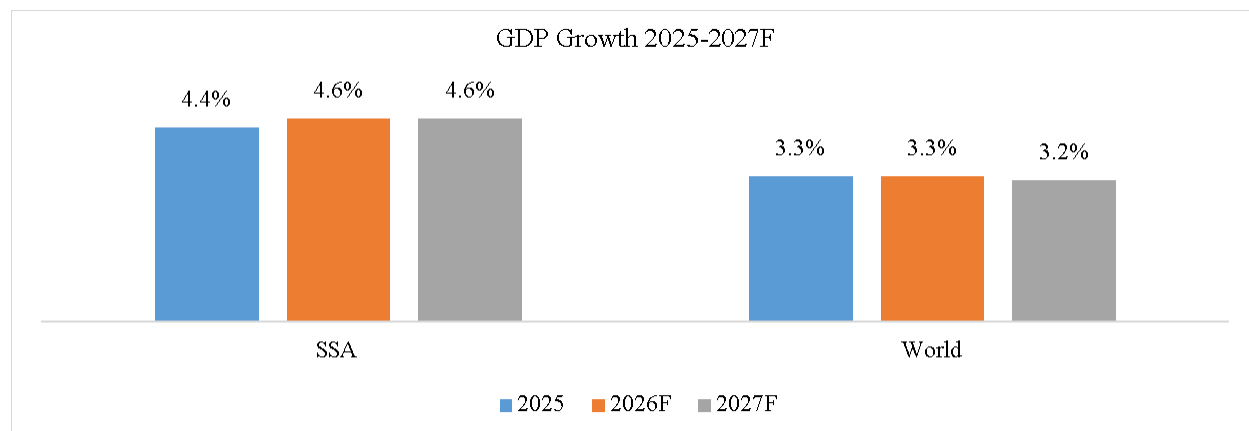
According to the IMF, SSA GDP growth is projected to accelerate to 4.6% in 2026 and 2027, respectively, despite strained global GDP growth and an uneven outlook for commodity prices. Significant GDP growth is anticipated in Ghana on the back of continued reforms towards macroeconomic stability; Senegal reflecting rising resource exports

⁴⁶ IMF, 2025

⁴⁷ IMF, 2025

(oil and gas); and Malawi, Zambia, and Zimbabwe reflecting recovery from the drought in 2024. GDP growth is also expected from the region's two largest markets, with South Africa's GDP growth forecast at 1.4% and Nigeria's GDP growth forecast expected to increase from 4.2% in 2025 to 4.4% in 2026 supported by reforms.

Figure: GDP Growth



Source: IMF World Economic Outlook, Jan 2026

South Africa's GDP growth projection of 1.4% for 2026 increased from 1.3% estimated for 2025, a notable improvement supported by reduced energy supply challenges, though constrained by challenges at ports and railways.

Zimbabwe reported GDP growth of 6.0% in 2025. The country is one of the fastest-growing economies in Southern Africa due to an expansion in agriculture, mining, and remittances-induced services growth⁴⁸. Real GDP growth declined to 2% in 2024 due to the negative impact of the El Niño-induced droughts, lower mining prices, power shortages and macroeconomic stability⁴⁹. The IMF forecasts Zimbabwe's GDP growth to be approximately 4.6% in 2026.

Kenya's economy is estimated to have grown GDP by 4.8% in 2025 with projected improvement of 4.9% in 2026⁵⁰. The GDP growth is supported by a growing youthful population, a dynamic private sector, a highly skilled workforce and improved infrastructure.

Tanzania, East Africa's second-largest economy which sustained economic growth averaging 6-7% over the last decade, is estimated to have grown its GDP by 6.0% in 2025 with 6.3% projected in 2026⁵¹.

Despite a difficult geopolitical environment, climate issues negatively impacting agriculture and power generation amongst others, SSA growth continues to outpace developed markets and the globe. SSA's GDP growth is forecast to be 4.6% for 2026 while advanced economies⁵² and global GDP growth is forecast to be 1.8% and 3.3%, respectively. This reflects both the region's resilience, potentially captured in the large, young and growing population, growing urbanization, and vast natural resources, and some policy reforms that have started bearing fruit. With these results, Africa will remain the second-fastest growing region globally, with 32 out of 44 countries with GDP data reported by the IMF for 2025 set to achieve higher GDP growth rates in 2026 relative to 2025 levels⁵³.

⁴⁸ IMF, 2025

⁴⁹ IMF, 2024

⁵⁰ IMF, 2025

⁵¹ IMF, 2025

⁵² Advanced economies as defined by IMF comprising 41 developed countries including Australia, Austria, Belgium, Canada, Denmark, France, Germany, Hong Kong SAR, Kuzembourg, Norway, Singapore, Sweden and Spain amongst others

⁵³ IMF, 2025

While the region's historical reliance on commodity exports exposes it to external shocks, this dynamic underscores a compelling opportunity to accelerate economic diversification – particularly through digitalization. According to GSMA, digitalizing the economy is a critical engine for socio-economic development and government revenue growth. It creates new opportunities for economic expansion, job creation, and greater diversification across sectors.

Sub-Saharan Africa Broadband, Fiber Telecommunications, Cloud & Cybersecurity Market Overview

History, development and characteristics

Historically, limited liberalization, poor infrastructure, high prices and low demand contributed to the underdevelopment of the fixed broadband networks in SSA. These dynamics have since shifted significantly, most notably since the arrival of new submarine cables from 2009. Once global broadband access became available in the region through submarine cables, investment attention turned to national fiber networks and subsequently to metro fiber networks. The metro fiber networks took this capacity to buildings, cellular sites and access networks which brought the capacity to consumers and enterprises (in some instances using wireless technology). Supply and pricing at all these levels have changed substantially since 2009. The Company, through its fiber network spanning over more than 114,000 kms, has become a leading player at all network levels – global, national, metro and access – across the region.

The African fiber market has seen significant infrastructure growth over the past 15 years. Since 2015, there have been 17 new Africa-focused submarine cables landing on the continent, bringing in approximately 1,000 Tbps of design international capacity in 2024⁵⁴. Operational terrestrial fiber in Africa surpassed the 1.3 million km mark in 2024 on the back of thousands of tower sites and other premises being connected to fiber. By July 2024, 64.7% of Africa's population, approximately 900 million Africans (at the time), lived within 25km of an operational fiber node, a significant increase from 35.4% of Africa's population, approximately 350 million Africans in 2010. Fiber networks are now enabling the African Cloud boom.

Broadband supply in SSA was historically (before 2000) constrained by poor infrastructure, exacerbated by the large land areas and dispersed populations in many countries, as well as regulatory restrictions. Most markets were partially liberalized by economic and political shifts in the late 1990s and early 2000s, leading to the explosion of mobile phone ownership that has characterized the African telecommunications market for most of the last 20 years. This notwithstanding, in many countries, deployment of true broadband infrastructure (terrestrial fiber, submarine cables and landing stations and wired connections into homes and offices) was being pursued by only a handful of companies. Historically, in certain jurisdictions, using South Africa as an example, the law stipulated that this deployment could only be carried out by the incumbent (generally state-owned) fixed-line operators. As a result, most end users only had access to narrowband connections – and hence only to narrowband services such as voice and SMS, which are typically high margin products for the providers.

Africa has been experiencing significant growth in fixed broadband, albeit off a very low base across much of the market. Growth has been driven by advances in new technologies and their adoption, as well as government efforts to move their countries towards digital societies. Focusing on infrastructure – national backbone, metro and access networks – required significant upgrades, much of which has been achieved in the backbone and metro segments. However, significant investment is still required to bring good quality fixed broadband networks to people, broadband penetration in Africa continues to be one of the lowest globally. This presents an opportunity, with the potential for immense socio-economic growth. The fixed broadband market in Africa has recorded strong growth as demand for broadband services has been increasing. Per the World Bank's Development Indicators database, the number of fixed broadband subscriptions in Sub-Saharan Africa increased from 8 million in 2023 to 11 million in 2024. BMI projects these fixed broadband subscriptions to reach 24.1 million by 2034⁵⁵.

⁵⁴ Africa Bandwidth Africa Maps

⁵⁵ BMI, 2025

Submarine cables

The lack of international capacity was the primary infrastructure bottleneck prior to 2009. The two submarine cables serving SSA prior to 2009 (South Atlantic 3 “**SAT-3**” and South Africa Far East “**SAFE**”) were statutory monopolies in most of the countries in which they landed, and their owners charged high prices. The only alternative was satellite capacity, which came at a high cost and introduced severe delays (latency) into connections, compared to submarine cables. The speed of connectivity to the global internet was typically in the order of 1 Kbps per person across the region. There was hence no business case to invest in national broadband networks, or to offer high-speed fixed or mobile connections to end users, as onward connectivity to valuable content in Europe or the United States was expensive – commonly more than US\$100 per GB, equivalent to approximately US\$17 for a one-hour VoIP networks call. This lack of connectivity supply, combined with low demand that resulted from a low level of computer ownership and expensive mobile handsets, contributed to the low adoption of bandwidth-intensive applications (i.e. streaming video, cloud, mobile broadband, social media, etc.). Moreover, the high cost of capital, shortfalls in transport and power infrastructure, and complicated regulatory and intraregional frameworks discouraged widespread broadband network development and “last mile” connections.

As the importance of digital connectivity became apparent to governments and they bowed to pressure to liberalize markets further, investors realized the opportunities that were unfolding. The first privately-owned submarine cable in SSA, SEACOM, launched in July 2009, and was followed by consortium cables, meaning those built by a group of telecommunications companies, East Africa Submarine Cable System (“**EASSy**”), West Africa Cable System (“**WACS**”), The East African Marine Systems (“**TEAMS**”) and Africa Coast to Europe (“**ACE**”), and private cables GLO-1 and Main One between 2010 and 2012. During this period, competitive international capacity markets were established in most countries in SSA for the first time. Wholesale bandwidth prices across ten sample markets in SSA dropped from a range of US\$500 – US\$5,000 to US\$10 – US\$1,000 Mbps between 2010 and 2016, allowing retail prices to adjust to more reasonable levels⁵⁶. With retail broadband becoming more affordable and demand growing, bottlenecks began to develop in backbone networks, metro (or backhaul) networks and access networks that reach end users.

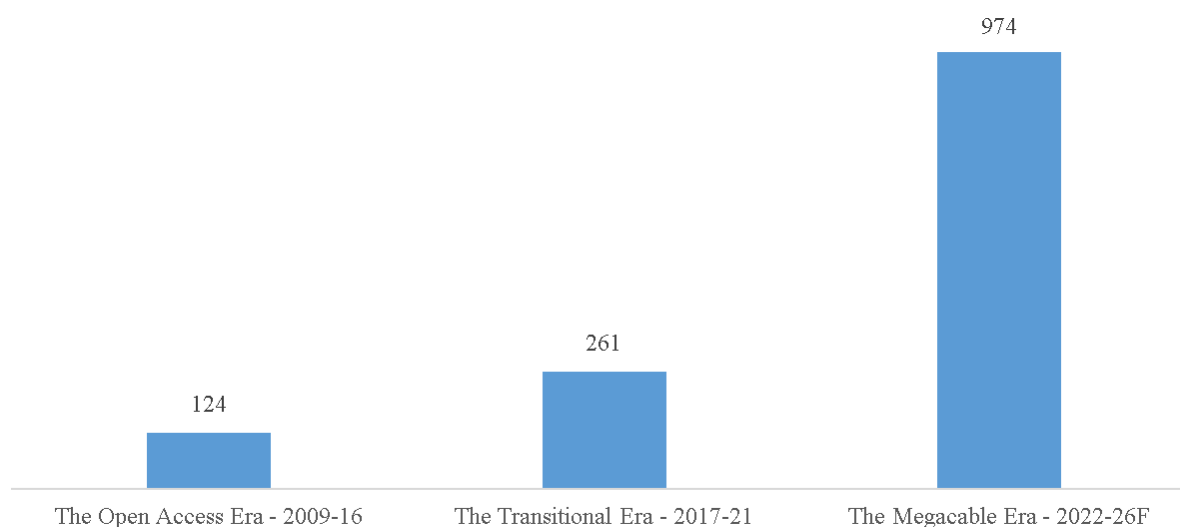
In 2024, Africa Bandwidth Maps reported 34 SSA focused submarine cables delivering an estimated total design capacity of 1,000 Tbps. Between 2022 and 2024, Google and Meta dominated the submarine cable market in Africa with the 2Africa and Equiano cables, which together represent a design capacity of 324 Tbps⁵⁷. Equiano, which has a design capacity of 144 Tbps, connects Sesimbra (Portugal) to Cape Town (South Africa), with branching units to Lagos (Nigeria), Lomé (Togo), Swakopmund (Namibia), Rupert's bay (St Helena), and more. The arrival of tech giants like Google, Meta, Microsoft and others into the world of submarine cables represents the single biggest shift in the last 10 years, bringing much needed investment resources but also shifting the power balance⁵⁸. In 2022, Africa entered a mega cable era marked by the Pakistan and East Africa Connecting Europe (“**PEACE**”) which was sponsored by Hentong Group, Equiano which was sponsored by Google, 2Africa which was sponsored by Meta and Medusa which was sponsored by AFR-IX.

⁵⁶ Xalam Analytics, 2017

⁵⁷ Africa Bandwidth Maps

⁵⁸ African Undersea Cables, Many Possibilities, 2023

Figure: Africa new constructed international (design) capacity by era (Tbps) – 2009-26F



Source: Xalam Analytics, 2022

National backbone networks

National backbone networks, which distributed local content and submarine capacity to cities and towns across each country and to inland regions, needed to be upgraded. In many cases, these had previously used long-distance microwave links that are markedly inferior to fiber optic cables, the latter having more capacity than is typically available via microwave (hundreds of Gbps on fiber, compared with hundreds of Mbps on microwave⁵⁹). This led to further liberalization in many countries as new entities were created and licensed to deploy fiber (e.g., Broadband Infracore in South Africa and Zambia, both using the incumbent electricity company’s transmission lines). Mobile operators often deployed their own backbones, one of which is at the origin of the Company’s current fiber network in Zimbabwe, which was deployed in 2009 in anticipation of greater international connectivity.

Metro networks

The “middle mile” also referred to as “backhaul” (or within cities, as “metro network”), involves connecting sites that aggregate traffic, such as cellular towers, to large points of presence and thereafter to backbone networks. These backhaul networks mostly used microwave connectivity, and sometimes copper or satellite, but these technologies began to prove inadequate once 3G, 3.5G, 4G LTE and more recently 5G networks were deployed and data volumes grew. A tower site that had previously carried only voice traffic might have required its backhaul capacity to be increased by two orders of magnitude (e.g., from 2 Mbps to 200 Mbps) or more, once medium-term technology improvements were factored in, in order to carry data. Such sites, which can number in the hundreds in a city, increasingly require fiber backhaul connections rather than copper or microwave. MNOs can build these connections themselves, but in many situations a neutral carrier has positioned itself to undertake the construction against a commitment from one or more MNOs to lease capacity on a wholesale basis. Once these backhaul networks become densely deployed in cities, they can be used to serve other high bandwidth sites such as the offices of MNOs and ISPs, enterprise solution providers, web-based service providers and global cloud players and other large enterprises in the financial services and media sectors.

⁵⁹ Data Transfer rates included 1 Tbps (or 1000 Gbps); 1 Gbps (or 1000 Mbps); and 1 Mbps (or 1000 bps)

Access networks

Access networks, and in particular mobile networks, have attracted significant investment capital and they continue to be a focus as upgrades unfold, first to 3G and 3.5G in the period 2005–2010, then to 4G LTE from around 2012 onwards and 5G from 2019. This dramatically increased the capacity of these networks by increasing spectral efficiency – the bits carried per unit of frequency. 4G LTE is taking over as the main mobile technology across the region. GSMA anticipates that 4G LTE and 5G will account for approximately 70% of mobile technologies in 2030.⁶⁰ More spectrum has been allocated to mobile data usage and specific techniques have been developed to reuse frequency more effectively in congested areas which is supporting 4G LTE and 5G growth. These developments have contributed to greater capacity delivered to end users, which in turn has driven the backhaul demand described above.

However, as consumers have become accustomed to enjoying rich content on their handsets, they also began to demand a service that may have been considered to be irrelevant in Africa, given the almost insignificant deployments of copper landlines in most countries: end user fixed connections, in this case FTTH or FTTB. Beginning with the rise of cable networks in Nairobi in the early 2010s, there have been deployments of fixed access (FTTH/B or cable) networks in many cities in SSA including Johannesburg, Harare, Lusaka, Kigali, Maseru, Lagos, Accra and Kampala. Given the numerous national programs in developed countries since approximately 2008 to upgrade to “superfast broadband”, SSA still lags significantly behind these other regions. Furthermore, growth in the use of VR, smart offices, online education, video streaming has led to a need for high performance Wi-Fi driving operators to enhance home networks through Fiber To The Room which is designed to meet the increasing demand for high-speed, reliable internet connectivity in environments such as houses, offices, hotels and apartments by ensuring gigabit-level speeds and low latency.

Cloud

Although slower to take off than other regions, the African market has entered cloud era. The cloud era is characterized by rapid growth in internet usage and accelerating digitization across key sectors of the economy. Africa is undergoing a structural transition from network-scale compute to the scalable cloud and AI infrastructure needed for the next wave of digital growth. With enterprises and governments rapidly digitizing their services, the region is experiencing continued densification of its network, content, and cloud infrastructure.

The growing use of cloud and AI solutions is allowing African businesses to expand without the need for heavy investment in traditional IT infrastructure. Cloud platforms give companies on-demand access to essential business applications such as enterprise resource planning, customer relationship Management, and advanced analytics. At the same time, AI tools enhance forecasting and support data-driven decision-making according to GSMA ⁶¹.

Companies seeking better performance may peer with cloud service providers (“CSPs”), either through their network service provider or directly with the CSP if the company has an autonomous system number and meets the CSP’s peering requirements. For better security, companies may instead choose to connect via IPSec⁶² VPNs⁶³, tunneling through the public internet. Still, other companies may have high-capacity requirements and business-critical applications in the cloud. For these businesses, cloud services cannot be left susceptible to the performance of the public internet. For them, cloud service providers and their carrier and colocation partners offer dedicated links to CSP networks. These links effectively extend an enterprise’s network into the cloud provider’s network, thus bypassing the public internet. Enterprise network managers have a wide array of service providers to choose from for a dedicated cloud connection service. While enterprises can set up a link directly with the cloud provider, more often, a third-party (such as a carrier, colocation provider, or connectivity specialist) is used. Selection of a provider often depends on the

⁶⁰ GSMA, 2025

⁶¹ GSMA, 2025

⁶² Internet Protocol Security (IPSec) is a set of communication rules or protocols for setting up secure connections over a network. Internet Protocol (IP) is the common standard that determines how data travels over the internet

⁶³ Virtual Private Network (VPN) is an encrypted connection over the internet from a device to a network

location of the enterprise WAN⁶⁴ in relation to the cloud providers' zones or data centers. If a company has routers located within the same colocation facility as the cloud provider, it can often work directly with the cloud service provider to facilitate the direct connection between the networks⁶⁵.

In 2022, Old Mutual became one of the first major African financial institutions to decommission its physical data centers and migrate nearly all workloads to the cloud. Similarly, Comair consolidated six on-premise data centers into a single cloud environment. Standard Bank, the largest bank in Africa by footprint, reported continuing transformative shifts to the public cloud. In 2023, 34% of workloads were hosted in the public cloud, increasing to 57% in 2025⁶⁶.

Africa public infrastructure lags far behind globally. Of 300 cloud regions announced or made available by top cloud providers in 2022, only 4 were in Africa, and all 4 were located in South Africa. Consequently, Africa is home to just under 2% of global availability zones⁶⁷. Xalam Analytics estimated there were 17 full-stack cloud availability zones (“AZs”) in Africa at the end of 2025, which were spread across 8 public cloud regions. The number of public cloud AZs has doubled from 2022 levels. As of late 2025, nearly all significant cloud regions in Africa were concentrated in South Africa, with only minor deployments in Nigeria and Egypt. The absence of hyperscaler regions across the rest of the continent has constrained Africa's growth in compute demand in the short term⁶⁸. Significant opportunity for hyperscale developments in Africa remains.

Africa represents a multi-billion dollar cloud services market. Cloud services revenue is estimated at approximately US\$2.5 billion a year and growing at more than 15%, supported by the growing adoption of enterprise AI tools⁶⁹. The Company has emerged as a leading pan-African cloud services provider in SSA well positioned to capture the largely untapped growth potential.

Cyber security

The cyber security landscape in Africa is undergoing rapid transformation. As digital adoption accelerates on the back of increasing mobile connectivity, fintech growth and cloud migration the need for stronger cyber security defenses increases.

According to INTERPOL, two thirds of African countries now record cyber related crimes at medium to high share of all crimes, ransomware detections are on the rise. This is pushing governments and companies to modernize their cyber security defenses.⁷⁰

Trends in supply and pricing dynamics

International connectivity

As described above, in the days of Public Switched Telephone Network (“PSTN”) voice, SSA was poorly served by submarine cables, and gaps in service were generally filled by expensive satellite connections. The deficiencies in international connectivity continue to be addressed through large-scale investment in submarine cables connecting Africa to the rest of the world. Some submarine cables are privately-owned (such as SEACOM, GLO-1, Main One, Equiano and PEACE) but the majority (notably SAFE/SAT-3, EASSy, TEAMS, WACS, SACS, SAIL, ACE and 2Africa) are owned by a consortium of operators. Many operators in the region now own a share in at least one cable

⁶⁴ Wide Area Network (WAN) is a collection of local area networks (LANs) or other networks that communicate with one another

⁶⁵ TeleGeography, 2025

⁶⁶ Xalam Analytics, 2026

⁶⁷ Xalam Analytics, 2022

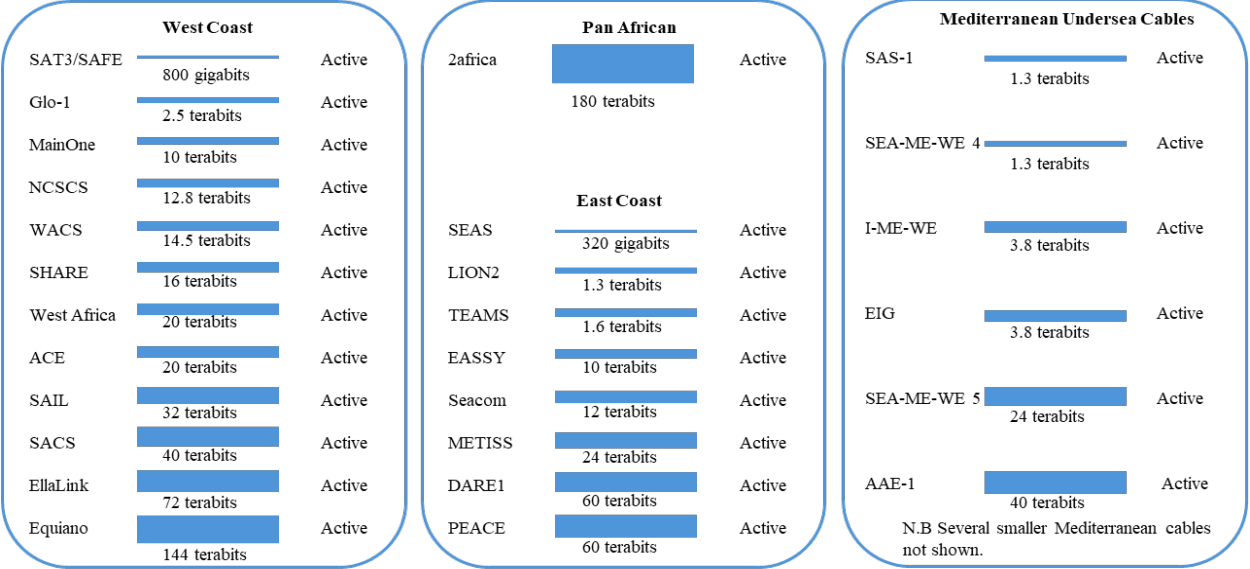
⁶⁸ Xalam Analytics, 2026

⁶⁹ Xalam Analytics, 2026

⁷⁰ INTERPOL, 2025

and purchase redundant capacity on others. The Company has access to Equiano, TEAMS, PEACE, EASSy, SAT3/SAFE, WACS, SMWE4, 2AFRICA and SEACOM.

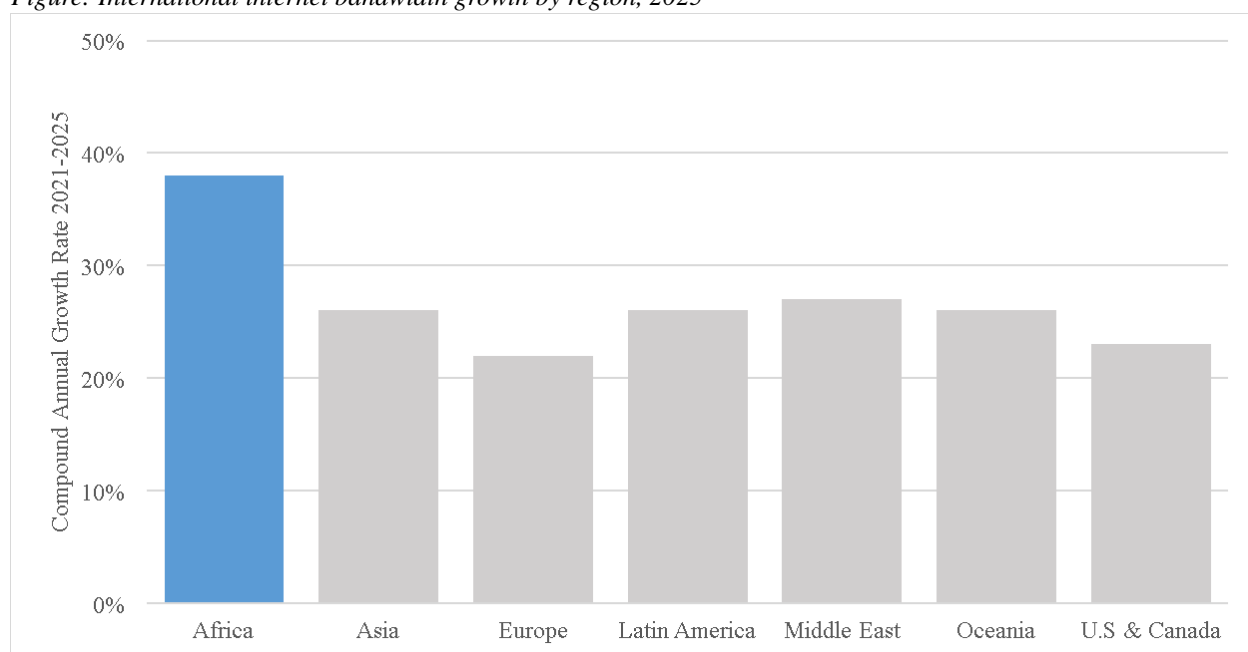
The market is broadly liberalized with a variety of international capacity vendors in most countries, although access to cable landing stations at reasonable prices remains a concern in some parts of Africa.



Source: African Undersea Cables, Many Possibilities

In 2025, Africa emerged as the fastest growing region for international bandwidth with a CAGR⁷¹ of 38% between 2021 and 2025 compared to 24% globally.⁷²

Figure: International internet bandwidth growth by region, 2025



Source: TeleGeography, 2025

Network prices are impacted by international internet bandwidth. The surge in international capacity on the back of large-scale submarine cables landing caused a sharp decrease in bandwidth prices. Globally, there has been a shift from 10 GigE to 100 Gbps internet backbones which continues to reduce the cost of carrying traffic enabling profitability at lower prices with established network hubs already starting to offer 400 GigE⁷³. 100 Gbps wavelength prices between Europe and South Africa declined by 38% post the activation of the Equiano subsea cable, resulting in 10 GigE IP transit prices in South Africa decreasing by 45% in 2023⁷⁴.

When compared to Europe and the United States, African price points remain relatively high, indicating potential further price declines, further uptake of capacity, and consequently rising international traffic. This virtuous circle of rising usage and declining prices has been observed since 2009.

According to TeleGeography, established international network hubs such as Miami, London and Singapore report some of the lowest prices globally. By mid-2025, the lowest 100 GigE prices on offer in the most competitive markets remained steady at US\$0.05 per Mbps per month, 10 GigE also held at US\$0.07 per Mbps per month. As networks scale to meet increasing demand, price erosion for IP transit remains a certainty in nearly all markets for the foreseeable future⁷⁵.

As noted below, IP transit port price in Johannesburg, South Africa, which is the lowest in Africa, remains on the higher end when compared to other international hubs.

⁷¹ Compound Annual Growth Rate (CAGR) measures the mean annual growth rate of an investment or business metric over a specified period longer than one year

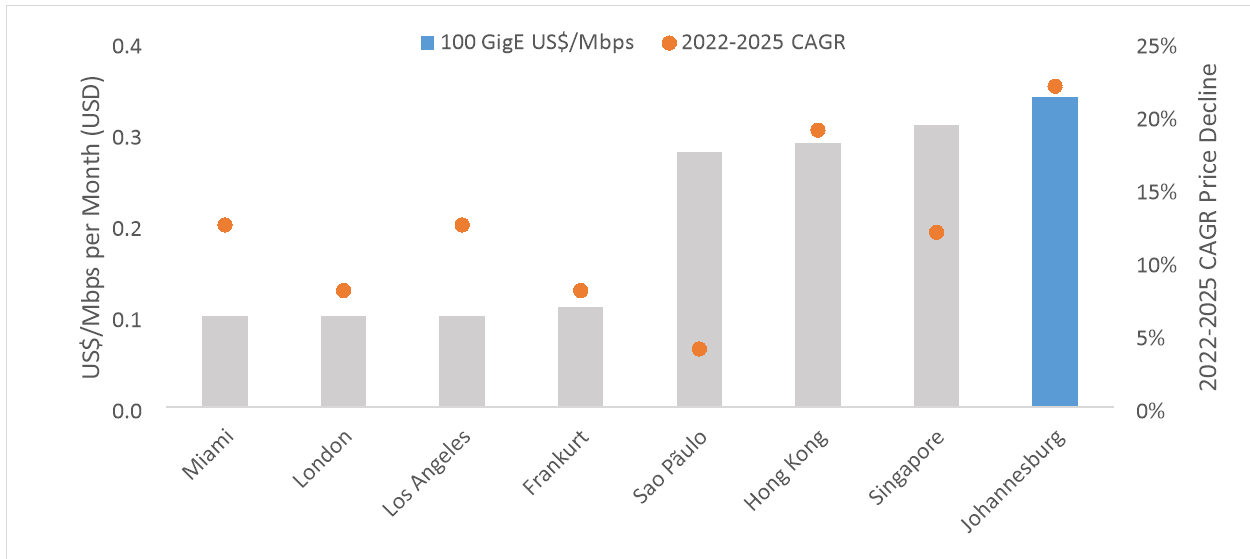
⁷² TeleGeography, 2025

⁷³ TeleGeography, 2025

⁷⁴ Africa Analysis, 2024

⁷⁵ TeleGeography, 2025

Figure: Weighted Median 100 GigE IP Transit Port Prices & CAGR Price Decline in Key Global Cities



Note: Each column represents the weighted median monthly price per Mbps for an IP transit port in the listed city. Dots on the right hand scale represent the percentage decline of the weighted median price calculated as a three-year CAGR. Prices are in USD and exclude local access and installation fees. 100 Gigabit Ethernet (100 GigE) = 100,000 Mbps.
Source: TeleGeography, 2025

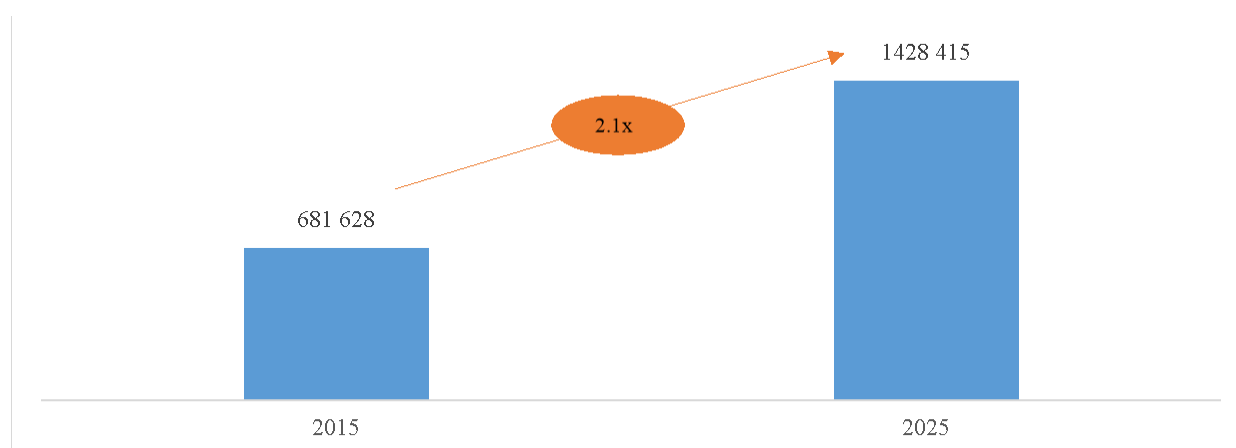
As African IP transit prices continue to fall, international capacity prices differ considerably across the continent. South Africa comes in lowest, followed by East Africa, with West Africa typically reporting higher prices except for the likes of Nigeria and Senegal. Material variations in pricing exist within different regions in Africa, which partly reflect a difference in price between coastal countries (with direct access to submarine cables) and landlocked countries, as the latter are required to pay terrestrial transit fees to access international connectivity. The local market conditions and regulatory environment are also a major factor in price variations between countries.

Terrestrial networks

Greater international capacity has led to a need for increased investment in terrestrial networks. New corridors are emerging to connect hubs across multiple coasts, provide low latency routes for intra-Africa traffic, connect landlocked countries to submarine cable landing stations and provide new paths for Asia to the Americas through Africa. According to Africa Bandwidth Maps, Africa’s operational terrestrial fiber optic network route length has grown approximately two times from 681,628 km in 2015 to 1,428,415 km in 2025⁷⁶.

⁷⁶ Africa Bandwidth Maps

Figure: Operational fiber by km – 2015-2025



Source: Africa Bandwidth Maps 2025

There are typically between one and two backbone providers in each country in Africa and competition remains limited. There are still some instances of monopolies, however, these are now in the minority. The backbone providers sometimes include a former monopoly fixed-line provider, one or more of the mobile operators (which frequently exclude third parties from using their network), a network leveraging electricity and/or railway company rights of way, or an independent operator. Such networks may also be deployed collaboratively by competing operators, such as with certain major brand anchor tenants and the Company which are cooperating on the NLD network in South Africa and the consortium of operators on the National ICT Broadband Infrastructure (“NICTBB”) in Tanzania. These collaborations have occasionally run into operational difficulties, for example when parties struggle to find areas of common interest to expand the network. In some countries, the government owns the network (National Optic Fiber Backbone (“NOFBI”) in Kenya, Botswana Fiber Networks Ltd in Botswana), and various operating models are in use (such as outsourced management, new special purpose vehicle to manage the fiber, leased to several operators). Some routes were duplicated by either competing operators in profitable areas or due to the lack of reasonable access to existing networks (e.g., in Nigeria), despite the capacity of each network being far higher than conceivably required by all operators. With limited competition, backbone transmission prices, particularly cross-border, in many markets remain relatively high.

While African terrestrial fiber primarily remains provided by MNOs and government-controlled fiber owner/operators, much of the recent builds are by private fiber owner/operators including the Company. Metro networks have typically been deployed by Dark Fibre Africa (“DFA”) in South Africa or the Company in various countries, or by mobile operators themselves (e.g., Safaricom in Nairobi). Incumbent fixed operators have also deployed metro networks in many cities.

Market size and growth prospects for data in Africa

Worldwide bandwidth demand continues to grow with annual demand growth decelerating slowly, however aggregate demand more than tripled between 2019 and 2023 to reaching 5 Pbps. On a regional level, most parts of the world have seen growth at about 35-40% CAGR since 2019 with Africa standing out – capacity growth is still surging at a nearly 50% CAGR⁷⁷.

African demand for data has been growing, driven by growth in broadband connections, smartphones and internet enabled devices which has supported the data demand for streaming, downloads, social media and financial and commercial transactions on smartphones. However, data usage in SSA is still relatively low at 5.3 GB per smartphone

⁷⁷ TeleGeography, 2025

per month in 2025 compared to the global average of 21 GB. This low data usage in SSA is expected to grow 2.3 times from 5.3 GB in 2025 to 12 GB in 2031⁷⁸.

Monthly mobile data traffic per smartphone continues to increase, driven by cheaper smartphones, improved device capabilities, more affordable data plans and an increase in data-intensive content, predominantly video. In addition, the introduction of new wireless technologies (e.g., 4G LTE and 5G) has increased the need for network densification to provide the high-speed data services for which these technologies are designed. Between 2025 and 2031, total mobile data traffic is estimated to increase by more than two times across SSA⁷⁹.

GMSA states that the African Union's Continental AI Strategy underscores the transformative role that artificial intelligence can play in advancing economic development, promoting social inclusion and enhancing governance across Africa, while also addressing potential risks. A growing number of African nations have already introduced national AI strategies, with others nearing the end of consultation processes – reflecting strong momentum toward AI adoption throughout the continent. At the same time, the ongoing upgrade of Africa's mobile infrastructure, particularly the rollout of 4G LTE and 5G networks, is set to significantly expand access to AI-driven solutions for users across the region.

Substantial expansion in computing power, bandwidth-intensive applications, the roll-out of Wi-Fi access points, IoT⁸⁰ connected vehicles, the move to more flexible working, the increasing deployment of FTTH and enterprise fiber connectivity across the region will also continue to have a meaningful impact on bandwidth traffic demand.

Content and cloud providers (i.e. Google, Meta, Microsoft and Amazon) are entrenched as the biggest consumers of network capacity globally. As of 2023, content and cloud networks accounted for more than 70% of all bandwidth usage⁸¹. This is driven by the strategy of the content providers to connect data centers across different zones. This content provider demand growth is fastest in regions like Africa where carriers are still dominant.

Key drivers of demand for mobile, fiber and cloud products and services in Sub-Saharan Africa

SSA's demographic trends support increased penetration of data services. Simultaneously, income among data users is growing and technology changes are expected to push down costs and increase the variety of data services offered. Finally, market and regulatory pressure continue to drive more backhaul and data center infrastructure. A key theme that arises is the positive feedback or "virtuous circle" of lower cost and higher value: as costs to use data decline, consumers and producers of data find increased value from what they spend, which encourages greater use of data. The increased use of data, due to economies of scale, pushes costs down further.

Such virtuous circles have previously been evident in the internet's historic growth. Twenty years ago, the low incremental value to consumers of a superfast (more than 20Mbps) broadband connection did not justify investment in Next Generation Access deployments. However, users in developed countries have quickly adapted to the new possibilities that arise from such connections: for example, they have evolved from viewing short homemade clips to paying to stream a wide range of media content online. This in turn has spawned new payment models, construction of vast new data centers and launched a new industry in small-scale content publishing. Cost per unit of broadband has fallen dramatically, while users perceive greater value and producers have developed attractive digital services that were previously unthinkable.

A youthful and increasingly urban population in Africa is driving up internet penetration rates while growing incomes enable Africans to consume more data. The resulting volume supports investments in data centers to run content and

⁷⁸ Ericsson, November 2025

⁷⁹ Ericsson, November 2025

⁸⁰ Internet of Things (IoT) refers to a network of physical devices, vehicles, appliances, and other physical objects that are embedded with sensors, software, and network connectivity, allowing them to collect and share data

⁸¹ TeleGeography, 2025

services, and fiber networks to deliver it. FTTH, metro fiber and 4G LTE/5G access networks increasingly involve substantial fixed investment and relatively low marginal costs, therefore more users are likely to be able to access unmetered data services (in contrast to the prepaid products used by the majority of African customers today). This will in turn encourage more digital services to be developed and offered locally, further reducing costs and increasing quality.

A key conclusion from the above, and from the drivers discussed below, is that economies in Africa will continue to be increasingly reliant on the internet. According to the IMF, expanding internet access in SSA to an additional 10% of the population could increase the region's real per capita GDP growth by 1-4%. Overall demand for ICT services will continue to grow at a faster rate than overall GDP growth and within that, the shift of sector revenue away from voice and towards data services will continue apace, requiring investment in significant broadband infrastructure: submarine cables, cross-border fiber, national and metro fiber including to connect base stations, data centers, FTTH and LTE for access and high capacity satellite for more remote areas.

Table 2: Summary statistics of key drivers of demand

	2024	2030
Unique mobile subscribers (Millions)	710	915
Mobile internet users (Millions)	416	576
Mobile's contribution to GDP (USD Billions)	220	270
Population (Millions)*	1 474	1 657
% Urbanisation*	47%	50%
GDP (Billions)*	3 058	4 306
Operator revenues (USD Billions)	52	79
Fixed broadband connections (Millions)**	41	65
Fixed broadband household penetration (%)	12.5%	17.3%
4G (Percentage of connections)	45%	54%
5G (Percentage of connections)	2%	21%

Source: UN-Habitat Urban Indicator Database, IMF Regional Economic Outlook Sub-Saharan Africa: October 2025, GSMA The Mobile Economy Africa 2025, African Telecommunications Union Africa Analysis: Africa Broadband Outlook 2024

*Data reflects 2025 and 2030

**Fixed broadband subscriptions refers to fixed subscriptions to high-speed access to the public Internet (a TCP/IP connection), at downstream speeds equal to, or greater than, 256 kbit/s.⁸²

Favorable demographic trends: Increasing young and urban population leads to higher broadband penetration

Africa's cities will be home to approximately 200 million additional people by 2030. Furthermore, approximately 47% of the African population will be urbanized by 2030 compared to 38% in 2023⁸³. This rapid urbanization trend is expected to bring significant economic benefits to the continent. GDP growth is strongly correlated to urbanization, and the African Union estimates that 70% of Africa's GDP is from urban areas⁸⁴.

Urbanization is important for fiber as it improves the economics of connecting new base stations and delivering FTTH both because new buildings are delivered with space for fiber as standard, and the same metro fiber infrastructure carries services for more users generating more revenue for providers. Fiber broadband users also tend to consume vastly (typically an order of magnitude) more data on each connection than mobile users, so the ongoing deployment of FTTH will have an exponential impact on total bandwidth demand.

⁸² World Bank, 2025

⁸³ United Nations, World Population Prospects, 2024

⁸⁴ African Union, 2024

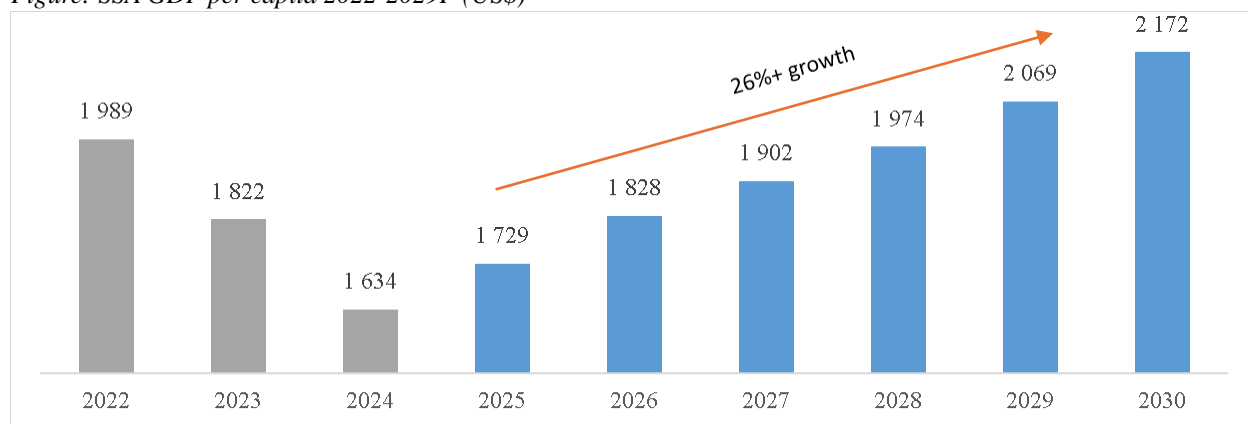
While the internet usage gap remains high at 60% in SSA, GSMA forecasts that the number of internet users in SSA will rise from 320 million in 2024 to 518 million in 2030 representing a penetration rate of 27% and 37% respectively⁸⁵). Combining a younger, growing and more technically adept population with increased urbanization and population density as well as ever greater use of data, it follows that mobile operators' dependence on fiber backhaul is likely to increase significantly.

Increasing income: consumers and businesses are demanding more and different types of data

SSA has a young population and a growing labor force, and to date job growth has outpaced labor force growth. It is expected that by 2050, the working-age population will be approximately 1.1 billion, larger than that of China, India or Europe⁸⁶. In addition, the growing middle class is expected to be key in growing the mobile telecommunications market and the convergence of technologies, while also contributing to driving forward financial inclusion, government efficiency, trading opportunities and the delivery of education, healthcare and other services to urban and rural populations.

SSA's real GDP grew at an average of 4.4% in 2025 and is projected to grow at 4.6% in 2026 making it one of the most rapidly growing economies in the world⁸⁷. While the decline in GDP per capita between 2023 and 2024 shown below depicts tight consumer markets negatively impacting premium consumer products demand, this is expected to rebound from 2025 increasing by on average 5% per year through to 2029⁸⁸.

Figure: SSA GDP per capita 2022-2029F (US\$)



Source: IMF, 2025

As consumer spending expands in line with the growth in GDP per capita, spending on data services and advanced end-user devices will also continue to increase. The broadband market in Africa is developing significantly on the back of increased consumer demand for high-speed broadband services. This will lead to the growth in mobile data in SSA as shown in the figure below. Data traffic per smartphone in Africa is growing, an increase of approximately 6% from 2024 to 2025 with a CAGR of 14.6% expected between 2025 and 2031⁸⁹.

⁸⁵ GSMA Intelligence, 2025

⁸⁶ United Nations, Populations Division, 2024

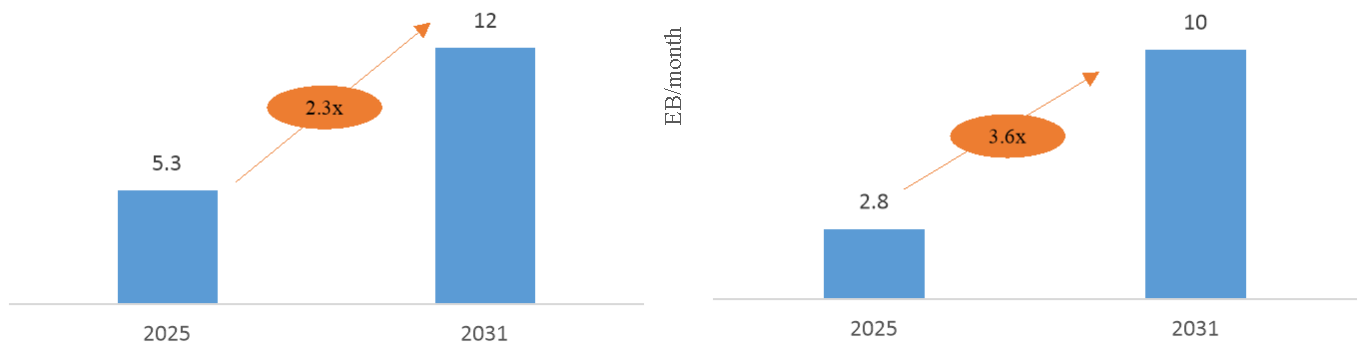
⁸⁷ World Economic Outlook, 2025

⁸⁸ IMF, 2024

⁸⁹ Ericsson, 2025

Figure: SSA Data traffic per smartphone (GB per month)

Figure: Mobile data traffic (EB per month)



Source: Ericsson, November 2025 Source: Ericsson, November 2025

Demand for domestic and SME fiber connections is also accelerating in Africa. Households and other premises derive great cost benefits from a fiber connection plus Wi-Fi router, rather than each household member connecting to a mobile signal. Online media and content are simultaneously widely used, and the quality of a fiber link supports easy access. This trend is expected to continue in the long term thus leading to substantial capital investments in fiber networks by bandwidth infrastructure providers.

In Africa, household broadband penetration⁹⁰ remains relatively low. In 2024, there was 1 fixed broadband subscription per 100 inhabitants in Africa versus 20 fixed broadband subscriptions per 100 inhabitants in the world⁹¹. This demonstrates the substantial room for further growth available. In particular, Xalam Analytics notes that Africa’s urban homes passed with fiber were only approximately 20 million in 2025⁹².

Increasing broadband requirements from enterprises

As connectivity improves in Africa and as its economies expand, business demand for managed services is growing. The managed services that drive broadband demand include increased data storage, cloud services, enhanced redundancy, reduced IT costs, improved connectivity and network efficiency. Examples include financial institutions seeking modern and robust IT infrastructure for efficient service delivery, security and disaster recovery purposes and media and content companies seeking more localized hosting infrastructure to feed local content across platforms to an increasingly digital audience.

The increasing metro fiber connectivity is enabling bandwidth providers in metro areas to address the currently underserved colocation space needs of the continent. According to Xalam Analytics, in 2025, Africa had an estimated 560 MW of live critical IT load and approximately 195 live commercial data center facilities with only about 5% of the facilities being AI ready. Live IT load is forecast to reach 1,000 MW by 2030.⁹³

The Cassava Parent plans to deploy NVIDIA accelerated computing and AI software using NVIDIA Cloud Partner (NCP) reference architectures at its data centers in South Africa, with expansion planned at its other data center facilities in Egypt, Kenya, Morocco and Nigeria. The Cassava Parent’s planned AI Factory will leverage the Company’s pan-African high-speed, ultra-low-latency, fiber-optic network with sustainable data centers to deliver AI

⁹⁰ Household broadband penetration: fixed broadband subscriber base divided by its number of households

⁹¹ ITU, 2024

⁹² Xalam Analytics, 2026

⁹³ Xalam Analytics, 2026

as a Service. The Cassava Parent's world-class data centers are designed to be energy efficient, using less electricity to power AI computing workloads.

Africa annual colocation revenue was estimated at US\$830 million in 2025 and projected to continue growth at a CAGR of approximately 18% between 2025 and 2030. The cloud market in Africa is seeing significant growth on the back of increased fiber and data center infrastructure on the continent. The broadband connectivity surge in Africa is attracting global carriers, internet content, and content delivery network and cloud providers who are expanding their PoPs⁹⁴ in the region. Xalam Analytics estimates that global cloud and content provider African PoP networks will double from 2022 levels to approximately 270 by 2026.⁹⁵

Cloud services have become a critical component of many enterprises' data management. How enterprises reach the cloud service providers' data centers has become increasingly important. Xalam Analytics notes that spending on cloud has been growing at a rate of 25-50% a year across Africa's top five markets (South Africa, Kenya, Nigeria, Egypt and Morocco).

Technology is improving: the quantity and quality of data are improving

Increase in smartphone penetration⁹⁶ and usage per connection drives mobile data volumes

Most countries in Africa have a lower income level when compared to other parts of the world, so affordability is key. Falling handset prices, either new or used, continue to drive penetration. In addition, access to smart devices encourages subscribers to upgrade from basic 2G and 3G services to 4G LTE and 5G, and each of these upgrades, together with use of attendant bandwidth-hungry applications, results in consumption of an increasing amount of data. Currently 3G accounts for the largest proportion of total connections in SSA at about 50% in 2024 followed by 4G LTE at 38% of connections, though 5G growth is expected to be high, 4G LTE is expected to overtake 3G and remain the dominant technology for a while⁹⁷. In 2030 GSMA forecasts 4G LTE to account for 50% of connections⁸, followed by 3G at 31%, 5G at 17% then lastly 2G at 2%.

FWA⁹⁸ has been noted to be a key technology in SSA where fiber is not available or not cost effective. 4G FWA was the initial step. However, 5G's potential is now becoming apparent with fiber-like speeds. In countries with 5G FWA, services launched in SSA include Angola, South Africa, Nigeria, Kenya, Zambia and Zimbabwe.

According to GSMA, at the end of 2024, the unique mobile subscribers penetration rate in Africa was 47%, which is relatively low when compared to the penetration rate of 71% globally. GSMA forecasts that the unique mobile subscribers penetration in Africa will increase to 53% by 2030 with smart phone adoption across SSA increasing to 81% in 2030, thus providing a catalyst for an increase in data usage.

Increased smartphone adoption coupled with higher average broadband speeds will drive data usage growth. Moreover, as more devices are 4G LTE and 5G enabled, a migration of voice traffic from traditional switched networks (voice) to VoIP is also contributing to data usage growth.

Increased throughput of mobile access technologies is requiring higher bandwidth to be delivered to cell sites

As mobile data demand increases significantly, the telecommunications industry has similarly increased investments to provide coverage and capacity across Africa. This has led to an ongoing large-scale roll-out of 4G LTE and 5G,

⁹⁴ A Point of Presence (PoP) is a meeting point where customers connect to large ISPs, typically consisting of core routers connecting to other PoPs and access routers serving as ingress points for customer connectivity

⁹⁵ Xalam Analytics, 2022

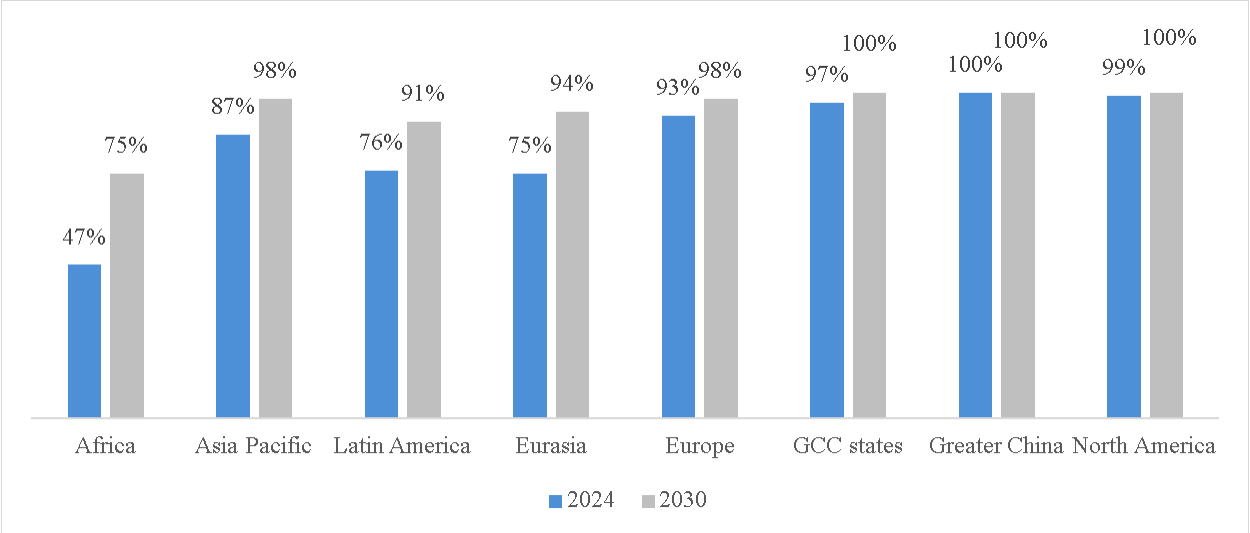
⁹⁶ Percentage of total connections (excluding licensed cellular IoT)

⁹⁷ GSMA, 2025

⁹⁸ Fixed Wireless Access uses 4G LTE and 5G radio spectrum to provide wireless broadband connectivity between two fixed points

which delivers faster speeds, but will require further densification of backhaul connectivity for cellular sites. Thus, further backhaul bandwidth demand is anticipated as adoption of 4G LTE and 5G increases. In 2024, Africa 4G LTE adoption was 45% of total connections, with 5G at 2%. The contribution of these two technologies is projected to reach approximately 75% by 2030. While the progress to higher technologies is significant, Africa lags behind major regions like North America, Europe, Asia Pacific and the Latin America where 4G LTE and 5G already accounted for more than 75% of total connections in 2024⁹⁹.

Figure: Mobile technology mix by region (4G LTE and 5G), Percentage of total connections (excluding licensed cellular IoT)



Source: GSMA, 2025

These increases in mobile throughput mean that wholesale demand for fiber backhaul is likely to continue growing, as in many countries in Africa, only a small proportion of sites are currently connected with fiber.

New applications generate data and create new sources of revenue

A major benefit to rolling out LTE is the lower cost per MB delivered compared with 2G or 3G networks, which is expected to lead to lower end user prices, in turn supporting increased mobile data usage per connection. In addition, the recent 5G rollout is expected to continue to drive down the cost of delivering each MB to end users.

New capabilities that are being introduced into wireless networks are increasing the range of services that can be provided. For example, 5G radios are being designed to efficiently support three different profiles of traffic: high throughput (e.g., for video services), low energy (for IoT), and low latency (for mission critical services such as safety and security).

The IoT ecosystem is increasing in SSA. According to GSMA, SSA will have more than 50 million licensed cellular IoT connections by 2030, largely driven by South Africa.

⁹⁹ GSMA, 2025

The dynamics of the market are changing: wholesale is increasing in importance, data is becoming localized, and fixed networks are growing

Mobile operators continue to opt for outsourcing or sharing non-core infrastructure

One of the major trends in mobile networks in Africa in the last 15 years has been the outsourcing of tower services. For 2019, TowerXchange estimated that approximately 39.9% of SSA's towers were owned/operated by tower companies, which increased to approximately 52% in 2025¹⁰⁰. Tower companies look to create value through careful financing, increasing tenancy on towers and optimizing delivery of services such as power and security of the towers. Many operators have also outsourced field maintenance, sales channels, and radio network planning and deployment.

A common feature of outsourcing these activities is that they can benefit from economies of scale and/or scope. The cost of a tower is almost independent of the number of users, and a field maintenance team can easily service multiple networks at nearly the same cost as one. The same is true of backhaul networks and particularly fiber backhaul in which a fixed installation cost can support almost unlimited demand. While all these functions – towers, sales channels, fiber backhaul – were all at one stage considered to be strategic advantages over competing operators, this is becoming less relevant as the market matures, and the cost premium of maintaining exclusivity is becoming unaffordable.

Data center ownership and/or operation is a further function that MNOs may be looking to outsource. In part this is because of requirements for backup (operators tend to prefer leasing space for disaster recovery systems rather than building a redundant data center themselves) or to provide colocation services to their own enterprise customers. Some operators may have built network switching centers suitable for hosting third parties with the specific intention of leasing space to their customers. Given the vastly different risk and return profiles of data centers versus mobile networks, and the fact that data center operations are not core to MNO business, there is potential for the same trend towards outsourcing data center operations.

Data is becoming more localized

An ISP can respond to demand for content in several ways: it may serve the content from its own systems (e.g., if it offers a video-on-demand service and hosts the content itself), it can retrieve the content from another local provider through paid or unpaid peering (e.g., if another operator hosts the Google Global Cache), or, where the content is hosted internationally, it must retrieve it through major hubs such as London or Mumbai. Handling traffic in the latter way is more expensive and results in lower quality in terms of delays when compared with local serving of data.

Fixed networks are firmly a critical infrastructure to MNOs, ISPs and to the wider economy

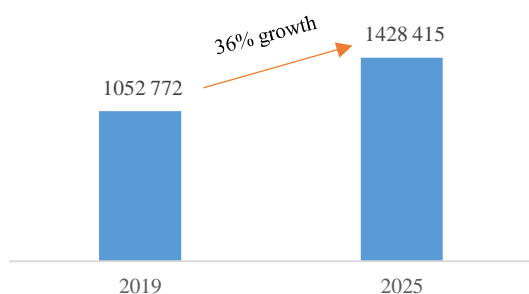
Fiber to connect to towers and buildings has become a major focus of investment. As testament to this, in 2025 Vodacom Group Limited, a leading MNO in South Africa, concluded an acquisition of a 30% interest in Maziv Proprietary Limited, the entity that will house all of the fiber assets owned by Community Investment Ventures Holdings (Pty) Limited, including Vumatel (Pty) Limited and Dark Fibre Africa (Pty) Limited.

The figure below shows how the route length of terrestrial fiber networks in Africa has grown by 36% between 2019 to 2025 with over 375,000 km of fiber added in the period. The number of mobile towers in Africa grew from 158,360 to approximately 188,940 (19% growth) between 2019 and 2025¹⁰¹ which is further driving fiber roll-out. Given the rapidly increasing traffic described earlier, it is likely that continued growth of fiber backhaul networks will be required.

¹⁰⁰ TowerXchange, 2019, 2025

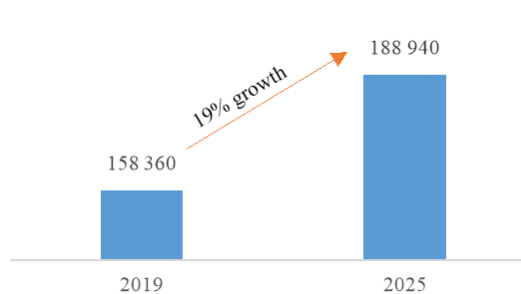
¹⁰¹ TowerXchange, 2019, 2025

Figure: Fiber networks in Africa (km)



Source: Africa Bandwidth Maps

Figure: Number of towers in Africa



Source: TowerXchange (2019, 2025)

Regulatory pressure: quality data service demands more fixed network and more computing power

Alongside growth in capacity and increased access, regulation in the broadband industry is also maturing. Across Africa, MNOs are constantly under pressure to improve their quality of service. Most congestion problems in mobile networks arise because the volumes of data traffic are growing faster than the MNO's capacity, and the bottleneck is frequently the backhaul between the radio site and the core network. Regulatory intervention has therefore encouraged MNOs to find ways of deploying fiber backhaul; one of which is to partner with an independent bandwidth infrastructure provider using service level guarantees to ensure the quality of service, effectively using shared infrastructure to deliver solutions at a lower cost than self-building.

In some markets, regulators and local governments are trying to reduce duplication of infrastructure in order to ensure the efficient use of capital and reduced damage to roads following the repeated digging required to lay cables. This is a further driver towards the use of wholesale capacity services by MNOs and other operators.

Additionally, regulatory requirements covering data residency are increasing throughout Africa. Most banking regulations, for example, require sensitive customer information to be hosted locally. Increasing cyber threats and the requirement to create backup sites will push companies to look for secure, off-site storage options simply to comply with their own governance and risk management requirements. This will drive investment in local, independent data centers, designed with colocation in mind, and will require dense, reliable fiber connections. Furthermore, governments are pursuing national broadband and financial inclusion plans, as they view increased connectivity and 'banking the unbanked' as important drivers of economic growth. This would further burnish demand for network expansion, and spur development of local expertise and applications.

Overview of core markets where the Company operates

Summary statistics across the Company's core markets

	South Africa	Zimbabwe	Kenya	DRC	Zambia	Tanzania
Mobile subscribers (m) (as of December 2025)	114.8	16.3	72.9	66.1	24.0	93.5
Mobile penetration rate (as of December 2025)	186%	94%	127%	61%	111%	131%
Mobile subscriber growth CAGR (2025 -2030)	3.7%	2.44%	2.60%	5.30%	2.64%	5.76%
Total Operational Fiber**	320 731.5	23 036.4	55 311.0	27 288.1	37 020.7	32 103.5
% of population within 25km of a fiber node	93.7%	58.4%	90.7%	69.6%	51.5%	41.1%

% of households with internet access at home*****	82.1%	69.7%	47.5%	24.2%	21.2%	48.1%
Broadband subscriptions (2025)	11 378.6	807.7	5 981.8	1 162.3	2 549.3	1 459.9
Fixed-broadband Internet traffic (GB per subscription) (2024)	2 100	3 130	1 650	No data	2 540	194
Equipped international bandwidth capacity (Gbps) (2024)	5 320	1 400	22 200	673	341	17 200
International bandwidth usage (Gbps) (2023)	1 970	367	9 940	No data	263	578
Infrastructure	Openserve: 180,000km The Company: 35,371 km Broadband Infraco: 15,000 km Dark Fibre Africa: 14,000 km Link Africa: >8,500 km**	The Company: 22,918 km PowerTel: 3,000km* TelOne: 5,223km***	The Company: 8,683 km Safaricom: 18,300 km Telkom Kenya: 4,152 km	The Company: 5,275 km SCPT: 8,000km****	The Company: 13,060 km	The Company: 3,336 km
International connectivity	SAFE, SEACOM, EASSy, WACS, SAT-3/WASC, Africa-1, METISS (Q3 2020), EllaLink (Q4 2020), Equiano (Q4 2021), Peace (2020), 2Africa (Q3 2020), ACE	EASSy, WACS, SEACOM	SEACOM, TEAMS, EASSy, LION2, DARE1, One Africa (Africa-1), 2Africa (Q4 2020), PEACE	Africa-1, SAT- 3/WASC,WACS	Africa-1	SEACOM, WACS, EASSy, SEAS, Africa- 1,PEACE

Sources: BMI, ITU Data Hub, The Company, CA, ICASA, ZICTA, PORTAZ, Africa Bandwidth Maps, Dark Fibre Africa (DFA), Link Africa, TelOne, Telkom Kenya, Telkom SA, Broadband Infraco, Connecting Africa

*Data as at 2023

**Data as at 2022

***Data as at 2021

****Data as at 2020

*****Refers to the proportion of households with internet access at home. Access can be via fixed or mobile network.

The Company currently owns and operates over 19,763 km of national long-distance fiber, 61,351 km of metro fiber and 12,028 km of long haul leased fiber across their key markets (South Africa, Zimbabwe, Kenya, DRC, Zambia and Tanzania).

South Africa's Telecommunications Market Overview

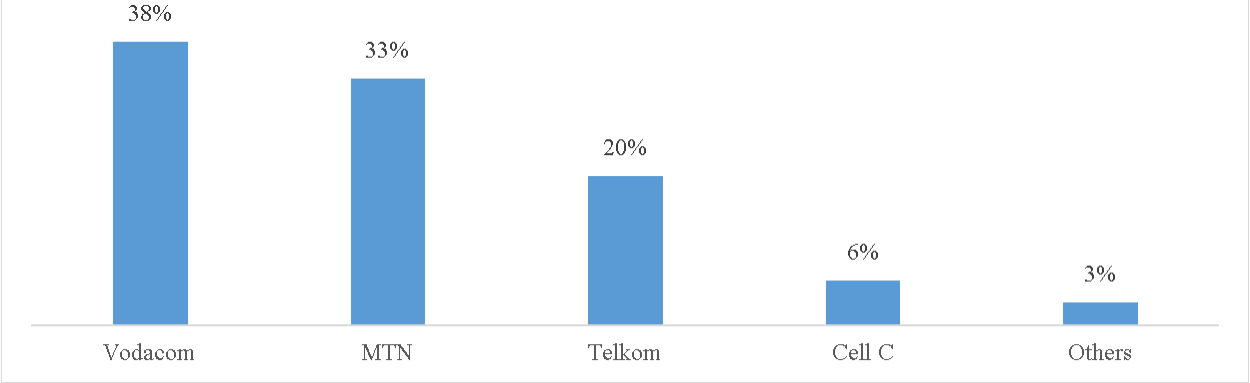
Mobile Market Overview

South Africa has a relatively mature mobile telecommunications industry, with a high mobile penetration rate for the continent and a growing penetration rate across fiber as operators seek to connect more cities and towns. The country was one of the first on the continent to commence the roll-out of a mobile phone network and remains one of the largest telecommunications markets in Africa.

South Africa's mobile telecommunications market is primarily served by four main MNOs – Vodacom, MTN, Cell C and Telkom SA. Vodacom is majority owned by Vodafone Plc, a UK-listed mobile operator, and is listed on the Johannesburg Stock Exchange (“JSE”). MTN, also listed on the JSE, communicated aspirations to acquire Telkom SA in 2022, however, MTN later withdrew from the process in the same year. Telkom SA is the country's incumbent fixed-line operator. Cell C is currently owned by JSE-listed Blue Label Telecoms. Blue Label Telecoms has been

focused on recapitalizing and turning Cell C around since its acquisition. Telkom SA is majority owned by the SA government. MTN and Vodacom have the bulk of the market share, with Telkom SA and Cell C struggling to grow significantly. The two leading MNOs have extensive experience and are well capitalized with a strong regional and international footprint. FNB Connect, owned by FirstRand and Capitec Connect, is one of the largest of several Mobile Virtual Network Operators (“MVNOs”) operating in South Africa in terms of subscriber numbers and revenues.

Figure: Mobile market share



Source: BMI, 2025

The aggregate mobile networks in South Africa cover most of the country, with 99.79% of the population having 3G coverage, 99.07% having 4G LTE coverage and 46.64% of the population having 5G coverage in 2024. 4G LTE coverage increased from 92.8% in 2020 whereas 5G coverage increased from 0.7% in the same year.¹⁰²

As of September 30, 2024, there were approximately 117 million mobile cellular subscriptions and 83 million smartphone subscriptions in the country, representing a mobile penetration rate of approximately 185% and a smartphone penetration rate of approximately 130% in the same period.¹⁰³

Mobile subscriber growth is expected to grow at a CAGR of 4% between 2025 and 2030 muted as South Africa mobile penetration levels are already high.¹⁰⁴ The telecommunications industry generated approximately ZAR 233 billion in revenue for the 12 months ended 30 September 2024. Mobile services revenue generated was ZAR 132.4 billion (approximately 60%) of this, a 35% increase from the same period in 2019. Mobile data generated ZAR 67.5 billion in revenue, a 68% increase from 2019 over the same period.¹⁰⁵

Fixed Market Overview

With over 320,000 km of operational terrestrial fiber, South Africa is one of the most dynamic fiber markets in Africa functioning as a key hub for Southern Africa and Indian Ocean islands.¹⁰⁶ Telkom SA, through the Openserve business, a former state-controlled monopoly, is the largest fixed-line network in South Africa. The Company’s operation in South Africa was founded in 2006 pursuant to it being awarded the second network PSTN¹⁰⁷ license. The country is presently served by the SEACOM, WACS, EASSy, METISS, SAT-3, ACE, SAFE and Equiano submarine cables with T3, PEACE and 2Africa. Telkom SA dominates the fixed voice market however faces competition from the other MNOs, companies offering call-by-call carrier selection services and ISPs providing VoIP services.

¹⁰² ICASA, 2020, 2025

¹⁰³ ICASA, 2025

¹⁰⁴ BMI, 2025

¹⁰⁵ ICASA, 2025

¹⁰⁶ Africa Bandwidth Maps, 2024

¹⁰⁷ Public Switched Telephone Network (PSTN) is the aggregate of the world’s circuit-switched telephone networks

The fixed internet and data revenue market had approximately ZAR 34.6 billion in revenue for the 12-month period ending September 30, 2024 an increase of 30.5% from the same period in 2019¹⁰⁸. This was largely composed of fixed (wired) broadband services at ZAR 14.8 billion and fixed internet revenue at ZAR 10.8 billion. While there continues to be pressure on revenues in the fixed-line segment owing to slowing voice revenue, the continued roll-out of FTTH/B in many of South Africa's metros is increasing adoption of fixed broadband services, although competition may place some pressure on FTTH/B prices. This continued roll-out of FTTH/B, together with DSL¹⁰⁹ has resulted in the significant increase of FTTH/B subscriptions by 33% from 2019 to 2024¹¹⁰.

The metro fiber market is booming as fiber increases to support the rising adoption of 4G LTE and 5G technologies.

Enterprise

South Africa's enterprise segment is served by multiple industry players, primarily Telkom SA, the Company, NTT Data (formerly Dimension Data), MTN Business, Vox and Vodacom Business. A number of the players have very limited fiber capacity of their own and generally buy and re-sell capacity from third-party owners.

According to Mordor Intelligence, the South African ICT market is set to grow from US\$42.9 billion in 2026 to US\$62.2 billion by 2031, a strong CAGR of 7.7%. Demand is rising as digital infrastructure becomes essential for resilience against power and connectivity disruptions. Key growth drivers include real-time payments, new hyperscale data centers, expanding edge-computing capacity, and the rapid rollout of 5G for fixed-wireless broadband. Fintech expansion, stronger cloud-security spending, and government support for SME digitalization further strengthen the outlook, positioning the sector for sustained, high-value investment opportunities. IT services led with 32.7% of the South Africa ICT market share in 2025, while IT security and cybersecurity is advancing at an 8.3% CAGR through 2031. By development model, cloud accounted for approximately 47% of revenue in 2025¹¹¹.

Data center and cloud services

South Africa is the largest and most mature data center market in Africa, accounting for approximately 70% of the continent's critical IT load capacity and home to 14 out of 15 of the largest data center facilities on the continent¹¹². South Africa plays the role of a connectivity, content and cloud hub for the continent. The market is led by three main players, Teraco/Digital Realty, Africa Data Centres (South Africa) and Vantage. South Africa is also highly interconnected with about 60 global/regional providers peering on South African exchanges Xalam Analytics estimates another 50 or so will seek to establish a PoP in South Africa as traffic continues to expand¹¹³.

Xalam Analytics estimated that by the end of 2025, the country had live IT load of 391 MW which is 2.7 times the level in 2020¹¹⁴. Growth has been driven predominantly by the expansion of global cloud and internet content players requiring local presence. The growth in South Africa's colocation supply is also driven by businesses embracing outsourcing and managed services for their business and technological needs, hyperscale development, increased adoption of cloud services, growing smartphone penetration, internet speed and penetration.

Xalam Analytics estimates that revenue generated by the data center market size is estimated at US\$500 million in 2025 and is expected to grow at a CAGR of 15% between 2025 and 2030 to reach US\$1 billion revenue potential.

¹⁰⁸ ICASA, 2025

¹⁰⁹ Digital Subscriber Line (DSL) is a type of broadband internet connection that uses existing telephone lines to transmit data. It provides high-speed internet access to homes and business without the need for a separate dedicated line.

¹¹⁰ ICASA, 2025

¹¹¹ Mordor Intelligence, 2025

¹¹² Xalam Analytics, 2026

¹¹³ Xalam Analytics, 2026

¹¹⁴ Xalam Analytics, 2026

South Africa is the largest cloud services market in Africa. As of 2025, 6 of the cloud regions in Africa were in South Africa¹¹⁵. According to Xalam Analytics, South Africa had a public cloud market larger than US\$1 billion at the end of 2025.

Wholesale

South Africa's wholesale voice and data segment is served by Telkom SA, the Company, DFA, SEACOM, WIOCC, MTN, Internet Solutions, Teraco/Digital Realty, Vox, CMC Networks, Vodacom Business and state-owned BitCo.

As of 2023, South Africa's inbound international bandwidth capacity primarily supplied by submarine cables was estimated to be 9 950 Gbps¹¹⁶. The Company's subsea capacity exceeded 5, 000 Gbps by the end of 2025 up from just over 3 000 Gbps in 2024. This growth was attributable to upgraded capacity on Google's Equiano cable.

The Company operates a wholesale 4G/LTE and 5G network utilizing the Company's spectrum allocation.

Retail

In recent years, multiple open-access fiber network operators have been laying cable in the more affluent areas of South Africa's major metros. According to ICASA, in 2023 only 14.5% of the population had access to the internet at home.¹¹⁷ Companies focused on rolling out FTTH include Vumatel, Metro Fibre, Frogfoot, Octotel, Openserve and Herotel.

Infrastructure

At over 320, 000 km South Africa has one of the longest terrestrial fiber networks in Africa, with mobile operators MTN, and Vodacom joining Telkom SA and the Company amongst others in deploying fiber optic infrastructure for providing advanced communication services to residential and business customers. Telkom SA through Openserve has the most extensive network in the country at approximately 180,000 km¹¹⁸.

The Company currently owns and operates 35,371 km of national long-distance fiber and FTTH/metro fiber across the country. The Company also directly connects the major centers in South Africa to the rest of the world via submarine cables.¹¹⁹

Regulatory environment

The responsibility for the South African telecommunications market regulation is shared among the Department of Communications which is the public service arm of the Ministry of Communications, the Competition Commission and ICASA, the competing interests of ICASA and the Ministry of Communications tend to delay regulatory decisions.¹²⁰ Regulatory sentiment is much improved in South Africa, the government is working well with the private sector as key partners with the focus firmly on improved connectivity for the population.

Delays in finalizing network sharing agreements and spectrum allocations have been some of the key hurdles – there has been much improvement on both fronts from 2024. In this period, the Competition Commission approved consolidation in the fiber space, a new directive encouraging data center operators to generate own power reducing

¹¹⁵ Xalam Analytics, 2026

¹¹⁶ Africa Bandwidth Maps

¹¹⁷ ICASA, State of ICT Sector Report, 2025

¹¹⁸ Telkom SA Integrated Report, 2025

¹¹⁹ The Company

¹²⁰ BMI, 2025

reliance on the national grid was issued, cloud and data policy frameworks firmed up and a consultation and inquiry started with the aim of arriving at a new regulatory and licensing framework for satellite services.

The regulatory environment is increasingly supportive which is expected to enhance market competitiveness and drive infrastructure development.

Zimbabwe's Telecommunications Market Overview

Mobile Market Overview

There were approximately 16.1 million active mobile phone subscriptions in Zimbabwe as of June 2025 across three operators – Econet, NetOne and Telecel. In the same period, Econet recorded approximately 73% of the subscriber market share, followed by NetOne with 25%¹²¹. The market leader continues to gain market share from competitors.

At the end of June 2025, Zimbabwe had an estimated mobile penetration rate at 102.64%. BMI forecasts the mobile subscribers to reach 18.4 million in 2030 from approximately the 16 million subscribers at the end of 2025¹²².

Mobile money continues to expand rapidly across Zimbabwe largely due to a service launched by Econet - Eco-Cash. The Reserve Bank of Zimbabwe indicated 10.04 million mobile money subscribers at the end of June 2025.

Fixed Market Overview

There were 300,753 active fixed-telephony subscriptions in Zimbabwe as of June 30, 2025, up from 256,356 in 2020¹²³. Fixed telephone subscriptions have, however, been declining over recent years as the segment continues to face competition from mobile and VoIP.

Africa Bandwidth Maps reported operational fiber infrastructure in the country at 23 036 km with another 1,237 km in construction and 3,453 km planned at the end of June 2024. According to POTRAZ, the country reported 79 022 active fiber subscriptions at the end of June 2025, a notable increase from 46 577 at the end of June 2020 although still low.

As an alternative, the Company, Africom, Dandmutande and to a lower extent TelOne and Telco Broadband and Beyond offer VoIP-based voice services – carried over fiber-based IP networks.

Enterprise

The key players that serve the enterprise segment in Zimbabwe include, the Company, TelOne, Powertel, Dandemutande, Telecontract and Frampol Africa. The enterprise segment is comprised mainly of mobile B2B and connectivity however growth in the segment is driven by growth in the cloud and data center colocation.

Xalam Analytics notes that the country has a dynamic ICT market with significant potential for sizeable enterprise demand and strong wholesale demand. The country is characterized by historically strong enterprise and consumer appetite for digital tools providing a good foundation for cloud adoption¹²⁴.

Data center and cloud services

¹²¹ Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ), 2025; BMI, 2025

¹²² POTRAZ 2025; BMI, 2025

¹²³ POTRAZ, 2020, 2025

¹²⁴ Xalam Analytics,2025

Xalam Analytics estimated six live data centers in the market in 2024 with an estimated 2MW live critical IT load, 2.5MW capacity in construction and approximately 1MW announced or listed as in development.

Annual commercial Data center revenue was estimated at US\$4 million in 2024 with the overall data center market expected to grow at a CAGR of 26% between 2024 and 2030.

Wholesale

Zimbabwe's wholesale market is served primarily by the Company, TelOne, Dandemutande and Powertel. Limitations in international bandwidth for the landlocked country, Zimbabwe, for many years held back the development of the internet and broadband sectors, but this has changed since fiber optic links to Seacom, EASSy and WACS submarine cables were established via neighboring territories like Mozambique and South Africa.

The first commercial LTE services were launched in 2013, while investment in LTE technologies, for which the regulator has assigned spectrum in the 700MHz band, continues.

As at June 30, 2025, equipped international bandwidth in Zimbabwe was estimated to be just over 1.4 Tbps with the Company continuing to dominate the market¹²⁵. This is expected to grow, driven by increasing fixed and mobile penetration and growth in mobile business subscriptions. Though the country is landlocked with political and economic complications, the market remains dynamic with increasing broadband usage.

Broadband / Retail

The key players that serve the fixed broadband space include the Company, TelOne, Dandemutande, PowerTel, Frampol Africa and Africom. Zimbabwe has one of Africa's most expensive data markets, partly due to underinvestment in broadband infrastructure and the high cost of international bandwidth. The rising demand for ADSL¹²⁶ and fiber optic services is expected to yield growth in the broadband sector. The Company has rolled out FTTH services in Harare, Victoria Falls and Bulawayo, as well as a nationwide fixed LTE network to provide fixed broadband services.

Infrastructure

The Zimbabwean backbone network is dominated by the Company and Econet, the backbone network helps to link Zimbabwe through gateways in Botswana and Mozambique to submarine cables.

In May 2020, South Africa-based DFA was awarded a Class-B IAP license¹²⁷, making it the first new telco to be licensed in Zimbabwe in over ten years.

As of 2026, the Company owns and operates 22,918 km of national long-distance fiber and FTTH/Metro-fiber network across the country¹²⁸.

In terms of international connectivity, the internet sector has received a huge boost from the connection to international fiber-optic submarine cables via cross-border fiber networks rolled out by several private and government-backed operators over the years. As far back as 2011, PowerTel, the Company and Africom all connected to international fiber networks via the borders with South Africa, Mozambique and Botswana.

¹²⁵ POTRAZ, 2025

¹²⁶ Asymmetric Digital Subscriber Line (ADSL) is a form of digital subscriber line technology that utilizes existing telephone lines to provide high-speed Internet access to homes and businesses

¹²⁷ A Class B IAP license is a type of telecommunications license issued by the Postal and Telecommunications Regulatory Authority of Zimbabwe. The holder of the license can offer internet infrastructure and connectivity

¹²⁸ The Company

Regulatory environment

The Zimbabwe telecommunications market main regulatory body is POTRAZ. The landscape remains interventionist, with the government still holding significant ownership stakes and yet to deliver on its long-standing commitment to full market liberalization. Nevertheless, BMI remains positive about government plans to privatize operators and consolidate state-owned ISPs. These regulatory changes could introduce needed competition, reduce state involvement and address perceptions of regulatory favoritism toward public operators.¹²⁹

Kenya's Telecommunications Market Overview

Mobile Market Overview

The Kenyan mobile market had 78.3 million active mobile subscriptions at the end of September 2025, representing a 12% increase from the same period in the previous year representing a mobile penetration rate of 149.4%. Safaricom had the largest share of these subscriptions, with 65.3% followed by Airtel Kenya at 32.1%¹³⁰. The remaining market sits with Telkom Kenya, Finserve and Jumi Telecommunications limited with each party holding less than 2%. The market also has MVNO operators such as Finserve Africa, Equitel, Sema Mobile and Mobile Pay.

Mobile subscriber growth is expected to grow at a CAGR of 2.6% between 2025 and 2030¹³¹. BMI estimated 4G LTE to be 57% of subscription in 2025 (forecast to be 83% in 2030) and 5G to be 2% of subscription in 2025 (forecast to be 15% in 2030).

The number of mobile data subscriptions has grown from approximately 42.8 million in September 2020 to 60.3 million as at September 2025, a 40.9% increase over 5 years, largely driven by increased adoption of 4G LTE, increasing 5G adoption and increasing smartphone adoption. Machine-to-Machine subscriptions grew by 35.7% from 1.4 million subscriptions in September 2022 to 1.9 million subscriptions in September 2025¹³².

Kenya has a large and well-established mobile money market that continues to expand rapidly. The number of mobile money subscribers has increased from 31.8 million in September 2020 to 48.6 million as of September 2025, translating to a penetration rate of 92.8%¹³³.

Fixed Market Overview

Kenya has a small and declining fixed-line network with 47,842 Fixed Voice over IP subscriptions, 1,654 fixed wireless subscriptions and 6,095 fixed line subscriptions as of September 2025¹³⁴. Fixed VoIP subscriptions remained stable from 47,038 in September 2020, Fixed-line subscriptions declined by 65.5% and Fixed wireless subscriptions increased by 66.7% over the same period¹³⁵. Telkom Kenya was incorporated in 1999 as the sole operator of the national PSTN, a role previously held by the Kenya Posts and Telecommunications Corporation. Telkom Kenya faces significant competition from VoIP operators, particularly Wananchi which offers triple-play bundles under the brand name Zuku. The decommissioning of Telkom Kenya's CDMA¹³⁶ network in the second quarter of 2015 led to a substantial decrease in the total number of fixed-line connections.

¹²⁹ BMI, 2025

¹³⁰ BMI, 2025

¹³¹ BMI, 2025

¹³² CA, 2020, 2025

¹³³ CA, 2025

¹³⁴ CA, 2025

¹³⁵ CA, 2020, 2025

¹³⁶ A Code Division Multiple Access (CDMA) is a wireless transmission technology that allows multiple digital signals to travel over the same carrier channel

Fixed internet subscriptions, which are majority made fixed fiber optic subscribers and terrestrial wireless data subscribers, are experiencing rapid growth on the back of increased subsea cable capacity and reliance on the internet for work, education, healthcare and entertainment. Fixed internet subscriptions grew by 168% from 551,715 subscribers in September 2020 to 1.48 million as at September 2025. In the same period international equipped bandwidth increased from approximately 8 Tbps in September 2020 to approximately 22 Tbps in September 2025¹³⁷.

Enterprise

Kenya's enterprise segment is served by multiple industry players, primarily: Internet Solutions, Safaricom, the Company, Telkom Kenya, MTN Business and Wananchi. This segment is growing rapidly, largely driven by cloud and data center services which are the driving force in the segment.

The country through its deepening broadband connectivity, position as East Africa's economic hub is well positioned to capture significant growth in this segment.

Data center and cloud services

Kenya has the fifth largest colocation market in Africa, based on critical IT load estimates in 2025⁹¹. It benefits from being a key regional trading hub and landing point for submarine cables. It is also East Africa's most dynamic market, with Nairobi and Mombasa being East Africa's economic and connectivity hubs, respectively.

For 2025, Xalam Analytics estimated Kenya's live critical IT load at 15MW across approximately 10 live data center facilities with 50MW scaled-out capacity assuming completion of all phases of facility development and a further ~90MW in 2030 pipeline. The 15MW critical IT load capacity in 2025 is 3 times the level in 2020, growth is driven by strong demographics, robust economic growth and advanced consumption of digital tools¹³⁸.

As the industry continued to develop, the data center market is dominated by carrier neutral data centers representing approximately 60% of live supply. Majority of the capacity is supplied by Africa Data Centres, Digital Realty, IX Africa and Paix¹³⁹. Xalam Analytics estimated the annual data center colocation revenue at US\$25 million in 2025 poised to grow at a projected CAGR of 32% between 2025 and 2030¹⁴⁰.

The cloud services market size was estimated at US\$ 500 million with no less than two US hyperscaler cloud regions have announced or are in development of cloud regions at the end of 2025. Growth is expected to be driven by continuing strong hyperscale cloud presence and growth in cloud regions. With a formal cloud first policy the government has advanced initiatives aimed at harnessing cloud and AI development.

Wholesale

Kenya has an established wholesale market served primarily by the Company, Jamii Telecommunications, Internet Solutions, FON, Wananchi and Telkom Kenya (Telkom Kenya operates the Kenyan government's fiber network, NOFBI). As of September 2025, equipped international bandwidth was estimated to be approximately 22 Tbps with about 10 Tbps utilized in the same period¹⁴¹. International bandwidth is expected to continue to increase as more subsea cables are landed in the country. The utilized capacity is expected to also grow significantly, driven by increasing fixed and mobile penetration and growth in mobile business subscriptions.

¹³⁷ CA, 2020, 2025

¹³⁸ Xalam Analytics, 2026

¹³⁹ Xalam Analytics, 2026

¹⁴⁰ Xalam Analytics, 2026

¹⁴¹ CA, 2025

Kenya is also the preferred conduit for the IP transit traffic of its landlocked neighbors, accounting for majority of all IP transit demand in East Africa. Nairobi is East Africa’s largest economic center while Mombasa is an important regional submarine cable connectivity.

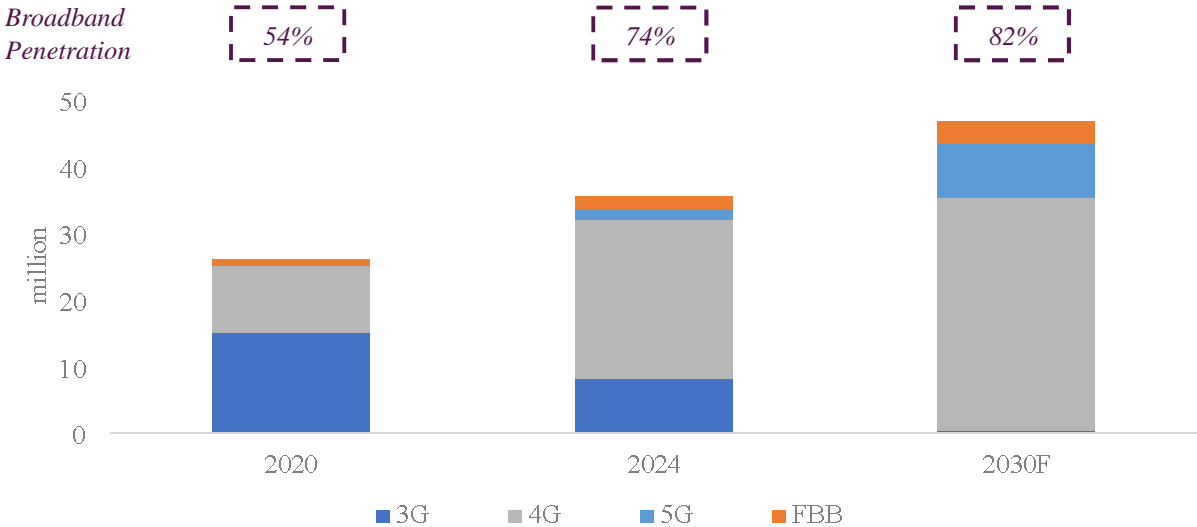
Kenya’s wholesale data regulatory framework is the most liberal in East Africa, supporting a highly diverse market for terrestrial fiber and international bandwidth, with vibrant exchange points and densely interconnected hubs.

Broadband / Retail

Growth in Kenya’s broadband market has historically been driven by a combination of the government’s comprehensive ICT strategy and network investments by private service providers. Major private service providers include the Company, Wananchi, Safaricom, Poa Internet Solutions, Jamii Telecommunications, Mawingu Networks and Telkom Kenya.

Broadband penetration, dominated by 3G and 4G, is increasing on the back of a sophisticated digital customer base. In 2024 broadband penetration stood at 74% with 82% projected by 2030¹⁴².

Figure: Kenya broadband connections by Penetration



Source: Xalam Analytics, 2025

Infrastructure

According to Africa Bandwidth Maps Kenya had 55,311 km of operational fiber with another 1,257 km under construction and 13,870 km planned in 2024.

In 2024 Airtel Africa launched a subsidiary company named Airtel Africa Telesonic Ltd (“**Telesonic**”) to provide wholesale data services in Africa through the use of its terrestrial fiber optic cable and submarine cable assets. In the same year, the company announced the activation of the 2Africa route from Kenya to South Africa. In 2023 the

¹⁴² Xalam Analytics, 2025

Company deployed 16,576 km of terrestrial fiber connecting Mombasa to Johannesburg leveraging Nokia’s optical transport network technology.

The Kenyan population within 25 km of an operational fiber node stood at 90.7% vs 80.8% in 2019¹⁴³. However, it is key to note that FTTH remains low. The terrestrial fiber market outlook is characterized by rapidly increasing demand supported by the expanding cloud market and increased 4G LTE, 5G and FTTH growth.

As of 2026, the Company manages 8,683 km of national long-distance fiber, FTTH/Metro-fiber network leased network across the country¹⁴⁴.

In terms of international connectivity, the government and the ISPs have remained active in the development of the regions’ submarine cable systems. There are seven live international capacity submarine networks landing on Kenya’s shores: the SEACOM system, TEAMS, EASSy and LION2, DARE, PEACE and 2Africa.

Regulatory environment

The Communications Authority of Kenya (“CA”) is proactive and remains committed to improving the market. It invests in spectrum monitoring and management, manages competition and continues to produce research that can help improve the domestic telecommunications market. According to BMI, Kenya has the second best Industry risk score in the Sub-Saharan Africa region after Mauritius

The regulator is introducing regulations that give the government control over mobile termination rates to curb Safaricom’s market dominance, in line with best-practice rules. Other key recent developments driven by the regulator include a new fiber link between Dar Es Salam to Mombasa, and the Horn of Africa Gateway Development Project which will facilitate the rollout of high-capacity fiber infrastructure along the 748km Isiolo-Mandera Regional Road Corridor.¹⁴⁵

DRC’s Telecommunications Market Overview

Mobile Market Overview

The DRC mobile market comprises of four main MNOs. Vodacom is the market leader with a 38.3% subscriber share as of March 2025, followed by Airtel (30.8%), Orange (24.6%) and Africell (6.3%)¹⁴⁶. The three largest operators are majority owned by large international telecommunications groups, being Vodacom Group, headquartered in South Africa, Bharti Airtel, headquartered in India and Orange Group headquartered in France. There are two additional licensed entities yet to launch services, these are Smile and Yozma.

Oranges’ acquisition of Tigo from Millicom in 2016 created an MNO of scale which will compete with Airtel for the second position in the DRC. While Orange has not lost market share since 2016, they have been taken over by Airtel as the now number two, moving down to number three. Africell, the later entrant, entered the DRC market in November 2012, disrupting market dynamics with aggressive pricing, the company has lost market share in the recent years.

¹⁴³ Africa Bandwidth Maps, 2024

¹⁴⁴ The Company

¹⁴⁵ BMI, 2025

¹⁴⁶ BMI, 2025

Majority of mobile subscribers in 2025 were on 3G (50%) followed by 4G LTE (27%) then 2G (23%) and 0.21% on 5G. While MNOs have started to expand 4G LTE in rural areas, overall 4G LTE remains underutilized due to low interest for advanced services except for mobile money with affordability playing a major role. Due to this, investment in 5G is expected to be delayed, BMI estimates that there were 142,000 5G connections in 2025 (<1% of total mobile connections). BMI forecasts that 4G LTE will be the leading technology in 2030 at 51% of subscribers followed by 3G at 33%, lastly 2G and 5G at 8%.¹⁴⁷

The DRC mobile market is estimated to have had 66.1 million mobile subscribers at the end of 2025, representing a low mobile penetration rate of approximately 60%. Mobile subscription grew significantly by approximately 12.5 million subscribers from 2022 to 2025.¹⁴⁸

Fixed Market Overview

Fixed broadband subscriptions are expected to grow over the next decade, up from 330,000 subscribers in 2024 to 392,900 subscribers in 2034. The penetration rate is expected to remain extremely low, reaching only 0.3% in 2034.¹⁴⁹ The network infrastructure continues to lack, a large proportion of the population has low disposable income which will restrict growth in fixed broadband services.

BMI forecasts fixed voice subscribers to fall from 30,000 in 2024 to 11,600 in 2034 representing the ongoing fixed-to-mobile substitution expected to continue to 2034.

Enterprise

The key players in the enterprise segment include the Company, Airtel, Global Broadband, Microcom, Vodacom, Africell, Castor networks, Orange and Societe Congolaise des Postes et Telecommunication (“**SCPT**”). The market dynamics are shifting towards cloud and data center services which are now a key driver of the segment.

Contribution of cloud and data center colocation to the total enterprise revenue is growing driven by growing demand from a low base.

Data center and cloud services

Similar to many other African markets, data center colocation supply in DRC is relatively low. Xalam Analytics estimated the DRC live critical IT load at 2.5MW across six live data center facilities with an additional 2MW under construction or in long term pipeline in 2024¹⁵⁰.

Annual commercial data center revenue was estimated at US\$4 million in 2024 with a strong growth projection of 30% CAGR between 2024 and 2030.

Wholesale

The state-owned fixed line incumbent SCPT largely functions as a wholesale connectivity provider, leasing out capacity on a fiber backbone that was installed by Chinese vendors. The DRC’s international internet capacity reached 600.1 Gbps in December 2024 up from 168.9 Gbps in 2021. Outbound international bandwidth continues its upward trajectory, rising to 695.6 Gbps in December 2024, compared to 114.4 Gbps in 2021 largely¹⁵¹.

¹⁴⁷ BMI, 2025

¹⁴⁸ BMI, 2025

¹⁴⁹ BMI, 2025

¹⁵⁰ Xalam Analytics, 2025

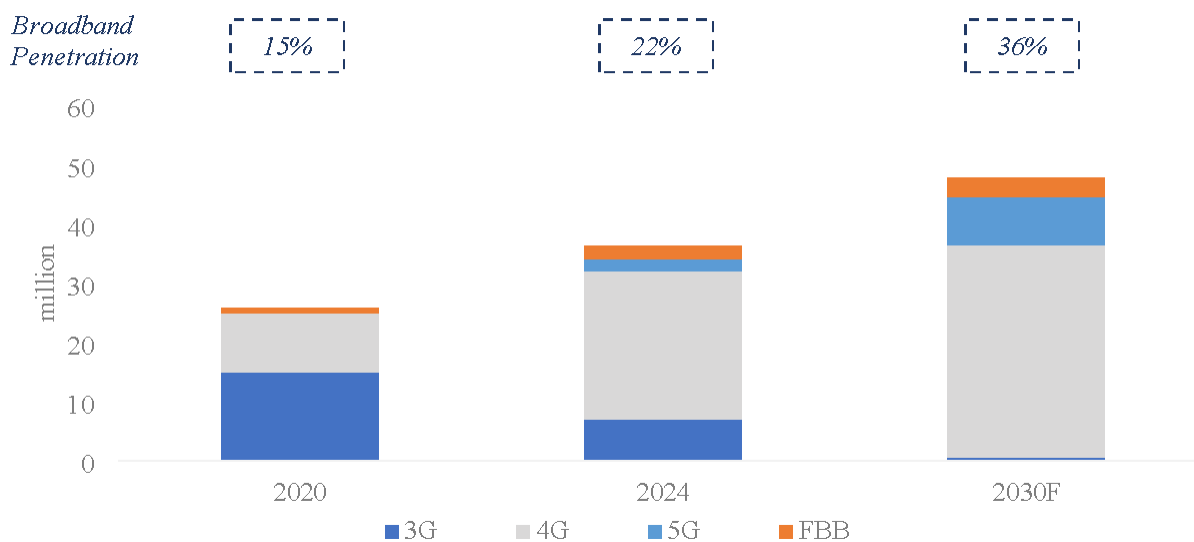
¹⁵¹ Africa Bandwidth Maps, 2025

The Company operates a wholesale fixed network in Kinshasa, Lubumbashi and Goma, as well as other smaller cities.

Broadband / Retail

The development of DRC’s fixed broadband sector has been plagued with challenges such as the lack of an operational nationwide fixed network. The majority of the nation’s copper infrastructure was destroyed or damaged by civil wars during the 1990s and 2000s and attempts to repair or rebuild have been hindered by a lack of financing and civil unrest. BMI estimated approximately 1.16 million broadband subscriptions in 2025 and forecasted 2030 to be 5.2% up at approximately 1.23 million subscribers.¹⁵²

Figure: DRC broadband connections by type



Source: Xalam Analytics, 2025

Infrastructure

The DRC is undergoing a significant infrastructure expansion as the government works to boost internet penetration and narrow the gap with neighboring countries. The country has limited fiber connectivity and high costs. Xalam Analytics notes that in 2024 the country had one subsea cable landing point, WACS, 2Africa has since landed, together with Equiano the two cables are expected to increase connectivity diversity and capacity¹⁵³. The Company obtained a license issued by ARPTC to build a landing station for the Equiano subsea cable in Muanda, DRC.

The market initially had issues with terrestrial fiber connectivity due to SCPT monopoly on terrestrial fiber. However, the advent of a new government in 2019 introduced more flexibility into the market and has also attracted key projects. The Company and Paratus are amongst the leading providers of long-haul capacity in the DRC. In 2023 the Company commissioned its 3,800 km fiber connecting DRC and Kenya, the shortest route connecting West to East Africa reducing data transmission latency by 20 milliseconds.

¹⁵² BMI, 2025

¹⁵³ Xalam Analytics, 2025

As of 2026, the Company owns and manages over 5,200 km of national long-distance fiber and FTTH/Metro-fiber network in the country¹⁵⁴. Included in the 5,200 km fiber stretch is a 2,300 km backbone link between Lubumbashi and Kinshasa utilizing the power transmission infrastructure owned by utility company SNEL. Mobile operators Vodacom and Airtel also secured dark fiber on the SNEL network.

Regulatory environment

The mobile sector remains underdeveloped in the DRC, the regulator has indicated that it has no immediate intentions to cease issuing licenses to new applicants. The regulator's stance on spectrum management is unclear. BMI believe that, as the mobile market develops, the regulatory framework will follow suit¹⁵⁵.

Regulatory progress remains slow but notable: the regulator has now granted Starlink a telecoms services license, reversing its March 2024 stance that deemed Starlink equipment illegal. In August, Congo's ARPCE and Angola's Angolan Institute of Communications also signed a frequency-coordination agreement to harmonize border-area spectrum, prevent cross-border interference, and improve network reliability.¹⁵⁶

Zambia's Telecommunications Market Overview

Mobile Market Overview

At the end of 2025, there were an estimated 24.0 million mobile subscribers which translates to a mobile penetration rate in excess of 90%. Subscribers are largely served by three major mobile operators, Airtel (50%), MTN (30%) and Zamtel (19%)¹⁵⁷. Both MTN and Zamtel have lost significant market share to the leading mobile operator, Airtel. The two largest operators are majority owned by large international telecommunications groups, being Airtel, which is majority owned by India's Bharti Airtel and MTN, headquartered in South Africa. Zamtel is wholly owned by the Zambian government. Zed Mobile was launched in 2024 as Zambia's fourth mobile network operator. According to BMI, the company has invested US\$ 400 million to improve the country's telecommunications services and aims to increase internet penetration from 64% to over 80% within two years.

Majority of the subscribers in 2025 were on 3G and 4G LTE. BMI forecasts 3G to taper off by 2031 and 4G LTE and 5G to pick up with more than 80% of subscribers being on 4G LTE by 2030. MTN was first to launch 5G in 2022 followed by Airtel. Mobile penetration is forecast to improve to 98.8% at the end of 2030 and subscribers to grow from 24.0 million in 2025 to 27.3 million in 2030¹⁵⁸.

Fixed Market Overview

There are approximately 69,700 fixed-line connections which translates to a household penetration below 1%¹⁵⁹. BMI expects penetration to remain low as users opt for the more convenient mobile alternative. According to ZICTA, the number of fixed-internet subscribers reached approximately 139,000 by the end of June 2025.

Zambia's connection to submarine cables and terrestrial fiber optic network infrastructure drive growth in the fixed internet segment. In addition to Zamtel, the Company, ZESCO, Kenya Power and Powertel also provide fiber network access. BMI notes planned FTTH and FTTB expansions including those of the Company, improving terrestrial

¹⁵⁴ The Company

¹⁵⁵ BMI, 2025

¹⁵⁶ BMI, 2025

¹⁵⁷ BMI, 2025

¹⁵⁸ BMI, 2025

¹⁵⁹ BMI, 2025

connections to undersea cable systems and the completion of operators' fiber optic networks will create significant subscriber and revenue growth opportunities for service providers¹⁶⁰.

Enterprise

Zambia's enterprise segment comprises the public sector organizations, multinationals and local companies. This segment is served by multiple industry players, primarily MTN, Airtel, the Company, Africonnect and Paratus Telecom. The sector is still in an earlier stage of market development compared to South Africa. The segment comprises mainly mobile B2B and connectivity.

Data center and cloud services

The Zambia market was estimated to have approximately five live data center facilities and 2 MW of live critical IT load and approximately 2MW announced or listed as development in 2024¹⁶¹.

In 2015, the Smart Zambia initiative was introduced, which is predicated on cloud computing and was split into two phases. As part of Phase I, a national cloud data center was built, as well as the launch of an ICT talent training center, with Huawei as the primary project supplier. The data center is at the Zambian Information and Communication Technology campus, located in Lusaka, Zambia's capital city. The ZICTA cloud platform is designed to provide processing, networking, and storage facilities for government and public institutions, and commercial enterprise services. A backup data center is co-located at the Roma switch office of Zamtel. A second backup data center is situated at the Zamtel Kitwe switch office. Each of the three centers are fully equipped with servers, power, monitoring, and communications equipment rooms. Phase II was launched to build a national broadband network and e-Government platform to benefit 17 cities across the country.

Xalam Analytics estimated annual commercial data center revenue at US\$5m in 2024 with growth between 2024 and 2030 projected at a CAGR of 15%. There is significant room for growth in the data center and cloud segments. The contribution of cloud and data center colocation to the total enterprise revenue is expected to grow driven by growing demand for both services.

Wholesale

Zambia's wholesale segment is a relatively mature market and is primarily served by the Fibrecom, Paratus Telecom, MTN and Lusaka Telecom. Other smaller players and new entrants include Zamtel, Smartnet, Airtel, WIOCC, Orange Business and PCCW. The Zambian wholesale market, while landlocked is dynamic with demand forecast to increase as broadband penetration rises.

As of June 2024, international bandwidth reached 0.345 Tbps, a 95% increase from June 2023. The total equipped international capacity of wholesale carriers reached 1.10 Tbps by June 2024, compared to 0.975 Tbps in June 2023. The growth is mostly attributed to increased capacity by the Company and MTN Global Connect (Bayobab) in the first half of 2024 and increasing demand for broadband services amongst consumers per ZICTA¹⁶².

Infrastructure

At the end of June 2024 Zambia had 37,021 km of operation fiber with 379.1 km under construction and another 9,949.8 km planned. The fiber is owned/operated by Fibercom, the Company, Telesonic, MTN Global Connect/Bayobab, Zamtel, BCS and Paratus. Fibercom leads the market with a total of approximately 18,000 km¹⁶³.

¹⁶⁰ BMI, 2025

¹⁶¹ Xalam Analytics, 2025

¹⁶² Africa Bandwidth Maps, 2025

¹⁶³ Africa Bandwidth Maps, 2025

As of 2026, the Company owns/manages 13,060 km of national long-distance fiber, FTTH/Metro-fiber network across the country.¹⁶⁴

Regulatory environment

Regulated by Zambia Information and Communications Technology Authority (“ZICTA”), the Zambia Telecommunications market benefits from a high degree of competition and market liberalization promoted by the regulator. In October 2025, Zambia’s Ministry of Technology and Science unveiled a USD 280 million infrastructure program to deploy 781 new telecommunications towers, a strategic initiative aimed at bridging rural connectivity gaps and strengthening the resilience of the country’s energy infrastructure. Building on this, in November 2025, ZICTA, responding to a series of service outages, mandated all mobile operators and tower providers to expand capacity and coverage in underserved regions, equip hub sites with reliable backup power systems, and adopt sustainable energy solutions. Together, these measures reflect a coordinated effort to enhance service quality, ensure uninterrupted connectivity during disruptions, and advance the long-term sustainability of Zambia’s digital and energy networks.¹⁶⁵

Tanzania’s Telecommunications Market Overview

Mobile Market Overview

Tanzania closed 2025 with mobile accounting for more than 99.9% of connections in the country (106.8 million mobile subscriptions¹⁶⁶. Mobile subscribers are expected to grow at a CAGR of approximately 5.8% between 2025 and 2030¹⁶⁷.

The market continues to post strong growth supported by increasing demand for premium content and services and the rapidly increasing 4G and 5G rollout. BMI notes the recently concluded 2025 spectrum allocation in the 3.6-3.8GHz band to accelerate 5G rollout improving overall coverage significantly.

There are five mobile operators in Tanzania —Vodacom Tanzania, Yas (owned by Axian Telecom), Airtel, Halotel and Tanzania Telecommunications Company Limited (“TTCL”), the state-owned telecommunications operator. Airtel, Vodacom and Yas are the largest operators and had approximately 82% of market share as of December 2025. Halotel, a more recent entrant, launched mobile services in October 2015 and had a market share of 16.5% as of December 2025¹⁶⁸. The telecommunications subscriptions penetration rate as of December 2025 was approximately 156.9%¹⁶⁹.

BMI estimates that majority of the mobile subscribers in 2025 were 4G LTE (51%), followed by 3G (34%), 2G (9.3%) and 5G (5.6%). In 2030 BMI estimates the market to be covered by 4G LTE and 5G with majority connections still being 4G LTE¹⁷⁰. TRCA estimates that 2025 closed with 28.5 million smartphones representing a smartphone penetration rate of 41.8%.

According to the TCRA’s estimates, there were approximately 58.1 million internet subscriptions as of December 2025, significant growth from approximately 26 million in 2020, with majority accessing the internet on a mobile device. The 58.1 million internet subscriptions equate to a penetration rate of approximately 85.3%¹⁷¹. Usage of non-

¹⁶⁴ The Company

¹⁶⁵ BMI, 2025

¹⁶⁶ Tanzania Communications Regulatory Authority (TCRA), 2025

¹⁶⁷ BMI, 2025

¹⁶⁸ TCRA, 2025

¹⁶⁹ TCRA, 2025

¹⁷⁰ BMI, 2025

¹⁷¹ TCRA, 2025

voice services, including data, SMS and Mobile Financial Services, continues to increase in Tanzania. Consequently, internet usage has increased rapidly.

Fixed Market Overview

The fixed line telephony market is small and has been declining over the years. TTCL is the only provider of fixed-line voice services. Zantel (which was acquired by Tigo in 2019) no longer reports any fixed voice lines in service as of December 31, 2019. The fixed-voice market has suffered due to a lack of investment, the incumbent TTCL has opted to focus more on its mobile operation than its fixed network. BMI forecasts the trend to continue with greater mobile uptake also leading to increased fixed-mobile substitution. The market is forecast to have 44,000 subscribers by the end of 2034, representing a penetration rate below 0.1%.

Airtel leads the fixed internet subscriptions market followed by TTCL, Wananchi, Vodacom and several other smaller players. FTTH/B had a few subscriptions, at 123,052 and 16,265, respectively, at the end of 2025.

Enterprise

Airtel is a leading player, covering the country's main regional centers, with fixed and wireless links to end users. Other players include TTCL, Wananchi, Vodacom, Habari Node and Aptus Solutions amongst others. The revenue is expected to continue to grow driven by cloud and data center services.

Data center and cloud services

The data center industry in Tanzania is still growing, and Xalam Analytics has identified the market as one of the SSA markets with significant potential. It is amongst the top 10 data center markets in SSA, with an estimated live critical IT load capacity of 3.2 MW, approximately six live data center facilities, 3MW capacity in construction and a further approximately 3MW announced or listed as in development¹⁷².

Tanzania has a national data center located in Dar es Salaam's Kinondoni District and is operated by TTCL. The facility was completed in 2016 and offers services to both public and commercial organizations. In addition, Tigo also offers third party colocation through its Tier III data center.

Annual commercial data center revenue was estimated at US\$7m in 2024, the data center market is expected to grow at a CAGR of 20% between 2024 and 2030 as colocation capacity increases¹⁷³. The contribution of cloud and data center colocation to total enterprise revenue is also expected to grow in tandem.

Wholesale

Key players in the wholesale sector include Airtel, Vodacom, the Company, TTCL and Habari Node. As of 2024, international bandwidth usage was estimated to be approximately 2.6 Tbps¹⁷⁴ which is expected to grow as fixed and mobile penetration increase. Wholesale data revenue is estimated to increase from US\$48 million in 2021 to US\$73 million in 2026 representing a CAGR of 9% over the same period¹⁷⁵.

Broadband / Retail

The major players in the broadband sector in Tanzania include Airtel, TTCL, Wananchi, Vodacom, (The Company), Aptus Solutions, Maisha Broadband, and Cable Television Network. As of 2025, Tanzania broadband connections

¹⁷² Xalam Analytics, 2025

¹⁷³ Xalam Analytics, 2025

¹⁷⁴ TCRA, 2025

¹⁷⁵ Xalam Analytics, 2022

totaled approximately 1.5 million, the number is expected to increase to 2.2 million in 2030¹⁷⁶. The market remains dominated by mobile broadband.

FTTH/B networks deployments continue to increase, while Tanzania is in the top 10 SSA markets in terms of FTTH adoption, penetration is still far behind. Wananchi provides Zuku-branded triple-play IP telephony, TV and broadband services over a fiber-optic network in parts of Dar es Salaam. The Company and TTCL also offer FTTH/B networks.

Infrastructure

According to Africa Bandwidth Maps, the country had 32,104 km of operational fiber, another 11,201 km under construction and a further 2,695 planned at the end of June 2024. The government's national terrestrial fiber-optic backbone project, the NICTBB, operationally managed by TTCL, was established in 2008 to act as the terrestrial continuation of existing submarine cables. In addition, various fixed and mobile operators have built and operate their own terrestrial fiber networks. TTCL has already connected the NICTBB to Kenya, Uganda, Malawi, Zambia, Rwanda and Burundi.

Tanzania's telecommunications networks are also linked to several international submarine cables including SEACOM, EASSy, SEAS, DARE, LION 2Africa and PEACE. At the end of June 2024, international bandwidth capacity supplied by submarine cable was estimated at 1.1 TBps¹⁷⁷.

Usage of fiber in Tanzania is expected to grow quickly, both as a transit and access technology improve and as operators' investments into the deployment and expansion of fiber-optic infrastructure increase.

As of 2026, the Company owns and manages 3,336 km of national long-distance fiber and FTTH/Metro-fiber network in the country.

Regulatory environment

The Tanzania Communications Regulatory Authority ("TCRA") actively oversees competition and has introduced robust regulations and policies to promote the rollout and adoption of mass-market ICT services aimed at narrowing the digital divide. In July 2025, Tanzania's TCRA became one of the first African regulators to establish a national satellite-to-mobile framework—requiring satellite operators to partner with local MNOs, use existing spectrum, meet strict reporting and interference rules—and simultaneously issued landing-rights guidelines mandating full licensing, compliance and documentation for foreign operators.

Growing government involvement in the sector is, however, raising concerns and will test the regulator's ability to resist undue influence and continue acting in the market's best interests.¹⁷⁸ During the October 2025 election, a five-day internet blackout shut down social media and web services, raising concerns about accountability, transparency and state oversight.

¹⁷⁶ BMI, 2025

¹⁷⁷ Africa Bandwidth Maps, 2025

¹⁷⁸ BMI, 2025

BUSINESS

OVERVIEW

We are a subsidiary of Cassava Technologies Limited, a technology leader providing a vertically integrated ecosystem of digital services and infrastructure that enables and supports digital transformation. As a pan-African technology solutions provider, we deliver broadband digital connectivity infrastructure as well as digital services and solutions to public and private sector enterprises in more than 25 countries across Africa. Over the last two decades, we have established ourselves as the leading pan-African digital infrastructure provider with an extensive fiber network spanning more than 114,000 km, including dense metro, long-haul and FTTB networks. In addition, we are one of the predominant infrastructure providers that connects the rest of the world to Africa, and Africa to the rest of the world. We have capacity access on 5 major submarine cable systems on both the East and West African seaboard that in aggregate amount to more than 70,000 km of submarine fiber.

Our network includes metropolitan and last-mile infrastructure, which comprises fiber and fixed wireless access networks in most major and secondary cities in the region. These integrate seamlessly with our submarine and satellite operations. As a result, it is well suited to support high-bandwidth, low-latency applications, including 3G/4G/LTE/5G mobile tower backhauling, over-the-top content service delivery, entertainment video and security CCTV streaming, machine-to-machine connectivity, private connections to data center storage and computing services, cloud services and other applications. Accordingly, as African consumers switch from 2G to 3G, 4G, LTE and, eventually, 5G enabled handsets; from traditional voice calls to broadband and VoIP calls; and from individual low-resolution small screen data consumption to always-on high-definition multiscreen broadband in the home, and enterprises expand their geographic reach and increase their connectivity, reliability and digital service requirements, we believe that we are well positioned to build and capture the potential of Africa's digital transformation.

We have a high-quality and geographically diversified customer base located in many of Africa's fastest growing markets. These include some of the largest consumers of digital infrastructure solutions, such as MNOs, OTTs, international carriers, enterprises, media and content companies, other ISPs, national and local governments as well as other public entities. Our customers also include financial institutions, multinational corporations and leading national companies, in addition to SMEs who operate across multiple territories.

In the last two years, we have implemented a "whole of business" reorganization aimed at transforming the Company from a geographically focused telecommunications provider to a full technology and digital services group. This reorganization has led to several new initiatives, including: redefining our network, bringing innovative business applications, AI-enabled cloud and cybersecurity services to large and small enterprises operating nationally, regionally and continentally through strategic partnerships with leading global players. We have accelerated our focus on monetizing our existing network infrastructure by becoming a multi-product systems integrator offering connectivity, cloud and cybersecurity solutions.

In particular, we believe that our digital services in Africa represent a significant revenue growth opportunity. We have partnered with Microsoft to deploy hybrid cloud infrastructure in Africa and we also offer leading cloud, cybersecurity and generative AI solutions through our partnerships with Google Cloud and Anthropic. In addition, we also offer comprehensive advisory and managed cloud and cybersecurity services to our customers. Moreover, our network connects to data centers within the wider Cassava Technologies Group ecosystem where we provide co-location, cloud, cyber-security as well as fintech services and solutions, and more recently, AI services. All of this increasingly allows us to be one of the most competitive and leading digital transformation enablers across Africa while democratizing access to cloud infrastructure across the continent as a multi-cloud provider. Through our partnership with Globalstar, Inc. ("Globalstar") we have exclusive rights in Africa and the Gulf region to sell and distribute Globalstar's private networks 5G access solution, which we believe is crucial to the competitiveness of logistics, manufacturing and mining industries in Africa and high-end markets in the Middle East and Gulf regions. We have also recently launched Cloudmania in Egypt and extended the provisions of our existing partnership with Microsoft Azure to more markets with a new stack in Uganda. We believe that all these efforts will continue to drive the growth

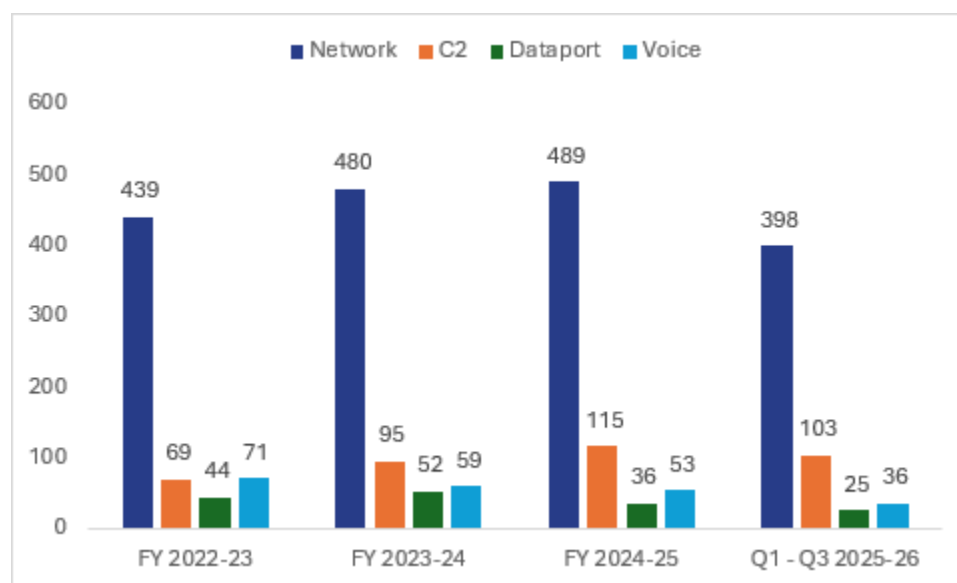
of our operations and revenues in line with the high growth forecasts for the continent and the countries where we operate.

The services we offer to customers are divided into four business segments:

- **Network.** Our Network segment primarily supports global IP transit and fiber connectivity to 2G, 3G, 4G, LTE and 5G mobile base stations by providing customers with connectivity over our owned and leased fiber infrastructure, including the long-haul Cape to Cairo, East to West and South Africa NLD routes and our metro and FTTH networks, through capacity lease agreements and IRUs. Our Network segment has a wide range of customers, from international carriers to African mobile and public telecom operators and African ISPs. We also help other ISPs reach more customers with attractive offers using our wholesale FTTH services whilst also monetizing our open-access fiber broadband network. In addition, we also have spectrum assets in several countries and use this to provide last-mile connectivity (e.g., FWA in Zambia and Zimbabwe) as well as spectrum pooling and related services to MNOs where they can roam across our wholesale 4G and 5G mobile networks.
- **C2.** Our C2 segment complements our connectivity offerings with a range of wholesale cloud products and cybersecurity offerings, including managed services, and we are a Tier 1 and Tier 2 supplier for Microsoft across Africa. Within this segment we have strategic relationships and contractual agreements with key hyper-scalers that span the African continent, including Microsoft, Google and Amazon Web Services (“AWS”) which are complimented by relationships with Cloudflare, Acronis, ITC Secure and others. Our relationship with Microsoft extends across our connectivity, cloud and cybersecurity portfolios. This provides us with multiple revenue streams and opportunities to co-develop go-to-market strategies which allow C2 to operate as an exclusive partner in many of these areas.
- **Dataport.** Our Dataport segment primarily consists of our international portfolio of products and services that we provide in connection with our agreements with subsea cable providers, cross-border network services, satellite services, landing stations and large, global network provision agreements. The services and products that we offer within this segment are typically linked to key customer types including pan-African MNOs, hyperscalers, including Google, META, Microsoft, Amazon and Starlink as well as international carriers.
- **Voice Traffic.** Our Voice Traffic segment primarily consists of international voice interconnects between mobile network operators and international telecom carriers into and out of Africa. We provide connectivity via fiber and satellite, in the voice market, into and out of Africa to national and international operators as well as African mobile network operators.

For the year ended February 28, 2025, we had total revenues of US\$693.5 million and Adjusted EBITDA of US\$265.0 million. For the nine-month period ended November 30, 2025, we had total revenues of US\$561.2 million and Adjusted EBITDA of US\$229.4 million. The following chart sets forth a breakdown of our revenue by business segment for the years ended February 28, 2023, February 29, 2024, and February 28, 2025, and the nine months ended November 30, 2025.

Figure: Revenue by segment (in US\$ millions)



Key Operating Measures and Performance Indicators

The following table sets out certain of the Liquid Group’s key operating measures and performance indicators for the periods indicated:

	As of and for the year ended February 28/29			As of and for the nine months ended November 30,		As of and for the 12 months ended November 30 ⁽⁷⁾ ,
	2023	2024	2025	2024	2025	2025
Voice minutes ⁽¹⁾	593,966,781	554,847,797	515,961,109	394,130,324	349,658,532	471,489,318
Total fiber network (kms) ⁽²⁾	104,353	107,844	108,868	108,441	114,780	114,780
Average churn rate ⁽³⁾	0.78%	0.46%	0.53%	0.57%	0.38%	0.39%
Monthly recurring revenue ⁽⁴⁾	87.1%	84.0%	87.3%	86.0%	90.7%	90.8%
Cloud seats year-on-year growth ⁽⁵⁾	73.0%	17.2%	15.4%	10.2%	9.3%	21.4%
Total capacity on subsea assets (Gbps) ⁽⁶⁾	1,034	3,519	4,341	4,341	5,341	5,341

- (1) Voice minutes represent the total wholesale voice minutes on our network.
- (2) Total fiber network in kilometers (including backbone, metro and FTTX) through which fiber is installed. Multiple kilometers of fiber cables or ducts within the same trench/overhead line are counted individually. Includes both owned and leased capacity through partnerships.
- (3) 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.
- (4) Monthly recurring revenue is the total of all recurring revenue usage in the period normalized into a monthly amount and expressed as a percentage of total revenue in the same period.
- (5) Year-on-year growth for the equivalent period in the number of paid for Cloud license seats.
- (6) Capacity, in gigabits per second, purchased by, activated by, or reserved for, the Liquid Group on subsea cables (including IRUs).
- (7) Figures for the twelve months ended November 30, 2025 are calculated as the sum of the relevant figure from the published results for the year ended February 28, 2025 and the relevant figure from the published results for the nine month period ended November 30, 2025 less the relevant figure from the published results from the nine month period ended November 30, 2024.

Key Strengths

We consider our key strengths to include the following:

We have strategic and purpose-built infrastructure with high barriers to entry.

We have successfully built and acquired a fiber-optic network spanning more than 114,000 km, across more than 25 countries, which includes dense metro, long-haul and FTTB networks. We believe that we are the only operator in Africa with a single, multi-country, open access fiber broadband network of such geographic breadth. We own and operate our own fiber optic and wireless networks in Botswana, the Democratic Republic of Congo, Kenya, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe, and we have a further commercial presence in Côte d'Ivoire, Egypt, Ethiopia, Ghana, Mauritius, Mozambique, Nigeria, Senegal, the United Arab Emirates and the United Kingdom, among other countries. We also partner with other fiber broadband network operators to leverage their networks in countries where we do not specifically own our own fiber. As an example, our partnership with Orange provides us with access to its Djoliba network in West Africa covering Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Liberia, Mali and Senegal. Furthermore, our partnership with Orange Maroc has enabled us to expand our network reach into Morocco. We have also recently partnered with American connectivity innovator, Globalstar, to deliver advanced 5G connectivity solutions across Africa, the Middle East, and the Gulf.

We have also reinforced our terrestrial fiber backbone by securing direct access to international submarine cable infrastructure through a number of strategic investments that allow us to deliver reliable international and transit broadband connectivity to our customers. Our direct access to international submarine cable infrastructure includes equity stakes in SAT3/SAFE, EASSy, TEAMS and WACS cables, partnerships with PEACE Cable Company, large IRU inventory holdings in SEACOM, as well as our significant investment in other cables (such as Google's Equiano cable on the African west coast) which complement and extend our pan-African fiber broadband network to global destinations.

The unique scale of our infrastructure also allows us to take advantage of the increasing demand for digital services, data-intensive applications and integrated solutions from our Network, C2, Dataport and Voice Traffic customers across Africa. With our infrastructure, we are developing and deploying one of Africa's largest open access fiber networks designed to offer mass market internet access at affordable prices.

The development and maintenance of a pan-African network infrastructure of this scale is capital intensive and operationally challenging, requiring significant financial resources and knowledge of the markets, geography and regulatory environments in which we operate. Although we face competition locally, for example in South Africa and in Kenya, where certain mobile operators have invested directly in some of the national long-distance fiber routes as leased dark fiber, either through consortiums or independently, we believe that such competition will mostly remain at a local level as there are extremely high barriers to entry to building a wider pan-African network. We estimate that it would cost US\$3 billion to replicate or replace the core infrastructure of our network, and 7-10 years for a large multi-national player to design, plan, apply for and obtain the required regulatory and legal licenses, to build equivalent infrastructure. We have also developed a robust regulatory portfolio which encompasses more than 40 regulatory licenses. We have a proven track record of leveraging our industry experience in Africa to successfully negotiate the acquisition of licenses and authorizations in new countries, across international borders and in complex and diverse regulatory environments. Obtaining such licenses and authorizations can be a lengthy and time-consuming process for potential competitors. In addition, managing and monitoring the compliance obligations of a large number of local contractors is essential to expand and maintain a network of our scale. This multinational contractor pool is also critical to cost-effectively maintain the infrastructure necessary to deliver a high quality of service to customers. Taken in isolation, these do not constitute insurmountable challenges. However, taken together, these constitute significant barriers to entry for potential competitors. As a result, particularly in light of our open access policy, we believe there is limited financial incentive for pan-African competitors to build alongside our pre-existing routes.

We have established a robust business model with long-term, sticky customer relationships, with high recurring revenue and low average customer churn rates.

We have established a robust and compelling business model which is highly challenging to replicate. To do this, we have focused on increasing our diversification to provide a fully integrated platform which allows us to capitalize on spectrum, cloud, cross-border fiber and FTTB services. We have differentiated ourselves by acting as an end-to-end systems integrator with a full suite of services, including cost-effective access to our impressive entire network. This is an attractive proposition to enterprise customers, including our blue-chip customer base. We also have the advantage of being a “carrier-neutral” player with additional access to the data center infrastructure of the Cassava Technologies Group, which increases the pool of customers available to us.

Our broad customer base covers many industries and organizations, both public and private, of various sizes across all of the territories in which we operate. We generate a majority of our recurring revenues from our prime customer base comprised of global, pan-African and local clients, such as hyper scalers, MNOs, cloud service providers, government agencies, and small, medium and large enterprises. We are trusted by our customers and have a reputation for operating with integrity.

We maintain strong relationships with over 100,000 infrastructure customers through our digital infrastructure and service offerings across Africa, representing a diversified and stable customer base. Capitalizing on our investments in high-quality infrastructure, our competitive pricing and high service levels, we have maintained revenue growth, with our revenue increasing by 9.4% for the nine months ended November 30, 2025 compared to the nine months ended November 30, 2024. This was largely driven by strong broad-based growth in our Network and C2 business segments.

We have also succeeded in achieving a high level of customer satisfaction, as demonstrated by our very low average customer churn rate of 0.78%, 0.46% and 0.53% for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and 0.38% for the nine months ended November 30, 2025. Many of our largest customers have entered a diverse range of multi-year contracts, with some wholesale data contracts extending between 15 and 20 years depending on the service being offered, providing us with revenue visibility and stability, as well as strengthening our relationships to promote further opportunities for growth by providing additional digital services.

We have been particularly successful in leveraging the breadth and resilience of our network, our operating experience, regional knowledge and commitment to Africa to become the go-to service provider on the continent for a number of global technology leaders. We have partnered with these and other players to provide regional network, cloud computing and fixed-line infrastructure to help some of the world’s largest technology enterprises access the growing African markets for online services, distribute content and roll-out a range of new services. For example, our relationship with Microsoft, as a Microsoft Tier 2 Cloud Service Provider, enables us to sell Office 365, Microsoft Azure, Microsoft Azure Stack and ExpressRoute. This allows us to deepen and extend the relationship with our customers, leading to a greater share of revenue and reduced churn.

We have established collaborations and partnerships with global technology leaders.

We have an extensive portfolio of relationships with global technology leaders and partners across the world. These relationships are backed by significant investment and represent extensive collaboration with some of the largest technology businesses supporting Africa’s digital transformation, including Google, Anthropic, Meta, Amazon, Oracle, Microsoft, Orange and Vodafone, among others. Other partners in our growth story include large institutional investors supporting Africa’s digital transformation such as the DFC, TDB, BII and IFC, among others.

We believe that our large and expanding partner network gives us significant leverage to grow our customer base, increase revenue from our existing customers and expand our footprint across Africa. We believe that our migration to cloud-based solutions in particular represents a significant long-term growth opportunity, including our partnerships with Google and Microsoft, for which we are a cloud service provider across Africa. These partnerships allow us to further refine our network and our cloud and cybersecurity offerings, as well as bring innovative business applications,

intelligent cloud services and world-class IT security to our enterprise customers across the continent. Further, we are able to harness a first-mover advantage in key African markets as well as leverage these global partnerships to service multi-national corporations and accelerate our growth through joint go-to-market activities. Our partnership with Google also allows us to multiply our Wi-Fi access points, provide ultra-low-cost home broadband services, access sophisticated big data analytics, leverage policy control experience, and support our strong continental presence. Furthermore, our relationship with Anthropic, combined with our collaborations with Google Cloud, allows us to deliver even more advanced cloud, cybersecurity solutions and generative AI capabilities to African businesses across the continent. We believe that our many other blue-chip partnerships similarly position us for further growth.

We will continue to pursue strategic collaborations, partnerships, and alliances that will help us serve the priorities of our customers. We will continue to invest in our digital infrastructure and services to ensure interoperability across the ecosystems that support our customers' most critical business processes through our partner programs. We also plan to continue exploring a range of new partnerships to expand the solutions we offer as technologies and our customer needs evolve. We believe that this approach will enable long-term strategic and mutually beneficial relationships, further incentivizing our partners to strengthen their relationships with us.

We have a diversified business with a growing breadth of customers, products and geographies.

We have a diversified business with a growing breadth of customers, products and geographies which is reflected in the diversification of our revenues. The contractual nature of our earnings, the inherent "stickiness" of customers to our network, and the opportunity to cross-sell and up-sell products and services in various geographic regions, together with our diversified solutions, provides revenue and earnings visibility and stability. Following almost two decades of capital-intensive network expansion, our capital expenditure has reduced significantly in recent years and we are now focused on generating strong cash flow growth. We believe our market position and exposure to a rapidly growing region and our comprehensive suite of offerings as a one-stop shop for digital and cloud services, will further support robust and sustained revenue, EBITDA and cash generation performance.

The rapidly increasing cloud demand from corporate customers has led to further demand for cybersecurity services. We have also experienced growth driven by increased enterprise connectivity and an increased demand for both cloud and data services overall. By leveraging our existing infrastructure, we have been able to connect more enterprise customers to our network and provide them with access to other services including, but not limited to, our cloud, networking, cloud voice, cyber defense and secure access offerings. We have also been able to provide services to retail customers at low marginal costs as a result of increased density of metro routes in key cities by using paid-for infrastructure. These demands have diversified our customer base, reducing our dependence on any single customer or region.

We have multiple large international enterprise clients that provide U.S. dollar-denominated revenue stability. Although we have some currency exposure, 19% of our revenue in the year ended February 28, 2025 was in U.S. dollars and 31% was in South African Rand, with the remaining revenues in other currencies which broadly offset our local currency costs. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures about Market Risks—Market Risk.*" This reduces foreign exchange rate impacts on our profitability and leverage. As our South African Rand denominated earnings have increased as a share of the Liquid Group's earnings, we have aimed to refinance a larger portion of our borrowings in South African Rand, thus limiting the impact of volatility against the U.S. dollar. Furthermore, we make use of hedging instruments where we have known and material foreign currency flows to mitigate the impact of exchange rate volatility while also pricing local currency revenues in U.S. dollar equivalents wherever possible.

We also have a highly predictable revenue stream based on long-term contracts with our customers, leveraging our extensive collaboration with global technology leaders, which allows for stable cash flow. Our revenue visibility is underpinned by the fact that a significant portion of our revenue consists of monthly recurring revenue (a minimum of 84% in the last three years). We also have a growing rate of FX resilient revenues. Our revenue has grown at a CAGR of approximately 5.5% from the year ended February 28, 2023 to the year ended February 28, 2025, while our Adjusted EBITDA has grown at a CAGR of approximately 5.5% and our cash flow (defined as EBITDA less capital

expenditure) has grown at a CAGR of approximately 27.0% during the same period. In particular, commitments from global technology leaders permit us to pursue a fast-growing addressable market by deploying equipment that enables us to quickly and efficiently commercialize our network infrastructure investments.

We have established new backbone routes which have become a core part of our network. Our global partners are often willing to contribute to new project build costs, including those related to establishing new backbone routes, which helps to expand our geographic reach. Relative to the initial investment to build our network, the cost of upgrading the data transmission equipment necessary to transport increased data loads is marginal. Additionally, the cost of operating and maintaining the network and our platforms is mostly fixed and relatively low, as efficiencies increase quickly with growth in the fiber broadband routes. This broadly fixed cost structure allows us to benefit from growth in demand and additional revenues, resulting in higher margins. New capital projects are assessed against stringent criteria and reviewed by the Board as appropriate. These projects are typically discretionary in nature and are only undertaken where they enhance our existing offerings or open new opportunities. However, following almost two decades of capital-intensive network expansion, further geographical reach is now largely expected to be via capital-lite partnerships rather than self-funded capital expenditure.

As of today, we have achieved significant geographic coverage in more than 25 countries, providing a single multi-country fiber network spanning more than 114,000 km. We have a track record of successful organic and inorganic geographic expansion to achieve diversification across Africa, facilitated by the expansion of our fiber broadband network, including roll-out in Kenya, Uganda, Rwanda and Tanzania, as well as in Egypt through a recent acquisition. We have also carried out significant network densification across our existing footprint. Our metro fiber network is built to cover major and secondary cities and our network roll-out success across Africa has resulted in us becoming active in more countries than many of our competitors. This has positioned us to benefit from high-growth market trends in key geographies. Such trends include the growing demand and requirement for broadband services as urbanization and remote working models have gained popularity following the COVID-19 pandemic. The desire for customized digital solutions for public and private sector enterprises across the continent as well as the expansion of digital services such as cloud, cybersecurity and generative AI solutions is also driving the demand for our services.

We operate in structurally attractive markets with strong macro and industry growth drivers.

We have a well invested platform of digital infrastructure, licenses and global partnerships across multiple countries in Africa, which would cost an estimated US \$3 billion to replicate. Our network is self-built and has been largely owned and managed through an entrepreneurial culture for nearly two decades. With full control of our majority-owned network infrastructure, we offer innovative and cost-competitive solutions for our customers with limited downtime. The breadth and resilience of our network infrastructure have allowed us to become a market leader in Africa for data services. Our Cloudmania business was recognized as the 2025 Microsoft Egypt Partner of the Year and, prior to this, we were recognized for eleven consecutive years as the Best African Wholesale Carrier at the Global Carrier Awards by December 2022. We are also a market leader in pan-African cloud, cybersecurity and data services. This position is supported by our long-term relationships with large international enterprise customers, and through key commercial and operating collaborations and partnerships, such as our partnership with Microsoft, for whom we are a Tier 1 and Tier 2 cloud service provider across Africa. Given the limited number of pan-African operators with our network capabilities and regional expertise, we believe we will continue to be the preferred partner of global technology and communications companies wishing to access the largest number of African markets.

Many of our key customers enter into long-term contracts with us (ranging between 15 and 20 years depending on the service offered) and our customer retention rates have remained high. We also provide offerings which allow our customers to enter a diverse range of contract lengths, depending on the service, which include both rolling 12-month long contracts as well as the long-term contracts preferred by our key customers. As a result, our average customer churn rate has remained consistently below 1.0% for the last three years.

We believe that the scale of the Liquid Group and our expanding offerings will allow us to derive increasing operational and cost synergies. This includes the ability to profitably launch services that are or were not previously available in some of the countries in which we operate, and to negotiate more favorable pricing and other commercial

terms with our key suppliers. Our strong market position on the African continent attracts interest from the owners of smaller competitors in an industry under pressure to provide greater access to capital to cope with rapid growth. We undergo a rigorous process when selecting organic and inorganic growth opportunities, following governance procedures led by our financial, technical, planning and strategic process committees. We expect our business to continue to expand across Africa and that the demand for our products and services will be even greater in the medium- to long-term future.

According to the OECD, Africa is expected to continue to have the fastest urban growth in the world, with the continent's urban population projected to double from 700 million to 1.5 billion by 2050. About two thirds of this growth is expected to be absorbed by the urban areas of South Africa, Kenya, Tanzania and Nigeria, amongst others, where we have extensive metro fiber networks and/or spectrum assets to connect end-customers. This high-growth organic outlook will be further amplified by increasing data usage and consumption from Africa's younger tech-savvy urban populations and by demand for high-bandwidth, high-quality and low latency data services and applications. These data-dependent customers are easier to serve in urban areas due to higher density. A third significant driver of future growth stems from rapid innovation in device technology. The improvement in screen resolution and ability to run applications on increasingly lower-cost, data-intensive devices will continue to drive double-digit data growth as smartphone penetration increases over time.

We have strategically designed our network footprint and product offerings to benefit from the growing market for digital services and infrastructure in Africa, as it is amongst the least penetrated data connectivity and digitized markets in the world, positioning it for sustained double-digit long-term growth.

We have a prudent capital structure.

We have a prudent capital structure which is supported by our strong and stable cash flows from operating activities. After giving effect to the Transactions, we expect our Net Debt to Adjusted EBITDA to be 2.44x, and are targeting Net Debt to Adjusted EBITDA of around 2.5x over the medium-term.

Our cash flows from operating activities before working capital changes were US\$212.6 million in the year ended February 28, 2023, US\$232.8 million in the year ended February 29, 2024, US\$231.7 million in the year ended February 28, 2025 and US\$218.9 million in the nine months ended November 30, 2025, respectively. We also believe that we have a significant opportunity for improved cash generation driven by strong EBITDA growth, improved working capital and reduced capital expenditures. With the fiber network build largely completed, we are entering a relatively higher-growth phase in which the cost of upgrading the data transmission equipment installed on our fiber network to transport a substantially larger amount of data (if and when required) is marginal relative to the initial investment to build the network. This is a phase in which customer additions only require equipment deployment and upgrades, rather than lengthy and costly fiber infrastructure builds. As a result, we incurred capital expenditure of US\$104.8 million, US\$70.3 million and US\$50.8 million in the years ended February 28, 2023, February 29, 2024 and February 28, 2025, respectively, and US\$37.0 million in the nine months ended November 30, 2025.

The Cassava Parent has also raised a significant amount of equity from investors, and has onboarded new investors including IFC, FEDA, PIC, Google, NVIDIA, FinnFund and DFC, which the Cassava Parent has deployed in part to help us reduce our US dollar debt through a portion of the proceeds of the Parent Contribution. The Parent Contribution was funded in part through the closing of a new equity investment into the Cassava Parent from NVIDIA, the second silicon valley player to invest in the Cassava Technologies Group following Google's investment in December 2024, and the execution of a definitive agreement with STANLIB Infrastructure Investments for a minority stake in Africa Data Centres (South Africa). We believe that a prudent capital structure allows us to make the necessary investments in our business, and we expect to continue to utilize the cash generated by our business to maintain a healthy liquidity for future investment in our operations.

We have a clear focus on cost reduction to support our profitability and increase the resilience of our business.

In May 2024, we launched the Cost Optimization Program aimed at reducing our operating costs to support our profitability and increase the resilience of our business. In connection with the Cost Optimization Program, we undertook an in-depth review of our operating cost base and decided to shift our operating model from one which is geographic company led to one which is product and customer led. The announced targets for the Cost Optimization Program were to deliver cost savings of US\$25 million through a Group wide reduction in headcount of around 130 employees and implementing other cost savings initiatives, including optimizing savings from suppliers by better leveraging our pan-African capabilities to achieve better group-wide pricing, negotiating better contracts and finding lower price alternatives.

Our efforts have already had a positive impact on our financial results, leading to almost US\$10.7 million and US\$19.0 million of cost savings actually realized in the twelve months ended February 28, 2025 and the nine months ended November 30, 2025, although the benefit of such cost savings on our results of operations was moderated by one-off costs (including severance payments and restructuring fees) of US\$3.6 million and US\$0.8 million during those respective periods. We estimate cost savings that we have already realized to be approximately US\$25.4 million (on a run-rate basis) and we expect that the remaining US\$6.4 million of cost savings will be realized (on a run-rate basis) over the next three months.

Our reduced cost base has also contributed to our profitability. In the nine months ended November 30, 2025, our adjusted EBITDA was US\$229.3 million, 17.0% higher than our adjusted EBITDA of US\$196.0 million in the nine months ended November 30, 2024.

We benefit from a strong and experienced leadership team, founded by a leading African technology entrepreneur and supported by a world-class management team with the depth of skills required to deliver Africa's digital transformation agenda.

Our talented and highly experienced management team has been instrumental in setting the strategic direction of the Company. Our founder and executive chairman, Strive Masiyiwa, is Africa's leading technology entrepreneur with an exemplary track record of successfully scaling transformative technology platforms and businesses. One of Africa's most respected business leaders, Strive Masiyiwa, established Econet in 1993, and has since founded and led several other businesses, as one of the pioneers of the mobile telecommunications industry in Africa. Complementing Strive Masiyiwa's leadership, our highly experienced and world-class management team has extensive local, vocational and industry experience to deliver Africa's digital revolution. Our team has successfully led businesses in various stages of their lifecycle, positioning us to provide expert services from a deep and long-standing bench of industry knowledge and best practices across our digital infrastructure and services businesses. We believe that with the support of our management team, our strategy of implementing digital infrastructure initiatives will provide a solid foundation to propel our digital services offerings, allowing us to be well positioned to successfully execute our strategic initiatives and accelerate growth. We also believe that our team's expertise and proven experience is an invaluable resource to lean on as we continue to operate in the African marketplace.

In addition, we have enhanced our capital structure and welcomed new shareholders, including some of the world's largest companies and Africa-focused institutional investors. We have created a simplified capital structure through the flip up of shareholders to the Cassava Parent to enable alignment, more efficient equity raisings and a unified shareholder base. The shareholder base includes the Econet Group, British International Investment, IFC, Gateway Capital and Royal Bafokeng Holdings, among others. These investors provide both strategic support and long-term patient capital, reinforcing the Liquid Group's governance and growth initiatives. In addition to existing strategic shareholders and development finance institutions, the Cassava Parent has secured equity investments from DFC, FinnFund, Google and most recently, NVIDIA, a globally recognized leader in GPU and AI technologies. This funding is a key part of the Cassava Parent's plan to strengthen its balance sheet, drive sustainable profitable growth, and cement its position as a global technology company of African heritage. (As part of this process, the Cassava Technologies Group has made a significant Parent Contribution to the Liquid Group. For more information, see "Summary—The Transactions.")

Our Strategy

Firmly rooted in Africa, we envision a digitally connected future that leaves no African behind. We intend to expand our partnership base and leverage our physical and digital infrastructure to build and scale cloud, cybersecurity, and digital platforms across the continent which will allow us to deliver sustainable services with profitable growth.

Our strategy is to use technology as an enabler of social mobility and economic prosperity to transform the lives of individuals and businesses across the African continent. Specific components of our strategy include the following:

Utilize our extensive network and leverage our infrastructure to grow through organic expansion and targeted acquisitions or investments.

Now that our fiber build network is largely completed, we plan to utilize our extensive network and leverage our infrastructure to grow through organic expansion and targeted acquisitions or investments. We plan to position ourselves strategically when rolling out fiber and connectivity services, which in turn allows us to direct capex to non-speculative projects that can begin to generate revenue as soon as they are commissioned. We also seek to continue leveraging our terrestrial networks as well as our submarine cable and satellite assets to deliver digital solutions at low incremental costs. We seek to leverage our cross-border backbone, backhaul and last-mile fiber broadband networks to provide cost-effective offerings with better reliability, better quality of service and lower latency to support this mission. We also aim to utilize our last-mile network to provide advanced cloud and cybersecurity services to more customers both at the enterprise level and at home. Furthermore, we will continue utilizing our teleport infrastructure to provide customers with secure, robust and fully resilient access to both our award-winning satellite and fiber broadband networks to generate further organic growth. We will also leverage our infrastructure to capture significant growth in data traffic, including cloud and cybersecurity services. We seek to better manage our network consistently and holistically, regardless of the network technology deployed, which we believe, in turn, will expand our customer base.

We also aim to expand and enhance revenue and profitability by using the efficiencies of our extensive network. We strategically target dense metro areas where large populations, increasing urbanization rates and growing business parks lend themselves to greater bandwidth data requirements. We have created metro access circuits which provide customers with access to local or regional connectivity in a way which increases bandwidth, reliability and scalability. The aggregation of more fiber into conduits that have already been amortized and/or paid for provides significant value upside. Additionally, fiber broadband networks are resilient assets, mostly buried underground, requiring relatively modest maintenance capex.

While we do not anticipate transformational acquisitions in the near term, we may pursue strategic acquisitions or investments. Any such acquisition or investment will require us to identify and compete for suitable acquisition and investment targets, to assess the value, strengths, weaknesses, contingent or other liabilities and potential profitability of such acquisitions and investments, to negotiate acceptable purchase, financing and other terms and, in some cases, the selection of appropriate international and local partners. As part of this process, we will also need to obtain the appropriate regulatory and governmental approvals, licenses, spectrum allocation and registrations to continue with any such strategic acquisitions or investments.

Become Africa's leading cloud and cybersecurity services provider.

We aim to become Africa's leading cloud services provider through our strategic partnerships and collaborations with global cloud service providers, enabling our customers to onboard with the cloud service provider of their choice through our network across Africa. We intend to develop "Africa's cloud" for operating hyperscale and edge data centers in all major economic hubs on the continent and to serve as a one-stop-shop for digital cloud transformation in Africa, thereby democratizing cloud connectivity as a multi-cloud player. We also plan to continue developing our best-in-class Infrastructure-as-a-Service, Platform-as-a Service and Software-as-a-Service applications. We expect this to increase our share of wallet and stickiness in our connectivity solutions.

We also seek to position ourselves as a prominent provider of cybersecurity solutions, and as an early mover in many markets, leveraging our customer base of large enterprises and government agencies, particularly in the financial industry and other key verticals. We have set up new cybersecurity operations centers through partnerships with the leading global cybersecurity and cloud service providers. We expect this to allow enterprises to safely use new cloud and web services by providing them with a one-stop shop to protect their data, private networks and operations.

Develop further tools and approaches to meeting our customers' needs.

We plan to develop new technological tools and approaches to address the pressing requirements of African businesses and people by leveraging our network, product offering, expertise, spectrum, local presence, licenses and other assets. We seek to expand on our early successes in free space optics links, low-cost connectivity deployment and 4G/5G neutral wholesale mobile networks in South Africa, including small cell deployments, as well as numerous initiatives in the education, gaming, community and entrepreneurship space. We expect to focus on in-house research and development as well as partnerships with global technology and non-governmental organizations.

Further improve our long-term profitability and optimize cash flow generation.

We intend to increase the profitability of our operations, while continuing to optimize our operations in a manner that prioritizes cash flow generation. We intend to do this, in part, through realizing the long-term benefits of the efficiencies obtained through our Cost Optimization Program. As part of the Cost Optimization Program, we have conducted an in-depth review of our operating cost base and shifted our operating model from a geographically focused telecommunications provider to a full technology and digital services group with a customer-first structure. Our efforts have already had a positive impact on our financial results, leading to reductions in staff and administrative costs and delivering savings of US\$10.0 million in the year ended February 28, 2025. We will continue to evaluate the efficiencies of our Cost Optimization Program and will continue to pursue other initiatives, including leveraging the benefits and efficiencies of AI across our business, to improve our operating results. We seek to maintain a disciplined approach in relation to planned capital expenditures and working capital, and aim for our cash flows from operating activities to be sufficient to fund our anticipated capital expenditure, working capital requirements and debt service requirements as they become due.

HISTORY

We were initially founded as a satellite and voice operator, primarily to serve Econet Wireless Zimbabwe's backhaul and international connectivity needs. By leveraging the experience gained from acting as a satellite and voice operator, we expanded the breadth and reach of our service offering:

- Between 2005 and 2007, we established operations in the UK, Mauritius and South Africa and began planning a new African fiber network to provide services in countries where fiber did not exist.
- In 2008, we established operations in Zimbabwe through the acquisition of Data Control Systems, began the construction of the fiber network and expanded our product and service offering to include payment solutions across seven countries.
- In 2009, we commercially launched our high-speed, cross-border fiber network, first linking southern Africa to the undersea cables and the rest of the world and including the first cross-border fiber network between South Africa and Zimbabwe.
- In 2011, we expanded our operations into Zambia through a joint venture with Copperbelt Energy Corporation plc, a leading power transmission provider in Zambia, and commenced the build-out of a new fiber network connecting Zimbabwe and Zambia by fiber optic for the first time and linking the capital Lusaka to the main mining and industrial areas known as the Copperbelt in the north of the country.
- In 2012, we expanded our operations into the Democratic Republic of Congo and built the first cross-border fiber network between Zambia and the south-eastern Katanga region of the Democratic Republic of Congo, providing

services to MNOs, mines and enterprises in this resource rich region. We also acquired a 100% equity stake in Zimbabwe Online (Pvt) Ltd (ZOL), one of the largest ISPs in Zimbabwe, through our 49% owned subsidiary Data Control and Systems (1996) (Private) Limited.

- In 2013, we expanded our operations into East Africa through our acquisition from Altech South Africa of Kenya Data Networks Limited (now Liquid Telecommunications Kenya Limited), Infocom Limited (Uganda) and African Digital Networks SASU (the Democratic Republic of Congo). We also acquired Rwandatel, the fixed-line operator in Rwanda, and launched an FTTH service in Zimbabwe.
- In 2014, we launched a new satellite hub in South Africa, completed the first Tier 3 data center in East Africa and successfully converted the newly acquired entities in East Africa into profitable businesses.
- In 2015, we entered into multi-country agreements with Airtel to provide fiber services to their operations, and through our joint venture with Copperbelt Energy Corporation plc, completed the acquisition of Realtime Zambia (now Hai Telecommunications Limited (Zambia)), one of the largest retail ISPs in the country.
- Between 2016 and 2017, we established operations in Tanzania (through the acquisition of a 70% equity stake in Raha, a leading ISP, and Zanlink Limited (Zanzibar), a fiber provider) and into Botswana through a joint venture with Botswana Power Corporation, the national power transmission provider in Botswana. We also acquired Indefeasible Right of Use in the Democratic Republic of Congo which allowed us to link the east coast of Africa to the west coast.
- In February 2017, we acquired a 70% equity stake in Neotel, the second largest national fiber network operator in South Africa, thereby complementing our customer base, product offering, network footprint and spectrum asset inventory in South Africa, and benefiting from Neotel's extensive domestic fiber network, which covers all of the major metropolitan areas in the country and which has direct links to all international submarine cable systems landing in South Africa as well as data center facilities in Johannesburg and Cape Town.
- Between 2017 and 2018, we entered a long-term partnership with Microsoft, becoming a Microsoft Tier 2 Cloud Service Provider, that enabled us to distribute at the wholesale and retail levels, as well as use Microsoft productivity services, such as Microsoft Office 365, Microsoft Azure, Microsoft Azure Stack, and the cloud connectivity product ExpressRoute.
- In 2018, we launched Africa Data Centres as a distinct brand, that encompasses the data center infrastructure and colocation services in South Africa, Kenya, Zimbabwe and Rwanda. We also completed Africa's first terrestrial fiber network stretching all the way from Cape Town, South Africa, to Cairo, Egypt.
- In 2019, we started the construction of a new fiber link running 2,600km across the Democratic Republic of Congo enabling the launch of the fastest direct land-based fiber link connecting East to West Africa. We also launched our open-access wholesale 4G roaming network in South Africa, utilizing our inventory of 1800MHz spectrum and quickly securing a significant anchor tenant, and our open-access wholesale 5G roaming network in South Africa, utilizing our inventory of 3.5GHz spectrum, again securing a major brand anchor tenant. Furthermore, we acquired the remaining 51% of Liquid Intelligent Technologies Zimbabwe, and deployed Microsoft Azure Stack in Nairobi, Kenya.
- In 2020, we established First Fibre in Juba, South Sudan and we acquired a metropolitan network in Lagos, Nigeria, interconnecting the major data centers and the cable landing stations of submarine cable networks. We also launched our Cyber Security Business Unit during this time.
- In August 2020, we completed a shareholder reorganization pursuant to which the Company's shareholders agreed to undertake a series of steps intended to result in the Company being held in a new holding company structure with Liquid Telecommunications (Jersey) Limited as the new parent company of the Liquid Group, with certain of our shares being retained by Econet New Arx Limited.

- In November 2020, we deployed Alphabet’s Taara’s technology in Africa across the Liquid Group’s fiber optic backbone and mobile network infrastructure starting in Kenya.
- In March 2021, we finalized the separation of Africa Data Centres from the Liquid Group to form the Africa Data Centres Group (owned by Liquid Telecommunications (Jersey) Limited).
- In 2021, we achieved the milestone of establishing a 100,000 km fiber broadband network.
- In 2023, we acquired Cysiv MEA, a technology company that was formerly SecureMisr, headquartered in Cairo, and which specialized in providing enterprise cloud and cybersecurity services to some of Egypt’s leading companies, particularly in the financial services sector. We rebranded Cysiv MEA to Liquid C2, aligning it with our global cloud and cybersecurity identity.
- In 2024, we partnered with American connectivity innovator, Globalstar, to deliver advanced 5G connectivity solutions across Africa, the Middle East, and the Gulf.
- In 2025, we partnered with Vodacom South Africa on the 900MHz spectrum deal to get access and capacity on their national BTS footprint. We have also initiated a Software Defined Network (SDN) agreement with Axon Networks in 2025 to deploy their Operator as a Service or Network as a Service Digital Twin technology on the Liquid Network. This is currently being formalized in commercial agreements that will take effect in 2026. In 2025, we also initiated partnership discussions with AWS (Amazon) for a partnership to distribute their Kuiper LEO satellite products across our markets. This is expected to be finalized by March 2026.

As of November 30, 2025, we provided services to more than 450 national and international MNOs, ISPs and global carriers operating in eastern, central and southern Africa, Europe, North America and Asia Pacific, as well as over 12,000 national and international enterprises, SMEs and over 210,000 retail customers in select areas across Africa.

OUR BUSINESS SEGMENTS

Commencing with our reporting for the half-year ended August 31, 2022, we repositioned and restructured the business as a technology solutions provider to deliver a broader range of products and services to our customers and to deliver a more efficient value driven operating model. As part of the re-positioning, we launched new segments to more closely align to our offerings. We now categorize our services into four segments: Network, C2, Dataport and Voice Traffic.

Network

Our Network segment primarily supports global IP transit and fiber connectivity to 2G, 3G, 4G and 5G mobile base stations by providing customers with connectivity over our owned and leased fiber infrastructure, including the long-haul Cape to Cairo, East to West and South Africa NLD routes and our metro and FTTH networks, through capacity lease agreements and IRUs. Our Network segment has a wide range of customers from international carriers to African mobile and public telecom operators and African ISPs. We also help other ISPs reach more customers with attractive offers using our wholesale FTTH services whilst also monetizing our open-access fiber broadband network. In addition, we also have spectrum assets in several countries and use this to provide last-mile connectivity (e.g., FWA in Zambia and Zimbabwe) as well as spectrum pooling and related services to MNOs where they can roam across our wholesale 4G and 5G mobile networks.

C2

Our C2 segment complements our connectivity offerings with a range of wholesale cloud products and cybersecurity offerings including managed services, and we are a Tier 1 and Tier 2 supplier for Microsoft across Africa. Within this segment we have strategic relationships and contractual agreements with key hyper-scalers that span the African continent, including Microsoft, Google and AWS, which are complimented by relationships with Cloudflare, Acronis, ITC Secure and others. Our relationship with Microsoft extends across our connectivity, cloud and cybersecurity

portfolios. This provides us with multiple revenue streams and opportunities to co-develop go-to-market strategies which allow C2 to operate as an exclusive partner in many of these areas. For example, we have been introduced into strategic programs with Microsoft which focus on telecommunications, cybersecurity, modernization to Microsoft's Azure cloud computing platform and migration. Our capabilities have also positioned us to be selected as an exclusive partner on Microsoft's Azure VMware Solution specialization which allows us to be the migration partner of choice in terms of VMware migrations in Africa. In 2024, we were also selected as Cloudflare's EMEA partner of the year, and since then we have cemented our relationship with Cloudflare and scaled our revenues on cybersecurity. Through our strategic relationships and contractual agreements, we expect this segment to continue to grow moving forward.

Our key C2 product and service categories include:

- **Cloud Voice:** We provide enterprise and government voice services on our own voice platform across Kenya, Rwanda, South Africa, Uganda, Zambia and Zimbabwe. These services include intelligent SIP trunks, cloud-hosted PBX, Unified Communications and Microsoft Teams Direct Routing and Operator Connect.
- **Cloud Networking:** Leveraging our networking capability, we offer premium bandwidth solutions to connect to the cloud, within the cloud and to use the cloud for enterprise branch connectivity. This includes connectivity to global cloud providers, such as Microsoft (Express Route), and SD-WAN solutions.
- **Cloud Platforms:** Cloud Platforms include infrastructure-as-a-service (IaaS) and platform-as-a-service (PaaS) for both public and private cloud services, such as Microsoft Azure, AWS and Microsoft Azure Stack, which are used for private and hybrid cloud deployments.
- **Cloud Applications:** Cloud Applications cover our software-as-a-service (SaaS) products including products from independent software vendors and global applications such as Google Workspace, Microsoft 365 and Microsoft Dynamics.
- **Secure 360:** Secure 360 brings together a suite of cybersecurity services to provide a holistic offering to the market. It provides a combination of cyber risk assurance services, defense and solutions which all work together to ensure that our customers receive comprehensive protection before, during and after cyber-attacks. Our cybersecurity services include support in establishing a governance, risk and compliance framework for customers, ongoing risk assessments, proactive defense from within our security operations center and access to the leading cyber security solutions available to complement our services.
- **Managed Enterprise Services:** We augment our cloud and cybersecurity product offerings through enterprise services comprising managed, professional and support services. These are designed to help customers navigate their digital transformation journey while maximizing their investment. Our subject-matter experts assist from planning to cloud migration, to ongoing management and security compliance. Premium support is offered as an additional value-add for mission critical support, backed by strong service level agreements.

As this segment continues to grow and expand, it will include other complementary digital products.

Dataport

Our Dataport segment primarily consists of our international portfolio of products and services we provide through our agreements with subsea cable providers, cross-border network services, satellite services, landing stations and large, global network provision agreements. Our customers within this segment include pan-African MNOs, hyperscalers such as Google, META, Microsoft, Amazon and Starlink, and international carriers, and our service and product offerings are typically linked to those key customer types and often packaged as follows:

- **Pan-African MNOs:** We provide packages for our pan-African MNO customers which give them pan-African connectivity across various markets or which provide them with key services in the markets in which we operate, including subsea IPT network services. These packages may also include fiber to tower sites or fiber to key enterprises or businesses when such access is not otherwise available.

- **Hyperscalers:** We provide private dedicated networks and capacity to our hyperscaler customers. For example, we provide direct data center connectivity for Microsoft and Google as well as terrestrial network connectivity and backhaul for Starlink.
- **International carriers:** For our customers who are international carriers, we typically provide network services in all of our key markets, particularly in circumstances where such customers are looking for partnerships to bolster their last mile connectivity or connectivity in certain markets.

Voice Traffic

Our Voice Traffic segment primarily consists of international voice interconnects between mobile network operators and international telecom carriers into and out of Africa. We provide connectivity via fiber and satellite, in the voice market, into and out of Africa to national and international operators as well as African mobile network operators. Many destinations in Africa still offer regulated prices set at levels where margins are attractive for international voice carriers. Our ability to carry voice traffic on our own fiber network from international interconnection points to the nearest point of interconnection with local voice service providers is a major differentiator in an otherwise commoditized marketplace. In doing so, we can control the routing of the voice traffic, deliver high quality calls, avoid fraud schemes that are prevalent on the international voice transit market and provide a stable and reliable service for our customers. Voice traffic is a declining business due to VoIP and OTT substitution but will remain a significant revenue generator for the next 5 years. As such, our focus is the managed decline of this revenue line through defensive tactics (e.g., detection and prevention of bypass traffic) while continuously seeking greater efficiencies to protect and expand margins (e.g., automation and route optimization).

Apart from offering routes into the countries within our fiber broadband network footprint, we also offer interconnection into Namibia, Ethiopia, Central African Republic, Nigeria, Mauritius, Mozambique and Malawi. As we own our own infrastructure in most of the countries in which we operate, we typically do not rely on third party services to carry traffic and are therefore able to control the quality of direct routes into and out of Africa.

Interconnection with operators outside of our infrastructure footprint takes place at global or regional hubs, notably in London and Johannesburg, where these operators choose to locate switches. In some instances, we use leased or satellite capacity to provide alternate connections into certain countries.

We are increasingly using our Johannesburg switch as a hub for traffic between countries in Southern Africa. In many cases, neighboring countries do not have direct interconnection because of the requirement to purchase dedicated capacity in each country and negotiate separate bilateral agreements, possibly with multiple operators in each country. As a result, operators find it easier to hand over traffic for all regional countries at an existing domestic handover point and allow us to manage all routing and contractual requirements. Providing such an aggregation service allows us to maintain a higher margin than if we were simply brokering traffic transfer.

Prices are largely governed by market forces in the mature and high-volume voice market—although prices in some countries are set by regulators. Interconnection agreements, which deal with the non-price aspects of the business, may be complicated to establish—for example, agreeing on payment terms which may require some acceptance of credit risk—but once in place, price negotiation and traffic exchange occurs on an ongoing basis. There are few extended contractual commitments to sell or purchase and typically none are longer than one month. However, the price we pay to local operators for delivering the traffic is typically agreed in advance and remains relatively constant, and the difference between prices levied by local operators and the price we can charge in the market for delivering that traffic determines our margin.

Given the global decline in international switched voice traffic resulting from competition brought about by OTTs, we are actively seeking to maintain a competitive business model. We do this, in part, by ensuring we capture value from the quality of service we provide. We are also examining anti-fraud technology developed internally, such as a product to detect SIM boxes which are used to cheaply connect VoIP calls from abroad into the local network using banks of cheap local SIM cards.

Our Voice Traffic services extend to a range of customers which include nearly all major global carriers, such as Vodafone, Orange, AT&T, Verizon, Saudi Telecom, Etisalat and Airtel, as well as local operators in the markets in which we operate. Our team works across geographies, but we have a substantial presence in London which remains a significant global hub for the voice traffic market.

OUR NETWORK AND INFRASTRUCTURE PLATFORM

Our network and infrastructure platform consists of our fiber broadband network, fixed-wireless access networks and our pan-African satellite capacity. The scalability of the infrastructure we believe could support increased revenue and margin of existing assets.

We provide our services using our largely self-owned and operated network that currently spans more than 25 countries and reaches more than 114,000 km across Africa. Our cross-border fiber broadband network is designed with a redundant architecture, which ensures superior customer uptime and high levels of overall service. Although our fiber network build is now largely completed, and we expect customer additions in the future will generally only require equipment deployment and upgrades, rather than lengthy and costly fiber infrastructure builds, our historic network build has broadly aimed to cover:

- backbone extensions into new regions and redundancies between our Points of Presence (“PoPs”);
- metropolitan networks in key cities and major towns;
- FTTB in high-density business areas; and
- FTTH in high-affordability residential neighborhoods.

We own the majority of our fiber broadband networks, the remainder of which are secured via long-term IRU contracts with typical remaining contract terms between ten and fifteen years, as well as leased capacity where we need to complement our footprint. We have a proven track record of successfully negotiating the acquisition of licenses in new countries and authorizations to cross international borders across complex and diverse regulatory environments. Through our fiber broadband network, we are active in more countries than any other fiber operator in Africa. Our fiber broadband network also has the following key attributes:

- *Extensive Coverage.* Our network is geographically large as well as increasingly dense in cities where most of our customers are located. This network coverage allows us to address our target customers’ needs in a variety of geographies and for a variety of applications and services, giving us the potential to earn a large portion of their payments on both basic connectivity as well as more advanced value-added services.
- *Scalable Network Architecture.* Our network is scalable, meaning we have spare fiber, conduit access rights and/or rights of way that allow us to continue to add capacity to our network as customers’ demand for our services increases. In addition, the majority of our core fiber broadband network segments utilize DWDM systems which allow multiple data streams to be carried on each fiber strand. Of the fiber currently “lit” (in active use) across our network, none is carrying more than 40% of its possible maximum capacity.
- *Modern Technology.* Our entire fiber broadband network is built with the most modern equipment and fiber, with no legacy systems. Although our network rollout began in 2007, renewals completed in 2013, 2019 and 2025 mean that the core network is built with scalable multiples of 400Gbps DWDM systems and the capacity of the system can be easily quadrupled rapidly to the next generation capacities required by OTT players through an equipment upgrade.

Our extensive fiber optic network and communication assets, complemented by submarine cables, fixed-wireless 4G/5G LTE networks and pan-African satellite capacity are critical components of our overall network architecture in Africa, and include the following key components:

- Dense metro, regional and backbone single network spanning Eastern, Central and Southern African countries from Kenya to South Africa;
- FTTB networks connecting over 12,000 buildings;
- Core network infrastructure and IT elements (including transmission network, IP core, bandwidth shaping and caching, VSAT teleport, FTTx and wireless core) able to serve multiple countries located in several major hubs (including South Africa, Zimbabwe, Kenya and Zambia), enabling a rich product portfolio in all our operations with reduced costs and increased product affordability;
- Voice switches in the United Kingdom, Mauritius, Kenya, Uganda, Zambia, Rwanda, Zimbabwe and South Africa, enabling switching of traffic all around the world—main destinations are South Africa, Mozambique, Zimbabwe, Burundi, Central African Republic and Botswana;
- Leased capacity on C-Band, Ku-Band and Ka-Band satellites operated by Intelsat and Eutelsat, to provide high-speed, cost-effective connectivity anywhere (in remote areas and for redundancy) throughout Africa;
- State-of-the-art satellite hubs situated in South Africa in order to route African traffic within Africa rather than backhauling it via Europe, reducing latency and costs;
- Wireless access spectrum in the 850MHz, 1,800MHz, and 3.5GHz bands in South Africa, and 2.3GHz and 3.5GHz bands in several other countries, which can support the roll-out of 4G/LTE fixed-line and 5G services, as well as similar LTE-compatible and/or 5G-suitable spectrum in certain of the other countries where we operate;
- A growing portfolio of wireless sites consisting of nearly 600 sites in Zimbabwe and Zambia (mostly leased) to support fixed wireless service rollout and in excess of 12,000 sites in South Africa supporting 4G roaming services;
- Part ownership of the main submarine cables landing in Sub-Saharan Africa, including EASSy, TEAMS, SAFE (along East Africa), SAT-3 and WACS (along West Africa), significant spectrum rights on a fiber pair on Google's Equiano (on the West coast), a partnership with PACE Cable Company, and large (over 1Tbps) leased capacity rights on Meta's 2Africa East and West, complemented by leased capacity on European backbones; and
- Customer service and technical support centers in: Pune, India; Harare, Zimbabwe; Nairobi, Kenya; Johannesburg, South Africa; and London, United Kingdom.

Underlying Rights

We have the necessary rights-of-way agreements and other required rights, including governmental authorizations, to allow us to maintain and expand our fiber broadband networks that are located on private property and public rights-of-way, including utility poles. When we expand our network, we obtain the necessary construction permits and license agreements to fully comply with local procedures and regulations.

Redundancy

Our network has been specifically designed to include redundant features to minimize the risk of network outages. It is designed in a ring topology to provide protection by moving traffic the opposite way on the ring if there is a local outage. Our international core network capacity is fully redundant on the East and West coasts of Africa (i.e. the IP traffic can be fully rerouted on other submarine cables if one cable becomes unavailable). Most critical links in the terrestrial long-haul network are built with 3-way redundancy (a ring, plus direct link), with 2-way redundancy on most other long-haul links. Our metro networks also use a ring topology for protection. The final access connection into customer premises is not usually protected in this way but we do offer customers diverse access fiber or a fallback wireless link if required.

Network Planning

Our strong and proactive relationships with MNOs and other key customers enable us to position ourselves strategically when rolling out fiber and connectivity services, which in turn allows us to direct capex to non-speculative projects that can begin to generate revenue as soon as they are commissioned. Our expert project management and network planning teams conduct economic, marketing, regulatory and operational feasibility studies when targeting new routes, metro areas and residential FTTx areas, in conjunction with our quality assurance teams. The network footprint has been developed with industry leading inventory and planning IT systems and tools (such as ConnectMaster and Smallworld), which are used to design, plan, capture and maintain data on existing and new infrastructure.

The expansion of our network is driven by customer demand. We generally pre-finance expansions of our backbone network and fiber links to MNO towers by selling IRUs which feature large up-front payments. Enterprise last-mile connectivity (FTTB) is driven by contracted revenue (which may also include a significant up-front payment). GPON FTTH and 4G LTE roll-outs in select neighborhoods are built on the back of a detailed business case and minimum required return thresholds. We also plan to work with hyperscalers including Google and META for connectivity.

OPERATIONS

Management Structure

We have a centralized management team across our operations which allows business planning and strategy to be considered holistically in order to maximize growth and performance.

Our operating model combines a local sales and client focus with the above-noted centralized management structure in order to optimize scale and expertise in the various jurisdictions in which we operate. We successfully manage complex operations across more than 25 countries and navigate the various regulatory hurdles that come with operating a large multi-national network.

In addition to a highly experienced management team, we also benefit from skilled and experienced local Executive Committees and an operational workforce across our footprint. This has enabled us to develop centers of excellence, allowing resources and expertise to be shared across Group operations and between networks. Hence, we can typically respond swiftly to market developments and work closely with our customers, in turn increasing our understanding of their business and technical requirements. Each of our business segments, or in some instances operating companies within a specific country, is managed by an Executive Committee, that in turn reports to a local Board of Directors.

Group management and coordination is executed formally and informally, through regular meetings and workshops at every level of the organization. Monthly management meetings are held by Group senior executives with each local Executive Committee, supported by a standardized reporting structure. Technical, commercial, marketing, sales (by segment) and finance departments coordinate resources and initiatives, and align their approach, at Group and local levels.

Network Management and Operations

Our primary network operating centers (“NOC”) are located in Pune, India; Harare, Zimbabwe; Nairobi, Kenya; Johannesburg, South Africa; and London, United Kingdom and provide monitoring and network surveillance for their regions 24 hours per day, 365 days per year. As part of our business continuity plan, our primary NOCs are backed up by several regional operations centers located in London, United Kingdom; Lusaka, Zambia; Kigali, Rwanda; Kampala, Uganda; and Dar Es Salaam, Tanzania, which are manned during working hours and have engineers on call outside of working hours. Our NOCs continually monitor for, and proactively respond to, any event that negatively impacts or interrupts the services we provide to our customers.

We have now successfully transitioned the entire Group to a single trouble ticketing system, ServiceNow, which allows for a unified response for issues that span multiple operating entities. Incidents that are entered onto the trouble

ticketing system are ranked as low, medium or high priority and customers are notified via telephone or email. Incidents are proactively logged and updated on the system until resolved. Management monitors customer satisfaction by tracking the number of tickets opened per client and is in the process of identifying KPIs that can help with improving service quality by allowing issues to be recognized before they become critical.

Our long-haul fiber broadband network is equipped with optical time-domain reflectometer systems which send test signals into the fiber every three minutes to identify and locate any fiber breaks, immediately notifying our NOCs if detected.

In addition, our customers have access to customer service support 24 hours a day, seven days a week through our customer service and technical support centers in: Pune, India; Harare, Zimbabwe; Nairobi, Kenya and; Johannesburg, South Africa, which monitor, track and respond to customer queries.

Information Technology

Our policy is to maintain consistent information technology (“IT”) systems across all our operating entities. Our main IT systems are:

- Operational Support Systems – systems that support our telecommunications network and include processes such as service assurance, provisioning services, configuring network components and managing faults;
- GE Smallworld – a geographic information system that contains the inventory and mapping of the physical network infrastructure and is used for network project planning, mapping, coverage analysis and to support sales;
- Amdocs Cramer – an inventory and network planning system for the active inventory elements (the “logical” network) including circuits, configurations and the logical services that run on top of these resources;
- Business Support Systems – systems that support processes related to our customers, such as taking orders, processing bills, collecting payments and customer relationship management);
- Oracle BRM – a billing and revenue management solution for the enterprise space;
- Retail Billing (Prism) – hosted centrally in Microsoft Azure;
- Enterprise Resource Planning (Sage Evolution) – a system that allows us to use separate databases for our operating companies as well as a centralized database that controls common configurations such as the standard chart-of-accounts structure, all of which allows for consistent central reporting and analysis;
- Enterprise Resource Planning (Microsoft Dynamics 365) – a cloud based ERP currently in use in approximately 50% of our operations that is enabling unified reporting over and above previously mentioned centralization benefits of ERP;
- Customer Relationship Management (Salesforce) – a cloud system hosted by Salesforce.com;
- Product Catalog and commercial order management (CloudSense) – a cloud system running within (and complementing) the Salesforce platform;
- Ticketing and Service Assurance (ServiceNow) – a cloud-based system; and
- Appxite – a customer and reseller portal system that also does provisioning, rating and reseller management for digital products such as Microsoft Office 365 and Microsoft Azure. Used to support Liquid’s digital line-of-business and integrated into Liquid’s other systems.

Our current IT platform is continually enhanced over time to integrate our acquired companies and increase functionality in every area. We have a policy of rolling out our standardized IT platform across the Liquid Group as part of our standardization and rationalization efforts. Systems are rolled out in phases to each operating entity individually as each one has products, teams, users, and local requirements that need to be catered for, and some of the systems above are still in the process of being deployed to some entities.

There are further systems run by each operating entity that are not suitable for centralization; these also tend to be less critical to operations.

We have a fully implemented business continuity and disaster recovery plan that provides near real-time data access. The systems that we host run on multiple virtual fabrics in Johannesburg, Harare, and several in the Microsoft Azure cloud for full physical diversity.

While we believe that our existing IT systems are adequate for the purposes of our existing business, we have plans to upgrade our finance systems and customer portals, and over time to continue to rationalize and consolidate various systems across the Liquid Group. We are refreshing our enterprise resource planning through an initiative to move to Dynamics Finance and Operations, a cloud-based enterprise resource planning system, as a successor to Sage Evolution. As of the date of this Offering Memorandum, sixteen of our operating entities have been migrated, with the remainder being targeted for completion by early 2026.

DISTRIBUTION AND SALES

Our products and services are distributed through a variety of channels, which vary across the different customer segments our businesses serve. Furthermore, we are building a sales team that can provide access to products and services across the wider Liquid Group as part of the One Cassava approach, leading to the bundling of offerings across our comprehensive suite of digital services.

Network

Our Network products are sold through sales teams to focused channels covering enterprise, small to medium businesses, and home users for our LTE/FTTH product set and to wholesalers (including fixed-network operators and MNOs) in the market. We also have a dedicated international sales team that drives sales and engagements with hyperscalers, international carriers and wholesalers that rely on our infrastructure to deliver services.

C2

Our C2 business segment has a specialist sales team, based in-country, that supports and leverages our account managers on cloud and cybersecurity opportunities. In addition, this specialist sales team is supported by technical pre-sales and solution architects who design solutions to the exact requirements and system integration points of other customers. Further, the indirect (channel) business has partner development managers, based in country, who manage and grow our partners, supported by a team of technical partner specialists.

Dataport

Our Dataport business segment consists of a direct sales team that offers our products and services to our global customer base. Our direct sales team is based in various locations around the world to optimize our interfaces to target markets. We also make use of in-country sales teams when needed, particularly in areas where key customers are based or when there is a need to manage local and global relationships, such as those with Airtel, Vodafone or others. Our satellite portfolio that forms part of our Dataport business is mainly sold in-market through local sales teams and related in-country sales channels. We also utilize an international sales team which has its own sub-teams which focus on pricing and solutions to support its requirements.

Voice Traffic

Our voice traffic is sold by a specialist sales team that only focuses on our international voice traffic business. They manage the business in its entirety, which includes, sales, delivery and support for the related product set and channels. This team is based in key locations across our key markets.

CUSTOMERS, CUSTOMER CONTRACTS AND BILLING

Our core customer base includes hyperscalers, MNOs and international carriers, among others. Our largest hyperscaler customers are Microsoft, Google, META, and more recently, Amazon and Starlink (which helps to deliver LEO services in the market). This hyperscaler vertical is currently our largest growth customer vertical, displaying double digit annual growth. Our largest MNO customers include Vodafone, MTN, including Bayobab, and Airtel, which all relate to services across the continent. We also provide key services to customers such as BT, AT&T and Tata in addition to providing services to our public sector customers such as the Western Cape government and the Eastern Cape government and to enterprise and retail (small businesses and householders) customers.

Network

Our major Network customers include MNOs, PTOs, ISPs and global carriers. We have attracted some of the largest international and national MNOs operating in Africa.

Our Network services are largely contracted through capacity lease agreements and IRUs (which include high initial connection costs, but lower annual maintenance costs). We provide network connectivity pursuant to lease agreements with terms that typically range between one and five years. The IRUs we sell provide customers with unrestricted rights or access to the use of our Network assets for agreed time periods. IRUs are usually long-term contracts running over a period from five to 20 years. Hosting services are also provided to our key Network customers with terms that typically range from three to ten years.

Our Network customers also sign MSAs that contain standard terms and conditions including service level agreements, required response intervals, indemnification, default, force majeure, assignment and notification, limitation of liability, confidentiality and other key terms and conditions. The MSAs may contain service orders or the terms for services ordered are set out in a separate service order. Each service order indicates the minimum contract duration, the monthly recurring charge and the non-recurring charges.

C2

We have distinct customer types in our C2 segment which include direct end-customer enterprises, governments, SMEs, and value-added resellers who purchase our products and services for sale to their end-customers.

In Africa, cloud services have a relatively low adoption rate due to the high cost and limited bandwidth available to access the internet. By combining our Network services with cloud, and secured by our cybersecurity solutions, we can offer a comprehensive and cost-effective bundle. Contracts for our direct C2 business are typically annual.

Our cloud and cyber security products and services are billed through the same systems as our other business segments, with the same base MSA (to which there are addenda or service orders for specific terms and conditions related to cloud and cybersecurity solutions). We have a service provisioning and rating platform that integrates with our own services and those of the global cloud providers such as Microsoft. Our customers and partners have self-service access that allow them to order new services as well as manage current services. Our indirect resellers enter into contracts (typically annual) with us for the services they resell to their end-customers.

Our indirect business partners often agree to annual contracts with us (which are regularly renewed) to service their end-customers.

Dataport

Our Dataport customers consist of MNO's, fixed-network operators, hyperscalers and international carriers which all require multi-country networking solutions. We typically have either long-term or short-term contacts with these customers. Our long-term contracts, which generally cover a period of five years or more, usually require us to provide a large network fulfilment service and such contracts are governed by MSAs and industry terms. Our short-term contracts, which are typically less than five years, are contracts where our network is used to fulfil a service for a specified time period. These short-term contracts may consist of us fulfilling a last mile enterprise service for a multinational carrier for a short-term period or providing our hyperscaler customers with interim capacity to advance their investment strategy in key locations for a short period of time, typically between one and three years. The billing for such services is done either in-country in local currency, or in Mauritius in US dollars, and is dependent on the customer or certain regulatory requirements. In the event that we bill in local currency, we aim to add inflation clauses, or US dollar-linked local currency pricing.

Voice Traffic

Our Voice Traffic customers are national and international MNOs and carriers. Our extensive network coverage through both fiber and satellite has allowed us to develop and maintain key relationships with some of the largest global and national MNOs, as well as the leading national and international carriers across our markets.

Our Voice Traffic contracts are typically rolling in nature. The majority of our customers sign "Traffic Termination Agreements" that are for an unlimited period of time, pursuant to which we and our customers agree to connect our respective telecommunication systems at certain meet points with a view to allowing the mutual conveyance of traffic. Under the terms of these agreements, the price per minute for the conveyance of traffic, which varies according to the destination, is initially agreed upon entering into the agreement and generally updated on a weekly basis. Charges are calculated by multiplying the billable conversation time with the respective prices, and billing occurs at the end of each month.

CUSTOMER SERVICE AND RETENTION

Network and Dataport

The customer service functions for our Network and Dataport segments are carried out by our customer service and technical support centers in Pune, India; Harare, Zimbabwe; Nairobi, Kenya; Johannesburg, South Africa; and London, United Kingdom. We also provide our customers with access to 24-hour technical support help desks as well as clear escalation procedures to senior technical staff in the event incidents are not resolved according to our service level agreements. Visits to customers' premises are performed by our technicians and engineers or are outsourced to our partners for customers of our Dataport segment who are located internationally. We believe we have some of the most highly qualified and capable technicians and IP transmission engineers in Africa and we have partnered with highly skilled and capable technicians internationally. Our customer service functions for our Network and Dataport customers are available 24 hours a day and 365 days a year. Furthermore, our customer retention initiatives are carried out by national and global account managers with support from our senior management when required. We aim to proactively inform our Network and Dataport customers of any technical and commercial changes such as technology upgrades, minor incidents, regulatory and legal or environmental changes.

The barriers to enter the market are high given that many connectivity service providers own their own infrastructure. The competitive environment tends to be less intensive for us because we are able to utilize our own fiber broadband networks to support our service offering. Competition in the market varies on a country by country basis, depending on the number of fixed-line players, redundancy of fiber infrastructures, sophistication of buyers and local regulation. In the coming years we expect some consolidation in the industry as a result of both economic and regulatory factors. We are seeing competition from submarine cable operators (SEACOM, WIOCC) who are concluding deals, which allow them to serve a limited number of terrestrial endpoints, with incumbent operators in countries that have a large presence in the market, and with several disruptors who vary by country—for example DFA, Fiberco, and Broadband

Infraco in South Africa, NOFBI in Kenya, and C-Squared in Uganda. Certain customers, including some of the largest MNOs in South Africa and Kenya, have invested in specific national long-distance fiber routes (city to city) and metro networks, as leased dark fiber, within a consortium or as their own fiber infrastructure.

C2

There are limited direct competitors that have the full breadth of our offering. Our indirect (reseller) business competitors are typically the legacy distributors that have moved into cloud with support services for their channel partners. Examples of these competitors include Tarsus on Demand, First Distribution and Reddington Gulf. Our direct business competitors include digital transformation consultancy companies that enable cloud migration such as Crayon, Logicalis, cybersecurity players like Performanta and system integrators like Dimension Data and BCX.

Voice Traffic

Our Voice Traffic customers have direct access to our team of experts who manage the technical and commercial aspects of our voice traffic business. Prices in this segment are updated on a regular basis (generally every week) and a level of automation has been introduced to manage the pricing and billing processes. Escalation of technical issues, commercial and other enquiries are dealt with by our global voice traffic team, based in the United Kingdom, South Africa and Mauritius. Other business development and customer retention initiatives include presence at global and regional conference and meet-me events as well as one-to-one meetings.

We face direct competition in the Voice Traffic segment primarily from players such as PCCW and BICS in addition to other international carriers. We are the gateway for the Econet Group as one of our main customers in Africa in addition to other regional and international carriers. As an African voice carrier, we have voice switching capability within Africa which enables us to differentiate on latency when compared with these international carriers. Nevertheless, indirect competition from OTT players (such as WhatsApp) providing VoIP services is causing ongoing reductions in revenue across the industry. This is causing some of our customers to become increasingly price-sensitive as they attempt to counter the OTT voice offerings. Conversely, other customers have price insensitive users who require the levels of quality we offer and this has helped reduce declines in revenue and profit. A number of destinations or routes, such as landlocked African countries or countries where the international voice termination price is regulated at a certain level, still offer areas of lower competition and higher margins.

MARKETING

We believe that we enjoy strong brand recognition among customers in the majority of the markets in which we operate. We generally market our digital infrastructure services under the “Liquid Intelligent Technologies” brand, with variations depending on the type of service we offer. For example, we refer to “Liquid C2” for our cloud and cybersecurity offering and “Liquid Home” for our home connectivity solutions.

We have a centralized Marketing Centre of Excellence, which is responsible for strategic brand positioning, developing brand campaigns and assisting with creating and monitoring our advertising campaigns. Working in conjunction with our sales and customer care divisions, our local marketing divisions use a combination of targeted marketing initiatives and general brand marketing to attract and retain customers. Our general marketing strategy positions us as Africa’s leading technology company of continental scale with a clear vision to accelerate Africa’s transition to digital.

In all of the markets in which we operate, we use a variety of marketing channels to promote our brand names and services and we also participate in a number of key global industry marketing events over the calendar year, such as AfricaCom, ITW, PTC, and various Capacity events across Africa, the Middle East and Europe.

SUPPLIERS

We have relationships with several suppliers that provide us with international wholesale voice, hardware, software and various other products and services necessary to operate our businesses. We use a limited number of subcontractors

such as Soliton and Plessey, particularly in Kenya and South Africa, to maintain our network, with the majority of installation and maintenance work performed by our own highly qualified employees and engineers. Our agreements with third party providers generally require that the subcontractors maintain certain environmental, health and safety and quality control commitments and use trained personnel. We monitor the efficiency and quality of service provided by our subcontractors on a regular basis.

- Our principal suppliers enabling us to serve both our Network and Dataport customers are Cisco, Microsoft and Juniper. Each of these suppliers provide us with data network parts and customer premises equipment, such as servers. We are also supplied by national network carriers such as Telkom, Vodacom, Airtel and Broadband Infracore who provide local metro capacity. Tower companies, including MNOs, provide site colocation and local subcontractors who install our networks. Our suppliers also include satellite operators who provide satellite capacity (such as Eutelsat); carriers and service providers (such as Seacom, WIOCC and TTCL) who provide international undersea capacity and national backbone capacity; carriers and service providers with whom we have reciprocal business arrangements (such as Orange and BT); providers of IPT in Europe (such as Cogent, NTT, Orange, TATA, TI Sparkle and Lumen); fiber manufacturers (such as Sterlite, Weinert Special Cables and PPC Broadband Fiber); and local subcontractors who install such supplies.
- Our principal supplier of C2 soft switches and SBCs is Metaswitch. Our principal provider of other C2 services is Microsoft with its portfolio of Azure, Office, Dynamics and server software as well as Google Cloud and Anthropic to provide advanced cloud, cybersecurity and generative AI capabilities.
- Our principal suppliers enabling us to serve our Voice Traffic customers are certain MNOs, carriers and service providers such as Tata, Vodafone, MTN, Econet and Cell C with which we have traffic termination agreements.

Most of our equipment is supplied directly by the manufacturers. In nearly all cases, we believe alternate providers are readily available and only in rare occasions would replacing such providers be a lengthy process.

INTELLECTUAL PROPERTY

The Liquid Group owns a relatively large number of trademarks. Our most important trademarks are registered as word mark trademarks, protecting words, including “Liquid Intelligent Technologies” and logo trademarks, protecting our “Liquid Intelligent Technologies” logos. The “Liquid Intelligent Technologies” trademarks are registered (or subject to active applications) in all of the key territories in which we operate, as well as in other territories for protective reasons.

The protection offered by the registration of the trademarks lasts between seven and ten years (depending on the relevant country) and can be extended for another ten or fourteen years at a time (depending on the relevant country) on the basis of a specific renewal request. We proactively renew the registration of our trademarks and register new ones (mostly product related), as appropriate.

LICENSES

Our operating licenses specify the communications services we can offer. As of the date of this Offering Memorandum, the Liquid Group held over 40 communications licenses across the countries we operate in. These licenses are subject to review, interpretation, modification or termination by the relevant authorities. Some, but not all, of the licenses are subject to local citizenship ownership requirements. The operating licenses are generally renewable upon expiry, and are operated under terms ranging from between 5 and 15 years. In certain of the jurisdictions in which we operate, however, our operating licenses have a considerably shorter term. For instance, in some jurisdictions the licenses are annual licenses. We aim to ensure that we have the required licenses to meet our strategic objectives over the long-term. In some jurisdictions, in addition to the operating licenses, we are required to obtain ancillary authorizations from the telecoms regulator for specified equipment that we use in our business, such as type-approval of telecommunications approval in Zambia.

There is no assurance that our licenses will be renewed or that any renewal on new terms will be commercially acceptable. See “*Risk Factors—It may be difficult for us to obtain all licenses, permits or other authorizations required to operate our existing network or any other required licenses, permits or other authorizations, and once obtained they may be amended, suspended or revoked or may not be renewed.*”

The table below sets forth details of our material licenses.

<i>Country</i>	<i>Liquid entity holding the license</i>	<i>Type of license</i>	<i>Expiry date</i>	<i>License No</i>	<i>Period</i>	<i>Effective date</i>
Botswana	Liquid Telecommunications Botswana (Proprietary) Ltd	Network Facilities Provider license	05-Jun-33	NFP2018/036	15 years	05-Jun-18
	Liquid Telecommunications Botswana (Proprietary) Ltd	Services and Applications license	05-Jun-33	SAP 2018/62	15 years	05-Jun-18
South Africa	Liquid Telecommunications Operations South Africa (Pty) Ltd	Individual Electronic Communications Service	15-Jan-29	0029/IECS/JAN/09	20 years	16-Jan-09
	Liquid Telecommunications Operations South Africa (Pty) Ltd	Individual Electronic Communications Network Service	15-Jan-29	0029/IECNS/JAN/09	20 years	16-Jan-09
	Liquid Telecommunications Operations South Africa (Pty) Ltd	Individual Electronic Communications Service	15-Jan-29	004/IECS/JAN/09	20 years	16-Jan-09
	Liquid Telecommunications Operations South Africa (Pty) Ltd	Individual Electronic Communications Network Service	15-Jan-29	004/IECNS/JAN/09	20 years	16-Jan-09
	Liquid Telecommunications Operations South Africa (Pty) Ltd	Individual Electronic Communications Service	20-Dec-30	0471/IECNS/DEC/2010	20 years	21-Dec-10
	Liquid Telecommunications Operations South Africa (Pty) Ltd	Individual Electronic Communications Network Service	20-Dec-30	0471/IECS/DEC/2010	20 years	21-Dec-10
	Liquid Telecommunications South Africa (Pty) Ltd	Frequency Spectrum Licence and/or Radio Station Licence or Radio Dealer Certificate	01-Apr-26	10435434	6 months	02-Oct-25
	Liquid Telecommunications South Africa (Pty) Ltd	IMT National	Annual	00-506-083-1	Renews annually through payment of annual licence fees.	2009/07/29 - Assignment 2006
	Liquid Telecommunications South Africa (Pty) Ltd	LTE(National)	Annual	00-523-655-6	Renews annually through payment of annual licence fees.	18-Nov-10
	Liquid Telecommunications South Africa (Pty) Ltd	VSAT (National & Sub-Continental)	Annual	00-516-419-2	Renews annually through payment of annual licence fees.	15-Jun-09
	Liquid Telecommunications South Africa (Pty) Ltd	IMT National	Annual	IMT/RF0004/April/2022	Renews annually through payment of annual licence fees.	01-Jul-22
	Liquid Telecommunications South Africa (Pty) Ltd	Point-to-Multipoint (National)	Annual	00-501-279-1	Renews annually through payment of annual licence fees.	12-Apr-06

	Liquid Telecommunications South Africa (Pty) Ltd	Single Point-to-Point	Annual	00-540-031-5	Renews annually through payment of annual licence fees.	29-Apr-14
	Liquid Telecommunications South Africa (Pty) Ltd	Point-to-Point (National)	Annual		Renews annually through payment of annual licence fees.	12-Apr-06
	Liquid Telecommunications South Africa (Pty) Ltd	Point to Multipoint	Annual	00-540-035-6	Renews annually through payment of annual licence fees.	12-Apr-06
	Liquid Telecommunications South Africa (Pty) Ltd	Point-to-Multipoint & P2P (Regional)	Annual	00-525-955-7	Renews annually through payment of annual licence fees.	16 Nov 2011, amended 07-Feb-13
	Liquid Telecommunications South Africa (Pty) Ltd	P2P & P2MP(National)	Annual		Renews annually through payment of annual licence fees.	12-Apr-06
	Liquid Telecommunications South Africa (Pty) Ltd	P2P	Annual	00-540-036-4	Renews annually through payment of annual licence fees.	12-Apr-06
	Liquid Telecommunications South Africa (Pty) Ltd	Single Point-to-Point Links	Annual	00-540-027-7	Renews annually through payment of annual licence fees.	23-Apr-09
	Liquid Telecommunications South Africa (Pty) Ltd	VSAT (National and Sub continental)	Annual	00-520-222-5	Renews annually through payment of annual licence fees.	17-Jul-14
	Liquid Telecommunications South Africa (Pty) Ltd	Single Point-to-Point Links (Paardeberg)	Annual	00-553-183-5	Renews annually through payment of annual licence fees.	23-Nov-17
	Liquid Telecommunications South Africa (Pty) Ltd	Point-to-Point (National)	Annual	00-553-184-3	Renews annually through payment of annual licence fees.	05-Jun-18
Zambia	Liquid Telecommunications Zambia Ltd	Network license (Facilities and Services)	26-Jun-35	ZICTA/ICT/EC N/0005	10 years	27-Jun-25
	Liquid Telecommunications Zambia Ltd	Service license: Internet Service	23-May-31	ZICTA/ICT/EC S/0005	10 years	30-Jun-26
	Liquid Telecommunications Zambia Ltd	Network license (Facilities)	26-Jun-40	ZICTA/ICT/EC N/0005	15 years	27-Jun-25

	Liquid Telecommunications Zambia Ltd	Spectrum license	30-Jun-26	RFM/BWA/25 47	Annual	01-Jul-25
Zimbabwe	Data Control & Systems (1996) (Private) Ltd	Internet Access Provider Class A (including VoIP) (IAP License)	04-Sep-29	IAPA20150902 2	14 years	05-Sep-15
	Data Control & Systems (1996) (Private) Ltd	Spectrum	04-Sep-29	IAPA20150902 2	14 years	05-Sep-15
	Data Control & Systems (1996) (Private) Limited	Spectrum LTE	04-Sep-29	IAPA20150902 2	12 years	15-Mar-17
Mauritius	Transaction Payment Solutions International Limited	Sell, expose or offer for sale or hire radiocommunication or telecommunication apparatus or devices as authorised	28-Dec-26	C/E790/2025	Annual	28-Dec-25
Kenya	Liquid Telecommunications Kenya Ltd	Content Service Provider license (CSP)	12/9/2023 - renewal granted awaiting new 10 year license	TL/NFP/T2/00 014	15 years	09-Dec-08
	Liquid Telecommunications Kenya Ltd	Network Facilities Provider (NFP)	22-Jan-28	TL/ASP/00014	10 years	22-Jan-18
	Liquid Telecommunications Kenya Ltd	Applications Services Provider (ASP)	22-Jan-28	TL/ULF/IGS/0 0014	10 years	22-Jan-18
	Liquid Telecommunications Kenya Ltd	International Gateway license (IGS)	22-Jan-28	TL/ULF/IGS/0 0014/01	10 years	22-Jan-18
	Liquid Telecommunications Kenya Ltd	Fixed Wireless Access & Microwave Links - Spectrum Fees	Annual	Not specified	1 year	Annual
	Liquid Telecommunications Kenya Ltd	Sub-Domain registrar services	13-Jan-27	Not specified	1 year	14-Jan-26
Uganda	Liquid Telecommunications Uganda Ltd	National Public Service Provider	6/30/2025 Renewal fees paid and renewal approved further 5 years. Await new license	UCC/NPSP/01 2	5 years	01-Jul-20
	Liquid Telecommunications Uganda Ltd	Regional Public Infrastructure Provider	30-Jun-35	UCC/RPIP/09	15 years	01-Jul-20
DRC	African Digital Networks S.A.S.U.	Internet Service Provision (ISP)	22-Jan-39	002/ARPTC/P TT/SI/109	20 years	22-Jan-19
	African Digital Networks S.A.S.U.	Spectrum: 30 MHz in the 2.3 GHz band	Annual	002/ARPTC/P TT/109	Annual	29-Dec-09
	Africa Digital Networks S.A.S.U.	Exploitation of the VSAT (Very Small Aperture Terminal)	22-Jan-39	01/ARPTC/PT NTIC/VSAT/2 019	20 years	23-Jan-19
	Liquid Telecommunications DRC S.A.	Establishment and operation of a public optical fiber network	04-Feb-38	01/PTNTIC/A RPTC/BBN- FTTx/2018	20 years	05-Feb-18
Rwanda	Liquid Telecommunications Rwanda Ltd	Fixed Telecommunications license	20-Jun-38	RURA/ICT/LI C/230321412	15 years	20-Jun-23
	Liquid Telecommunications Rwanda Ltd	Usage of Radio Frequency Spectrum Resource & Operation of Radio Communications Services	20-Jun-38	None. This license is provided as an appendix to the Fixed Telecommunications license	15 years	20-Jun-23
Tanzania	Zanlink Ltd	Regional Network Facilities	18-Dec-39	TCRA/NF/3/20 14	25 years	19-Dec-14

	Zanlink Ltd	Regional Application Services	22-Mar-28	TCRA/RASW L/0004/2022	5 years	23-Mar-23
	Raha Ltd	International and National Application Services	23-Mar-30	TCRA/I&NAS L/01/2021	10 years	24-Mar-20
	Raha Ltd	National Importation License	16-Aug-26	TCRA/NATI M/0028/2023	3 years	17-Nov-23
	Raha Ltd	Installation and Maintenance of Electronic Communications Equipment - Class A License	16-Aug-26	TCRA/IMCAA /0027/2023	3 years	17-Nov-23
	Raha Ltd	Cybersecurity license	24-Sep-30	TCRA/CYSS/0 012/2025	5 years	25-Sep-25
	Startel Tanzania Limited	Regional Network Facilities (Dar Es Salaam, Arusha, Kilimanjaro and Tanga)	19-Jan-41	TCRA/RNFL/0 01/2016	25 years	20-Jan-16
Nigeria	Liquid Intelligent Technologies Limited	Internet Service Provider (ISP) License	11/30/2025 - - in renewal, license renewal fees paid. Expect further 5 year renewal.	INT/O44/20	5 year	01-Dec-20

INSURANCE

Where legislation allows, we have consolidated our insurance coverage into a master Global Insurance Program. In territories where global cover is not permitted, we have local brokers or insurers, who partner with the Liquid Group insurance broker. The policies are maintained at a Group level. The benefit of this consolidation is consistent coverage, streamlined administration, and cost efficiencies. This also ensures the cover is placed with reputable insurers who have at least an “A” or above credit rating and have the financial ability to honor any valid claims. Our group and local insurance brokers provide local advice and placement for these covers.

We currently maintain insurance policies for global property damage, business interruption (including terrorism and political violence), public liability, product liability, professional indemnity, cyber indemnity, crime, travel, and Directors and Officers Liability. These policies cover a range of risks including those related to physical damage to and loss of property, losses arising out of our negligence for bodily injury or property damage to third parties and employees, and legal liability in terms of our business operations. Marine insurance is taken out on a case-by-case basis.

We engage an insurance broker to advise on the necessary types and levels of coverage, and we review our coverage with our broker bi-annually and have the flexibility to amend and update the covers in line with business requirements. We conduct monthly work in progress meetings to discuss new and any outstanding matters. We renew our insurance policies annually and most of our insurance premiums are denominated in U.S. dollars.

We consider our insurance coverage to be adequate and in accordance with industry best practice and any legislative and contractual requirements in the markets in which we operate. We do not insure against certain operational risks for which insurance is unavailable or which can only be insured at what we believe to be unreasonable terms.

PROPERTIES

Our principal executive offices are located at 17th Floor, 6 New Street Square, London, EC4A 3BF. We lease most of the properties upon which we operate. We also operate a 1,759 square meter leased warehouse in Zimbabwe and a 1,053 square meter leased warehouse in Dubai, which are used to store fiber infrastructure equipment and material.

We believe our current facilities are adequate for our current needs and that suitable additional space will be available as and when needed.

The following table sets forth our key properties:

<i>Opco Name</i>	<i>Property Name</i>	<i>Address</i>	<i>Use of Property</i>
Owned			
Liquid Telecommunications Rwanda Limited	Rusizi Site	Rusizi, Western Province	Commercial
Liquid Telecommunications Rwanda Limited	Musanze Site	Musanze, Northern Province	Commercial
Liquid Telecommunications South Africa (Pty) Ltd	Innovate Park	401 Old Pretoria Main Road Midrand	Offices, Data Center & Warehouse
Liquid Telecommunications Zambia Limited	Stand No. 80, Kasama	Stand No. 80, Kasama	Office Space
Data Control & Systems (1996) (Private) Ltd t/a Liquid Telecommunications Zimbabwe	Stand 19995 Borrowdale Township	Stand 19995 Borrowdale Township	Offices
Leased			
Liquid Telecommunications Rwanda Limited	Gicumbi Site	Gicumbi, Northern Province	Commercial
Liquid Telecommunications Rwanda Limited	Rubavu Site	Rubavu, Western Province	Commercial
Liquid Telecommunications Rwanda Limited	Nyagatare Site	Nyagatare, Eastern Province	Commercial
Liquid Telecommunications Operations Limited, Liquid Telecommunications Holdings Limited	Ebene Mews	2 nd Floor, 57 Cybercity, Ebene, Mautitiu, 72201	Offices
RAHA Limited	IT Plaza	8/9 Floor, Ohio Street, Garden Avenue, Dar Es Salaam	Offices
Liquid Telecommunications Uganda Limited	BMK House	Plot 4-5, nyabong Road, BMK House, Kampala	Offices
Liquid Telecommunications Botswana (Pty) Limited	Grand Union Building	2nd Floor, Unit 6A, Grand Union Building. Plot 54374, New CBD, Gaborone Botswana	Offices
Liquid Telecommunications Sahara Holdings Ltd	UAP Equatorial Towers	Hai Neem, Malakia Rd, Juba, South Sudan	Offices
RAHA Limited	Raha NOC Center (Data Center)	Nyerere Road, Royal Furnishers Building, 1st Floor, Gate No 2, Pugu Road, Banda la Ngozi, Dar Es Salaam	Data Center
RAHA Limited	Raha Limited (Main Office)	IT Plaza 8/9 Floor, Ohio Street, Garden Avenue, Dar Es Salaam	Main Office
RAHA Limited	Raha Limited	Arusha Branch, Navrat Street, Akmea building, 4th Floor, Arusha	Single Server Room
RAHA Limited	Raha Limited	Mwanza	Single Server Room
RAHA Limited	Chang'ombe Warehouse	Plot No 73, Mbozi Road, Dar Es Salaam	Warehouse
Zanlink Ltd	Zanlink Ltd	Zanlink Ltd, Tiger House, Ground Floor, Vuga Street, Zanzibar	Offices
Zanlink Ltd	Zanlink Ltd	Zanlink Ltd, Abdul Hussein Store, Majestic Cinema, Vuga Street, Zanzibar	Third Party Storage
Zanlink Ltd	Zanlink Ltd	Zanlink Ltd, Hilal Store, Kiembe Samaki, Zanzibar	Third Party Storage
Zanlink Ltd	Zanlink Ltd	Hafidh Majid, P.O.Box 60, Paje East Coast Office,	Third Party Storage
Zanlink Ltd	Zanlink Ltd	Haroun Ulimwengu Khamis, Nungwi Zanzibar	Office and storage
Liquid Telecommunications Limited	New Street Square	6 New Street Square, London, EC4A 3BF	Offices
Liquid Telecommunications Limited	Transmission Station	Transmission Station, Great North Road, Brookmans Park, Herts, AL9 6NE	Data Center
Liquid Telecommunications International FZE	JAFZA View	JAFZA View 19, Floor 08, Office 806, Dubai, UAE	Offices
African Digital Networks	Succession Samu	2ième Rue, Limete Industriel, Kinshasa-DRC	Kinshasa Warehouse
Liquid Telecommunications DRC	Simmokin	3642, Immeuble Future Tower, Boulevard du 30 Juinn	Guest house
African Digital Networks SASU	Lapiazza Carrefour	1st Floor Complexe la Piazza, Croisement Avenues Lumumba et Saïo, Commune de Lubumbashi, Lubumbashi DRC.	Lubumbashi office
African Digital Networks SASU	BCDC	Immeuble BCDC, Boulevard du 30 JUIN	BTS Site Kinshasa
African Digital Networks SASU	Comexas Afrique Sarl	81 AV Partice Emery Lumumba-Ibanda	Warehouse Goma
African Digital Networks SASU	Nasser Hussein	11, Avenue des Orangers – Gombe, Kinshasa, DRC	Office Kinshasa
African Digital Networks SASU	Ets Jeanpy Rusina	41, Des Orchidées, Volcans, Goma, Goma DRC	Office GOMA
Liquid Telecommunications DRC S.A.	Bollore	14ième Rue, Limete Industriel, Kinshasa-DRC	Kinshasa Warehouse
Liquid Telecommunications DRC S.A.	Bollore	93 avenue Sendwe – Lubumbashi – R.D. CONGO	Lubumbashi Warehouse
African Digital Networks SASU	HTDRC InfraCo	Various sites on 17 locations	BTS Sites
African Digital Networks SASU	L'immobiliere de l'agence de la Gombe	15, Boulevard du 30 Juin, dans la Commune de la Gombe-Kinshasa DRC	Kinshasa FTTH POP
Transaction Payment Solutions South Africa (Pty) Limited	SIS House	Eton Office Park, Cnr Sloane Street and, Harrison Ave, Bryanston, 2194	Offices
Liquid Intelligent Technologies Egypt	5A by Waterway	5A by Waterway, Building B1 – 3 rd Floor – New Cairo, 11835 – Cairo Egypt	Office Space
Liquid Telecommunications South Africa (Pty) Ltd	Umhlanga	6 Sinembe Crescent, La Lucia Office Park, Umhlanga, South Africa	Office Space
Liquid Telecommunications South Africa (Pty) Ltd	Tygerberg	Tygerberg Office Park, Drakenzicht Building, Uys Krige Str, Platteklouf, South Africa	Office Space
Liquid Telecommunications South Africa (Pty) Ltd	East London	Area 2A, Ground Floor, Oakwood House, Palm Square Business Park Beacon Bay, East London, South Africa	Office Space

Liquid Telecommunications South Africa (Pty) Ltd	Port Elizabeth	36 Pickering Street, Newton Park, Port Elizabeth, South Africa	Office Space
Liquid Telecommunications South Africa (Pty) Ltd	Mthatha	Unit 2F11, 49 Leeds Road, Central District, Mthatha, South Africa	Learning Centre
Liquid Telecommunications Zambia Limited	Elunda 2	Elunda 2, Addis Ababa Roundabout, Rhodes Park, Lusaka	Offices
Liquid Telecommunications Zambia Limited	KN 30 St, Kigali, Rwanda	AVENUE De l'Armee, KN 67 ST# 3, Kigali P.o Box 6098 Kigali	Offices
Liquid Telecommunications Zambia Limited	Livingstone-Eshar	571, Obote Avenue, Livingstone, Zambia	Offices
Liquid Telecommunications Zambia Limited	Enos Chomba	Plot 39 Enos Chomba Parklands Kitwe, Zambia	Offices
Liquid Telecommunications Zambia Limited	Chipata Office	Plot 469, Luangwa Road, Chipata, Zambia	Offices
Liquid Telecommunications Zimbabwe	Pockets hill data center	16 Hampstead Rd, Pockets Hill, Highlands	Data Center
Liquid Telecommunications Zimbabwe	Willowdale Industrial Park	Bay A3 Willowvale Industrial park, Gleneagles Road, Willowvale, Harare	Warehouse
Liquid Telecommunications Zimbabwe	Borrowdale Offices	Block B, Sam Levy Office Park, Piers Rd, Harare, Zimbabwe	Offices

EMPLOYEES

As of November 30, 2025, we had a total of 2,044 employees. The following table details the numbers of our employees by function:

Employees by function (full and part time)

Function	Headcount
Commercial & Sales	491
Network - Operations and Technical	760
Finance	259
Network - Build	101
Customer Service	91
Information Systems and IT	36
Administration	45
Supply Chain	50
Human Resources	48
Other	107
Marketing	10
Legal and Regulatory	46
Total Staff	2044

We have not experienced any significant labor disputes nor work stoppages. None of our employees are unionized. We have pension arrangements in most countries in which we operate and these are defined contribution in nature.

Employee health and safety is of high importance to us. Our Chief Human Resources Officer is responsible for implementing our group health and safety policy by developing specific management systems and governance structures necessary to ensure the local operations implement the general policy adapted for any local legislation as may be required.

CORPORATE RESPONSIBILITY

The core of our business is designed to have a positive societal impact. We believe that digital infrastructure and digital services enable economic prosperity and that our business is uniquely positioned to deliver Africa's digital transformation.

We have adopted and personalized the United Nations' Sustainable Development Goal, "leave no one behind," which is the central transformative promise of the United Nations' 2030 agenda for sustainable development. Our vision is of a digitally connected future that leaves no African behind. We are accelerating financial inclusion by enabling widespread technology adoption through last mile Wi-Fi access, facilitating access to fintech solutions, supporting the adoption of renewable energy solutions as well as spurring economic development by meeting the digital needs of businesses operating on the African continent.

In line with our commitment towards the United Nations' Sustainable Development Goals we are focused on the following initiatives, among others:

- expanding our FTTH network in areas such as the Democratic Republic of Congo, Rwanda, Zambia, Kenya and Uganda;
- building-out cross-border fiber broadband networks across Africa;
- creating pipeline projects with schools in Kenya and South Africa; and
- developing sustainable operations facilities that take into consideration consistent power supply using renewable energy and/or back of generators.

ENVIRONMENTAL MATTERS

We do not believe that our activities generally have a significant environmental impact. Despite the low risk, all of our operations are guided by our comprehensive Group Sustainability Strategy, our Decarbonisation Strategy and our Environmental, Social and Governance Management Systems (ESGMS) Framework. We have also developed environmental policies and procedures and have implemented an ISO 14001 standard within our operations which are either certified or in the process of being certified. Our operations are also subject to a large number of environmental laws and regulations that vary by geography. These laws and regulations govern, among other things, the management and disposal of hazardous materials, air emissions and water discharge, the cleanup of contaminated sites and health and safety matters. As a Group, we require each operating company to obtain environmental permits, licenses and/or authorizations or provide prior notification to the appropriate authorities when building parts of our network or installing types of communications equipment. As a result of these activities, we could incur costs, including fines, penalties and other sanctions, cleanup costs and third-party claims for property damage or personal injuries, as a result of violations of or liabilities under environmental laws and regulations.

We have not been subject to any material fines or legal or regulatory action involving non-compliance with applicable environmental regulations. We are also not aware of any material environmental incidents or non-compliance in regard to any relevant environmental protection regulations.

LITIGATION AND LEGAL PROCEEDINGS

Our operations are subject to regulation and control by various independent regulators and government authorities that exercise considerable discretion. Where such regulators or government authorities consider us to be in breach of any regulations, we may be liable to pay a penalty. Further, we may encounter disputes with our partners and/or competitors in the ordinary course of business that can ultimately lead to litigation. Due to the nature of the aforementioned proceedings, results are uncertain. Most of these proceedings are in the ordinary course of business and no member of the Liquid Group is or, in the 12 months preceding the date of this Offering Memorandum, has been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened, of which we are aware) other than what has been disclosed in the Financial Statements that may have or has had a significant effect on the Liquid Group's financial position and/or profitability.

MATERIAL CONTRACTS

In addition to the agreements referred to in “*Description of Certain Financing Arrangements*” and “*Related Party Transactions*,” we have entered into the following agreements that are material to us as of the date of this Offering Memorandum.

Liquid Telecom’s Terrestrial Network

An international technology company has agreed to acquire substantial managed fiber capacity across 2,000 km of dedicated routes on Liquid Telecom’s terrestrial backbone network in South Africa. The master service agreement is for a term of 20 years and has been signed by the international technology company and Liquid Telecommunications South Africa (Pty) Ltd.

Interconnection Agreements

We have entered into various interconnection agreements (also known as International Telecommunications Services Agreements, Reciprocal Telecommunications Services Agreements and International Carrier Agreements) with fixed and mobile telecommunications operators for international termination of each party’s telecommunications traffic on a reciprocal basis. Our interconnection agreements generally have indefinite terms and may be terminated in the event of a material breach (predominantly, subject to a cure period), the commencement of liquidation or insolvency proceedings, force majeure lasting for a period of more than ninety days, or one month’s notice. Billing is generally done on a monthly basis with invoices issued within 15 days of the end of the billing period and payment due within 15 days of invoicing. Payments may also be netted between the Company and its counterparty to the interconnection agreement. The Company may impose credit limits or work on a deposit or prepayment basis to reduce credit risk for customers that do not have a high credit rating.

IP Transit Services

Liquid Telecommunications Uganda Limited has entered into various service orders with significant MNOs to provide IP transit services pursuant to Liquid Telecommunications Uganda Limited’s standard Master Services Agreement. Individual service orders become effective on the date agreed by the two parties and, upon the expiration of the original service order, the applicable services will continue to be renewed for successive renewal terms of 12 months unless written notice is provided to Liquid Telecommunications Uganda Limited 30 days prior to the expiration of either the initial term or the renewal term.

The East African Marine Systems Limited IRU Agreement

On July 14, 2009, Liquid Telecommunications Kenya Limited (formerly Kenya Data Networks) entered into an Indefeasible Right of Use (“**IRU**”) capacity purchase agreement with TEAMS, pursuant to which Liquid Telecommunications Kenya Limited is entitled to 10.82% of TEAMS capacity and operations and maintenance services provide under the construction and maintenance agreement between TEAMS and Emirates Telecommunications Corporation (Etisalat). This agreement has a term of 25 years from the date when the IRU capacity became available (July 2009).

In exchange for the services performed by TEAMS under this agreement, Liquid Telecommunications Kenya Limited pays a quarterly maintenance fee to TEAMS for the services provided under the construction and maintenance agreement between TEAMS and Etisalat.

Seacom Ltd and Sea Submarine Communications Limited

Multiple IRUs for submarine capacity on the Seacom submarine cable system have been entered between Liquid Telecommunications Operations Limited, Liquid Telecommunications Kenya Limited and Liquid Telecommunications South Africa (Pty) Ltd with Seacom Ltd and Sea Submarine Communications Limited (Seacom) for 20-year terms from various activation dates between August 2009 and December 2013. In exchange for the services performed by Seacom under these agreements, we pay operation and maintenance charges on a quarterly basis.

Dark Fiber IRU

Liquid Telecommunications Operations Limited entered into a master IRU with a global technology company on February 29, 2020 pursuant to which Liquid Telecommunications Operations Limited has been granted an IRU in fiber pairs for cable systems identified in service order forms that are agreed between the parties or their respective affiliates. This agreement has a term of 15 years from the date that the IRU was signed and may be renewed twice on a 5-year basis per extension.

SNEL Dark Fiber IRU

Liquid Telecom DRC S.A. entered into a contract dated March 30, 2017, as amended on October 18, 2018, with La Societe Nationale d'Electricite SA (“SNEL”) of Democratic Republic of Congo (DRC) for the grant of an IRU in one pair of dark fibers on the optical ground wire (“OPGW”) of the SNEL high voltage electricity transmission network between Inga (in western province of Bas Congo) and Kasumbalesa (in southeastern province of Katanga), over a distance of 2,300 km. It enables connection between the main cities of DRC, including Matadi, Kinshasa, Kikwit, Kananga, Kamina, Kolwezi, Likasi, Lubumbashi and Kasumbalesa. The IRU term is 15 years and the maintenance costs of the dark fiber are to be shared with the other bidders.

Multinational Telecommunications Company IRU Agreement in the DRC

Liquid Telecom DRC S.A. entered into an agreement with a multinational telecommunications company dated July 28, 2020 for the sale of dedicated waves/channel capacity (initially two waves, upgradeable to six) on the SNEL OPGW cable for the lifetime of the underlying SNEL IRU Dark Fiber purchase (15 years from September 26, 2019), together with 50% of dark fibers constructed on routes from SNEL cable drop-offs to the customer’s PoPs, on a co-build basis, with ownership to the fibers transferred for the commercial lifetime of the fibers.

Master Tower Agreement (MTA) with American Towers

On October 1, 2018, Liquid Telecommunications Kenya Limited entered into a Master Tower Agreement with ATC Kenya Operations Limited (ATC) in which Liquid Telecommunications Kenya Limited is permitted to access the passive infrastructure located at telecommunications sites owned by American Towers (including land, towers, shelter, diesel generator sets, air conditioners and electrical and civil works) and related operations/maintenance services which the Communications Authority of Kenya has granted ATC a license for use.

Master Services Agreement with West Indian Ocean Cable Company Limited (“WIOCC”)

Liquid Telecommunications Operations Limited is a party to a Master Services Agreement with WIOCC, for the purchase of IRU capacity on the WIOCC submarine cable and various subsequent service orders under the agreement. Individual service orders become effective on the date agreed by the two parties and, upon the expiration of the original service order, the applicable services will continue on a monthly basis unless either party provides 30 days’ written notice. In exchange for the services performed by WIOCC under this agreement, Liquid Telecommunications Operations Limited pays annual fees, as well as a payment for third-party charges passed on by WIOCC after the expiry of a given service that are not covered by the annual fees.

Bilateral Master Services Agreement

On February 2, 2018, Liquid Telecommunications Operations Limited, entered into a bilateral master services agreement with a significant MNO for telecommunications and related services to be provided through service orders. The agreement has an initial term of three (3) years and shall remain in effect following such period until terminated by either party.

Master Services Agreements with the State Information Technology Agency relating to the Western Cape Government, South Africa

Liquid Telecommunications South Africa (Pty) Ltd provides Broadband Network Services to the Western Cape Government (“**WCG**”) pursuant to a MSA concluded with the State Information Technology Agency (“**SITA**”) on June 20, 2014 for a fixed term of 10 years. The program with SITA was initiated in June 2014 for a period of ten years. The scope of the program included WCG corporate sites, schools, healthcare institutions, libraries, Cape Access Centers as well as satellite administrative offices and depots of the WCG. The telecommunications network is designed and built to carry data, voice and video communications and is capable of providing public Internet access together with private corporate government network access (for multiple government clients) on the same infrastructure.

On November 12, 2024, Liquid Telecommunications South Africa (Pty) Ltd entered into a new contract with SITA to provide Broadband and Public Wi-Fi services to SITA for the WCG. The term of the contract is seven (7) years. Sites include WCG corporate sites, non-corporate sites such as libraries, museums, e-centers, schools, road camps, nomadic sites and other sites nominated for broadband and Wi-Fi connectivity by the WCG.

Mater Services Agreement with the State Information Technology Agency relating to the Eastern Cape, South Africa

Liquid Telecommunications South Africa (Pty) Ltd provides Broadband Network Services to the Eastern Cape Provincial Government (“**ECPG**”) pursuant to a MSA concluded with SITA effective from June 1, 2019 for a fixed term of 10 years. Pursuant to the agreement, Liquid Telecom delivers broadband services to hospitals, schools, clinics and provincial offices. The high-speed broadband services enables the ECPG to deliver services to its citizens, using technology to enhance their overall service delivery capabilities. The project entails connecting 2,700 Sites across the Eastern Cape Province. The sites will be connected over a roll out period of 3 years, with a subsequent bandwidth upgrade from initial 100 Mbps Capacity to 1 Gbps Capacity.

4G Roaming Agreement

Liquid Telecommunications South Africa (Pty) Ltd concluded a National Roaming Agreement with a significant MNO provider in December 2018. The National Roaming Agreement allows the MNO’s customers to make use of our 1800 MHz LTE network capacity in areas where we have coverage, using a 3GPP standard Multi-Operate Core Network (“**MOCN**”) architecture.

The roaming service is enabled through a managed network service that the MNO provides to us. This managed network service enables us to deliver our own LTE network utilizing the MNO’s infrastructure, site management services and transmission services.

5G Roaming Agreements

Liquid Telecommunications South Africa (Pty) Ltd concluded a National Roaming Agreement with a significant MNO in December 2019 which commenced in 2020. The National Roaming Agreement allows the MNO’s customers to make use of our 3500 MHz 5G network capacity in areas where we have coverage, using a 3GPP standard MOCN architecture.

The roaming service is enabled through a managed network service that the MNO provides to us. This managed network service enables us to deliver a 5G network utilizing the MNO’s infrastructure, site management services and transmission services. As the network is deployed in non-standalone mode, the MNO also provides us with 1800 MHz roaming for the purposes of NSA authentication.

In July 2025, Liquid Telecommunications South Africa (Pty) Ltd concluded a further National Roaming Agreement with the same MNO for a term of 15 years. The 5G National Roaming Agreement allows the MNO’s customers to

make use of our 900 MHz 5G network capacity in areas where we have coverage, using a 3GPP standard MOCN architecture.

INDUSTRY REGULATION

This section sets out the material regulations and regulatory concerns in certain countries in which the Liquid Group has operations.

SOUTH AFRICA

The Electronic Communications Act and the Independent Communications Authority of South Africa Act

The governing legislation for the telecommunications (electronic communications) industry in South Africa is the Electronic Communications Act, No 36 of 2005 (“ECA”), which came into effect on July 19, 2006 (as amended) and the ICASA Act which established the industry regulator, the ICASA, in July 2000.

ICASA regulates the electronic communications sector pursuant to national policy, the custodians of which is the Department of Communications and Digital Technologies.

Licensing

ICASA is the regulatory authority responsible for, amongst other things, licensing the providers of telecommunications and broadcasting services and monitoring compliance by licensees with their licenses and various regulations, including those which set out applicable minimum standards for end-users and subscribers, numbering, general license fees, universal service fees, codes of conduct, interconnection and facilities leasing, mobile number portability, call termination, approvals for equipment and compliance procedures.

Unless exempted, a radio frequency spectrum license is required to operate radio apparatus. Apparatus that have low power applications are generally exempt. ICASA has published a radio frequency band plan that takes into account the International Telecommunication Union (ITU) spectrum allotments for radio frequency spectrum use. In 2022, ICASA issued 900MHz, 1800MHz, 800 MHz, 2.5GHz and 3.5GHz ranges through an auction based assignment approach. In 2024, ICASA commenced a process through which it conducted a market assessment with a view to crafting an appropriate market based assignment approach in respect of further spectrum that it is targeting to license in the IMT750, IMT800, IMT1500, IMT2300, IMT3300 and IMT3500 bands by 2026.

Further, ICASA is exploring a new licensing framework for satellite services in SA.

All licensees must be either citizens or entities registered in South Africa with their principal place of business in South Africa. However, there are no restrictions on the ownership of the shares of the licensed entities.

Applicants for individual service licenses and radio frequency spectrum licenses are required to have a minimum of 30% of their equity held by historically disadvantaged groups and individuals (HDI/HDG), meaning people of color, women and people with disabilities. Changes in shareholding require ICASA’s prior written approval if the change amounts to a change of control in the licensee. On December 12, 2025, the Ministerial Policy Direction was published instructing ICASA to urgently align its ownership regulations with the Amended ICT Sector Code. The Policy Direction provides for the recognition of Equity Equivalent Investment Programmes as an alternative mechanism to satisfy the 30% HDI/HDG equity ownership requirement, enabling qualifying entities that are unable to meet the direct equity ownership requirement to instead make qualifying investments in programmes that advance the objects of broad-based black economic empowerment in South Africa. ICASA has not yet amended its regulations to give effect to the Policy Direction, and the 30% equity ownership requirement therefore remains applicable to licensees in the interim.

As part of compliance requirements, licensees are required to lodge their tariffs with ICASA and tariffs must be made known to the public. There is no retail price regulation in South Africa and no requirement for approvals of tariffs prior to commencement of service.

Annual license fees are prescribed by regulation and are payable by all licensees and are calculated based on a percentage of revenue derived from licensed activities, on a sliding scale. Licensees are also required to contribute a percentage of turnover to the Universal Service and Access Fund (USAF).

Consumer Protection Act

In addition to the ECA, the Consumer Protection Act, No 68 of 2008 (“**CPA of South Africa**”) is another key piece of legislation that regulates certain aspects of the electronic communications sector. The CPA of South Africa came into effect on March 31, 2011 and the CPA of South Africa regulations came into effect on April 1, 2011. This legislation has significantly changed how business is conducted in South Africa. The CPA of South Africa provides for fundamental consumer rights, fair and reasonable marketing, fair and honest dealing, fair, just and reasonable terms and conditions, and fair value, good quality and safety.

The CPA of South Africa applies to all transactions for goods and services between a supplier and a consumer in South Africa, and applies to all industries involved in the supply of goods and services. Sanctions for non-compliance include fines and imprisonment. The National Consumer Commission was established to oversee the CPA of South Africa and address consumer complaints generally, including in the information and communications technology (“**ICT**”) sector, where the National Consumer Commission has to date have launched investigations in respect of subscriber agreements, international roaming, handset subsidies and consumer complaints. A National Consumer Tribunal has also been established in terms of the National Credit Act 34 of 2005 and derives mandate from various regulations under the CPA of South Africa in respect of consumer credit.

The POPIA came into full effect on July 1, 2021 and regulates the processing of personal information by public and private bodies in South Africa. POPIA establishes minimum conditions for the lawful processing of personal information and confers enforcement powers on the Information Regulator, including the power to impose administrative fines of up to R10 million and recommend criminal sanctions of up to 10 years’ imprisonment for non-compliance. Electronic communications service providers, who routinely process significant volumes of subscriber personal information, are particularly exposed to POPIA compliance obligations, including in respect of direct marketing, location data processing and data breach notification.

Competition law considerations

In addition to the ECA, the Competition Act, No 89 of 1998 (“**CA of South Africa**”) regulates certain aspects of conduct within the ICT sector as part of its remit to regulate competition matters across all industries, including the electronic communications industry. ICASA and the Competition Authorities charged with the implementation of the CA of South Africa, share jurisdiction in respect of competition issues and regularize those domains through a Memorandum of Agreement between the respective regulators, which defines their respective areas of jurisdiction and regulates interaction between them. The CA of South Africa also establishes the Competition Tribunal with adjudicative powers, and the Competition Appeal Court.

Exchange Controls

An entity’s ability to transfer funds (or provide guarantees) out of South Africa and to enter into agreements which require or potentially require the transfer of funds out of South Africa (for example, any debt financing agreement involving repayment to a foreign lender) is subject to South African exchange control regulations. The primary empowering statute for South African exchange control is the Currency and Exchanges Act No 9 of 1933, under which the Exchange Control Regulations have been promulgated. The South African Reserve Bank, and in particular its Financial Surveillance Department, has been delegated the authority to administer the South African

exchange control system. The Financial Surveillance Department has wide discretion that is exercised in accordance with the exchange control regulations and in particular its exchange control manuals in line with the policy guidelines laid down by the South African Minister of Finance. In recent years, the SARB has undertaken a phased program of exchange control liberalization, progressively expanding the categories of transactions that are pre-approved under

the authorized dealer manual. Any cash flows out of South Africa or financial obligations incurred to non-residents are regulated by exchange control regulations.

Broadband policy

Broadband connectivity has been a sustained policy priority for the South African government since the publication of the National Broadband Policy (“**SA Connect**”) in 2013, which established a framework for the provision of affordable, accessible and universal broadband infrastructure and sought to clarify the respective roles of government, state-owned enterprises and the private sector in developing broadband infrastructure in South Africa. In 2019, the government launched SA Connect Phase 2, which introduced revised connectivity targets focused on connecting government sites and public institutions to broadband infrastructure. The implementation of Phase 2 has been subject to material delays and controversy, including scrutiny of the associated government procurement processes by parliamentary oversight bodies. As at the date of this Offering Memorandum, SA Connect Phase 2 implementation remains ongoing.

National Integrated Information and Communication Technology Policy White Paper

The National Integrated Information and Communication Technology Policy White Paper (the “**White Paper**”) was published in September 2016 and establishes the overarching policy framework for South Africa’s transformation into an inclusive and innovative digital and knowledge society. It focuses on the convergence of modern and traditional modes of communication, and the use of data in formulating policies and monitoring progress.

The White Paper contemplated amendments to the ECA, the ICASA Act and the Electronic Communications and Transactions Act 25 of 2002, and an initial attempt to amend the ECA in 2018 did not progress through the parliamentary process. A policy direction was subsequently issued on July 26, 2019 instructing ICASA to proceed with the much-delayed process of licensing high-demand spectrum, pursuant to which ICASA conducted a spectrum auction in March 2022. As of the date of this Offering Memorandum, full implementation of the White Paper remains ongoing.

KENYA

Kenya Information and Communications Act

The telecommunications sector in Kenya is primarily governed by the Kenya Information and Communications Act, Chapter 411A of the Laws of Kenya (as amended) (“**KICA**”), and the various regulations promulgated under it. ICT sector policies are set by the Ministry of Information Communications and Technology.

Under KICA, the Communications Authority of Kenya (“**CAK**”) is established to license and regulate postal, information and communication services. Section 24(1) of KICA provides that no person shall operate a telecommunication system or provide any telecommunication services except in accordance with a valid license granted under KICA. Liquid Telecommunications Kenya Limited is a regulated company under KICA on account of its core business being in the information communications technology sector.

National Information, Communications and Technology (ICT) Policy Guidelines

The National ICT Policy Guidelines (“**Policy Guidelines**”) were initially promulgated in 2006 and have undergone revisions over time, including and up to August 2020. The Policy Guidelines are intended to capture Kenya’s ICT ambitions and create a framework for their realization.

The Policy Guidelines are based on a wireless first strategy and include a focus on infrastructure sharing, internet exchange points, data centers, way leaves, wireless data infrastructure to support this wireless first strategy, broadcast signal distribution, IPv6, complementary infrastructure and the domiciliation of manufacture. The Policy Guidelines contemplate a number of tools to provide an environment through which people can access technology, including a digital identity, use of public key infrastructure, a legal framework and technical support for blockchain, regulatory

and legal support for digital payments, a delivery services framework for the delivery of physical goods and services, the recognition and enforcement of digital contracts, and cyber and computer crime and critical infrastructure legislation.

Notably, pursuant to a Gazette Notice issued in October 2008, the Policy Guidelines contemplated that ICT service providers ought to have a local shareholding of at least 20% by stipulated timelines. This threshold was later increased to 30% in August 2020, again with stipulated timelines by which ICT service providers were required to comply. However, before the increased threshold was enforced, the mandatory local shareholdings requirement was entirely removed in August 2023 through a subsequent Gazette Notice. As a result, the requirement no longer exists, and Liquid, as with other ICT service providers licensed by the CAK under the Ministry of ICT, is no longer subject to a local shareholding quota.

Transfer of shares

The transfer of shares in an entity licensed under KICA is regulated under the Kenya Information and Communications (Licensing and Quality of Service) Regulations, 2010 and by the licensing conditions included in each license that is granted.

It is a requirement that where there is a proposed change in control in a licensed entity, such change should be notified to the CAK at least thirty days before the change is effected. However, it should be noted that any change in a shareholding exceeding 15% of the issued share capital or the acquisition by an existing shareholder of at least 5% of additional shares, requires the prior written consent of the CAK. The CAK can vary these percentages in the conditions set out in each license. The CAK is required to notify the applicant of its acceptance or refusal stating the reasons for the refusal in the case of a refusal, within thirty (30) days of receipt of the request for the consent.

The licensing conditions included in each license with respect to the restrictions on the transfer of shares differ depending on the type of telecommunication license granted. Liquid Telecommunications Kenya Limited has the following licenses from the CAK which have share transfer restrictions:

- An Applications Service Provider Licence (“**ASP Licence**”);
- An International Gateway Services Licence (“**IGS Licence**”); and
- A Network Facilities Provider Tier 2 Licence (“**NFPT2 Licence**”).

Conditions 20 of the ASP Licence, 13 of the CSP Licence, 17 of the IGS Licence and 18 of the NFPT2 Licence all regulate the transfer of shares as discussed above with respect to Liquid Telecommunications Kenya Limited. In this regard, since Liquid Telecommunications Kenya Limited is a licensed entity under KICA, a transfer of shares may need to be notified to the CAK and/or approval sought for such transfer.

From the foregoing, in the event of a default by the Issuer resulting in the Collateral (the existing memorandum of deposit of shares in Liquid Telecommunications Kenya Limited) being enforced by way of sale of the shares in Liquid Telecommunications Kenya Limited, prior notification to, and subsequent approval of the CAK for the share transfer will be required where the statutory thresholds are met.

Consumer Protection Act

The Consumer Protection Act, Chapter 501 of the Laws of Kenya (the “**CPA of Kenya**”) is the substantive law that deals with consumers’ rights and obligations vis-a-vis product and service liability. The CPA of Kenya makes provisions for the promotion and enforcement of consumer rights as well as empowering consumers to seek redress for infringement of their rights as consumers and also provide for compensation. The CPA of Kenya entrenches consumers constitutional rights envisaged under Article 46 of the Constitution of Kenya. The CPA of Kenya gives a consumer the right to commence legal action on behalf of a class of persons in relation to any contract for the supply of goods or services to the consumer. This right cannot be ousted by any agreement between the parties. The CPA of

Kenya contains provisions that have significant implications on various transactions with consumers. It governs consumer relations both by individual economic sectors and, generally across all sectors in the market place. Two notable sector specific consumer rights are the right to pre-contractual disclosure of the terms of the consumer agreement and cancellation rights of the consumer agreement. It should be noted that the CPA of Kenya defines “consumer” broadly to include not only the person who buys the goods or services but also a person who uses the goods or services irrespective of whether they were party to the transaction or not, and can extend to all persons including business entities and, arguably, government entities.

Liquid Telecommunications Kenya Limited is in the business of providing ICT related services to consumers and therefore its interactions with Kenyan consumers is governed by the CPA of Kenya.

Data Protection and cybersecurity considerations

Cybersecurity threats continue to evolve in scale and sophistication, including attempts to gain unauthorised access to systems and data. Kenya’s Data Protection Act, 2019 and related regulations impose stringent obligations on data controllers and processors, including privacy-by-design, data minimisation, documented processing purposes, robust processor contracts, security safeguards aligned to risk, and mandatory personal data breach notifications to the Office of the Data Protection Commissioner (“**ODPC**”). Notifications to affected data subjects are also required where there is a high risk to their rights and freedoms. Cross-border data transfers must comply with the Data Protection (General) Regulations, 2021, including appropriate safeguards and, where applicable, a documented Data Transfer Impact Assessment.

A significant incident could result in service disruption, fraud, data leakage, loss of digital trust, investigations, penalties, litigation, and reputational damage. In addition to ODPC oversight and potential administrative fines, telecommunications and internet/infrastructure services operate under a layered regulatory framework that elevates both expectations and enforcement touchpoints.

Competition law considerations

The Competition Act (Cap 504 of the Laws of Kenya) (the “**CA of Kenya**”) is the principal law governing competition in Kenya. The CA of Kenya essentially governs the promotion and safeguarding of competition in the national economy and protects consumers from unfair and misleading market conduct. The CA of Kenya also establishes the Competition Authority of Kenya (the “**Competition Authority of Kenya**”) as a supervisory body in the Kenyan competition law regime. Under the CA of Kenya an entity has the obligation to notify the Competition Authority of Kenya of any proposed merger. A merger is defined as “an acquisition of shares, business or other assets, whether inside or outside Kenya, resulting in the change of control of a business or part of a business in Kenya in any manner and includes a takeover.” Further, under the CA of Kenya, a person controls an entity if, among others, that person beneficially owns more than one half of the issued share capital or business or assets of the entity or has the ability to materially influence the policy of the undertaking in a manner comparable to a person who in ordinary commercial practice can exercise an element of control. For a transaction to be notifiable to the Competition Authority of Kenya it must meet the test of a ‘merger’ and the financial threshold provided under the Competition (General) Rules, 2019 (the “**Kenyan Competition Rules**”).

The CA of Kenya, the Kenyan Competition Rules and Merger Guidelines published by the Competition Authority of Kenya provide guidance on what constitutes a notifiable merger.

If the Collateral is enforced by way of sale of the shares in Liquid Telecommunications Kenya Limited, it will be necessary for the parties to assess, prior to enforcement of the Collateral, whether a notification to the Competition Authority of Kenya will be required.

Mergers and acquisitions which have a regional dimension (where at least one merging party i.e. the target or the acquiring firm, operates in two (2) or more member states of the Common Market for Eastern and Southern Africa (“**COMESA**”) and the target undertaking operates in one or more COMESA Member State) and meet the financial threshold test under the COMESA Competition and Consumer Protection Regulations, 2025 and the COMESA

Competition and Consumer Protection Rules, 2025 (“together the **COMESA Regulations**”) are required to be notified to the COMESA Competition and Consumer Commission (“**CCCC**”). The Democratic Republic of Congo, Kenya, Mauritius, Rwanda, Uganda, Zambia and Zimbabwe are member states of COMESA.

The COMESA Regulations define a merger as the direct or indirect acquisition or establishment of control or a change in control held, on a lasting basis, by one or more undertakings in the whole or part of one or more undertakings a whether that control is achieved as a result of:

- the purchase or lease of the shares or assets;
- the amalgamation or combination with a competitor, supplier, customer or other person; or
- any means other than those specified above.

The COMESA Regulations provide that control may result from rights, contracts or any other means, which, either separately or in combination, confer the possibility of exercising decisive influence on the undertaking or asset concerned, including, *inter alia*, determination or ability to influence the voting of the majority of the votes that may be cast at a general meeting of the undertaking or the ability to materially influence the policy of the undertaking in a manner comparable to a person who in ordinary commercial practice can exercise an element of control.

As noted above, mergers that meet the prescribed financial thresholds are required to make a notification to the CCCC and cannot be implemented without its approval.

The COMESA Regulations provide that the CCCC shall have exclusive jurisdiction on mergers which meet the CCCC thresholds. As such, where a transaction is notifiable to the CCCC, it is not notifiable to the relevant national competition regulator. This notwithstanding, each Member State has its own regulations regarding the concurrent jurisdiction between its national competition regulator and the CCCC. For instance, in Kenya, if the enforcement of the Collateral is notifiable to the CCCC, the parties are required to inform (by way of a simple letter) the Competition Authority of Kenya within 14 days of making merger submissions to the CCCC, that they have submitted a filing with the CCCC.

In addition to the COMESA Regulations and the CCCC, the East African Community (“the **EAC**”) through its council of ministers enacted the EAC Competition (Mergers and Acquisitions) Regulations, 2025 (the “**EAC Competition Regulations**”). The EAC Competition Regulations are enacted further to the EAC Competition Act, 2006 (the “**EAC Competition**” Act). Under the EAC Competition Act, a merger is defined as an amalgamation or joining of two or more firms into an existing firm or to form a new firm. An acquisition is defined as any acquisition by an undertaking of direct or indirect control of the whole or part of one or more other undertakings, irrespective of whether the acquisition is effected by merger, consolidation, takeover, purchase of securities or assets, contract or by any other means.

The EAC Competition Regulations prescribe that a merger or acquisition is notifiable to the East African Community Competition Authority (the “**EACCA**”) if it meets two primary criteria:

- a) The transaction must involve undertakings with operations in two or more Partner States. The Partner States currently include the Democratic Republic of Congo, Somalia, Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda.
- b) The transaction falls within the financial thresholds prescribed.

The current financial threshold is as follows:

- a) where the combined turnover or assets of the merging parties within the EAC, whichever is higher, equals to or exceeds United States Dollars thirty-five million (USD 35 million); and

- b) where at least two undertakings to the merger or acquisition have a combined turnover or assets of United States Dollars twenty million (USD 20 million) in the EAC, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the EAC is within one and the same Partner State.

It is not yet clear how the jurisdictional overlaps between the CCCC, EACCA and the Competition Authority of Kenya will be dealt with.

Exchange Controls

Kenya no longer has foreign exchange control laws since it repealed the Exchange Control Act in December, 1995. Investors are free to convert and repatriate profits without any exchange restrictions subject to the Central Bank of Kenya Act (Cap 491 of the Laws of Kenya) (the “**CBK Act**”) and The Proceeds of Crime and Anti-Money Laundering Act (Act No 9 of 2009). Further, Kenya’s Foreign Investment Protection Act (“**FIPA**”) guarantees capital repatriation and remittance of dividends and interest to foreign investors without exchange restrictions. The foreign investors need to apply for a foreign investor certificate from the Cabinet Secretary of finance to enable the investors enjoy the benefits of the FIPA.

The Central Bank of Kenya (“**CBK**”) under the CBK Act, however, requires every payment made:

- in Kenya, to or for the credit of a person outside Kenya;
- outside Kenya, to or for the credit of a person in Kenya; or
- in Kenya (other than a payment for a current transaction) between a resident and non-resident, to be effected through a bank licensed by the CBK,

unless permitted by the CBK.

The CBK Act also requires banks to report to the CBK regularly for the supervision and surveillance of transactions including foreign exchange transactions.

Further, Kenyan law requires the declaration to customs of remittance of amounts above Kenya Shillings one million two hundred and ninety thousand (KES. 1,290,000) (approximately United States Dollars ten thousand (USD 10,000) to or out of Kenya as a formal check against money laundering.

Section 33I of the CBK Act provides that the CBK may, in consultation with the Cabinet Secretary for Finance, impose restrictions on remittances from Kenya for the purposes of enabling the Government of Kenya meet its obligations under any international treaty. This is a general power vested in favor of the CBK to restrict the repatriation of monies from Kenya in the extreme circumstances envisaged in section 33I of the CBK Act. As far as we are aware, this “blanket” right has not been exercised by the CBK to-date.

ZAMBIA

The Information Communications and Technology Act No. 15 of 2009

The governing legislation for the telecommunications (electronic communications) sector in Zambia is the Information Communications and Technology Act No. 15 of 2009 (the “**ICT Act**”). The Zambian Guarantor is therefore licensed and regulated under the ICT Act.

ICT Act regulates the electronic communications sector through a regulatory body created under the ICT Act known as the Zambia Information Communications and Technology Authority (“**ZICTA**”). ZICTA is responsible for establishing various guidelines including Code of Conduct for ICT Service Providers - April 2019; Installation Guidelines; Licensing Guidelines 2022; Consumer Protection Guidelines; and Digital Forensics Guidelines.

Licensing

The ICT Act provides that a person shall not operate “an electronic communications network” or provide “an electronic communications service” without a license issued under the ICT Act.

The ICT Act further provides that ZICTA shall issue the following licenses for purposes of the ICT Act:

- a “network license” which allows the holder to construct, own or make available an “electronic communications network” (defined below), or to provide a network service; and
- a “service license” which allows the holder to provide one or more “electronic communications services” (defined below).

The ICT Act defines an “electronic communications network” to mean “transmission systems and, where applicable, switching or routing equipment and other resources which permit the conveyance of signals by wire, radio, optical or other electro-magnetic means, including satellite networks, fixed circuit and packet switch, internet, mobile terrestrial networks, electricity cable systems, to the extent that they are used for the purpose of transmitting signals, networks used for radio and television broadcasting and cable television networks, irrespective of the type of information conveyed”.

The ICT Act in turn defines an “electronic communications service” to mean “a service provided by means of one or more electronic communications networks”.

Change of control of the Zambian Guarantor

The ICT Act provides that a licensee shall obtain ZICTA’s prior written consent for: (i) any transfer of shares which would result in the direct or indirect ownership of more than twenty-five percent of the issued voting share capital of the licensee; or (ii) any change in the ownership of the licensee’s issued voting share capital that results in a change in the composition of one quarter of the licensee’s board of directors.

From the foregoing, in the event of a default by the Issuer resulting in the Collateral (such as enforcement of the charge over shares in the Zambian Guarantor) being enforced by way of sale of the shares in the Zambian Guarantor, the approval of ZICTA for the share transfer will be required.

Data Protection

The Data Protection Act No. 3 of 2021 (the “**Data Protection Act**”) is aimed at safeguarding personal data and ensures privacy. The Data Protection Act regulates the collection, use, transmission, storage, and processing of personal data and establishes a framework for protecting individuals’ privacy rights.

The Data Protection Act also established the office of the Data Protection Commissioner, responsible for overseeing and enforcing data protection laws in Zambia. It outlines penalties for non-compliance, ensuring that organizations adhere to the regulations to protect personal data

Electronic Communications and Transactions

The Electronic Communications and Transactions Act No.4 of 2021 (the “**Electronic Communications and Transactions Act**”) aims to promote secure electronic communications and transactions, facilitate electronic filing of documents by public authorities, and encourage investment and innovation in electronic transactions. The Electronic Communications and Transactions Act also provides legal certainty and confidence in electronic transactions, making them as legally binding as traditional paper-based transactions.

It further provides for the use of secure electronic signatures and regulates the National Public Key Infrastructure.

Cyber Security and Cyber Crimes

The Cyber Security and Cyber Crimes Act No.2 of 2021 (the “**Cyber Security and Cyber Crimes Act**”) was repealed and replaced by two separate pieces of legislation, the Cyber Security Act No. 3 of 2025 (the “**Cyber Security Act**”) and the Cyber Crimes Act No. 4 of 2025 (the “**Cyber Crimes Act**”), which together establish Zambia’s current legal and institutional framework governing cyber security and cyber offences.

The Cyber Security Act establishes Zambia’s institutional and regulatory framework for the protection of cyberspace and national digital infrastructure. It provides for the establishment of the Zambia Cyber Security Agency and the Zambia Cyber Incident Response Team, as well as sectoral incident response teams responsible for coordinating responses to cyber threats.

The Cyber Security Act regulates cyber security service providers and provides for the identification, designation and protection of Critical Information Infrastructure, aimed at safeguarding essential services, strategic systems and national data from cyber threats.

The Cyber Crimes Act provides the legal framework governing offences committed through computer systems and electronic communications in Zambia. The Cyber Crimes Act criminalizes, among other conduct, unauthorized access to computer systems, unlawful interception, data and system interference, cyber extortion, identity-related offences and computer fraud.

The Cyber Crimes Act further prohibits the production, possession and distribution of child sexual abuse material and other forms of online exploitation and abuse of children. The Cyber Crimes Act also provides investigative mechanisms for the preservation and production of electronic evidence and facilitates cooperation with foreign jurisdictions in the investigation and prosecution of cyber offences.

Competition and Consumer Protection

In Zambia, competition law is governed by the Competition and Consumer Protection Act No 24 of 2010 as amended by Act No. 21 of 2023 (the “**Zambian Competition Act**”) and the Competition and Consumer Protection (General) Regulations Statutory Instrument No 97 of 2011. The Zambian Competition Act applies to all economic activity within or having an effect within Zambia. The Zambian Competition Act prohibits any form of agreement which prevents or lessens competition in Zambia. The regulator of competition and consumer protection law in Zambia is known as the Competition and Consumer Protection Commission (the “**CCPC**”).

The Zambian Competition Act also regulates mergers and acquisition in Zambia or mergers/acquisitions that have a Zambian dimension. Accordingly, a notifiable merger taking place in Zambia or taking place offshore but has a Zambian dimension is subject to approval by the CCPC. For instance, it is possible that on enforcement of the Zambian share charge which forms part of the Collateral, the transaction resulting in the change of control resulting from the enforcement of the share charge, will require the approval of the CCPC.

The Zambian Competition Act also regulates consumer protection in Zambia. The Zambian Competition Act makes provisions for the promotion and enforcement of consumer rights as well as empowering consumers to seek redress for infringement of their rights as consumers. Prohibited conduct against consumers includes unfair trading practices and false or misleading representation. Potential penalties for breach of consumer protection provisions include financial penalties of up to 10% of the turnover of an enterprise. As a service provider, the Zambian Guarantor is required to comply with the consumer protections under the Zambian Competition Act.

Please note that Zambia is in the process of amending the Competition and Consumer Protection (General) Regulations.

Bank of Zambia Foreign Exchange Market Guidelines 2024

These guidelines aim at enhancing, efficiency and effectiveness of the domestic foreign exchange markets in Zambia. They apply to all persons undertaking transactions in the forex market. The guidelines provide that the Bank of Zambia may require a person to provide it with information relating to that person's transaction in the forex market.

Ownership of land

When it comes to foreign ownership of land, the Lands Act places a number of restrictions to the allocation of land to foreigners (including foreign-owned companies) by the President.

The Lands Act states that land may only be allocated to a non-Zambian in the following circumstances:

- where the non-Zambian is a permanent resident in the Republic of Zambia;
- where the non-Zambian is an investor within the meaning of the Zambia Development Agency Act (the “**ZDA Act**”);
- where the non-Zambian has obtained the President's consent in writing under his hand;
- where the non-Zambian is a company registered under the Companies Act, and less than 25 percent of the issued shares are owned by non-Zambians;
- where the non-Zambian is a statutory corporation created by an Act of Parliament;
- where the non-Zambian is a co-operative society and less than 25 percent of the members are non-Zambians;
- where the non-Zambian is a body registered under the Land (Perpetual Succession) Act, chapter 186 of the laws of Zambia and is a non-profit making, charitable, religious, educational or philanthropic organization or institution;
- where the interest or right in question arises out of a lease, sub-lease, or under-lease, for a period not exceeding five years, or a tenancy agreement;
- where the interest or right in land is being inherited upon death or is being transferred under a right of survivorship or by operation of law;
- where the non-Zambian is a commercial bank registered under the Companies Act No. 10 of 2017 and the Banking and Financial Services Act No. 7 of 2017; and
- where the non-Zambian is granted a concession or right under the Zambia Wildlife Act No. 14 of 2015.

The Zambian Guarantor is a foreign owned company, therefore its title to any land in Zambia must fall within one of the exemptions set out above for the Zambian Guarantor to hold land legally in Zambia.

ZIMBABWE

Postal and Telecommunications Act

The Postal and Telecommunications Act (the “**Postal Act**”) is the main statute governing the telecommunications industry in Zimbabwe. The Postal Act establishes the regulator for the industry, known as the Postal and Telecommunications Regulatory Authority (“**POTRAZ**”); which is a body corporate capable of suing and being sued in its corporate name and, subject to the Postal Act, of performing all acts that a corporate body may by law perform. In addition, the Postal Act sets minimum requirements for a person or entity to be eligible for licensing as a Telecommunications Operator and the framework for the operations of the telecommunications industry in Zimbabwe.

The function of POTRAZ is to ensure the provision of sufficient domestic and international telecommunication and postal services throughout Zimbabwe.

Licensing

The Postal Act provides that no person shall provide a telecommunication service or operate a telecommunication system except in accordance with a telecommunication license. All applications for telecommunications licenses are to be lodged with POTRAZ.

Section 37 of the Postal Act prohibits POTRAZ from issuing a telecommunication license to any person other than a body corporate in which a controlling interest is held, directly or indirectly, whether through any individual, company or association or otherwise, by one or more individuals who are citizens of Zimbabwe and ordinarily resident in Zimbabwe (subject to certain exemptions).

Competition Act

Some of the Competition Act's objectives are to encourage and promote competition in all sectors of the economy, reduce barriers to entry into any sector of the economy or to any form of economic activity and to investigate, discourage and prevent restrictive practices. It further seeks to provide information to interested persons on current policy with regard to restrictive practices, acquisitions and monopoly situations, to serve as guidelines for the benefit of those persons. A breach of any provision of the Act, or of any regulation made under the Act, or a breach of any condition of a permit or authority issued under the Act, will not only be a criminal offence but will also be a "civil default" for which a civil penalty may be imposed.

The Competition Act establishes a Competition Commission, which undertakes investigations and makes reports to the minister relating to tariff charges, unfair trade practices and the provision of assistance or protection to local industry.

Exchange Control Act

Exchange control in Zimbabwe is regulated. Repatriation of profits by foreign investors from Zimbabwe is to be expressly approved the Reserve Bank of Zimbabwe in line with any regulations it may set from time to time. With effect from January 1, 2024, all outbound foreign payments are taxed at a rate of US\$ 0.01 of the amount of the outbound foreign currency payment, up to a maximum of US\$50,000 per transfer. Additionally, the Exchange Control Act has been amended to specifically extend the use of multiple currencies as legal tender in Zimbabwe until December 31, 2030.

To enhance the enforcement measures in the Exchange Control Act, in 2021 the Act was amended to introduce civil penalties in addition to the existing criminal penalties for any breach to its provisions.

Zimbabwe Investment Authority Act

Any person who wishes to obtain the approval of the Zimbabwe Investment Authority (the "ZIA") to invest in Zimbabwe or his or her business activity to be approved by the ZIA as a foreign investment shall submit an application to the ZIA in the prescribed form for an investment license. The application shall be accompanied by the prescribed fee, if any, and such documents as the ZIA may require.

In considering an application for an investment license the ZIA shall have regard to a number of considerations including skills and technology transfer, employment creation opportunities, use of local raw material beneficiation and the value of the convertible foreign currency transferred to Zimbabwe in connection with the project.

No projected or proposed investment in a prescribed sector of the economy available for investment by domestic or foreign investors for which an investment license is required in terms of the Zimbabwe Investment Authority Act shall be approved unless a controlling interest in the investment is reserved for indigenous Zimbabweans.

Cyber and Data Protection Act.

Prior to the enactment of the Cyber and Data Protection Act (“**CDPA**”) in 2021, Zimbabwe did not have data protection legislation in place. The main objective of the CDPA is to increase data protection in order to build confidence and trust in the secure use of information and communication technologies by data controllers, their representatives and data subjects. The regulations to the CDPA, enacted in 2024, require data controllers to register and obtain a license from the Data Protection Authority, and renew such license every 12 months.

Consumer Protection Act

The Consumer Protection Act in Zimbabwe seeks to protect consumers of all goods and services in Zimbabwe by ensuring a fair, efficient, sustainable and transparent marketplace for consumers and business. It established the Consumer Protection Commission which is responsible for receiving complaints and mediating disputes between consumers and providers of goods and services. To compliment the Consumer Protection Act in Zimbabwe, the regulator for telecommunications services in Zimbabwe, the POTRAZ, issued Consumer Protection guidelines for the telecommunications sector. The guidelines empower POTRAZ to monitor and enforce the compliance of service providers to set rules and standards for the provision of telecommunication services. Sanctions for non-compliance include fines and imprisonment.

Finance Act No.7 of 2025

Effective January 1, 2026, Finance Act No. 7 of 2025 substituted section 13A of the Value Added Tax Act (Chapter 23:12) to introduce a 15.5% Digital Services Withholding Tax (DSWT) on all offshore payments for electronic services. Electronic services are defined as services supplied from outside Zimbabwe via telecommunications networks or other electronic means, including through computers, mobile phones, or digital platforms by a non-resident entity to Zimbabwean customers. Local banks must deduct the full tax amount from the Zimbabwean customer at the point of remittance and pay it to the Zimbabwe Revenue Authority within 30 days.

It also amended section 12A of the Income Tax Act (Chapter 23:06) to remove the US\$500,000 annual threshold which had previously exempted non-resident electronic service providers earning below that amount from the 5% digital services tax. The amendment broadens the tax base by subjecting all non-resident electronic service providers to the tax, regardless of the amount earned from Zimbabwean customers.

DEMOCRATIC REPUBLIC OF CONGO

The Telecommunications and ICT sector in the Democratic Republic of Congo (“**DRC**”) is principally governed by Law No. 20/017 of November 25, 2020 on Telecommunications and Information and Communication Technologies, which modernized and replaced the framework initially established under Law No. 013/2002 on Telecommunications.

Regulatory oversight is exercised by the Autorité de Régulation des Postes, des Télécommunications et des Technologies de l’Information et de la Communication (“**ARPTIC**”), an autonomous public authority created by Decree No. 23/13 of March 3, 2023, succeeding the former ARPTC. ARPTIC implements and enforces national telecommunications and ICT policy under the supervision of the Ministry of Posts, Telecommunications and ICT. Its mandate includes ensuring compliance with statutory and regulatory obligations, supervising market conduct, allocating scarce resources such as numbering and radio-frequency spectrum, and overseeing operators throughout the national territory.

Licensing Framework

Telecommunications activities in the DRC may only be carried out with the appropriate authorization from ARPTIC. The applicable framework establishes three categories of authorizations:

- individual licenses, required for activities involving significant investment or the use of limited resources such as radio frequencies;
- class licenses, applicable to activities with limited market impact; and
- simple authorisations, for certain categories of services that do not require full licensing.

ARPTIC drafts the license conditions and technical specifications, which are subsequently approved by the supervising Ministry and published in the Official Journal. Licensees must comply with obligations relating to universal access, quality of service, infrastructure sharing, numbering, consumer protection, and cybersecurity.

The use of radio spectrum is also subject to licensing. ARPTIC is responsible for the allocation, assignment and management of frequencies, in line with International Telecommunication Union standards. Certain low-power devices may benefit from exemptions.

Equipment Certification

All telecommunications equipment intended to be imported, commercialized or used within the DRC is subject to a mandatory homologation process administered by ARPTIC. Homologation certifies conformity with national technical standards and applies to all terminal equipment and radio installations connected to telecommunications networks.

Regulatory Oversight and Operator Obligations

ARPTIC's broader regulatory mandate includes monitoring operator compliance with statutory and regulatory requirements, controlling tariffs and assessing the cost of universal service, managing numbering resources and interconnection frameworks, issuing licenses, approvals, authorizations and sanctions and ensuring the sector's technical and economic regulation.

The regulator maintains a national register of operators, service providers, licenses, declarations, approvals and homologations.

Consumer Protection

In addition to general consumer protection legislation, the sector-specific regulatory framework imposes obligations relating to minimum quality of service standards, transparency in commercial practices, the handling and resolution of user complaints and the compliance of terminal equipment.

Sector Policy and Recent Developments

The DRC Government has affirmed its commitment to digital transformation, launching several initiatives aimed at improving broadband penetration, liberalizing ICT services, and encouraging community networks. Policy trends include incentives for digital innovation, expansion of rural connectivity, and the modernization of national ICT infrastructure.

UGANDA

Uganda Communications Act

The telecommunications sector in Uganda is primarily governed by the Uganda Communications Act, (Cap. 103) (the "UCA"), and the various regulations promulgated under it, including the Uganda Communications (Licensing)

Regulations, 2019 (the “**UCC Licensing Regulations**”). ICT sector policies are set by the Ministry of Information and Communications Technology and National Guidance. Under the UCA, the Uganda Communications Commission (the “**UCC**”) is established to license and regulate telecommunications, broadcasting, radio communications and postal services in Uganda. Section 38 of the Uganda Communications Act provides that no person shall operate a telecommunications system, provide telecommunications services, or construct, maintain or operate telecommunications apparatus except in accordance with a valid license issued by the UCC. Liquid Telecommunications Uganda Limited is regulated by the UCC under the UCA as a provider of telecommunications services.

Licensing

Under the UCC Licensing Regulations, any person who intends to provide telecommunications or telecommunication services regionally or nationally shall apply to the UCC for one or more of the following licences: a public infrastructure provider licence (“**RPIP Licence**”), to permit licensees to construct, install and operate network facilities associated with transmission, reception and switching of telecommunications or electronic signals; a public service provider licence (“**NPSP Licence**”), issued to persons to provide telecommunications services, using the infrastructure of a licensed public infrastructure provider, to consumers of the service or a reseller of the service, regardless of the technology used; or any other telecommunications licence as may be designated by the UCC, for services or operations for public pay, communications network services and private networks or any other telecommunications services or operations. Liquid Telecommunications Uganda Limited (trading as Liquid Intelligent Technologies) has the following licences from the UCC:

- a NPSP Licence (National Public Service Provider Licence), which expired in June 2025 but is pending renewal; and
- a RPIP Licence (Regional Public Infrastructure Provider Licence) for Central and Western regions, which is valid until June 2035.

National Information and Communications Technology Policy

The National Information and Communications Technology Policy for Uganda (October 2014) (the “**Uganda ICT Policy**”) sets out the Government’s strategic framework for the development of the ICT sector. The Uganda ICT Policy builds on the National ICT Policy Framework (2003) and incorporates new policy directions in line with technological advancements and convergence of technologies. The vision of the Uganda ICT Policy is “a knowledge society where ICT is central in all spheres of life” with the mission “to leverage ICT for transformation of Uganda into a Knowledge Society by 2025”. The broad policy objectives include building a knowledge-based human capital, promoting innovation in economic and social systems, expanding ICT infrastructure throughout the country, and improving ICT governance and environment in Uganda.

With respect to the telecommunications sector specifically, the Uganda ICT Policy objectives include: (i) ensuring efficient management and utilization of telecommunications resources for sustainable socio-economic development; (ii) further strengthening the legal and regulatory environment that supports development of Uganda's telecommunications sub-sector; (iii) creating a conducive environment for the establishment of a fully liberalized, technology-neutral and competitive telecommunications sector; and (iv) promoting value-added services, access to information and service needs to all sectors of society, especially the under-served sections of society.

The Uganda ICT Policy recognizes the private sector as a key partner who plays a critical role in the process of developing Uganda's information society and economy. The private sector is expected, among other things, to serve as the key driver for the development of the Ugandan economy by providing domestic and foreign investments in ICT services and infrastructure development, as well as to facilitate the mobilization of resources to implement ICT initiatives outlined in the policy.

Competition and consumer protection

Uganda's Competition Act (Cap. 66) (the "**Uganda Competition Act**") is the principal statute governing competition. The CAU promotes and sustains fair competition in markets in Uganda and prohibits practices that may have an adverse effect on competition in markets in Uganda. The Ministry of Trade, Industry and Cooperatives (the "**MoT**") is the supervisory body responsible for promoting and sustain fair competition in the market. The Uganda Competition Act also establishes a Technical Committee on Competition and Consumer Protection to assist the MoT in performing its functions, including protecting the interests of consumers in the market, monitoring the market for anti-competitive practices, investigating anti-competitive practices, and approving mergers, acquisitions and joint ventures which have no adverse effect on competition in the market. The Technical Committee has not yet been constituted and it is currently not operational.

Exchange Controls

Uganda has liberalized its capital account. Ugandan law allows for foreign exchange payments to and out of the country. However, Section 8(2) of the Foreign Exchange Act, (Cap. 167) requires every payment made in foreign currency to or from Uganda between residents and non-residents, or between non-residents to be made through a commercial bank licensed by the Bank of Uganda. There are also anti-money laundering requirements and reporting obligations related to foreign exchange payments.

Data Protection and Privacy

Data protection and privacy is governed by the Data Protection and Privacy Act (Cap. 97) (the "**DPPA**") and the Data Protection and Privacy Regulations, 2021. The Personal Data Protection Office ("**PDPO**") exercises regulatory oversight over the DPPA under the National Information Technology Authority Uganda (**NITA-U**). The DPPA applies to any person who collects, processes, holds or uses personal data within Uganda or who being outside Uganda collects, processes, holds or uses personal data relating to Ugandan citizens.

The DPPA defines personal data as information about a person from which the person can be identified including data relating to the nationality, age or marital status of the person, educational level, or occupation of the person, the identification number, symbol or other particulars assigned to a person, identity data or other information which is in the possession of or is likely to come into the possession of the data controller and includes an expression of opinion about an individual. The DPPA also protects special personal data which is data which relates to the religious or philosophical beliefs, political opinion, sexual life, financial information, health status or medical records of an individual.

The DPPA creates obligations on a data collector, data processor and data controller to register with the PDPO and comply with the principles of data privacy and protection. The DPPA defines a data collector as a person who collects personal data. A data controller is defined as a person who determines the purposes for and the manner in which the personal data is processed or is to be processed. A data processor means a person, other than an employee of the data controller, who processes the data on behalf of the data controller.

MANAGEMENT

The following is a summary of certain information concerning our management. This summary is qualified in its entirety by reference to our articles of association and/or applicable law, as the case may be, and it does not purport to be complete.

THE ISSUER

The Issuer is a public company limited by shares incorporated on May 8, 2017 under the laws of England and Wales. The Issuer is managed by its board of directors in accordance with applicable law, constitutional documents and special resolutions of members. The Issuer's board is currently comprised of three directors. Decisions of the board are validly taken if passed with the affirmative votes of at least a majority of the participating non-conflicted directors. In the event the number of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote, provided he or she are non-conflicted.

The Issuer is directly wholly-owned by the Company, which in turn is directly wholly-owned by Liquid Telecommunications (Jersey) Limited, which in turn is 92.18% owned and solely controlled by the Cassava Parent. The rights of the Company as a member in the Issuer are contained in the Issuer's articles of association and the Issuer will be managed in accordance with those articles and with the provisions of the laws of England and Wales. Among other rights, the Company may, by special member resolution, direct the directors to take or refrain from taking any specified action, provided that no such resolution would invalidate any lawful actions previously taken by the directors.

The business address of the directors of the Issuer is at the Issuer's registered office and principal place of business (at 17th Floor, 6 New Street Square, London EC4A 3BF).

Board of Directors of the Issuer

The following table sets forth the name, age as of the date of this Offering Memorandum and position of each member of the board of directors of the Issuer:

Name	Age	Position
Strive Masiyiwa	65	Director
Hardwork Njodzi (Hardy) Pemhiwa	57	Director
Lorraine Harper	51	Director

For a description of the business and management experience of Mr. Masiyiwa, Mr. Pemhiwa and Ms. Harper, see “—*The Company—Board of Directors of the Company*” and “—*The Cassava Parent—Board of Directors of the Cassava Parent*”.

Conflicts of Interest

See “—*The Cassava Parent — Conflicts of Interest*”.

THE COMPANY

The Company (which trades as Liquid Intelligent Technologies) is a private company limited by shares incorporated on January 26, 2007 under the laws of Mauritius.

The Company is managed directly by its board of directors. The appointment, duties and authority of the members of the board of directors are regulated by its constitution.

The Company is directly wholly-owned by Liquid Telecommunications (Jersey) Limited, which in turn is 92.18% owned and solely controlled by the Cassava Parent. As a result of this ownership structure, and as permitted by the

shareholders agreement and subject to applicable laws, all members of the Company’s board of directors are appointed by the Cassava Parent or its applicable subsidiaries, and subject to the Company’s constitution and applicable law, the Company’s directors each act as directed by the Cassava Parent or its applicable subsidiaries, such that the Cassava Parent’s board of directors indirectly manage the operations of the Company.

Board of Directors of the Company

The Company’s directors and their respective ages as of the date of this Offering Memorandum and positions are as follows:

Name	Age	Position
Hardwork Njodzi (Hardy) Pemhiwa	57	President and Group Chief Executive Officer
Lorraine Harper	51	Executive Vice President and Group Chief Financial Officer
Eric Venpin	59	Non-Independent Non-Executive Director
Omobola Johnson	62	Independent Non-Executive Director
Christopher Hyman	62	Independent Non-Executive Director
Mike Mootien	50	Independent Non-Executive Director

Hardwork Njodzi (Hardy) Pemhiwa is the President and Group Chief Executive Officer of the Cassava Technologies Group, and an Executive Director. He previously served as Group Chief Executive and Managing Director of the Econet Group, one of the pioneers of the mobile telecoms industry in Africa. Mr. Pemhiwa has over 20 years of senior management experience, including 5 years at Econet Wireless. He also spent over 12 years as a managing director and co-founder of a regulated financial services firm in Kenya, offering investment management and investment banking services across Eastern and Southern Africa. He also spent over 15 years working in development and investment banking focused on project and structured trade finance in Sub Saharan Africa. Mr. Pemhiwa received a Bachelor’s degree in Computer Engineering from Queen Mary College, University of London and holds a Master of Business Administration certificate in Finance from Edinburgh Business School.

Lorraine Harper is the Executive Vice President and Group Chief Financial Officer of the Cassava Technologies Group, and an Executive Director. Prior to her appointment, she served in several senior finance positions in the Company between 2018 and 2023, including as Deputy Chief Financial Officer. During her career, Ms. Harper has worked in finance teams at various internationally listed organizations in the retail, FMCG, and telecommunications sectors. She has over 25 years of experience and deep knowledge, having been responsible for capital raising, refinancing, audit, group financial reporting, and tax and treasury functions. Ms. Harper holds a dual Honours Degree from Keele University LLB Law and Languages, she is also a qualified Chartered Accountant in the UK and Fellow of the Institute of Chartered Accountants of England and Wales, having trained and qualified at KPMG.

Eric Venpin is a Non-Independent Non-Executive Director of the Company and the Cassava Parent. Mr. Venpin is a fellow member of the Institute of Chartered Accountants in England and Wales and is currently the Managing Director of The Lins Consulting Ltd and sits on the board of several companies. He started his career in London, UK, where he was involved in international tax planning and restructuring. He then became a partner at Deloitte, Mauritius in charge of fiscal services and information technology. He was also one of the founder members of DTOS Ltd, one of the main service providers in the global business industry. In 2005, he was appointed as managing director of Mauritian Eagle Insurance Co Ltd, a listed insurance company in Mauritius and a year later became the chief operating officer of the financial services sector of IBL, one of the largest listed conglomerates in Mauritius and was in charge of insurance, leasing and global business clusters.

Omobola Johnson is an Independent Non-Executive Director of the Company and the Cassava Parent. She is a former Minister of Communication Technology for the Federal Republic of Nigeria, where she served in this capacity between

July 2011 and May 2015, under the Presidency of H.E. Goodluck Jonathan. Prior to serving in a public sector role, Dr. Johnson worked as a consultant with Accenture and Arthur Andersen for 25 years before taking early retirement from Accenture in March 2010 to complete a Doctorate in Business Administration, whose main research focus was looking into the improvement of business leadership development in companies in Nigeria. Since Sept 2015, Dr. Johnson has been a Senior Partner at TLCom Capital LLP, a technology-focused venture capital firm, with specific responsibilities for fund raising, deal flow generation, and investments in technology companies in West Africa. Dr. Johnson has previously served as an Independent Non-Executive Director of Diamond Bank, currently chairs the boards of Custodian and Allied Insurance plc, and Phoenix Africa Development Company, and sits on the Nigeria boards of FBNQuest Merchant Bank and Guinness Nigeria plc. Since 2001, she is a Founding Chairperson and member of the Board of Trustees of Women in Management and Business, an NGO whose mission is to elevate the profile and influence of women in management, business and public service through annual conferences and mentoring programs. She holds a BSc. in Electrical and Electronic Engineering from the University of Manchester, an MSc. in Digital Electronics from Kings College London, and a Doctorate in Business Administration from Cranfield University.

Christopher Hyman is an Independent Non-Executive Director of the Company and the Cassava Parent. He is currently Chairman of Solomon Capital Investments and was previously a Senior Partner of Privet Capital (PCSS1) LLP. Mr. Hyman is an operational specialist with over 20 years of experience in management as a Finance Director, CEO and Chairman implementing operational efficiency at every level. Mr. Hyman was also the Group CEO of Serco, a FTSE 100 outsourcing company, with over £5 billion in turnover and over 120,000 staff operating in over 40 countries. He has broad experience in the acquisition market and he has also built extensive experience in organizational design, with a focus on growth and profitability, coupled with the need to develop succession plans to ensure longevity. Mr. Hyman served on the Board of United Business Media, a company listed on the London Stock Exchange, as well as the Boards of Habitat for Humanity, In-Kind Direct, Africa Foundation, New Zoo, Business in the Community and he has served as a special adviser to the President of the Borneo Tropical Rainforest Trust. Mr. Hyman's accolades include his position as a National Ambassador for the Prince of Wales for BITC, The first Honorary Chartered Director of the Institute of Directors, he has been awarded the GG2 CEO of the year prize and he has been awarded the Lloyds Bank Jewel Award for Outstanding Achievement by a CEO. He was also listed in the Top 50 Influential leaders in technology, and received a CBE in the Queen's Birthday Honours list for services to Business and Charity. Mr. Hyman is a Chartered Accountant and holds qualifications from the University of Natal in Durban, South Africa and Harvard Business School, having practiced with Arthur Andersen and Ernst & Young, internationally before joining the corporate world.

Mike Mootien is an Independent Non-Executive Director of the Company. He currently heads the Corporate Services department of DTOS Ltd, one of the leading global business management companies in Mauritius. He has over 25 years of experience in structuring and administration of global business companies and trusts. He has mainly been dealing with high net worth individuals, institutional investors and multinationals. He oversees a team of professional focused on the ongoing administration, accounting and tax services to international clients. Mr. Mootien holds a BCom degree from University of Witwatersrand, South Africa and a Post Graduate Diploma (Business Administration) from the Wits Business School, South Africa. He is an Associate of the Chartered Governance Institute, UK (formerly the Institute of Chartered Secretaries, UK), a member of the Society of Trust and Estate Practitioners (STEP) and a member of the International Fiscal Association (IFA).

Conflicts of Interest

See "*—The Cassava Parent — Conflicts of Interest*".

Corporate Governance

The Company complies with the corporate governance requirements applicable in Mauritius.

Additional Information Relating to the Directors of the Company

None of the Company's directors or executive officers for at least the previous five years:

- has any convictions in relation to any criminal proceedings or fraudulent offences;
- has held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies, of any company at the time of or preceding any bankruptcy, receivership or liquidation;
- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body), or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, U.S. federal or state securities laws or a finding of any violation of U.S. federal or state securities laws.

THE CASSAVA PARENT

Board of Directors of the Cassava Parent

The Cassava Parent's directors and their respective ages as of the date of this Offering Memorandum and positions are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Strive Masiyiwa	65	Founder and Executive Chairman
Hardwork Njodzi (Hardy) Pemhiwa	57	President and Group Chief Executive Officer
Lorraine Harper	51	Executive Vice President and Group Chief Financial Officer
Nicholas Rudnick	55	Non-Independent Non-Executive Director
Donald Gips	66	Independent Non-Executive Director
Eric Venpin	59	Non-Independent Non-Executive Director
Omobola Johnson	62	Independent Non-Executive Director
Christopher Hyman	62	Independent Non-Executive Director
Udo Lucht	48	Non-Independent Non-Executive Director
Donald Kaberuka	74	Independent Non-Executive Director
ICECAP (Directors) Limited	—	Independent Non-Executive Director
Anil Dua	73	Non-Independent Non-Executive Director
Reinier Douqué	55	Non-Independent Non-Executive Director
Carmen Mpelwane	45	Non-Independent Non-Executive Director
Dale Jones	66	Independent Non-Executive Director

For a description of the business and management experience of Mr. Pemhiwa, Ms. Harper, Mr. Venpin, Dr. Johnson and Mr. Hyman, see “—*The Company—Board of Directors of the Company*”.

Strive Masiyiwa is the Founder and Executive Chairman of the Cassava Technologies Group. Mr. Masiyiwa is also the Founder and Executive Chairman of the Econet Group. Mr. Masiyiwa is a telecommunications and technology entrepreneur, investor, and philanthropist. In his nearly four decades as an entrepreneur, he has founded and invested in businesses globally, spanning Africa, Europe, India, Latin America, the Middle East, New Zealand, the UK, and the USA. Some of his most prominent start-up companies and investments include Mascom Wireless Botswana, Econet Wireless Zimbabwe, Econet Wireless Nigeria (now Airtel Nigeria), Econet Wireless New Zealand (now 2degrees), Trilogy Capital Partners Canada and Telrad Group Israel. Mr. Masiyiwa also serves on a number of boards, including Netflix inc., the Gates Foundation, UK Advanced Research and Invention Agency (ARIA), and the National Geographic Society, as well as global advisory councils including Bank of America, Stanford University, and Bloomberg New Economy Forum. Previously, he held board positions at Unilever Plc, The Rockefeller Foundation, and Morehouse College, among others. Mr. Masiyiwa’s accolades include the World Food Prize Borlaug Medallion in 2019 for his role as Chair of the Alliance for a Green Revolution in Africa, his induction as an International Honorary Member of the American Academy of Arts and Sciences in 2023 and his receipt of the W. E. B. Du Bois Medal in 2024 by Harvard University’s Hutchins Center for African & African American Research. In 2025, Mr. Masiyiwa and his wife, Tsitsi Masiyiwa, received the David Rockefeller Bridging Leadership Award, and were recognized by Time Magazine on the list of 100 Philanthropy honorees. In August 2025, Mr. Masiyiwa was named in Time Magazine’s list of the 100 Most Influential People in AI. Mr. Masiyiwa graduated with a Bachelor’s degree in Electrical and Electronic Engineering from Cardiff University. He was also awarded honorary doctorates from Stellenbosch University, Yale University, Morehouse College, Nelson Mandela University, and Cardiff University (Fellow).

Nicholas Rudnick is a Non-Independent Non-Executive Director of the Cassava Parent. He became the Group Deputy Executive Chairman of the Liquid Group after serving as the Group Chief Executive Officer for 18 years beginning in 2004, when the Group was rebranded from Econet Carrier Services to Liquid Telecom. Mr. Rudnick, who has more than 20 years of experience in the telecommunications industry, has been listed in Global Telecom Business Magazine’s 100 most influential people in the telecommunications industry for five years and is a very well recognized entrepreneur and legal expert within the industry, helping develop the sector significantly in Africa. Mr. Rudnick is an England and Wales qualified attorney and holds a Master of Laws (Telecommunication) from the University of Strathclyde and BA and LLB degrees from the University of Cape Town.

Donald Gips is an Independent Non-Executive Director of the Cassava Parent. He is currently a Senior Counselor and CEO Emeritus of the Skoll Foundation and served as a strategic advisor to multiple companies and foundations. Previously he was a Principal of Albright Stonebridge Group, a global strategic advisory and commercial diplomacy firm. He also held positions as Chair of the U.S.-South Africa Business Council, Senior Advisor at Blackstone, and as outside director on the boards of Zayo, Black Rhino, Nextnav and Omnispace. Over the course of his career, Mr. Gips served as the U.S. Ambassador to South Africa, ran the Office of Presidential Personnel for the Obama Administration, served in the White House during the Clinton administration, and served as Chief of the International Bureau at the Federal Communications Commission. In addition, from 1998 to 2008, Mr. Gips was Group Vice President of Global Corporate Development at Level 3 Communications. He received an MBA from the Yale School of Management, where he was honored as a Donaldson Fellow, and an undergraduate degree from Harvard University where he was presented with the Ames Award and the Paul Revere Frothingham Prize.

Udo Lucht is a Non-Independent Non-Executive Director of the Cassava Parent. He is currently Chief Investment Officer at Royal Bafokeng Holdings (Pty) Ltd. He is also on the board of YeboYethu (RF) Limited and is an alternate director on the board of OUTsurance Group Limited. He previously worked for Rand Merchant Bank in various roles and Deloitte & Touche. He is a Chartered Financial Analyst and a Chartered Accountant (South Africa) and holds a Bachelor of Commerce (Honours) degree from the University of Natal.

Donald Kaberuka is an Independent Non-Executive Director of the Cassava Parent. He is currently Chairman, Managing Partner and Co-Founder of SouthBridge, a pan-African financial and investment advisory firm. He previously served as the chair of the board of the Global Fund to Fight AIDS, TB and Malaria and as a Special Envoy of the African Union on the Peace Fund and Sustainable Financing of the Union. He was the seventh President of the African Development Bank Group and served as Chairman of the African Development Bank's board of directors for two successive five year terms between 2005 and 2015. Prior to joining the African Development Bank, Dr. Kaberuka was Finance Minister of Rwanda between 1997 and 2005. He currently serves on the boards of several corporates, global philanthropic foundations and think tanks, including as a board member of the Centre for Global Development, the Brookings Institution, Centum Investment Company, and was formerly a Senior Adviser to the global private equity firm, TPG-Satya, and the Boston Consulting Group (BCG). Dr Kaberuka is an alumnus of the University of Glasgow.

ICECAP (Directors) Limited is an Independent Non-Executive Corporate Director of the Cassava Parent. ICECAP is an independently owned provider of bespoke corporate services with offices in Jersey and Mauritius. ICECAP's founders and directors have unrivalled corporate and investment experience having successfully established and built several businesses in Europe, Asia and Africa. The ICECAP team consists of professionally qualified and highly experienced individuals, with proven capability, including Mark Nisbet, a Jersey Advocate who has participated significantly in the Cassava Parent, as well as accountants and a compliance professional. The ICECAP team prides themselves in helping new businesses and backing entrepreneurial clients. In addition, ICECAP has significant experience in administering alternative assets, such as commodities. ICECAP has a skillset that can only be gained from years of genuine direct experience, enabling it to provide real substance in a world where tax transparency and financial regulatory compliance are of the utmost importance.

Anil Dua is a Non-Independent Non-Executive Director of the Cassava Parent. He is currently a Partner of Gateway Partners, a private equity firm focused on Africa, Middle East, South Asia and Southeast Asia. Prior to Gateway, he was the chief executive officer of Standard Chartered Bank, West Africa, after having served in a number of senior positions with Standard Chartered Bank, including head of origination and client coverage for Africa and global head of project export and structured trade finance. He holds a Master's degree in Economics from Delhi School of Economics.

Reinier Douqué is a Non-Independent Non-Executive Director of the Cassava Parent. He is an impact-focused investment professional with more than 20 years of experience in special situations, distressed assets, and agribusiness finance across emerging and frontier markets. He is currently Director & Head of Special Situations at British International Investment (BII), leading resolution of underperforming assets across equity and debt portfolios. Mr. Douqué has a proven track record in restructuring, workouts, portfolio management, and stakeholder engagement. He combines deep expertise in agribusiness supply chains and food systems with leadership in innovative investment strategies to deliver sustainable and inclusive outcomes aligned with the SDGs. Mr. Douqué obtained an MSc in Development & Macro Economics from the University of Amsterdam and completed a Post-Doctorate Diplomatic Course at the Clingendael Institute.

Carmen Mpelwane is a Non-Independent Non-Executive Director of the Cassava Parent. She is an experienced investment professional with over 17 years of expertise in both global and South African listed equity markets. Her career includes roles as an investment portfolio manager, investment analyst, and credit analyst, specializing in sectors such as mining, resources, healthcare, food, and apparel retail. She holds various board and committee positions including Petroleum Agency South Africa (oil and gas regulator) and the South African Revenue Services. In addition, she provides professional advice on private equity and investment opportunities in her capacity as an independent investment consultant. Ms. Mpelwane is qualified as a Chartered Accountant (SA), a CFA Charterholder, and a member of Institute of Directors South Africa.

Dale Jones is an Independent Non-Executive Director of the Cassava Parent. He is the Chief Executive Officer of Magna Vista Partners, a leadership advisory firm, with offices in Washington D.C. and Atlanta, helping leaders think through business strategy, board issues, corporate governance and human capital. He serves as a trusted advisor to chairpersons and CEOs of major corporations. Formerly CEO of The Diversified Search Group and previously Vice

Chair of Heidrick & Struggles, Mr. Jones focused on finding and attracting CEO and board-level talent for clients seeking authentic leadership, and capacity to lead. Mr. Jones served as the Executive Director of Quest Atlanta '96 prior to the Olympic Games in Atlanta. Mr. Jones is a current Vice Chairman of Christoph Zeiss partners and a corporate board member for Rollins, Inc. (NYSE), Trilith Film Studios (one of the largest purpose-built movie studios in North America), Chick-fil-A, and Outset Medical (NASDAQ). In the past, he has served on corporate boards for Northwestern Mutual Corp., Hughes Supply, and Kohl's Corporation (NYSE). He additionally serves other not-for-profit roles with Morehouse College (emeritus trustee), The Special Olympics (current), and the Andrew Young Foundation (current).

Mimi Alemayehou has been a leader in development finance and international development in the public and private sectors for more than 20 years. Mimi is currently Managing partner of Semai Ventures and a Senior advisor to Three Cairns Group. Mimi previously served as the Senior Vice President for Public-Private Partnerships at MasterCard where her portfolio included initiatives designed to catalyze social impact and financial inclusion in emerging markets. As Managing Director of the Black Rhino Group, a portfolio company of Blackstone and Chair of Blackstone Africa Infrastructure LP, she advanced major energy and infrastructure projects across Africa. Her government service includes serving as Executive Vice President of the Overseas Private Investment Corporation (OPIC), the U.S. government's development finance agency, and as the U.S. representative on the Board of the African Development Bank. Mimi has served on the board of Climate Change Crisis Real Impact and on the board of Energy for Growth Hub. Her other board roles have included Fin Dev Canada, the US African Development Foundation, and Twitter, Inc. She is currently on the board of the ONE Campaign and a Trustee of the David and Lucille Packard Foundation. Mimi holds a BA from West Texas A&M University and a Master's in International Business and Development from Tufts University.

Management Team of the Cassava Parent

The current senior management team of the Cassava Parent and certain other members of the Cassava Technologies Group, in addition to the executive directors listed above, is as follows:

Name	Age	Position
Hardwork Njodzi (Hardy) Pemhiwa	57	President and Group Chief Executive Officer
Lorraine Harper	51	Executive Vice President & Group Chief Financial Officer
Nanda Scott	48	Executive Vice President & Group Chief Corporate Services Officer
Ahmed El Beheiry	54	Executive Vice President & Group Chief Operating Officer and Chief Technology/AI Officer
Marco Gagiano	54	Senior Vice President & Global Head of Connectivity & C2
Oswald Jumira	43	Senior Vice President & Global Partnerships Officer
Ziaad Suleman	50	Senior Vice President & Chief Executive Officer, South Africa and Botswana
Wellington Makamure	66	Senior Vice President & Government Relations & Public Affairs Officer
Darlington Mandivenga	56	Senior Vice President & Global Head of Payments
Adil El Youssefi	47	Senior Vice President & Global Head of Co-Location
Bronwen Zehmke	46	Corporate Senior Vice President, General Counsel & Group Company Secretary
Leonard Bore	51	Corporate Senior Vice President & Group Chief Risk, Compliance & Assurance Officer
Khatija Fareed	44	Corporate Vice President & Group Chief HR Officer

Name	Age	Position
Finhai Munzara	47	Corporate Senior Vice President & Group Chief Corporate Development Officer

For a description of the business and management experience of Mr. Pemhiwa and Ms. Harper, see “—*The Company—Board of Directors of the Company*”.

Nanda Scott is an Executive Vice President and the Group Chief Corporate Services Officer of the Cassava Technologies Group. She is a seasoned, strategic, and highly commercial Business Transformation and Human Capital Executive with over 22 years of experience globally and on the African continent. She has spent the last 12 years working for pan-African businesses managing multi-country teams across Europe, the Middle East and Africa in various environments such as tech, investments, media, and telecommunications. Her focus has been on scaling for growth in Sub-Saharan African as well as business integration and transformation. Ms. Scott has held several leadership roles in global firms spanning various industries, such as Legal, Construction, and Property Management. She obtained her master’s degree from the University of Westminster following more than a decade of professional leadership in business integration and transformation roles.

Ahmed El Beheiry is an Executive Vice President and the Group Chief Operating Officer and Chief Technology/AI Officer of the Cassava Technologies Group. Prior to this role, he served as Senior Advisor for the Group President & CEO for AI at the Cassava Parent. He started his career as a design engineer for mobile networks at Alcatel between 1995-1998, then joined “MobiNil” (currently Orange Egypt) as the Network Development Manager in 1998. In 2002, he joined the executive committee of the Company as Networks and Roaming Director where he served until 2007. In 2007, Mr. El Beheiry started his entrepreneurship career founding “Telecomax Group for Investment and Development”, a group of companies providing end-to-end engineering services in the fields of telecommunication and IT services in Africa and the Middle East where he served as the Group Chairman & CEO until 2016. Between 2017-2019, Mr. El Beheiry was the Managing Director & CEO for Telecom Egypt. Outside of these roles, Mr. El Beheiry co-founded “IDEA; Investment for Development in Emerging Africa” focusing on human necessities technologies as “water out of thin air” and “solar power” where he also served as the Managing Director until 2016, and he founded “WAKANDAI ventures”, a technology savvy investment firm focusing on investing in AI startups in Africa & Middle East. He was also elected to serve on the Board of Governors in the Pacific Telecommunications Council between 2018-2021, as a board member in Telecom Egypt between 2016 and 2019, and as a board member of Vodafone Egypt between 2017 and 2019. Mr. El Beheiry is a Harvard Business School alumni and has completed the HBS General Management Program and the HBS programs on Data & AI. Mr. El Beheiry holds a M.Sc. in Mobile Communication from University of Alexandria and an MBA from the University of Rennes.

Marco Gagiano is a Senior Vice President and the Global Head of Connectivity & C2 of the Cassava Technologies Group and joins with more than 20 years of strategic and operational leadership experience across the telecoms and financial services sectors, and a career that spans Africa, Europe, and the Middle East. Before joining the Cassava Technologies Group, he served as Chief Strategy & Transformation Officer at MTN South Africa until 2022, where he led the development and execution of enterprise-wide strategy, digital transformation and commercial programs to improve efficiencies and accelerate growth. Prior to that Mr. Gagiano held senior roles at Vodacom, Vodafone Group and Telesure Investment Holdings, where he built and led functions in Customer Value Management, Business Intelligence, Enterprise Channel Strategy and Commercial Operations. He has also worked as a technical and commercial advisor on telecommunications projects for major public and private sector clients. His recent engagements include e-commerce platform design & build, MVNO design & build, and multiple due diligence projects across telecommunications, health technology, and media assets, on behalf of local and international institutional investors. Mr. Gagiano currently serves as a Director at Infographica Pty Ltd Consulting and an Advisory Board Member at University of Pretoria in the Informatics Department. He previously served as a Technical Advisory Board Member at South African Future Trust and an Advisory Board Member at University of Pretoria in the Faculty of Engineering. He holds a PhD from Stellenbosch University and an MBA from Henley Management College.

Oswald Jumira is a Senior Vice President and the Global Partnerships Officer of the Cassava Technologies Group. Mr. Jumira has over 15 years of experience in the technology and business development sectors across a number of African markets. He previously served as the Group Head of Innovation Partnerships for the Liquid Group, the Chief Executive Officer of Vaya Technologies Limited, a fintech business of the Cassava Parent, and he worked for a fintech startup in Nigeria and Kenya which sought to provide digital financial services to SMEs. During the COVID-19 pandemic, Mr. Jumira led the team that developed the Africa Medical Supplies Platform working with Africa CDC and the AU, which delivered over US\$2.0 billion worth of medical supplies and vaccines across 54 African countries and 16 Caribbean countries. Mr. Jumira holds a Master's in Electrical Engineering from the University of Cape Town and is currently a Research Associate at Wits Business School.

Ziaad Suleman is a Senior Vice President and the Chief Executive Officer of the Cassava Technologies Group's operations in South Africa and Botswana. He is responsible for the country's leadership, strategy, and operations across the Cassava Technologies Group's portfolio of companies. He is an accomplished C – Suite business and technology leader, with experience spanning over 25 years in the technology industry. Before joining the Cassava Technologies Group, Mr. Suleman was the Group Chief Commercial Officer and an exco member at iOCO Technologies, one of South Africa's leading services integrators. Before that, he was a Director and the Head General Counsel for IBM Southern Africa before being promoted to Chief Operating Officer for IBM Southern Africa, a business he served and grew throughout his 13-year stay. He serves as the Chair of CollectiveX, the South African national initiative to solve the digital skills deficit. His non-executive board roles includes Southern Africa Philanthropy Foundation and Geeks 4 Learning. Mr. Suleman obtained his undergraduate and postgraduate honours degree in Law (distinction) from the University of Natal. He also has an MDP Business Management degree (distinction) from GIBS Business School.

Wellington Makamure is a Senior Vice President and the Government Relations & Public Affairs Officer of the Cassava Technologies Group. He originally joined the Cassava Technologies Group in February 2009 and became the Chief Executive Officer of Liquid Zimbabwe in 2010. He then served as the Regional Chief Executive Officer of Central Africa in 2018. Mr. Makamure has over 40 years of experience working in hi-tech global companies and more than 30 years in senior management experience, of which more than 15 years has been spent as a CEO in the telecommunications sector. Mr. Makamure has served on several Boards and currently sits on the boards of Liquid Zambia, Liquid Botswana, Liquid DRC and Liquid Zimbabwe. He has been heavily involved in the strategic planning, operations and development of the Liquid Group's network and business in the region. He holds a Master's in Business Administration. He is an Engineer by profession and has held senior positions in Marketing, Sales and Business development. He has extensive experience in telecommunications and electronics industries in the UK and Africa since the early 1980s.

The following members of the Management Team of Cassava Parent have limited involvement in the Issuer:

Adil El Youssefi is a Senior Vice President and the Global Head of Co-Location within the Cassava Technologies Group. He originally joined the Cassava Technologies Group in April 2017 as the Chief Executive Officer for Kenya. In October 2018, he became Regional Chief Executive Officer of East Africa where he was directly responsible for the leadership, strategic and operational management of the businesses throughout Kenya, Rwanda, Uganda, Tanzania and Ethiopia. Prior to joining the Cassava Technologies Group, Mr. El Youssefi served as Managing Director of Airtel Kenya for three years. He has over 20 years' experience in senior management across Africa, Asia and Europe, with expertise in developing markets, leadership, strategy, and operations. Prior to joining Airtel, Mr. El Youssefi had risen through the management ranks of global telecoms and media company Millicom, initially as a Senior Advisor to the Chief Officer Asia in Sri Lanka, before moving to Chad to take up the Chief Executive position and then becoming Chief Executive of Millicom Ghana. Mr. El Youssefi completed his MBA from INSEAD and has a Masters in Electronics/Telecommunications from ENSEIRB-MATMECA.

Darlington Mandivenga is a Senior Vice President and the Global Head of Payments within the Cassava Technologies Group. Prior to his current role, he served the Econet Group in various senior executive roles including as CMO and CEO within its Mobile Network Operations, before being appointed joint Group Deputy CEO for Econet Wireless Operations. Throughout his career, spanning more than 20 years, Mr. Mandivenga has acquired experience in FMCG, telecoms and fintech. He has been instrumental in shaping the industry, having led the team that pioneered

EcoCash, one of Africa's first and most successful mobile money platforms, and he subsequently championed many other similar initiatives through the development and scaling up of new businesses. He has contributed to growth in financial inclusion and fintech ecosystems across Africa and he has gained direct experience in markets such as Nigeria, South Africa, Kenya, UK, Botswana, Lesotho, Zambia, Zimbabwe, and Burundi, among others. Mr. Mandivenga currently serves on the board of several organizations as Nonexecutive Director, including EcoCash Holdings Zimbabwe, Econet Insurance (Pvt) Limited, Econet Leo Burundi, Econet Telecom Lesotho and Sasai Fintech Burundi. Mr. Mandivenga is a Saïd Business School alumnus, he completed the Oxford Artificial Intelligence Programme. His formal qualifications include an MBA from Nottingham Trent University, a Master's in Leadership, and a B-Tech in Management from the University of Zimbabwe.

Bronwen Zehmke is a Corporate Senior Vice President, Group General Counsel & Company Secretary of the Cassava Technologies Group. Prior to her appointment to this role in February 2025, she was the Chief Legal Officer and Company Secretary for Liquid Intelligent Technologies South Africa. She brings a wealth of experience to the organization, overseeing complex legal, corporate governance and operational matters. She has managed large in-house legal, company secretarial and operational teams. Prior to joining Liquid Intelligent Technologies, Bronwen had a lengthy tenure at the Absa / Barclays group, where she held a number of executive positions, including General Manager of Group Litigation and Legal HR and General Manager of Unsecured Collections Operations. In 2013, she became the Chief of Staff to the Chairman of the Group Board of Barclays Africa Group Ltd. (now Absa Group Ltd.) before occupying the role of Group Deputy Company Secretary. Ms. Zehmke holds an LLB degree (*cum laude*), two Masters degrees in Law (LLM) and Business (MBA), and international Compliance qualification (CCEP-I) and is in the process of completing her International Companies Secretaries qualification. She is an admitted member of the High Court of South Africa and a member in good standing of the Gauteng Law Society.

Leonard Bore is a Corporate Senior Vice President and the Group Chief Risk, Compliance & Assurance Officer of the Cassava Technologies Group. In this role, he provides strategic oversight of the enterprise-wide risk and compliance function across the Cassava Technologies Group's diverse portfolio of subsidiaries. His mandate spans enterprise risk management, regulatory compliance, internal audit, business resilience, revenue assurance and sustainability across a complex multi-jurisdictional technology and infrastructure operation, positioning him as one of the most comprehensively credentialed and experienced risk executives in the African technology sector. Prior to this appointment, Mr. Bore served as Chief Risk Officer at Econet Wireless Zimbabwe from May 2012. In this capacity, he oversaw the Group Risk function across all Econet subsidiaries. Mr. Bore is a seasoned executive with over 25 years of distinguished experience spanning engineering, technology risk management, and enterprise governance across Africa. He began his career as a mechanical engineer before moving to an international mining house where he provided assurance over multi-million dollar capital projects. In 1999, he joined Ernst & Young, rising to Partner level within the Information Technology Risk and Assurance practice over a distinguished 13-year tenure. In that role, he led IT risk, audit, and assurance engagements for an extensive client portfolio spanning telecommunications, banking, insurance, mining, manufacturing, retail, and public sector organizations across Zimbabwe and the broader African region, including work in Botswana, Ethiopia, Kenya, Malawi, Mozambique, Rwanda, South Africa, and Zambia. Mr. Bore holds a Bachelor of Science in Mechanical Engineering (Honours) from the University of Zimbabwe and a Master of Business Administration from Nottingham Business School in the United Kingdom.

Khatija Fareed is a Corporate Vice President and the Group Chief Human Resources Officer of the Cassava Technologies Group. Prior to her current role, she served as the Cassava Technologies Group's Executive Head for HR Operations, Remuneration, and Organisation Design. As a certified global remuneration practitioner and job evaluator, she brings more than 20 years of experience across a broad range of HR specializations, including talent acquisition, rewards, performance management, organization design, talent mobility, and payroll. Ms. Fareed has held senior leadership roles within several multinational organizations spanning diverse industries such as professional services, FMCG, pharmaceuticals, and technology. In recent years, drawing on her expertise, she successfully designed and implemented robust job architecture frameworks that strengthen organizational capability and enable effective succession planning, career development, and the retention of critical talent, particularly within rapidly growing businesses. A multilingual South African, Ms. Fareed has lived and worked across three continents, Africa, Europe, and Asia, bringing a truly global lens to her leadership and people strategies.

Finhai Munzara is a Corporate Senior Vice President and the Group Chief Corporate Development Officer of the Cassava Technologies Group. Prior to this, he served in several roles within the Cassava Technologies Group, including as Interim Chief Executive Officer of Africa Data Centres and as Chief Financial Officer of Africa Data Centres. Before joining Africa Data Centres in 2020, Mr. Munzara worked in investment banking, where he held the position of Vice President within Deutsche Bank's emerging market Fixed Income and Currencies team, and was responsible for providing private and public sector clients with funding and risk management solutions. He has also held various other roles in Corporate Finance and Private Equity. He brings a wealth of experience and expertise in M&A, corporate finance, and strategic partnerships and has over two decades of expertise in capital raising, due diligence, valuation, structuring, and execution of debt and equity transactions across Africa. Mr. Munzara is an alumni of Columbia Business School, where he completed an Advanced Management Program and holds an MBA from Wits Business School. He earned a BCom (Hons) in Financial Analysis & Portfolio Management and BCom PPE from the University of Cape Town and he has also completed Level 2 of the Chartered Financial Analyst (CFA) programme, further solidifying his competence in the field.

Conflicts of Interest

There may from time to time be potential conflicts of interest to which some of our, or the Cassava Parent's, directors or officers will be subject in connection with our, or the Cassava Parent's, operations. Some of the individuals appointed as our, or the Cassava Parent's, directors or officers are also directors and/or officers of our, or the Cassava Parent's, shareholders. Conflicts, if any, will be subject to the procedures and remedies provided for under applicable laws and regulations and the relevant organizational documents (including potential requirements to disclose any interests that they may have in a relevant transaction or other matter due for consideration, and potential recusal requirements).

PRINCIPAL SHAREHOLDERS

The Issuer is a public company limited by shares incorporated under the laws of England and Wales. Its registered office is located at 17th Floor, 6 New Street Square, London EC4A 3BF. The Issuer is wholly-owned by the Company, and the Company is wholly owned by LTJ. LTJ is 92.18% owned and solely controlled by the Cassava Parent. The 7.82% of LTJ not owned by the Company is owned by Lisinfo 213 Property (RF) Proprietary Limited, which has, however, assigned all voting power in respect of such shares to the Cassava Parent. Consequently, all voting power in relation to the Company's share capital is indirectly exercised by the Cassava Parent. As of the date of this Offering Memorandum, the Econet Group is indirectly the largest shareholder in the Cassava Parent. The Econet Group and its related parties (including former senior management) hold approximately 46.69% of the share capital of the Cassava Parent in the form of ordinary shares, certain other minority shareholders hold approximately 42.79% of the share capital of the Cassava Parent in the form of ordinary shares, and certain other minority shareholders hold approximately 10.51% of the share capital of the Cassava Parent in the form of Class B ordinary shares and Preferred A shares. The minority shareholders include a number of institutional investors and development finance institutions, including IFC, BII, FEDA, PIC, FinnFund and DFC, global technology companies, including Google and NVIDIA, as well as other prominent long-term institutional investors.

As of the date of this Offering Memorandum, the Issuer's issued share capital is £100,000, divided into 100,000 fully paid-up ordinary registered shares.

RELATED PARTY TRANSACTIONS

We may enter into transactions with related parties in the ordinary course of business or otherwise. Pursuant to the Liquid Group's corporate governance arrangements, all related party transactions (as defined therein), as well as any amendments, cancellations and/or waivers of rights under such related party transactions (collectively, a "**Related Party Transaction**"), have to be entered into and take place on an arm's length, after being disclosed in writing to the board and, if applicable, approved according to the following:

- (i) if a Director objects to the entering into of a Related Party Transaction in the belief that such Related Party Transaction is not in the normal course of business, then the Related Party Transaction must be approved by the shareholders; or
- (ii) if a Director objects to the entering into of a Related Party Transaction on the basis of concerns about the scope and parameters of such Related Party Transaction (while believing that such transaction is in the normal course of business), then such Related Party Transaction may not be effected without the prior written consent of a simple majority of a special committee comprising five members: (a) a director appointed by GW Fiber Limited; (b) a director appointed by Econet Global Limited; (c) a CDC Group plc committee member; (d) a director appointed by Lisinfo 213 Property (RF) Proprietary Limited and (e) a fifth director appointed to the committee by a majority vote of the first four committee members.

For further information on related party transactions, please see the Note 18 to the audited consolidated financial statements of the Liquid Group as of and for the year ended February 28, 2025.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following is a summary of the material terms of principal additional indebtedness of the Liquid Group in addition to the Indenture, after giving effect to the Transactions. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements. Capitalized terms used in the following summaries and not otherwise defined in this Offering Memorandum have the meanings ascribed to them in their respective agreements.

SENIOR SYNDICATED REVOLVING FACILITY AGREEMENT

The Senior Syndicated Revolving Facility Agreement makes available a revolving credit facility (the “**Senior Syndicated Revolving Credit Facility**”) with total commitments equal to the lesser of (i) US\$30,000,000 and (ii) 10% of the aggregate amount of the Notes issued on the Issue Date.

The Senior Syndicated Revolving Credit Facility will be made available to the Company as original borrower.

The purpose of the Senior Syndicated Revolving Credit Facility is to finance or refinance the general corporate and working capital needs of the Liquid Group provided that no amounts borrowed under the Senior Syndicated Revolving Credit Facility may be used towards refinancing or otherwise servicing any Financial Indebtedness (other than servicing interest payments in respect of any Financial Indebtedness). See “*Use of Proceeds*”.

Subject to customary conditions, the Senior Syndicated Revolving Credit Facility is available for drawing from (and including) the Business Day following the Closing Date until one month prior to the date falling 54 months after the issue date of the Notes. During the availability period of the Senior Syndicated Revolving Credit Facility, amounts repaid may be re-borrowed.

Maturity and Repayment Requirements

The Senior Syndicated Revolving Credit Facility may be utilized in multiple utilizations and each loan shall be repaid on the last day of its interest period, and in any event no later than the date falling 54 months after the issue date of the Notes. If the Notes are not refinanced on or prior to the date falling 12 months prior to their specified maturity date, the Senior Syndicated Revolving Credit Facility shall be deemed to mature on such date.

The Senior Syndicated Revolving Credit Facility is to remain undrawn (i) for a minimum of 15 consecutive days in each 6-month period respectively ending on August 31st and February 28th of each year (provided the Net Leverage Ratio is equal to or exceeds 3.00:1.00) with no less than 45 days between each such clean-down period or (ii) for a minimum of 30 consecutive days in any financial year (provided the Net Leverage Ratio is less than 3.00:1.00) with no less than 3 months between each such clean-down period.

Interest Rate and Fees

The Senior Syndicated Revolving Credit Facility bears interest at 4.95% per annum over the applicable benchmark. The borrowers under the Senior Syndicated Revolving Credit Facility will pay interest at a higher rate with respect to overdue amounts.

The borrowers under the Senior Syndicated Revolving Credit Facility will pay interest at 2% above the applicable interest rate with respect to overdue amounts.

The borrowers under the Senior Syndicated Revolving Facility Agreement will pay on an ongoing basis (a) an agency and security agent fee for an amount to be agreed with the facility agent and the security agent; (b) a commitment fee computed at the rate of 35% of the applicable margin, which will accrue on unutilized amounts of the Senior Syndicated Revolving Credit Facility during the applicable availability period and shall be payable quarterly in arrears, on the last day of the applicable availability period and on the cancelled amount of the Senior Syndicated Revolving

Credit Facility on the date that the respective facility may be cancelled; (c) a utilization fee while the Senior Syndicated Revolving Credit Facility remains drawn: (i) 0 to 33.33% of the total commitments under the Senior Syndicated Revolving Credit Facility: 0.20% per annum of the daily amount utilized; (ii) greater than 33.33% to 66.66% of the total commitments under the Senior Syndicated Revolving Credit Facility: 0.40% per annum of the daily amount utilized; and (iii) greater than 66.66% of the total commitments under the Senior Syndicated Revolving Credit Facility: 0.60% per annum of the daily amount utilized and (d) certain other customary fees and expenses.

Security

Subject to agreed security principles, (a) the Issuer, (b) each member of the Liquid Group that has EBITDA or has gross assets (excluding intra-Group items) representing 5% or more of the EBITDA or gross assets of the Liquid Group, (c) any wholly-owned member of the Liquid Group that holds shares in any Guarantor and (d) to the extent necessary, any other member of the Liquid Group, shall each guarantee the borrowers' obligations under the Senior Syndicated Revolving Facility Agreement to ensure that: (i) the aggregate of earnings before interest, tax, depreciation and amortization (calculated on the same basis as EBITDA) of the Guarantors (calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries of any member of the Liquid Group) represents not less than 85% of EBITDA of the Liquid Group; and (ii) the aggregate gross assets of the Guarantors (calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries of any member of the Liquid Group) represents not less than 85% of consolidated gross assets of the Liquid Group, for this purpose disregarding (x) from the numerator the EBITDA of any member of the Liquid Group that generates negative EBITDA and the EBITDA of Liquid Telecommunications Zimbabwe and (y) from the denominator the EBITDA of any member of the Liquid Group incorporated in certain agreed jurisdictions and the EBITDA of Liquid Telecommunications Zimbabwe, and will grant security interests in the Collateral to secure obligations under the Senior Syndicated Revolving Facility Agreement. Compliance with these obligations shall be determined by reference to the latest quarterly reports and shall also be deemed to be tested on the occurrence of a material change in the corporate structure of the Liquid Group, a permitted disposal and/or acquisition. Notwithstanding anything to the contrary, Liquid Telecommunications Zimbabwe shall not be required to become a guarantor.

Representations and Warranties

The Senior Syndicated Revolving Facility Agreement contains certain undertakings, representations and warranties, which are subject to agreed customary materiality thresholds, qualifications and other exceptions, including, but not limited to: (i) status, power and authority; (ii) pari passu ranking; (iii) no conflicts with constitutional documents, laws or other obligations; (iv) authorizations; (v) solvency; (vi) title to assets; and (vii) no breach of laws.

Financial Undertakings; Other Covenants and Undertakings

The Senior Syndicated Revolving Facility Agreement contains certain financial undertakings, as to which compliance must be certified on a regular basis, subject to cure provisions. These require the Company to ensure that:

- (i) the Net Leverage Ratio (being (a) the aggregate of all external indebtedness of the Liquid Group (subject to certain agreed exceptions) less Cash as of the end of the relevant period divided by (b) EBITDA for the relevant period) does not exceed:
 - (a) for the relevant period from and including the date of signing the Senior Syndicated Revolving Facility Agreement to and including August 31, 2026, 3.50:1; and
 - (b) for the relevant period from but excluding August 31, 2026, 3.00:1;
- (ii) the Adjusted Net Leverage Ratio (broadly the Net Leverage Ratio excluding, with certain exceptions, contributions to indebtedness, Cash and EBITDA from Liquid Telecommunications Zimbabwe) does not exceed:

- (a) for the relevant period from and including the date of signing the Senior Syndicated Revolving Facility Agreement to and including August 31, 2026, 4.25:1; and
- (b) for the relevant period from but excluding August 31, 2026, 3.75:1;
- (iii) the Interest Cover Ratio (being (a) EBITDA for the most recently ended relevant period divided by (b) Finance Charges for the most recently ended relevant period on all indebtedness, including the Notes, any outstandings as of the covenant measurement date under the Senior Syndicated Revolving Credit Facility and Senior Syndicated Term Loan Facilities and any other external indebtedness (subject to certain agreed exceptions)) for the relevant period to be greater than 2.50:1;
- (iv) the Cumulative Debt Service Cover Ratio (being (a) Free Cash Flow of the Liquid Group for the relevant period plus any Cash as at the beginning of the relevant period less dividends paid during the relevant period, divided by (b) Debt Service, for each relevant period) shall not be less than 1.30:1;
- (v) the Adjusted Cumulative Debt Service Cover (broadly the Cumulative Debt Service Cover Ratio excluding, with certain exceptions, contributions to Free Cash Flow, Cash and Debt Service from Liquid Telecommunications Zimbabwe, for each relevant period) shall not be less than 1.20:1.00;
- (vi) the Annual Debt Service Cover (being (a) Free Cash Flow of the Liquid Group for the relevant financial year less any permitted distributions paid during the relevant period and adding back discretionary capital expenditure, divided by (b) Debt Service, shall be not less than 1.20:1.00; and
- (vii) the Liquid Group holds a minimum level of Cash (subject to certain exceptions linked to minimum ratings and maximum net leverage requirements, and certain adjustments in the event of voluntary prepayments) as at the end of each relevant period, with the minimum level increasing for relevant period on and after February 28, 2027.

The relevant period will be each period of 12 months ending on the applicable quarter-end date.

If the Company is not in compliance with the financial undertakings for any relevant period, the Company shall be entitled within 20 business days of the date on which the relevant compliance certificate was due to be delivered to (a) procure the provision of a cure amount or (b) apply the cash proceeds of the cure amount in prepaying the facilities (in each case, treated as a prepayment at the commencement of the relevant period reducing the debt service for the relevant period for the purposes of the Interest Cover Ratio, Cumulative Debt Service Coverage Ratio, Adjusted Cumulative Debt Service Cover and the Annual Debt Service Cover or by reducing indebtedness at the measurement date for the purposes of the Net Leverage Ratio, as applicable). A maximum of four cure amounts may be applied over the life of the Senior Syndicated Revolving Facility Agreement, provided that no more than two cure amounts may be used in any financial year and no cure amount may be used if a cure amount was used in the preceding relevant period.

If the Company is not in compliance with the financial undertakings, no utilization may be made under the Senior Syndicated Revolving Credit Facility (other than rollover loans to the extent such breach does not constitute an event of default) until a breach of the financial undertakings has been cured to the satisfaction of or waived by the facility agent (acting on the instructions of the majority lenders).

In addition to the financial undertakings outlined above, the Senior Syndicated Revolving Facility Agreement contains a range of loan-style affirmative and negative covenants that are customary for facilities of this type, including (subject to certain agreed qualifications, exceptions and baskets) covenants relating to disposals, acquisitions, mergers, joint ventures, the incurrence of financial indebtedness, distributions, liens, arm's length transactions, change of business, preservation of assets, and maintenance of insurance.

Prepayment

The Senior Syndicated Revolving Facility Agreement allows for voluntary prepayments and cancellations on three business days' prior notice.

The Senior Syndicated Revolving Facility Agreement permits the lenders to require mandatory prepayment only under circumstances customary for facilities of this type including (a) lender illegality, (b) change of control, (c) the sale of all or substantially all the assets of the Liquid Group, (d) certain insurance proceeds, (e) certain disposal proceeds and (f) sanctions. Mandatory prepayment rights with respect to illegality and sanctions are triggered on an individual lender basis.

Events of Default

The Senior Syndicated Revolving Facility Agreement contains events of default that are customary for facilities of this type, which are subject to agreed customary materiality thresholds, qualifications, carve-outs, baskets, grace periods and other exceptions, including but not limited to: (a) failure to pay; (b) breach of covenant; (c) cross-default and cross-acceleration; (d) insolvency and (e) material adverse effect.

An event of default under the Notes shall constitute a cross-default under the Senior Syndicated Revolving Facility Agreement.

Governing Law

The Senior Syndicated Revolving Facility Agreement is governed by English law and the jurisdiction of the courts of England.

SENIOR SYNDICATED TERM LOAN FACILITIES AGREEMENT

The Senior Syndicated Term Loan Facilities Agreement consists of three US\$ term loan facilities in an aggregate amount up to \$200,000,000 and three ZAR term loan facilities in an aggregate amount up to ZAR 2,560,000,000 (the "**Senior Syndicated Term Loan Facilities**"). The Senior Syndicated Term Loan Facilities are split between (i) term loan A facilities of US\$75,000,000 and ZAR 960,000,000 subject to bullet repayment (the "**Term Loan A Facilities**"), (ii) amortizing term loan B facilities of US\$62,500,000 and ZAR 800,000,000 (the "**Term Loan B Facilities**"), and (iii) amortizing term loan C facilities of US\$62,500,000 and ZAR 800,000,000 (the "**Term Loan C Facilities**"). To the extent that the aggregate amount of the Notes issued exceeds US\$250,000,000, however, the Senior Syndicated Term Loan Facilities Agreement requires that the excess be applied towards the *pro rata* reduction and cancellation of the above-noted U.S. dollar facilities such that the aggregate amount of Notes and U.S. dollar facilities does not exceed US\$450,000,000.

Subject to customary conditions, the Senior Syndicated Term Loan Facilities will be made available to the Company and Liquid Telecommunications South Africa (Pty) Ltd for drawing until May 31, 2026.

The proceeds of the Senior Syndicated Term Loan Facilities shall be applied to (i) pay fees and expenses payable in connection with the Term Loan Facilities, (ii) refinance the amounts under the Existing Facilities (which, since the Existing Facilities were repaid on February 25, 2026 using a portion of the proceeds of the Parent Contribution together with other cash on hand, is in practice expected to replenish the Company's cash on hand) and (iii) satisfy and discharge the indenture governing the Existing 2026 Notes (the "**Refinancing**"). See "*Use of Proceeds*."

No utilization may be made under the Senior Syndicated Term Loan Facilities Agreement unless the Notes will be issued in an amount of at least US\$250,000,000 and the Liquid Group has satisfied other customary conditions precedent in form and substance satisfactory to the facility agent under the Senior Syndicated Term Loan Facilities Agreement.

Maturity and Repayment Requirements

The aggregate loans outstanding under the Term Loan B Facilities and Term Loan C Facilities shall be repaid in semi-annual instalments commencing 18 and 24 months respectively after the date of the Senior Syndicated Term Loan Facilities Agreement and ending on the maturity date of the Senior Syndicated Term Loan Facilities. The aggregate loans outstanding under the Term Loan B Facilities and Term Loan C Facilities shall be repaid in full, with a balloon repayment in the case of the Term Loan B Facilities, on their respective maturity dates. The maturity date for the Term Loan A Facilities is 36 months after the date of the Senior Syndicated Term Loan Facilities Agreement. The maturity date for the Term Loan B Facilities is 60 months after the date of the Senior Syndicated Term Loan Facilities Agreement. The maturity date for the Term Loan C Facilities is 84 months after the date of the Senior Syndicated Term Loan Facilities Agreement. If the Notes are not refinanced on the date falling 12 months prior to their specified maturity date, the Senior Syndicated Term Loan Facilities shall be deemed to mature on such date.

Interest Rate and Fees

The Senior Syndicated Term Loan Facilities bear interest at the applicable margin above the applicable benchmark rate (subject to a floor). The margin for (i) the Term Loan A Facilities is 5.20% per annum; (ii) the Term Loan B Facilities is 5.70% per annum; and (iii) the Term Loan C Facilities is 6.45% per annum. The applicable margins are subject to one step-up (including in relation to certain equity contributions) and two step-downs based on agreed net leverage ratio thresholds and subject to satisfaction of certain other conditions.

The borrowers under the Senior Syndicated Term Loan Facilities will pay interest at 2% above the applicable interest rate with respect to overdue amounts.

The fees payable under the Senior Syndicated Term Loan Facilities Agreement are substantially similar to those outlined for the Senior Syndicated Revolving Facility Agreement in “*Senior Syndicated Revolving Facility Agreement – Interest Rate and Fees*” above, except as concerns utilization fees (which are inapplicable).

Security

The provisions concerning the guarantees and security to be provided under the Senior Syndicated Term Loan Facilities Agreement are substantially similar to those outlined for the Senior Syndicated Revolving Facility Agreement in “*Senior Syndicated Revolving Facility Agreement – Security*” above.

Representations and Warranties

The Senior Syndicated Term Loan Facilities Agreement contains certain undertakings, representations and warranties, which are subject to agreed customary materiality thresholds, qualifications and other exceptions, including, but not limited to: (i) status, power and authority; (ii) pari passu ranking; (iii) no conflicts with constitutional documents, laws or other obligations; (iv) authorizations; (v) solvency; (vi) title to assets; and (vii) no breach of laws.

Financial Undertakings; Other Covenants and Undertakings

The financial undertakings and other affirmative and negative covenants under the Senior Syndicated Term Loan Facilities Agreement are substantially similar to those outlined for the Senior Syndicated Revolving Facility Agreement in “*Senior Syndicated Revolving Facility Agreement - Financial Undertakings; Other Covenants and Undertakings*” above.

Prepayment

The Senior Syndicated Term Loan Facilities Agreement allows for voluntary prepayments and cancellations on three business days’ prior notice.

The Senior Syndicated Term Loan Facilities Agreement permits the lenders to require mandatory prepayment only under circumstances customary for facilities of this type including (a) lender illegality, (b) change of control, (c) the sale of all or substantially all the assets of the Liquid Group, (d) certain insurance proceeds, (e) certain disposal proceeds and (f) sanctions. Mandatory prepayment rights with respect to illegality and sanctions are triggered on an individual lender basis.

Events of Default

The Senior Syndicated Term Loan Facilities Agreement contains events of default that are customary for facilities of this type, which are subject to agreed customary materiality thresholds, qualifications, carve-outs, baskets, grace periods and other exceptions, including but not limited to: (a) failure to pay; (b) breach of covenant; (c) cross-default and cross-acceleration; (d) insolvency and (e) material adverse effect.

An event of default under the Notes shall constitute a cross-default under the Senior Syndicated Term Loan Facilities Agreement.

Governing Law

The Senior Syndicated Term Loan Facilities Agreement is governed by English law and the jurisdiction of the courts of England.

NEW IFC TERM LOAN FACILITIES AGREEMENT

The Issuer, the Company and the Guarantors have entered into the New IFC Term Loan Facilities Agreement with the various parties thereto, including the lenders. The New IFC Term Loan Facilities Agreement consists of three ZAR denominated term loan facilities in an aggregate amount of up to ZAR 883,640,000 (the “**New IFC Term Loan Facilities**”). The New IFC Term Loan Facilities are split between (i) a term loan A facility of ZAR 331,360,000 subject to bullet repayment (the “**IFC Term Loan A Facility**”), (ii) an amortizing term loan B facility of ZAR 276,140,000 (the “**IFC Term Loan B Facility**”), and (iii) an amortizing term loan C facility of ZAR 276,140,000 (the “**IFC Term Loan C Facility**”).

The New IFC Term Loan Facilities will be made available to the Company.

The proceeds of the New IFC Term Loan Facilities shall be applied to (i) satisfy and discharge the indenture governing Existing 2026 Notes and (ii) any other purpose approved by the Lender.

The New IFC Term Loan Facilities are available to and including (i) in respect of the IFC Term Loan A Facility, 36 months after the amendment and restatement date of the New IFC Term Loan Facilities Agreement, (ii) in respect of the IFC Term Loan B Facility, 60 months after the date of the New IFC Term Loan Facilities Agreement and (iii) in respect of the IFC Term Loan C Facility, 84 months after the date of the New IFC Term Loan Facilities Agreement.

No utilization may be made under the New IFC Term Loan Facilities Agreement unless conditions similar to those under the Senior Syndicated Term Loan Facilities Agreement have been met.

Maturity and Repayment Requirements

The aggregate loans outstanding under the IFC Term Loan B Facility and the IFC Term Loan C Facility shall be repaid in semi-annual instalments commencing approximately 18 and 24 months respectively after the date of the New IFC Term Loan Facilities Agreement and ending on the maturity date of the relevant New IFC Term Loan Facilities. The aggregate loans outstanding shall be repaid in full, with a balloon repayment in the case of the IFC Term Loan B Facility, on their respective maturity dates of the New IFC Term Loan Facilities. The maturity date for the IFC Term Loan A Facility is 36 months after the date of the New IFC Term Loan Facilities Agreement. The maturity date for the IFC Term Loan B Facility is 60 months after the date of the New IFC Term Loan Facilities Agreement. The maturity date for the IFC Term Loan C Facility is 84 months after the date of the New IFC Term Loan Facilities Agreement. If

the Notes are not refinanced on the date falling 12 months prior to their specified maturity date, the New IFC Term Loan Facilities shall be deemed to mature on such date.

Interest Rate and Fees

The interest and fees payable under the New IFC Term Loan Facilities Agreement are substantially similar to those outlined for the Senior Syndicated Term Loan Facilities Agreement in “*Senior Syndicated Term Loan Facilities Agreement – Interest Rate and Fees*” above, except as concerns utilization fees (which are inapplicable).

Security

The provisions concerning the guarantees and security to be provided under the New IFC Term Loan Facilities Agreement are substantially similar to those outlined for the Senior Syndicated Revolving Facility Agreement in “*Senior Syndicated Revolving Facility Agreement – Security*” above.

Representations and Warranties

The New IFC Term Loan Facilities Agreement contains certain undertakings, representations and warranties, which are subject to agreed customary materiality thresholds, qualifications and other exceptions, including, but not limited to: (i) status, power and authority; (ii) pari passu ranking; (iii) no conflicts with constitutional documents, laws or other obligations; (iv) authorizations; (v) solvency; (vi) title to assets; and (vii) no breach of laws.

Financial Undertakings; Other Covenants and Undertakings

The financial undertakings and other affirmative and negative covenants under the New IFC Term Loan Facilities Agreement are substantially similar to those outlined for the Senior Syndicated Term Loan Facilities Agreement in “*Senior Syndicated Term Loan Facilities Agreement - Financial Undertaking*” above, although certain terms differ or impose additional or tighter restrictions on the Liquid Group.

Prepayment

The New IFC Term Loan Facilities Agreement allows for voluntary prepayments and cancellations on respectively ten and three business days’ prior notice.

The New IFC Term Loan Facilities Agreement permits the lenders to require the mandatory prepayment only under circumstances customary for facilities of this type including (a) lender illegality, (b) change of control, (c) the sale of all or substantially all the assets of the Liquid Group, (d) certain insurance proceeds, and (e) certain disposal proceeds. Mandatory prepayment rights with respect to illegality are triggered on an individual lender basis.

Events of Default

The New IFC Term Loan Facilities Agreement contains events of default that are customary for facilities of this type, which are subject to agreed customary materiality thresholds, qualifications, carve-outs, baskets, grace periods and other exceptions, including but not limited to: (a) failure to pay; (b) breach of covenant; (c) cross-default and cross-acceleration; (d) insolvency and (e) material adverse effect.

An event of default under the Notes shall constitute a cross-default under the New IFC Term Loan Facilities Agreement.

Governing Law

The New IFC Term Loan Facilities Agreement is governed by English law and the jurisdiction of the courts of England.

INTERCREDITOR AGREEMENT

To establish the relative rights of creditors under certain of our financing arrangements, the Issuer, each of the Guarantors and certain other subsidiaries of the Company (together, along with any other subsidiaries of the Company that have acceded or may in the future accede to the Intercreditor Agreement, the “**Debtors**”) entered into an intercreditor agreement (the “**Intercreditor Agreement**”) dated March 4, 2021, with, among others, the Security Agent and the Security SPV, the Senior Lenders, Senior Agent and Senior Arrangers (each as defined in the Intercreditor Agreement) in relation to the Existing Facilities, the Senior Lenders (as defined in the Intercreditor Agreement) in relation to the Stanbic Zambia Facilities, and the Senior Secured Notes Trustee (as defined in the Intercreditor Agreement) in relation to the Existing 2026 Notes.

The Intercreditor Agreement, among other things, governs the relationship and priorities among the Senior Lenders, the Senior Agent, the Senior Arrangers, the Senior Secured Notes Trustee(s), the Hedge Counterparties, the holders of the Senior Secured Notes, the Intra-Group Lenders, the Senior Secured Proceeds Loan Creditor, the Subordinated Creditors, the Security SPV and the Security Agent (each as defined in the Intercreditor Agreement, and together the “**Creditors**”).

The Existing Facilities and the Existing 2026 Notes constituted the original “**Senior Facilities**” and “**Senior Secured Notes**” for purposes of the Intercreditor Agreement. On or prior to the Issue Date, following any required accessions thereto (and compliance with any required notice, designation or similar formalities), the term “**Senior Facilities**” for purposes of the Intercreditor Agreement will include the Senior Syndicated Term Loan Facilities, the Senior Syndicated Revolving Facility and the New IFC Term Loan Facilities, and in the future may also include any facility agreement or other document or instrument evidencing the terms of an ordinary course guarantee or letter of credit facility which is entitled to be treated *pari passu* with the Senior Lender Liabilities and is designated as such by the Company and indebtedness under future credit facilities (if the Senior Facilities have been repaid in full) entitled to be treated *pari passu* with the Senior Lender Liabilities in respect of the Collateral and under the terms of the Intercreditor Agreement. On the Issue Date, following the Trustee’s accession thereto as a Senior Secured Notes Trustee (and compliance with certain required notice, designation or similar formalities), the term “**Senior Secured Notes**” for purposes of the Intercreditor Agreement will include the Notes, and may in the future include additional issuances of senior secured notes entitled to be treated *pari passu* with the Senior Facilities and the Senior Secured Notes in respect of the Collateral and under the terms of the Intercreditor Agreement.

The indebtedness under the Senior Facilities, together with the Senior Facilities, constitutes “**Senior Lender Liabilities**” for purposes of the Intercreditor Agreement, and the holders of such indebtedness (including arrangers) constitute “**Senior Lenders**”, and each finance document relating thereto constitutes a “**Senior Finance Document**.” The indebtedness under the Senior Secured Notes constitutes “**Senior Secured Notes Liabilities**” for purposes of the Intercreditor Agreement, and the holders of such indebtedness constitute “**Senior Secured Noteholders**” (and, together with any trustee (a “**Senior Secured Notes Trustee**”) under a Senior Secured Notes Indenture, the “**Senior Secured Note Creditors**”), the indenture governing any Senior Secured Notes Liabilities constitutes a “**Senior Secured Notes Indenture**”, and each finance document relating thereto constitutes a “**Senior Secured Notes Document**.”

The Intercreditor Agreement also contains provisions relating to other and future indebtedness that may be incurred (in addition to the provisions discussed above relating to additional Senior Facilities and additional Senior Secured Notes) that is permitted by the Senior Facilities and not prohibited by the Senior Secured Notes, including obligations to hedging counterparties under secured hedging provided to the Issuer and the Guarantors, if any (the “**Hedge Counterparties**”) in respect of interest rate and foreign exchange liabilities in relation to the Senior Facilities and the Senior Secured Notes (such obligations, the “**Hedging Liabilities**”, and each finance document relating thereto, a “**Hedging Agreement**”). The Senior Secured Notes Liabilities together with the Hedging Liabilities and the Senior Lender Liabilities, are referred to as the “**Senior Secured Liabilities**.”

Owing to difficulties under the laws of South Africa around security being granted to a security agent for the benefit of multiple creditors and therefore in order to obtain security for the ultimate benefit of the Secured Creditors in respect

of the Secured Obligations (each term as defined in the Intercreditor Agreement) under the laws of South Africa in respect of the security to be provided pursuant to the relevant Security Documents (the “**Transaction Security**”) which is governed by the laws of South Africa the following arrangements have been put in place:

- (a) the Security SPV (a special purposes shelf company whose constitutional documents restrict its main objects and business to concluding the relevant transaction documents to which it is a party and performing its obligations and exercising its rights thereunder) has issued a first ranking debt guarantee in favor of the Secured Creditors in respect of the Secured Obligations (the “**Security SPV Guarantee**”);
- (b) those Debtors providing Transaction Security under the laws of South Africa have entered into a counter indemnity agreement with the Security SPV where they have agreed to indemnify the Security SPV against claims made against it under the Security SPV Guarantee (the “**Counter-Indemnity Agreement**”);
- (c) as security for their obligations under the Counter-Indemnity Agreement the relevant Debtors have granted the Transaction Security governed by the laws of South Africa in favor of the Security SPV.

In relation to this structure involving the Security SPV, the Intercreditor Agreement provides, amongst others for:

- (a) the Security SPV to act on the instructions of the Security Agent in enforcing its rights under the Counter-Indemnity Agreement and the Transaction Security granted to it;
- (b) the Security SPV is required to make payment of the proceeds of enforcement of the Transaction Security to the Security Agent as the agent of the Secured Creditors in respect of their claims under the Security SPV Guarantee.

The Intercreditor Agreement also sets forth, among other things:

- (a) the relative ranking of certain indebtedness and security of the Debtors;
- (b) when payments can be made in respect of certain indebtedness of the Debtors;
- (c) when enforcement actions can be taken in respect of that indebtedness and the Collateral;
- (d) the terms pursuant to which that indebtedness will be subordinated;
- (e) turnover provisions;
- (f) when security and guarantees will be released to permit a sale of any assets subject to transaction security; and
- (g) the order for applying proceeds from enforcement action and other amounts received by the Security Agent.

The following description is a summary of certain provisions contained in the Intercreditor Agreement.

Ranking and Priority

The Intercreditor Agreement provides that the liabilities will rank in right and priority of payment in the following order and are postponed and subordinated to any prior-ranking liabilities as follows:

- (a) *first*, the Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Hedging Liabilities, the liabilities owed to the Senior Agent and the Senior Secured Notes Trustee and the liabilities owed to the Security Agent and amounts payable to the Senior Secured Notes Trustee in connection with their duties under the Senior Secured Notes Documents (collectively “**Senior Secured Notes Trustee Amounts**”) *pari passu* and without any preference between them;

- (b) *second*, any present and future liabilities and obligations including any loan or other financial liabilities owed by the holder or borrower of any loan, bond or other debt instrument whereby any proceeds of the issue of Senior Secured Notes or any borrowing under the Senior Facilities are lent by the Issuer or Borrower to a Guarantor (the “**Senior Secured Proceeds Loan Liabilities**”) *pari passu* and without any preference between them; and
- (c) *third*, any present and future liabilities and obligations including any loan or other financial liabilities owed by any member of the Liquid Group to any other member of the Liquid Group (excluding any Senior Secured Proceeds Loan Liabilities) (the “**Intra-Group Liabilities**”) and any subordinated liabilities owed to a direct or indirect shareholder of the Company (the “**Subordinated Liabilities**”).

Ranking and Priority of Security

The Intercreditor Agreement provides that the Transaction Security shall rank and secure the Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Hedging Liabilities (only to the extent that such Transaction Security is expressed to secure those liabilities) *pari passu* and without any preference between them.

Claims under the Security SPV Guarantee in respect of the Agent Liabilities, Liabilities owed to the Security Agent, the Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Hedging Liabilities rank *pari passu* and without any preference between them.

Restrictions on Senior Lender Liabilities and Senior Secured Notes Liabilities

The Debtors may make payment in respect of the Senior Lender Liabilities and the Senior Secured Notes Liabilities at any time in accordance with the provisions of the applicable Senior Finance Documents and the Senior Secured Notes Documents, **provided that** following acceleration events (which have not subsequently been cancelled and/or irrevocably revoked in writing) under the Senior Finance Documents or the Senior Secured Notes Document or following certain insolvency events, payments may only be made by the Debtors and received by creditors in accordance with the provisions described under “*Application of Proceeds*”, other than any distribution or dividend out of any Debtor’s unsecured assets (pro rata to each unsecured creditor’s claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets.

The Intercreditor Agreement provides that the terms of the Senior Finance Documents may not be amended or waived if such amendment or waiver would conflict with the provisions of the Intercreditor Agreement or create a default or event of default with respect to any action that is permitted under the Intercreditor Agreement. The Senior Lenders may increase the principal amount of the Senior Facilities in an amount which is not prohibited by the Senior Secured Notes Documents or is otherwise approved by the Senior Secured Notes Trustee. The Intercreditor Agreement provides that the terms of the Senior Secured Notes Documents may not be amended or waived without the consent of the Majority Senior Lenders (under as defined in the Intercreditor Agreement) if such amendment or waiver would result in the Senior Secured Notes Documents ceasing to comply with the “**Senior Secured Notes Major Terms**”. The Senior Secured Notes Major Terms stipulate requirements for Senior Secured Notes including the identity of the issuer, minimum maturity, ability to refinance liabilities under the Senior Facilities Document, being subject to the Intercreditor Agreement and a requirement for market terms.

Security and Guarantees

The Senior Lenders and the Senior Secured Note Creditors may take, accept or receive the benefit of:

- (a) any security from members of the Liquid Group in respect of their liabilities if, at the same time it is offered to secure the other Senior Secured Liabilities to the extent required or legally possible under the applicable Senior Finance Documents, Senior Secured Notes Documents and Hedging Agreements (together, the “**Senior Secured Documents**”); and

- (b) any guarantee, indemnity or other assurance against loss from any member of the Liquid Group in respect of the Senior Lender Liabilities or the Senior Secured Notes Liabilities in addition to those in the original form of the Senior Facilities or the Senior Secured Notes Indenture, the Intercreditor Agreement or any common assurance, if at the same time it is offered in respect the other Senior Secured Liabilities to the extent required or legally possible under the applicable Senior Secured Documents.

Enforcement of Collateral, Enforcement Instructions and Consultation

The Security Agent may refrain from enforcing the Collateral unless instructed otherwise by the Senior Secured Note Creditors, Senior Lenders and Hedge Counterparties whose senior secured credit participations at that time aggregate more than 50% of the total senior secured credit participations at that time (the “**Instructing Group**”). The Security Agent and the Security SPV are both entitled to rely on and comply with instructions given, or deemed to be given. No Secured Party (as that term is defined in the Intercreditor Agreement) shall have any independent power to enforce, or to have recourse to, any Transaction Security or to exercise any rights or powers arising under the Transaction Security Documents except through the Security Agent, provided that in respect of the South African Collateral, the Security SPV will, acting on the instructions of the Security Agent, take such actions.

Release of the Guarantees and the Security—Non-distressed disposal

In circumstances in which a disposal to a person is permitted or not prohibited under the relevant financing documents and is *not* being effected:

- (a) at the request of the Instructing Group in circumstances in which the security has become enforceable in accordance with relevant debt documents,
- (b) by the enforcement of security in accordance with relevant debt documents, or
- (c) after an acceleration event in respect of the Senior Secured Liabilities has occurred ((b) and (c), a “**Distress Event**” and a disposal in the circumstances of (a), (b) or (c), a “**Distressed Disposal**”),

the Intercreditor Agreement provides that the Security Agent is authorized to release the security interests over that asset and, if the relevant asset consists of shares in the capital of a Debtor, to release the security interests and any other claim relating to the Senior Secured Liabilities over the assets of that Debtor and the shares in and assets of any of its subsidiaries and, to execute and deliver or enter into any release of the security or any claim in respect of the foregoing and issue any certificates or like required letter or any consent in dealing with such release, provided that, in each case, the release of security interests will only be effective upon the making of the disposal.

Release of the Guarantees and the Security—Distressed Disposal

Where a Distressed Disposal of an asset is being effected, the Intercreditor Agreement provides that the Security Agent (and the Security SPV, acting on the instructions of the Security Agent) is authorized:

- (a) to release the security interests, or any other claim over the relevant asset and execute and deliver or enter into any release of that asset or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing;
- (b) if the asset that is disposed of consists of shares in the capital of a Debtor, to release that Debtor and any subsidiary of that Debtor from all or any part of the liabilities under the Senior Secured Documents and certain other liabilities, security granted by that Debtor (or any subsidiary of that Debtor) or any Intra-Group Liabilities, Senior Secured Proceeds Loan Liabilities or Subordinated Liabilities;
- (c) if the asset that is disposed of consists of shares in the capital of a holding company of a Debtor, to release that holding company and any subsidiary of that holding company from all or any part of the liabilities under

the Senior Secured Documents and certain other liabilities, security granted by that holding company (or any subsidiary of that holding company) or any Intra-Group Liabilities, Senior Secured Proceeds Loan Liabilities or Subordinated Liabilities;

- (d) if the asset that is disposed of consists of shares in the capital of a Debtor (or a holding company of a Debtor) and the disposal is on the basis that the transferee will not be treated as a Senior Lender, Hedge Counterparty, Senior Secured Noteholder or Senior Secured Notes Trustee (each a “**Senior Secured Creditor**”) or secured party under the Intercreditor Agreement, to dispose of all or any part of the liabilities of such Debtor (or holding company or any subsidiary of such Debtor or holding company) under the Senior Secured Documents and certain other liabilities owed by such Debtor (or holding company or any subsidiary of such Debtor); and
- (e) if the asset that is disposed of consists of shares in the capital of a Debtor (or a holding company of a Debtor) and the disposal is on the basis that the transferee will be treated as a Senior Secured Creditor and secured party under the Intercreditor Agreement, to dispose of all or part of the liabilities of such Debtor (or holding company of a Debtor or subsidiary of such Debtor) under the Senior Secured Debt Documents and certain other liabilities owed by that Debtor or holding company or any subsidiary of that holding company.

The net proceeds from each Distressed Disposal (and any disposal of liabilities pursuant to (d) above) shall be paid to the Security Agent for application in accordance with the provisions described under “—*Application of Proceeds*” as if those proceeds were an enforcement of the security. If a Distressed Disposal is being effected such that borrowing liabilities, guarantee liabilities or security will be released, it is a further condition to such release that the Security Agent (or the Security SPV as the case may be) shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of Liability in order to achieve a higher price and shall in any event not be liable to any party for the actual price obtained).

Release of Unrestricted Subsidiaries

If a member of the Liquid Group is designated as an Unrestricted Subsidiary in accordance with the terms of (and as defined in) each of the Senior Secured Documents, the Security Agent is authorized and obliged to release the security interests, or any other claim over the relevant asset and execute and deliver or enter into any release of that asset or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing (to the extent also permitted to do so under the Senior Finance Documents).

Turnover

The Intercreditor Agreement provides that if any Creditor receives or recovers any payments or proceeds which are not permitted under the terms thereof or not permitted in respect of liabilities owed to such Creditor after a Distress Event, as a result of litigation or proceedings against a member of the Liquid Group or by way of set-off or the proceeds of the enforcement of any security, in each case, except in accordance with the order described under “—*Application of Proceeds*” it shall:

- (a) in relation to receipts or recoveries not received or recovered by way of set-off (i) hold that amount on trust for the Security Agent and promptly pay that amount or an amount equal to that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement, and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities owed to such Creditor to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- (b) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Application of Proceeds

The Intercreditor Agreement provides that amounts received from the realization or enforcement of all or any part of the security or other amounts paid to the Security Agent or the Security SPV (which shall promptly pay such amounts to the Security Agent) for application as described below will be applied in the following order of priority:

- (a) *first*, in discharging any sums owing to the Senior Agent (in respect of the liabilities owed to the Senior Agent), Security Agent, any receiver or any delegate and any Senior Secured Notes Trustee Amounts on a *pari passu* basis;
- (b) *second*, in payment of all costs and expenses incurred by any Senior Agent, any Senior Secured Notes Trustee, the Security Agent or Senior Secured Creditor in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent;
- (c) *third*, in payment or distribution to the Senior Agent on its own behalf and on behalf of the Senior Arrangers and the Senior Lenders, each Senior Secured Notes Trustee on its own behalf and on behalf of the other Senior Secured Note Creditors and the Hedge Counterparties for application towards the discharge of (i) the liabilities owed to any Senior Arranger and the Senior Lender Liabilities, (ii) the Senior Secured Notes Liabilities and (iii) the Hedging Liabilities, on a *pro rata* basis ranking *pari passu* between items (i) through (iii) above; and
- (d) *fourth*, in payment of the balance (if any) to the relevant Debtor.

Option to Purchase

After a Distress Event, by giving not less than ten days' notice to the Security Agent, all the Senior Secured Note Creditors (acting as a whole) will have the right (subject to certain conditions) to require the transfer to them (or a nominee), all, but not part of the rights, benefits and obligations in respect of the Senior Lender Liabilities.

Any such purchase will be on terms that will include, without limitation, (i) the Senior Agent, on behalf of the Senior Lenders, is paid an amount equal to (A) the aggregate of all of the Senior Lender Liabilities at that time (whether or not due) including all amounts that would have been payable under the Senior Facilities if the Senior Facilities were being prepaid by the relevant Debtors on the date of that payment and (B) all costs and expenses (including legal fees) incurred by the Senior Agent and/or the Senior Lenders and/or the Security Agent as a consequence of giving effect to that transfer (ii) the Senior Lenders have no further actual or contingent liability to a Debtor under the relevant documents; (iii) an indemnity is provided from each Senior Secured Note Creditor (other than the Trustee) or from another acceptable third party and (iv) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders. The Senior Secured Note Creditors may only require a transfer of Senior Lender Liabilities if at the same time they require a transfer of Hedging Liabilities in accordance with the terms of the Intercreditor Agreement and such transfer can be effected.

Consents, Amendments and Override

In addition to customary minor, technical or administrative matter amendments by the Issuer, the Security Agent, the Security SPV, the Senior Agent and the acceding Trustee, the Intercreditor Agreement provides that it may be amended only with the consent of the Senior Agent, the requisite number of Senior Lenders under the Senior Facilities, the relevant Senior Secured Notes Trustee(s), the Company and the Security Agent (save for amendments expressly permitted to be made under the relevant Senior Secured Documents without such consent and subject to customary exceptions, disenfranchisement and snooze/lose provisions) unless it is an amendment, waiver or consent that has the effect of changing or that relates to: (i) any amendment to the order of priority or subordination set forth in the Intercreditor Agreement; or (ii) any amendment to the application of proceeds, redistribution, amendment provisions or certain provisions relating to the instructions of the Security Agent and the Security SPV set forth in the Intercreditor Agreement, which shall not be made without the consent of:

- (a) the Security Agent;
- (b) the Security SPV;
- (c) the Senior Agent (acting for itself and on behalf of all of the Senior Lenders);
- (d) each Senior Secured Notes Trustee (acting for itself and on behalf of the relevant series of the Senior Secured Noteholders);
- (e) each Hedge Counterparty (to the extent such amendment or waiver would adversely affect the rights of such Hedge Counterparty); and
- (f) the Company.

Subject to the paragraphs above and certain other exceptions, no amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on or withdraw or reduce the rights of any party to the Intercreditor Agreement without the prior written consent of that party.

Additional and/or Refinancing Debt

In the event that any Debtor incurs any additional indebtedness, or refinances existing indebtedness, that is permitted to be designated as a Senior Secured Liability under the terms of the Senior Secured Documents and is entitled to be secured by the Collateral, the liabilities in respect of such additional Senior Secured Liabilities, as the case may be, will share in the proceeds of any enforcement of Collateral on a pro rata basis with the applicable group of Creditors, provided that such Creditor accedes to the Intercreditor Agreement (if not already a party thereto).

Governing Law

The Intercreditor Agreement is governed by English law.

DESCRIPTION OF THE NOTES

In a private transaction that is not subject to the registration requirements of the US Securities Act of 1933, as amended (the “**US Securities Act**”), Liquid Telecommunications Financing plc, a public company limited by shares incorporated under the laws of England and Wales, having its registered office at 17th Floor, 6 New Street Square, London EC4A 3BF, United Kingdom (the “**Issuer**”), will issue US\$300 million in aggregate principal amount of 10¾% Senior Secured Notes due 2031 (the “**Notes**”) under an indenture (the “**Indenture**”) between, among others, the Issuer, Liquid Telecommunications Holdings Limited, a private company limited by shares incorporated under the laws of the Republic of Mauritius, with company registration number C068355 C2/GBL (the “**Company**”, and, together with its consolidated Subsidiaries, the “**Group**”), certain subsidiaries of the Company that guarantee the Notes, (the “**Subsidiary Guarantors**” and, together with the Company, the “**Guarantors**”), BNY Mellon Corporate Trustee Services Limited, as trustee (the “**Trustee**”), and The Standard Bank of South Africa Limited, as security agent (the “**Security Agent**”). Unless the context requires otherwise, references in this Description of Notes to the Notes include the Notes and any additional Notes (the “**Additional Notes**”) having substantially identical terms and conditions to the Notes that are issued under the Indenture on the Issue Date (except, where applicable, as concerns the items noted in “—*Additional Notes*” below). The terms of the Notes include those set forth in the Indenture. The Indenture is not required to be, nor will it be, qualified under the US Trust Indenture Act of 1939, as amended.

The offering of the Notes (the “**Offering**”) is a part of the Transactions. As an initial step in the Transactions, on February 25, 2026, a portion of the proceeds of the Parent Contribution, together with other cash on hand, was used to repay all amounts outstanding under the Existing Facilities. In order to complete the Transactions, the proceeds from the offering of the Notes, together with a portion of the proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities, are intended to be used to: (i) fully redeem the Existing 2026 Notes, and (ii) to pay costs, expenses and fees (including the Initial Purchasers’ fees, legal, accounting and other fees and expenses) in connection with the Transactions. For additional information, see the sections entitled “*Summary—The Transactions*,” “*Use of Proceeds*,” and “*Description of Certain Financing Arrangements*” elsewhere in this Offering Memorandum.

The following description is a summary of the material provisions of the Indenture, the Notes, the Note Guarantees and the Security Documents and refers to the Intercreditor Agreement. This description does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes, the Note Guarantees, the Security Documents and the Intercreditor Agreement because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the Notes, the Security Documents and the Intercreditor Agreement will be available as set forth below under “—*Additional Information*”.

Certain defined terms used in this description but not defined below under “—*Certain Definitions*” have the meanings assigned to them in the Indenture. You can find the definitions of certain terms used in this description under the subheading “—*Certain Definitions*”. In this description, the term “**Issuer**” refers only to Liquid Telecommunications Financing plc and its successors and not to any of its Subsidiaries and the term “**Company**” refers only to Liquid Telecommunications Holdings Limited and its successors and not to any of its Subsidiaries. References to “first-priority” security interests include security interests that were created second in time and thus in ranking but are contractually *pari passu* first-priority and entitled to equal treatment with other first-priority secured creditors by virtue of the Intercreditor Agreement.

The Notes will be issued in registered form. The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the Notes, the Note Guarantees and the SPV Guarantee

The Notes

The Notes will:

- be general senior obligations of the Issuer;
- be secured as of the Issue Date on a first-priority basis directly by the Issue Date Global Collateral (as defined below) and indirectly by the South African Collateral (as defined below) through the Security

SPV arrangements described in further detail below, and within 120 days from the Issue Date (or such earlier date on which such security is granted in relation to the Senior Facilities) on a first-priority basis directly by the Post-Issue Date Global Collateral (as defined below) (in each case, subject to the Agreed Security Principles, certain perfection requirements, any Permitted Collateral Liens and limitations under applicable law), equally and ratably with the Issuer's obligations under the Senior Facilities, as described under "*—Security*";

- rank *pari passu* in right of payment with all existing and future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes;
- rank senior in right of payment to all future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes, if any;
- be effectively senior to all existing and future unsecured Indebtedness of the Issuer to the extent of the value of the Collateral (as defined below);
- be effectively subordinated to any existing and future Indebtedness of the Issuer that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness;
- be structurally subordinated to all obligations of the Issuer's and the Company's other Subsidiaries that are not Guarantors; and
- be unconditionally guaranteed as of the Issue Date by the Company and the other Issue Date Guarantors, and within 120 days from the Issue Date (or such earlier date on which such entities become borrowers or guarantors under the Senior Facilities), by the Post-Issue Date Guarantors (in each case, subject to the Agreed Security Principles, certain limitations under applicable law and certain contractual limitations as described below under "*—Note Guarantees and SPV Guarantee*," including, in the case of the South African Guarantors, the relevant approvals obtained from the Financial Surveillance Department of the South African Reserve Bank).

The Note Guarantees and the SPV Guarantee

The Notes will be guaranteed by the Guarantors (subject to the Agreed Security Principles and certain limitations under applicable law and certain contractual limitations as described below under "*—Note Guarantees and SPV Guarantee*"). The Note Guarantee of the Company and each Subsidiary Guarantor will:

- be general senior obligations of the Company and each Subsidiary Guarantor, as applicable;
- be secured as of the Issue Date on a first-priority basis directly by the Issue Date Global Collateral (as defined below) and (in relation to the Note Guarantees of the Company and the South African Subsidiary Guarantors) indirectly by the South African Collateral (as defined below) through the Security SPV arrangements described in further detail below, and within 120 days from the Issue Date (or such earlier date on which such security is granted in relation to the Senior Facilities) on a first-priority basis directly by the Post-Issue Date Global Collateral (as defined below) (in each case, subject to the Agreed Security Principles, certain perfection requirements, any Permitted Collateral Liens and limitations under applicable law), equally and ratably with the Guarantors' obligations under the Senior Facilities, as described under "*—Security*";
- rank *pari passu* in right of payment with all existing and future Indebtedness of such Guarantor that is not subordinated in right of payment to that Note Guarantee, including such Guarantor's obligations under the Senior Facilities;
- rank senior in right of payment to all existing and future Indebtedness of such Guarantor that is expressly subordinated in right of payment to that Note Guarantee, if any;

- be effectively senior to all existing and any future unsecured Indebtedness of such Guarantor to the extent of the value of the Collateral securing that Note Guarantee either directly or indirectly;
- be effectively subordinated to any existing and future Indebtedness of such Guarantor that is secured by property and assets that do not secure that Note Guarantee, to the extent of the value of the property and assets securing such Indebtedness; and
- be structurally subordinated to all obligations of such Guarantor's and the Company's other Subsidiaries that are not Guarantors.

The Note Guarantees of the Guarantors will be subject to the Agreed Security Principles, certain limitations under applicable law and certain contractual limitations as described below under “—*Note Guarantees and SPV Guarantee*,” including, in the case of the South African Guarantors, the relevant approvals obtained from the Financial Surveillance Department of the South African Reserve Bank.

As of the Issue Date, not all Subsidiaries of the Company will guarantee the Notes. In the event of a bankruptcy, liquidation, reorganization or commencement of business rescue proceedings of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer or the Guarantors. As of and for the year ended February 28, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 79.0% of our total assets, after adjusting for intercompany payables and receivables and (ii) 63.6% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries. As of and for the nine months ended November 30, 2025, the Guarantors, including the Post-Issue Date Guarantors, represented (i) 80.3% of our total assets, after adjusting for intercompany payables and receivables and (ii) 56.2% of our Adjusted EBITDA, excluding dividend income and profit from the sale of subsidiaries.

The Issuer is a finance company and the only Subsidiary of the Issuer as of the Issue Date will be Liquid Telecommunications Investments Limited (“**LTIL**”). From the Issue Date, the only significant assets of the Issuer will be intercompany loans and the Capital Stock of LTIL, and LTIL itself has no significant assets and does not carry out any material activities.

The Issuer and each of the Guarantors will also guarantee the Senior Facilities on a senior secured basis, *pari passu* with the Notes and the Note Guarantees, as applicable.

As of the Issue Date, all of the Company's Subsidiaries will be “*Restricted Subsidiaries*” for the purposes of the Indenture. However, under the circumstances (and subject to the conditions) described below under the caption “—*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*”, the Company will be permitted to designate Restricted Subsidiaries (other than the Issuer) as “*Unrestricted Subsidiaries*”. The Company's Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes.

Principal, Maturity and Interest

On the Issue Date, the Issuer will issue US\$300 million in aggregate principal amount of Notes. The Issuer will issue Notes in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The Notes will mature on April 14, 2031, unless redeemed earlier in accordance with the terms of the Notes.

Interest on the Notes will accrue at the rate of 10.7500% per annum. Interest on the Notes will be payable semi-annually in arrears on April 14 and October 14, commencing on October 14, 2026. If an interest payment date is not a Business Day, payment may be made on the next succeeding day that is a Business Day (and without any additional interest or other payment in respect of any delay), with the same force and effect as if made on such date. The Issuer is required to make each interest payment to the holders of record on the immediately preceding March 30 and September 29, respectively.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprising twelve 30-day months. In no event will the rate of interest on the Notes be higher than the maximum rate permitted by applicable law.

Paying Agent, Transfer Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a “**Paying Agent**”) for the Notes in London. The initial Paying Agent will be The Bank of New York Mellon, London Branch (the “**Paying Agent**” or “**Principal Paying Agent**”).

The Issuer will also maintain a registrar (the “**Registrar**”) and one or more transfer agents (each, a “**Transfer Agent**”). The initial Registrar and the initial Transfer Agent will be The Bank of New York Mellon SA/NV, Dublin Branch. The Registrar will maintain a register reflecting ownership of the Notes in the form of Global Notes (as defined below) and definitive registered notes (the “**Definitive Registered Notes**”) outstanding from time to time and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Issuer.

The Issuer may change the Paying Agent, the Registrar or the Transfer Agent without prior written notice to the holders. For so long as the Notes are listed on the Official List of Euronext Dublin (“**Euronext Dublin**”) and admitted to trading on the Global Exchange Market and the rules of Euronext Dublin so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Ireland (which is expected to be the Irish Times) or, to the extent and in the manner permitted by such rules, post such notice on the official website of Euronext Dublin (www.ise.ie).

Transfer and Exchange

Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A under the US Securities Act (“**Rule 144A**”) will initially be represented by one or more global notes in registered form without interest coupons attached (the “**144A Global Note**”), and Notes sold outside the United States in reliance on Regulation S under the US Securities Act (“**Regulation S**”) will initially be represented by one or more global notes in registered form without interest coupons attached (the “**Regulation S Global Note**” and, together with the 144A Global Note, the “**Global Notes**”).

Ownership of interests in the Global Notes (the “**Book-Entry Interests**”) will be limited to persons that have accounts with DTC, Euroclear or Clearstream or Persons that may hold interests through direct or indirect participants therein. Ownership of Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “*Notice to Investors*”. In addition, transfers of Book-Entry Interests between participants in DTC, Euroclear or Clearstream will be effected by DTC, Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by DTC, Euroclear or Clearstream and their respective participants.

Book-Entry Interests in a 144A Global Note may be transferred to a person who takes delivery in the form of Book-Entry Interests in a Regulation S Global Note only upon delivery by the transferor of a written certification (in the form to be provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S.

Book-Entry Interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of Book-Entry Interests in a Rule 144A Global Note only upon delivery by the transferor of a written certification (in the form to be provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Notice to Investors*” and in accordance with any applicable securities laws of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates and other documentation required by the Indenture. It is expected that such instructions will be based upon

directions received by DTC, Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under “*Notice to Investors*”.

Subject to the restrictions on transfer referred to above, Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof, to persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish to the Registrar or the Transfer Agent (as applicable) appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at DTC, Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions, and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer or exchange.

Notwithstanding the foregoing, none of the Issuer, the Transfer Agent or the Registrar are required to register the transfer of any Definitive Registered Notes:

- (1) for a period of 15 days prior to any date fixed for the redemption of the Notes;
- (2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;
- (3) for a period of 15 days prior to the record date with respect to any interest payment date; or
- (4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

The Issuer, the Trustee, the Security Agent, the Transfer Agent, the Registrar and the Paying Agent will treat the registered holder of a Note as the owner of it for all purposes.

Additional Notes

From time to time, subject to the Issuer’s compliance with the covenants contained in the Indenture, including the covenants described under the headings “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” and “—*Certain Covenants—Liens*”, the Issuer will be permitted to issue additional Notes (“**Additional Notes**”) under the Indenture, which shall have terms substantially identical to the Notes issued on the Issue Date, except in respect of any of the following terms which shall be set forth in an Officer’s Certificate supplied to the Trustee:

- (1) the title of such Additional Notes;
- (2) the aggregate principal amount of such Additional Notes;
- (3) the date or dates on which such Additional Notes are to be issued;
- (4) the rate or rates at which such Additional Notes shall bear interest, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;
- (5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;
- (6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

- (7) if other than denominations of US\$200,000 and in integral multiples of US\$1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed; and
- (8) the ISIN, Common Code, CUSIP or other securities identification numbers, as applicable, with respect to such Additional Notes.

Unless the context otherwise requires, for all purposes of the Indenture and this Description of the Notes, references to “Notes” shall be deemed to include references to the Notes initially issued under the Indenture (the “**Initial Notes**”) as well as any Additional Notes. The Additional Notes will be treated as a single class of securities for all purposes of the Indenture, including, without limitation, with respect to waivers, amendments and all other matters which are not specially distinguished for such series, provided, however, that if any Additional Notes are not fungible with the Initial Notes (or, as applicable, Additional Notes of a different series) for U.S. federal income tax purposes, such Additional Notes shall have a separate CUSIP number, ISIN or other identifying number from the Initial Notes (or, as applicable, Additional Notes of a different series). Additional Notes may be designated to be of the same series as the Initial Notes (or, as applicable, Additional Notes of a different series), but only if they have terms substantially identical in all material respects to the Initial Notes (or, as applicable, such Additional Notes of a different series), in which case such Additional Notes shall be deemed to form one series with the Initial Notes (or, as applicable, Additional Notes of a different series) and references to such series of Notes shall be deemed to include the Initial Notes (or, as applicable, Additional Notes of a different series) as well any such Additional Notes.

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Notes (whether or not in the form of Definitive Registered Notes) or any of the Guarantors under or with respect to any Note Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Issuer or any Guarantor is then incorporated, organized, engaged in business for tax purposes or otherwise resident for tax purposes or any political subdivision thereof or therein or (2) any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a “**Tax Jurisdiction**”) will at any time be required to be made from any payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors under or with respect to any Note Guarantee, including, without limitation, payments of principal, redemption price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the “**Additional Amounts**”) as may be necessary in order that the net amounts received in respect of such payments by each holder of the Notes after such withholding, deduction or imposition (including any such withholding, deduction or imposition from such Additional Amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable with respect to:

- (1) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any actual or deemed (pursuant to applicable Tax law of the relevant Tax Jurisdiction) present or former connection between the holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, the relevant holder, if the relevant holder is an estate, nominee, trust, partnership, limited liability company or corporation) or the beneficial owner of the Notes and the relevant Tax Jurisdiction (including, without limitation, being or having been a citizen, resident or national of such jurisdiction or being or having been present or engaged in a trade or business therein or having had a permanent establishment therein for Tax purposes), other than acquisition or the holding of such Note, the enforcement of rights under such Note or under a Note Guarantee or the receipt of any payments in respect of such Note or a Note Guarantee;
- (2) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period);
- (3) any estate, inheritance, gift, sales, personal property, transfer or similar Taxes;

- (4) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or with respect to any Note Guarantee;
- (5) any Taxes, to the extent such Taxes were imposed or withheld by reason of the failure of the holder or beneficial owner of Notes to comply with any reasonable written request of the Issuer (or its agent) addressed to the holder or beneficial owner and made at least 60 days before any such withholding or deduction would be payable to satisfy any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to provide such certification or documentation;
- (6) any Taxes imposed on or with respect to any payment by the Issuer or the relevant Guarantor to the holder if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Note;
- (7) any Taxes, to the extent such Taxes were imposed or withheld pursuant to Section 1471(b) of the US Internal Revenue Code of 1986, as amended (the “Code”), or otherwise imposed or withheld pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any intergovernmental agreement, treaty or convention facilitating the implementation thereof (or any law, regulation, rules, practices or other official guidance implementing such an intergovernmental agreement, treaty or convention); or
- (8) any combination of items (1) through (7) above.

In addition to the foregoing, the Issuer and the Guarantors will also pay and indemnify the holder, the Trustee, the Paying Agent and the Security Agent for any present or future stamp, issue, registration, court or documentary Taxes, or any other excise or property Taxes, charges or similar levies (including penalties, interest and any other reasonable expenses related thereto) which are levied by any Tax Jurisdiction on the (i) execution, delivery, issuance, or registration of, or payment with respect to, any of the Notes, the Indenture, any Note Guarantee or any other document or instrument referred to therein (other than on or in connection with a transfer of the Notes that is not part of the initial resale of the Notes by the Initial Purchasers and, in the case of Taxes attributable to payments with respect to the Notes, other than Taxes that are excluded under clauses (1) through (3) and (5) through (8) above) or (ii) enforcement of any of the Notes or any Note Guarantee.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Note Guarantee, each of the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee (copied to the Paying Agent) on a date that is at least 10 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee (copied to the Paying Agent) reasonably promptly thereafter) an Officer’s Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer’s Certificate(s) must also set forth any other information necessary to enable the Paying Agent to pay such Additional Amounts to holders on the relevant payment date. The Issuer and the relevant Guarantor will provide the Trustee (copied to the Paying Agent) with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts. The Trustee and the Paying Agent shall be entitled to rely solely on such Officer’s Certificate as conclusive proof that such payments are necessary.

The Issuer or the relevant Guarantor will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity’s efforts to

obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity. Upon reasonable request, copies of Tax receipts or other evidence of payments, as the case may be, will be made available by the Trustee to the holders of the Notes.

Whenever in the Indenture or in this Description of Notes there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes or any Note Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated, organized, engaged in business for tax purposes, or otherwise resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the Notes (or any Note Guarantee) and any department or political subdivision thereof or therein.

Note Guarantees and SPV Guarantee

The Notes will be guaranteed by the Guarantors. On the Issue Date, the Guarantors will consist of (i) the Company, (ii) all of the Non-South African Subsidiary Guarantors other than Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC) (namely, Liquid Telecommunications DRC S.A., Liquid Telecommunications Limited, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Operations Limited and Liquid Telecommunications Zambia Limited); and (iii) all of the South African Subsidiary Guarantors (namely, Liquid Telecommunications Holdings South Africa (Pty) Ltd and Liquid Telecommunications South Africa (Pty) Ltd) (collectively, the “**Issue Date Guarantors**”), and within 120 days from the Issue Date (or such earlier date on which such entities become borrowers or guarantors under the Senior Facilities), subject to the Agreed Security Principles and certain limitations under applicable law and certain contractual limitations as described below, will also include two additional Non-South African Subsidiary Guarantors (namely, Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC)) (collectively, the “**Post-Issue Date Guarantors**”) and, together with the Issue Date Guarantors, the “**Guarantors**”).

The Note Guarantees of the Guarantors will be joint and several obligations of the Guarantors and will be full and unconditional guarantees of the Issuer’s obligations under the Notes as to the payment of principal, premium, if any, and interest, subject to the Agreed Security Principles and the contractual limitations discussed below. The Note Guarantees will rank *pari passu* with the Guarantors’ guarantee of the Senior Facilities.

The obligations of the Guarantors will be contractually limited under the applicable Note Guarantees to reflect limitations under the Agreed Security Principles and applicable law and conditions to regulatory consent with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal or regulatory restrictions applicable to the Guarantors and their respective shareholders, directors and general partners, including, in the case of the South African Guarantors, by the relevant approvals obtained from the Financial Surveillance Department of the South African Reserve Bank. The current SARB approval envisages up to \$300 million principal amount of Notes. In granting its pre-approval for the Guarantees to be granted by the South African Subsidiary Guarantors, the South African Reserve Bank stated that, should there be a claim in respect of their Note Guarantees, they must be notified thereof and that the claim may not exceed the net asset value of such Guarantor. For further description of such contractual limitations, see “—*Security—Agreed Security Principles*” and “*Certain Insolvency and Enforceability Considerations*.”

In addition to the Note Guarantees, in order to provide indirect security interests in the South African Collateral, the Security SPV has entered into a limited recourse South African law guarantee in favor of the holders of the Notes, the lenders under the Senior Facilities and the other secured parties under the Intercreditor Agreement (the “*SPV Guarantee*”). See “—*Security—Security SPV*.”

Release of the Note Guarantees

A Note Guarantee of a Subsidiary Guarantor will be automatically released and discharged without any further action by the Issuer, the relevant Subsidiary Guarantor or the Trustee and such Guarantor's obligations under the Note Guarantee and the Indenture will automatically terminate and be of no further force and effect:

- (1) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, provided that the sale or other disposition does not violate the "Asset Sales" provisions of the Indenture;
- (2) in connection with any sale or other disposition of Capital Stock of that Subsidiary Guarantor (or Capital Stock of any Parent Holdco of such Subsidiary Guarantor) (other than the Company or the Issuer) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, provided that the sale or other disposition does not violate the "Asset Sales" provisions of the Indenture and the Subsidiary Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;
- (3) if the Company designates any Restricted Subsidiary that is a Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;
- (4) pursuant to an enforcement action taken in accordance with the Intercreditor Agreement as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*" or any Additional Intercreditor Agreement;
- (5) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*";
- (6) upon the full and final payment of the Notes and performance of all Obligations of the Issuer and the Guarantors under the Indenture and the Notes;
- (7) as described under the caption "*—Amendment, Supplement and Waiver*";
- (8) if permitted by the terms of the Agreed Security Principles;
- (9) with respect to an additional Note Guarantee given under the covenant captioned "*—Certain Covenants—Additional Guarantees*", upon release of the guarantee that gave rise to the requirement to issue such additional guarantee so long as no Default or Event of Default would arise as a result thereof and no other Indebtedness that would give rise to an obligation to give an additional Note Guarantee is at that time guaranteed by the relevant Subsidiary Guarantor; and
- (10) as a result of a transaction permitted by "*—Certain Covenants—Merger, Consolidation or Sale of Assets*".

The Note Guarantees of the Company will be released in the circumstances described in clauses (4), (5), (6), (7), (8) and (10).

Upon any occurrence giving rise to a release of a Note Guarantee, as specified above and upon the Company's delivery to the Trustee of an Officer's Certificate and Opinion of Counsel certifying compliance with the applicable provisions as described above giving rise to such release, discharge and termination in respect of such Note Guarantee, the Trustee shall, at the request and expense of the Issuer or the Company, execute any documents reasonably requested in order to evidence such release, discharge and termination in respect of such Note Guarantee. Each of the release, discharge and termination set forth above shall be effected by the Trustee without any consent of the holders of the Notes or any other action or consent on the part of the Trustee. None of the Issuer, the Trustee or any Guarantor will be required to make a notation on the Notes to reflect any such release, discharge or termination.

Security

General

The Notes, the Guarantees and the Senior Facilities will be secured by the Collateral on a pari passu basis pursuant to the terms of the Intercreditor Agreement. Pursuant to the Intercreditor Agreement, proceeds from enforcement of the Collateral will be shared pro rata among the holders of the Notes and the lenders under the Senior Facilities. See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*” The Trustee (in its capacity as the trustee for the Notes) will accede to the Intercreditor Agreement on the Issue Date.

As with the Senior Facilities, the Notes and the Note Guarantees of the Company and the Subsidiary Guarantors will initially be secured by first-priority Liens over certain assets located outside of South Africa (the “**Issue Date Global Collateral**”), and within 120 days from the Issue Date (or such earlier date on which such security is granted in relation to the Senior Facilities), by certain other assets located outside of South Africa (the “**Post-Issue Date Global Collateral**” and, together, the “**Global Collateral**”). As with the Senior Facilities, the Note Guarantees of the Company and the South African Subsidiary Guarantors (and the Notes indirectly as a result) will also initially be secured by indirect security interests over certain assets located in South Africa by virtue of arrangements through the Security SPV (the “**South African Collateral**” and, together with the Global Collateral, the “**Collateral**”). See “—*Security SPV.*” Subject to the terms of the Indenture and the Intercreditor Agreement, certain other Indebtedness will be permitted to be secured by the Collateral now and in the future.

The Issue Date Global Collateral will (subject to the Agreed Security Principles, certain perfection requirements, Permitted Collateral Liens and limitations under applicable law) include the following properties and assets, which will be secured on a first-ranking basis:

- (1) English law share charge in respect of the shares owned by the Company in the Issuer and Liquid Telecommunications Limited;
- (2) English law security assignment agreement in respect of the Company’s present and future rights, title and interest in certain inter group agreements owing by any member of the Group and related rights;
- (3) English law debenture given by Liquid Telecommunications Limited and the Issuer;
- (4) Mauritian law share pledge in respect of the shares owned by Liquid Telecommunications (Jersey) Limited in the Company;
- (5) Mauritian law bank account pledge between the Company and the Security Agent in relation to the Company’s bank accounts;
- (6) Mauritian law share pledge in respect of the shares owned by the Company in Liquid Telecommunications Operations Limited;
- (7) Mauritian law floating charge over the present and future, movable and immovable, corporeal and incorporeal properties of the Company;
- (8) Mauritian law floating charge over the present and future, movable and immovable, corporeal and incorporeal properties of Liquid Telecommunications Operations Limited (together with (4), (5), (6) and (7), the “**Mauritius Security**”);
- (9) Kenyan law Memorandum of Deposit in respect of the shares in Liquid Telecommunications Kenya Limited;
- (10) Zambian law share charge in respect of the shares owned by the Company and Liquid Telecommunications Operations Limited in Liquid Telecommunications Zambia Limited;

- (11) Zambian law security assignment agreement in respect of the Company's and Liquid Telecommunications Operations Limited's present and future rights, title and interest in the receivables owed to Liquid Telecommunications Zambia Limited;
- (12) Zambian law floating charge entered into by Liquid Telecommunications Zambia Limited over the present and future assets of Liquid Telecommunications Zambia Limited; and
- (13) Democratic Republic of Congo law share pledge agreement in respect of the shares owned by the Company and Liquid Telecommunications Operations Limited in Liquid Telecommunications DRC S.A.

The Post-Issue Date Global Collateral will (subject to the Agreed Security Principles, certain perfection requirements, Permitted Collateral Liens and limitations under applicable law) include the following properties and assets, which will be secured on a first-ranking basis:

- (1) Democratic Republic of Congo law share pledge agreement in respect of the shares owned by the Company in Africa Digital Networks SASU (DRC);
- (2) Ugandan law share pledge in respect of the shares owned by the Company in Liquid Telecommunications Uganda Limited; and
- (3) Ugandan law floating debenture over all assets, movable and immovable, of Liquid Telecommunications Uganda Limited.

The South African Collateral will (subject to the Agreed Security Principles, certain perfection requirements, Permitted Collateral Liens and limitations under applicable law) include the following properties and assets, which will be secured on a first-ranking basis:

- (1) South African law pledge and cession over the shares and shareholder loan claims owned by the Company in Liquid Telecommunications Holdings South Africa (Pty) Ltd;
- (2) South African pledge and cession over all shares, securities and other ownership interests, all debt claims, all present and future claims (including trade debtors), investments, bank accounts, intellectual property rights, all insurances and other rights, of Liquid Telecommunications South Africa (Pty) Ltd;
- (3) South African pledge and cession over certain shares, securities and other ownership interests, all debt claims, all present and future claims (including trade debtors), investments, bank accounts and other rights of Liquid Telecommunications Holdings South Africa (Pty) Ltd;
- (4) South African deed of hypothecation over trademarks of Liquid Telecommunications South Africa (Pty) Ltd;
- (5) South African first-ranking mortgage bond over all immovable property of Liquid Telecommunications South Africa (Pty) Ltd;
- (6) South African first-ranking special notarial bond over certain movable assets of Liquid Telecommunications South Africa (Pty) Ltd; and
- (7) South African first-ranking general notarial bond over all movable assets of Liquid Telecommunications South Africa (Pty) Ltd.

The Global Collateral has been or will be granted pursuant to the relevant Security Documents in favor of the Security Agent on behalf of the creditors of the Secured Obligations (as defined in the Intercreditor Agreement). The South African Collateral is granted pursuant to the relevant Security Documents to the Security SPV to secure the obligations of the Company and the South African Subsidiary Guarantors under the Counter-Indemnity Agreement, which the Security SPV is entitled to enforce under those Security Documents under the exclusive direction of the Security Agent. The Collateral will be contractually limited to reflect limitations under the Agreed Security Principles and

applicable law and conditions applicable to regulatory consents with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal or regulatory restrictions applicable to the security providers and their respective shareholders, directors and general partners. For a description of such contractual limitations, see “—*Agreed Security Principles*” and “—*Certain Insolvency and Enforceability Considerations*.”

Under the Indenture, the Company and the Restricted Subsidiaries will be permitted to incur certain additional Indebtedness in the future which may share in the Collateral, including additional Permitted Collateral Liens securing Indebtedness on a *pari passu* basis with the Notes. The amount of such Permitted Collateral Liens will be limited by the covenants described under the captions “—*Certain Covenants—Liens*” and “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*.” Under certain circumstances, the amount of such additional Indebtedness secured by Permitted Collateral Liens could be significant.

The proceeds from the sale of the Collateral may not be sufficient to satisfy the obligations owed to the holders of the Notes and creditors of any other Indebtedness of the Company and its Restricted Subsidiaries. No appraisals of the Collateral have been made in connection with the Offering. By its nature, some or all of the Collateral is illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all. See “*Risk Factors—Risks Related to the Notes and the Guarantees—Not all of our subsidiaries will guarantee the Notes and the Notes and the Guarantees will be structurally subordinated to all claims of creditors of those subsidiaries that do not guarantee the Notes.*”

Security SPV

In order to provide indirect security interests in the South African Collateral, the Security SPV has entered into a limited recourse South African law guarantee in favor of the holders of the Notes, the lenders under the Senior Facilities and the other secured parties under the Intercreditor Agreement (the “**SPV Guarantee**”). The SPV Guarantee will guarantee the obligations of the Company and the South African Subsidiary Guarantors under their Note Guarantees, their obligations as borrowers or guarantors under the Senior Facilities and any other of their secured obligations for purposes of the Intercreditor Agreement, but the Security SPV’s obligations thereunder will be unsecured and recourse thereunder will be limited to amounts recovered by the Security SPV under a Counter-Indemnity Agreement between the Security SPV, on the one hand, and the Company and the South African Subsidiary Guarantors, on the other. Under the Counter-Indemnity Agreement, in turn, the Company and the South African Subsidiary Guarantors have agreed to jointly and severally indemnify the Security SPV and hold it harmless against any claims made against, liability of, or amounts that are paid or due or payable by the Security SPV under the SPV Guarantee, and such obligations of the Company and the South African Subsidiary Guarantors under the Counter-Indemnity Agreement are in turn secured by first-ranking security interests in the South African Collateral. Because the SPV Guarantee guarantees the obligations under the Note Guarantees of the South African Subsidiary Guarantors, the claims of secured parties under the SPV Guarantee are or will be limited by the relevant approvals obtained from the Financial Surveillance Department of the South African Reserve Bank in the same way as the Note Guarantees of the South African Subsidiary Guarantors are limited (see “—*Note Guarantees and SPV Guarantee*”). Further, the claims of the Security SPV under the Counter-Indemnity Agreement and the South African Collateral, to the extent these ultimately secure the claims under the guarantees by the South African Subsidiary Guarantors, are or will be limited in the same manner.

The Security SPV is a special purpose company incorporated under the laws of the Republic of South Africa. The Security SPV has no assets or operations, other than those related to the granting of the SPV Guarantee and the entry into the Counter-Indemnity Agreement, and will only be liable to make payments under the SPV Guarantee to the extent it is able to enforce its rights under the Counter-Indemnity Agreement or upon the security interests granted in respect thereof. The Security SPV has entered into the Intercreditor Agreement and is accordingly subject to the provisions therein governing, among other things, the enforcement of security interests in the South African Collateral. The Intercreditor Agreement provides that the Security Agent, acting upon instructions as set out therein has the exclusive authority to direct and instruct the Security SPV as to the enforcement of the security interests in the South African Collateral and as to the release of any security interests in the South African Collateral.

The SPV Guarantee and the Counter-Indemnity Agreement are each governed by South African law.

Agreed Security Principles

Notwithstanding the foregoing and the provisions of the covenant described below under “—*Certain Covenants—Additional Guarantees*,” certain property, rights and assets (other than the Collateral described above under “—*Security—General*”) may not be pledged, and any pledge over property, rights and assets may be limited (or the Liens not perfected), in accordance with the Agreed Security Principles. Pursuant to the Agreed Security Principles and/or the relevant limitations under the Indenture, a guarantee or security may not be given, or may be limited.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Senior Facilities Agreements and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance rules, corporate benefit rules, fraudulent preference rules, “thin capitalization” rules, capital maintenance rules, retention of title claims and similar matters, taking into account the economic cost to the Group of providing security and the proportionate benefit accruing to the Trustee and lenders under the Senior Facilities Agreement and having regard to the extent of the obligations which can be secured by that security and the priority that will be offered by taking or perfecting the security.

The following is a non-exhaustive summary of certain terms of the Agreed Security Principles, which include, among others:

- any assets subject to third party arrangements which are not prohibited by the Senior Syndicated Term Loan Facilities Agreement and which prevent those assets from being charged will be excluded from the charge in any relevant document entered into by any Debtor (as such term is defined in the Intercreditor Agreement) creating or expressed to create any Security over all or any part of its assets in respect of the Secured Obligations (as such term is defined in the Intercreditor Agreement), provided that reasonable endeavours to obtain consent to charging any such assets shall be used by the relevant Guarantor if the relevant asset is material;
- Guarantors will not be required to give guarantees or enter into security documents if that would conflict with the mandatory fiduciary duties of their or any Affiliates’ directors or contravene any legal prohibition or result in a risk of personal or criminal liability on the part of any officer or member of such company provided that the relevant Guarantor shall use reasonable endeavours to overcome any such obstacle;
- Guarantors will not be required to give guarantees or enter into security where there would be a significant tax or other cost or disadvantage in doing so, provided that the relevant Guarantor shall use reasonable endeavours to overcome any such obstacle;
- in the case of any joint venture, all guarantees and security will be limited to comply with restrictions in the applicable joint venture agreement. The Company will use reasonable endeavours to avoid or overcome such restrictions;
- perfection of security, when required, and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Senior Finance Documents (as defined in the Intercreditor Agreement) therefor or (if earlier or to the extent no such time periods are specified in the relevant senior finance documents) within the time periods specified by applicable law in order to ensure due perfection. The perfection of security granted will not be required if it could or is reasonably likely to have a Material Adverse Effect (as defined in the Senior Syndicated Term Loan Facilities Agreement) on the commercial reputation of the relevant Guarantor or on its ability to conduct its operations and business in the ordinary course as otherwise permitted by the relevant senior finance documents;
- access to the assets of a Guarantor, the maximum guaranteed or secured amount may be restricted or limited by guarantee limitation language agreed to reflect these principles and to the extent consistent with them, customary practice in the relevant jurisdiction to minimise stamp duty, notarisational, registration or other applicable fees where the economic benefit of increasing the guaranteed or secured amount is disproportionate to the level of such fee, taxes and duties or where registration, notarial or

other fees are payable by reference to the stated amount secured in which case, any asset security granted by that Guarantor shall be limited to the maximum recoverable amount under the guarantee;

- where a class of assets to be secured includes material and immaterial assets, if the cost of granting security over the immaterial assets is disproportionate to the benefit of such security, security will be granted over the material assets only;
- unless granted under a global security document governed by the law of the jurisdiction of a Guarantor or under English law all security (other than share security over its Guarantor subsidiaries) shall be governed by the law of and secure assets located in the jurisdiction of incorporation of that Guarantor;
- guarantee and security limitations may mean that access to the assets of a Guarantor is limited to the extent that registration, notarial or other fees are payable by reference to the stated amount secured in which case, any asset security granted by that Guarantor shall be limited to the maximum recoverable amount under the guarantee;
- no perfection action will be required in jurisdictions where Guarantors are not incorporated but perfection action may be required in the jurisdiction of incorporation of one Guarantor in relation to security granted by another Guarantor located in another jurisdiction;
- security over intellectual property rights will be taken on an “as is, where is” basis, and members of the Group will not be required to procure any changes to or corrections of filings on external registers;
- no security may be provided on terms which are inconsistent with the turnover or sharing provisions in the Intercreditor Agreement;
- the security will be first ranking, to the extent possible;
- security will not be enforceable until the occurrence of an Event of Default (as defined in the Senior Syndicated Term Loan Facilities Agreement) which is continuing;
- representations and undertakings shall only be included in each Security Document to the extent necessary or customary under local law to confirm authorisation, validity, enforceability, title to assets and any registration or perfection of the security (in each case in relation to the assets subject to the security) and shall not be repeated;
- the provisions of each Security Document will not be unduly burdensome on the Guarantor or interfere unreasonably with the operation of its business or have a material adverse effect on the commercial reputation of the Guarantor and will be limited to those required to create effective security and not impose commercial obligations;
- information, such as lists of assets, will be provided if and, only to the extent, required by local law to be provided to perfect or register the security and, that this information can be provided without breaching confidentiality requirements or materially damaging business relationships or commercial reputation and, unless required to be provided by local law more frequently, will be provided semi-annually (unless required more frequently under local law) or, following the occurrence of an Event of Default which is continuing, on the Security Agent’s reasonably request;
- the lenders under the Senior Syndicated Term Loan Facilities Agreement shall only be able to exercise a power of attorney following the occurrence of an Event of Default which is continuing or if the relevant Guarantor has failed to comply with a further assurance or perfection obligation within five Business Days of being notified of that failure (with a copy of that notice being sent to the Company) and being requested to comply;
- subject to the other provisions of these Agreed Security Principles, security will where possible and practical automatically create security over future assets of the same type as those already secured. Where local law requires supplemental pledges to be delivered in respect of future acquired assets, such

supplemental pledges shall, to the extent required in accordance with these Agreed Security Principles, be delivered in accordance with local law and local practice; and

- Security Documents shall not operate to extend (or apply different levels of materiality to) the clauses set out in this Agreement (or the Intercreditor Agreement) such as those relating to cost and expenses, indemnities, tax gross up, distribution of proceeds and release of security other than if expressly required by local law to perfect the Security or make it enforceable or to facilitate the admissibility of a Security Document in court.

The Agreed Security Principles also set out certain additional factors which will apply when determining the extent of the guarantees and the security to be provided and certain additional principles which will be reflected in any security taken.

The Liens on the Collateral are or will be limited as necessary to recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Security Documents

The Issuer, the Guarantors, the other security providers, the Security SPV and the Security Agent, as applicable, have entered (and, in certain jurisdictions, will enter) into Security Documents defining the terms of the Liens that secure the Notes, the Note Guarantees, the Counter-Indemnity Agreement and the other secured obligations that will be secured by the Collateral. Certain existing Security Documents that were previously entered into will generally remain in effect (with certain confirmations to be made in respect thereof, on or before the Issue Date). Subject to the terms of, and limitations under, the Security Documents, these Liens will secure the payment and performance when due of all of the obligations of the Issuer and the Guarantors under the Notes, the Indenture, the Note Guarantees, the Security Documents and the Counter-Indemnity Agreement.

The enforcement of the Security Documents will be subject to the procedures set forth in the Intercreditor Agreement and any Additional Intercreditor Agreement. For a description of the Intercreditor Agreement, see “*Description of Certain Financing Arrangements—Intercreditor Agreement.*”

There is some uncertainty under the laws of certain jurisdictions, as to whether trusts, including the security trust created pursuant to the Intercreditor Agreement, will be recognized and enforceable. To address this uncertainty about the enforceability of such trusts, a direct covenant to pay (the “**Parallel Debt**”) will be granted to the Security Agent by each debtor under the Intercreditor Agreement, including each Guarantor of the Notes and provider of security therefore. The Parallel Debt provision allows the Security Agent to act in its capacity as creditor of a parallel debt. The Parallel Debt provisions constitute a secured obligation for purposes of each Security Document securing the Notes and the other indebtedness secured subject to the Intercreditor Agreement. See “*Risk Factors—Risks Related to Our Structure—The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the relevant Notes. The Security Agent also has the benefit of a direct covenant to pay, or “parallel debt,” from each debtor who is a party to the Intercreditor Agreement, including each Guarantor. The ability of the Security Agent to enforce security interests over the Collateral may be restricted by applicable local laws.*”

Subject to the terms of the Indenture and the Security Documents, the Issuer, the Guarantors and the other security providers will have the right to remain in possession and retain exclusive control of the Collateral, to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

The Security Agent has entered (or, as applicable, will enter) into the Security Documents in its own name for the benefit of the applicable creditors under the Intercreditor Agreement (including, following the Trustee’s accession thereto as a Senior Secured Notes Trustee on the Issue Date, the Trustee and the holders of the Notes) and the Security SPV will enter into the Security Documents in its own name. Each holder, by accepting a Note, appoints the Security Agent as its agent under the Security Documents and authorizes it to act as such. Neither the Trustee nor the holders of the Notes may, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders of the Notes may only act through the Security Agent or the Trustee (as applicable).

The Security Agent will agree to any release of the security interest created by the Security Documents that is in accordance with the Indenture without requiring any consent of the holders of the Notes or any action on the part of the Trustee (unless action is required by it to effect such release). The Security Agent and the Trustee shall be entitled to request and rely solely upon an Officer's Certificate and Opinion of Counsel, each certifying which circumstance, as described above, giving rise to a release of the security interests has occurred, and that such release complies with the Indenture.

References herein to the enforcement or release of the Security Documents by the Security Agent encompass the Security Agent's instructing the Security SPV to enforce or release on the Security Documents and enforcement under the SPV Guarantee, in each case pursuant to the terms of the Intercreditor Agreement.

Release of Liens

The Issuer and the Guarantors will be entitled to the release of the Liens over the property and other assets constituting Collateral under any one or more of the following circumstances:

- (1) in connection with any sale, assignment, transfer, conveyance or other disposition of such property or assets constituting Collateral (other than a Lien on the Equity Interests of the Issuer) (i) to a Person that is not (either before or after giving effect to such transaction) the Company or any of its Restricted Subsidiaries, if the sale or other disposition does not violate the "Asset Sales" provisions of the Indenture or (ii) if such assets become subject to an equivalent Lien in favor of the Security Agent for the benefit of the holders of the Notes or in favor of the Security SPV to secure the Counter-Indemnity Agreement concurrent with such sale, assignment, transfer, conveyance or other disposition; provided that such sale, assignment, transfer, conveyance or other disposition of such property or assets is not prohibited by the Indenture;
- (2) in the case of a Subsidiary Guarantor that is released from its Note Guarantee pursuant to the terms of the Indenture, the release of the property and assets of such Guarantor;
- (3) if the Company designates any of its Restricted Subsidiaries (other than the Issuer) to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets of such Restricted Subsidiary;
- (4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*;"
- (5) pursuant to an enforcement action taken in accordance with the Intercreditor Agreement as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*;"
- (6) upon the full and final payment of the Notes and performance of all Obligations of the Issuer or the Guarantors, as applicable, under the Indenture and the Notes;
- (7) as described in the second paragraph under the caption "*—Certain Covenants—Limitation on Liens*;"
- (8) if permitted by the terms of the Agreed Security Principles;
- (9) as described under the caption "*—Amendment, Supplement and Waiver*;" and
- (10) in accordance with "*Certain Covenants—No Impairment of Security Interest*."

In addition to the foregoing, the SPV Guarantee may be released in accordance with clauses (4), (5), (6), (8), (9) or (10).

At the request and expense of the Issuer, the Security Agent and, to the extent reasonably requested, the Trustee (if required), subject to receipt of an Officer's Certificate and Opinion of Counsel, will take all necessary action required to effectuate any release of Collateral securing the Notes and the Note Guarantees, in accordance with the provisions

of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the holders of the Notes or any action on the part of the Trustee (unless action is required by it to effect such release). The Security Agent and, only to the extent any action is necessary or required by it to effect the release, the Trustee shall be entitled to request and rely solely upon an Officer's Certificate and Opinion of Counsel, each certifying which circumstance, as described above, giving rise to a release of the Security Interests has occurred, and that such release complies with the Indenture.

Intercreditor Agreement

To establish the relative rights of creditors under certain of our financing arrangements, the Issuer, each of the Guarantors and certain other subsidiaries of the Company entered into the Intercreditor Agreement with, among others, the Security Agent and the Security SPV. On the Issue Date, in connection with the issuance of the Notes, the Trustee will accede to the Intercreditor Agreement in its capacity as trustee for the Notes, following which, and subject to certain exceptions, any proceeds received upon any enforcement action over any Collateral will be applied *pro rata* in repayment of all obligations under the Indenture and the Notes, the Senior Facilities and any Indebtedness or Obligations permitted to be incurred and secured on a *pari passu* basis with the Notes and Note Guarantees pursuant to the Indenture and the Intercreditor Agreement. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

Subject to the provisions of the Indenture, the Company and its Restricted Subsidiaries may be able to incur significant amounts of additional Indebtedness in the future that may rank senior to the Notes and the Note Guarantees and be secured by security interests in the assets of the Company and its Restricted Subsidiaries that do not constitute Collateral, all of which would effectively rank senior to the Notes and the Note Guarantees.

The holders of the Notes and the Trustee have, and by accepting a Note, each holder will be deemed to have, appointed the Security Agent to act as its agent under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents. The holders of the Notes and the Trustee have, and by accepting a Note, each holder will be deemed to have, authorized the Security Agent to (a) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, together with any other incidental rights, power and discretions; and (b) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf, including, as to both (a) and (b), such actions performed indirectly through directing the actions of the Security SPV.

Optional Redemption

At any time prior to April 14, 2028, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of Notes issued under the Indenture, upon not less than 10 nor more than 60 days' prior written notice to the holders (with a copy to the Trustee), at a redemption price equal to 110.7500% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the date of redemption (subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of (i) any Public Equity Offering of the Company or (ii) any Equity Offering of any Parent Holdco of the Company, in the case of (i) and (ii) to the extent the proceeds from such Equity Offering are contributed to the Company's common equity capital or are paid to the Company as consideration for the issuance of ordinary shares of the Company or as Subordinated Shareholder Debt; *provided that*:

- (1) at least 60% of the aggregate principal amount of the Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 180 days of the date of the closing of such Equity Offering.

At any time prior to April 14, 2028, the Issuer may on any one or more occasions redeem all or a part of the Notes upon not less than 10 nor more than 60 days' prior written notice to the holders (with a copy to the Trustee), at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the date of redemption, subject to

the rights of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the preceding two paragraphs and except pursuant to “—*Optional Redemption for Taxation Reasons*”, or “—*Repurchase at the Option of Holders—Change of Control*”, the Notes will not be redeemable at the Issuer’s option prior to April 14, 2028.

On or after April 14, 2028, the Issuer may on any one or more occasions redeem all or a part of the Notes upon not less than 10 nor more than 60 days’ prior written notice to the holders of the Notes (with a copy to the Trustee), at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to, but excluding, the applicable date of redemption, if redeemed on or after the dates indicated below, subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

<u>Date</u>	<u>Redemption Price</u>
Commencing April 14, 2028	105.3750%
Commencing April 14, 2029	102.6875%
Commencing April 14, 2030 and thereafter	100.0000%

Notice of redemption will be provided as set forth under “—*Selection and Notice*” below.

If requested in writing by the Issuer, which request may be included in the applicable notice of redemption or pursuant to the applicable Officer’s Certificate, the Trustee or the Paying Agent (or such other entity directed, designated or appointed (as agent) by the Trustee, for this purpose) shall distribute any amounts deposited to the holders prior to the applicable redemption date, provided, however that holders of the Notes and Paying Agent shall have received at least five Business Days’ notice from the Issuer of such earlier repayment (which may be included in the notice of redemption). For the avoidance of doubt, the distribution and payment to holders prior to the applicable redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts. To the extent that the Notes are represented by a Global Note, any payment to the beneficial holders holding Book-Entry Interests as participants of such clearing system will be subject to the then applicable procedures of such clearing system. Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Any redemption and notice may, in the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent (including, without limitation, the incurrence of Indebtedness the proceeds of which will be used to redeem the Notes). In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, at the Issuer’s discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed; *provided that* in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs. In addition, such notice of redemption may be extended if such conditions precedent have not been satisfied or waived by the Issuer by notice to the holders of the Notes, with a copy to the Trustee, and the Issuer may provide in such notice that payment of the redemption or purchase price and performance of the Issuer’s obligations with respect to such redemption may be performed by another Person.

Notwithstanding the foregoing, in connection with any tender offer for the Notes (including any Change of Control Offer, Asset Sale Offer or Notes Offer) at a price of at least 100.0000% of the principal amount of the Notes tendered, plus accrued and unpaid interest thereon to, but excluding, the applicable tender settlement date, if holders of the Notes of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases, all of the Notes validly tendered and not withdrawn by such holders, the Issuer or (with the approval of the Issuer) such third-party will have the right upon not less than 10 nor more than 60 days’ notice, given not more than 30 days following such tender offer expiration date (as may be extended hereunder), to redeem the Notes that remain outstanding in whole, but not in part following such purchase at a price equal to the price offered to each other holder of the Notes in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, such redemption date. In determining whether the holders of at least 90%

of the aggregate principal amount of the then outstanding Notes have validly tendered and not validly withdrawn their Notes in a tender offer, Notes owned by the Issuer or its Affiliates or by funds controlled or managed by the Issuer or any Affiliate of the Issuer, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer.

Optional Redemption for Taxation Reasons

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 10 nor more than 60 days' prior written notice to the holders of the Notes with a copy to the Trustee (which notice will be given in accordance with the procedures described in "*—Selection and Notice*"), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to (but excluding) the date fixed by the Issuer for redemption (a "**Tax Redemption Date**") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes, the Issuer is or would be required to pay Additional Amounts, and the Issuer cannot avoid any such payment obligation by taking reasonable measures available to it, and the requirement arises as a result of:

- (1) any amendment to, or change in, the laws or treaties or any regulations or rulings promulgated thereunder of a relevant Tax Jurisdiction which change or amendment (i) has not been announced, enacted or promulgated prior to and (ii) becomes effective on or after, in each case, the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date); or
- (2) any amendment to, or change in, an official written position, regarding the interpretation, administration or application of such laws, regulations, treaties or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change becomes announced and effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date) (each of the foregoing clauses (1) and (2), a "**Change in Tax Law**").

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer would be obligated to make such payment or withholding if a payment in respect of the Notes was then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the delivery or, where relevant, mailing of any notice of redemption of the Notes pursuant to the Indenture, the Issuer will deliver to the Trustee and the Principal Paying Agent (a) an Officer's Certificate stating that obligation to pay such Additional Amounts cannot be avoided by the Issuer taking reasonable measures available to it; and (b) a written opinion of independent tax counsel to the Issuer of recognized standing qualified under the laws of the relevant Tax Jurisdiction and reasonably satisfactory to the Trustee (the confirmation of which is not to be unreasonably withheld or delayed) to the effect that the Issuer has or will become obligated to pay such Additional Amounts as a result of a Change in Tax Law.

The Trustee and the Principal Paying Agent will accept and shall be entitled to conclusively rely on such Officer's Certificate and Opinion of Counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, without liability or further inquiry, in which event it will be conclusive and binding on the holders of the Notes. The foregoing provisions will apply *mutatis mutandis* to the laws and official positions of any jurisdiction in which any successor to the Issuer is organized or otherwise considered to be a resident for tax purposes or any political subdivision or taxing authority or agency thereof or therein. The foregoing provisions will survive any termination, defeasance or discharge of the Indenture.

Mandatory Redemption

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Issuer to repurchase all or any part (in integral multiples of US\$1,000; *provided* that Notes of US\$200,000 or less may only be redeemed in whole and not in part) of that holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase (the "**Change of Control Payment**"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control, the Issuer will mail a notice to each holder, with a copy to the Trustee, of the Notes at such holder's registered address or otherwise deliver a notice in accordance with the procedures described under "*—Selection and Notice*", stating that a Change of Control Offer is being made and offering to repurchase Notes on the date (the "**Change of Control Payment Date**") specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with a Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered and not withdrawn; and
- (3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The Paying Agent will promptly mail (or cause to be delivered) to each holder of Notes properly tendered and not withdrawn the Change of Control Payment for such Notes, and the Trustee (or an authentication agent approved by it, upon receipt of an authentication order from the Issuer) will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control apply whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The ability of the Issuer to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would constitute a "change of control" mandatory prepayment event under the Senior Facilities. In addition, certain events that may constitute a change of control under the Senior Facilities may not constitute a Change of Control under the Indenture. Future Indebtedness (including the Senior Facilities) of the Company and its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Accordingly, prior to complying with any of the provisions of this "*Change of Control*" covenant, the Issuer will need to either repay all such Indebtedness or obtain the requisite consents, if any, under all agreements governing such outstanding Indebtedness to permit the repurchase of Notes required by this covenant. Moreover, the exercise by the holders of the Notes of their right to require the Issuer to repurchase the Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company and its Subsidiaries. Finally, the ability of the Issuer to pay cash to the holders of the Notes, and any other Indebtedness then becoming payable, upon a repurchase may be limited by its then existing financial resources. The Issuer will depend upon the Company and the Restricted Subsidiaries that are the main operating subsidiaries of the Group and, as such, will be subject to their then existing financial resources. There can be no assurance that

sufficient funds will be available when necessary to make any required repurchases. See “*Risk Factors—Risks Relating to the Notes and the Guarantees— We may not be able to finance an offer to repurchase the Notes upon a change of control, and the occurrence of certain important corporate events will not constitute a change of control.*” and “*Risk Factors—Risks Relating to the Notes and the Guarantors— Drawings under the Senior Facilities and any future variable interest rate debt we incur in the future will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow.*”

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) an unconditional notice of redemption has been given pursuant to the Indenture as described above under the caption “—*Optional Redemption*”, or all conditions to redemption have been satisfied or waived, unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, provided a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of “all or substantially all” of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase “substantially all”, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions under the Indenture relating to the Issuer’s obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in outstanding aggregate principal amount of the Notes prior to the occurrence of the Change of Control.

If and for so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market and the rules of Euronext Dublin so require, the Issuer will publish notices relating to the Change of Control Offer in a leading newspaper of general circulation in Ireland (which is expected to be The Irish Times) or, to the extent and in the manner permitted by such rules, post such notices on the official website of Euronext Dublin (www.ise.ie).

The Issuer will comply with the requirements of Rule 14e-1 under the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”) and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

Asset Sales

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

- (1) the Company and/or any of its Restricted Subsidiaries receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (as determined in good faith by an Officer or the Board of Directors of the Company at the time of contracting such Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of; and
- (2) at least 75% of the consideration received in the Asset Sale by the Company and/or such Restricted Subsidiaries is in the form of (a) cash; or (b) Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

- (a) any liabilities, as recorded on the balance sheet of the Company or any Restricted Subsidiary (other than contingent liabilities), that are assumed by the transferee of any such assets and as a result of which the Company and its Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities;
- (b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion;
- (c) any Capital Stock or assets of the kind referred to in clauses (3), (5) or (6) of the next paragraph of this covenant;
- (d) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Company and each Restricted Subsidiary are released from any guarantee of such Indebtedness in connection with such Asset Sale;
- (e) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Company or any Restricted Subsidiary that is cancelled;
- (f) accounts receivable of a business retained by the Company or any Restricted Subsidiary, as the case may be, following the sale of such business; and
- (g) any Designated Non-Cash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Sales having an aggregate Fair Market Value, when taken together with all other Designated Non-Cash Consideration received pursuant to this clause (g) that is at that time outstanding, not to exceed the greater of US\$45.0 million and 2.8% of Total Assets of the Company, measured at the time of the receipt of such Designated Non-Cash Consideration (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

Within 365 days after the receipt of any Net Proceeds from such Asset Sale, the Company and/or any of its Restricted Subsidiaries may apply such Net Proceeds or other cash in lieu thereof (which, to the extent applied in lieu thereof, shall also be deemed to reduce Net Proceeds) (at the option of the Company) to:

- (1) (a) prepay, repay, purchase (including through open market purchases, voluntary tender offers or privately negotiated transactions at market prices) or redeem any Indebtedness incurred under clauses (1) and (20) of the second paragraph of the covenant described under “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”; (b) unless included in (1)(a), prepay, repay, purchase (including through open market purchases, voluntary tender offers or privately negotiated transactions at market prices) or redeem Pari Passu Indebtedness that is secured by a Lien on the Collateral which ranks pari passu with the Liens securing the Notes and the Note Guarantees, as applicable, at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness, plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption (or, if applicable, at such other price as may be required by the terms of such Pari Passu Indebtedness); provided that the Issuer shall redeem, repay or repurchase Pari Passu Indebtedness that is Public Debt pursuant to this clause (b) only if the Issuer makes (at such time or subsequently in compliance with this covenant) an offer to all holders of the Notes to purchase their Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) (a “**Notes Offer**”) on a pro rata basis with any such Pari Passu Indebtedness, that is Public Debt, so redeemed, repaid or repurchased; (c) with respect to assets of a Restricted Subsidiary that is not the Issuer or a Guarantor, prepay, repay, repurchase or redeem (including through open market purchases, voluntary tender offers or privately negotiated transactions at market prices) any of its Indebtedness; or (d) prepay, repay, repurchase or redeem

any Indebtedness that is secured on any asset which security does not also secure the Notes on a pari passu or senior basis (in each case other than Subordinated Obligations of the Issuer or a Guarantor or Indebtedness owed to the Company or any Restricted Subsidiary);

- (2) purchase Notes pursuant to a Notes Offer, pursuant to the “Optional Redemption” provisions of the Indenture or through open market purchases or privately negotiated transactions at market prices;
- (3) acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;
- (4) make a capital expenditure;
- (5) acquire other assets (other than Capital Stock) not classified as current assets under IFRS that are used or useful in a Permitted Business;
- (6) invest in any Replacement Assets;
- (7) enter into a commitment approved by the Board of Directors or otherwise binding on the Company to apply any portion of the amount of Net Proceeds pursuant to clause (3), (4), (5) or (6) of this paragraph; provided that such commitment shall be treated as a permitted application of such amount of Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 365 day period; or
- (8) any combination of the foregoing.

Pending the final application of any unapplied amount of Net Proceeds, the Company (and/or the applicable Restricted Subsidiaries) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute “*Excess Proceeds*”. When the aggregate amount of Excess Proceeds exceeds US\$20.0 million, within ten Business Days thereof, or at any earlier time at the Issuer’s election, the Issuer will make an offer (an “**Asset Sale Offer**”) to all holders of Notes and may, to the extent the Issuer so elects, make an offer to holders of Pari Passu Indebtedness to purchase, prepay or redeem with the proceeds of sales of assets the maximum principal amount of Notes and such other Pari Passu Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Asset Sale Offer will be equal to (i) solely in the case of the Notes, 100% of the principal amount of the Notes, which shall be repurchased in integral multiples of US\$1,000; *provided* that Notes of US\$200,000 or less may only be redeemed in whole and not in part; and (ii) solely in the case of any other Pari Passu Indebtedness, no greater than 100% of the principal amount, plus, in the case of (i) and (ii), accrued and unpaid interest and, in the case of (i), Additional Amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company and its Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other Pari Passu Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, or if the aggregate principal amount of Notes tendered pursuant to an Asset Sale Offer that is an application of Net Proceeds pursuant to clause (1) of the second paragraph of this covenant exceeds the amount of the Net Proceeds so applied the Trustee or the Registrar, as applicable, will select the Notes and such other Pari Passu Indebtedness, if applicable, to be purchased on a *pro rata* basis (or in the manner described under “—*Selection and Notice*”), based on the amounts tendered or required to be prepaid or redeemed in integral multiples of US\$1,000; *provided* that Notes of US\$200,000 or less may only be redeemed in whole and not in part. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero. Neither the Trustee nor the Registrar shall be liable for any selections made by it in accordance with this paragraph.

The Issuer will comply with the requirements of Rule 14e-1 under the US Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer or a Notes Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sales provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sales provisions of the Indenture by virtue of such compliance.

Selection and Notice

In the event that any Global Note (or any portion thereof) is redeemed, DTC, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book Entry Interests will be equal to the amount received by DTC, Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof).

Under the existing practices of DTC, Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, DTC, Euroclear or Clearstream will credit their respective participants' accounts on a pro rata basis (such as by way of a pool factor), by lot or on such other basis as they deem fair and appropriate and in accordance with the applicable procedures of DTC, Euroclear and Clearstream, subject to certain other conditions. If the Notes are not held through DTC, Euroclear and Clearstream, the Notes will be selected for redemption on a *pro rata* basis, subject to adjustments. Neither the Trustee, the Paying Agent or the Registrar shall be liable for any selections made by it in accordance with this paragraph.

No Notes of US\$200,000 or less can be redeemed in part. Notices of redemption will be delivered or mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be delivered or mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge pursuant to the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Notes. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

For Notes which are represented by global notes held on behalf of DTC, Euroclear or Clearstream, notices may be given by delivery of the relevant notices to DTC, Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market and the rules of Euronext Dublin so require, any such notice to the holders of the relevant Notes shall also be published in a newspaper having a general circulation in Ireland (which is expected to be The Irish Times) or, to the extent and in the manner permitted by such rules, posted on the official website of Euronext Dublin (www.ise.ie) and, in connection with any redemption, the Issuer will notify Euronext Dublin of any change in the principal amount of Notes outstanding. To the extent that the mandatory rules and procedures of the applicable depository conflict with the Indenture, any notice and selection will be deemed to satisfy the Indenture if it complies with the mandatory rules and procedures of the applicable depository.

Notes Repurchases

The Issuer and its Affiliates may at any time and from time to time purchase Notes. Any such purchases may be made through open market or privately negotiated transactions with third parties or pursuant to one or more tender or exchange offers or otherwise, upon such terms and at such prices as well as with such consideration as the Issuer or any such Affiliates may determine.

Certain Covenants

Restricted Payments

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

- (1) declare or pay any dividend or make any other payment or distribution on account of the Company's Equity Interests or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as holders (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock or Designated Preference Shares) of the Company and other than dividends or distributions payable to the Company or a Restricted Subsidiary);
- (2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any Parent Holdco of the Company;
- (3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Obligations (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except (i) at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or scheduled maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition;
- (4) make any payment (except through capitalization) on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt; or
- (5) make any Restricted Investment,

(all such payments and other actions set forth in these clauses (1) through (5) above being collectively referred to as "**Restricted Payments**"), unless, at the time of any such Restricted Payment:

- (a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;
- (b) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four consecutive fiscal quarters, have been permitted to incur at least US\$1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described below under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*"; and
- (c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (17) and (19) of the next succeeding paragraph), is less than the sum, without duplication, of:
 - (i) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the fiscal quarter commencing immediately prior to the Issue Date to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); plus
 - (ii) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities or other property received by the Company since the Issue Date as a

contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock, Excluded Contributions and Designated Preference Shares) or from the issue or sale of convertible or exchangeable Disqualified Stock of the Company or convertible or exchangeable debt securities of the Company, in each case that have been converted into or exchanged for Equity Interests of the Company (other than Equity Interests (or Disqualified Stock, Designated Preference Shares or debt securities) sold to a Subsidiary of the Company) or from the issuance or sale of Subordinated Shareholder Debt (other than an issuance or sale to a Subsidiary of the Company); plus

- (iii) to the extent that any Restricted Investment that was made after the Issue Date is (a) sold, disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of the property and marketable securities or other property received by the Company or any Restricted Subsidiary, or (b) made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the Fair Market Value of the Restricted Investment of the Company and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; plus
- (iv) to the extent that any Unrestricted Subsidiary of the Company designated as such after the Issue Date is redesignated as a Restricted Subsidiary or is merged or consolidated into the Company or a Restricted Subsidiary, or all of the assets of such Unrestricted Subsidiary are transferred to the Company or a Restricted Subsidiary, the Fair Market Value of the property received by the Company or Restricted Subsidiary or the Company's Restricted Investment in such Subsidiary as of the date of such redesignation, merger, consolidation or transfer of assets, to the extent such investments reduced the Restricted Payments capacity under this clause (c) and were not previously repaid or otherwise reduced; plus
- (v) 100% of any dividends or distributions received by the Company or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary or Restricted Investment, to the extent that such dividends or distributions were not otherwise included in the Consolidated Net Income of the Company for such period; plus
- (vi) upon the full and unconditional release of a Restricted Investment that is a guarantee made by the Company or one of its Restricted Subsidiaries to any Person, an amount equal to the amount of such guarantee.

The preceding provisions will not prohibit any of the following (collectively, "**Permitted Payments**"):

- (1) the payment of any dividend or the consummation of any redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the Indenture;
- (2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock, Designated Preference Shares or Excluded Contributions), Subordinated Shareholder Debt or from the substantially concurrent contribution of common equity capital to the Company; provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph and will not be considered to be net cash proceeds from an Equity Offering for the purposes of the "Optional Redemption" provisions of the Indenture;

- (3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations made in exchange for, or out of the proceeds of a substantially concurrent incurrence of, Permitted Refinancing Indebtedness;
- (4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations:
 - (i) (a) from Net Proceeds to the extent permitted under the covenant described under the caption “—*Repurchase at the Option of Holders—Asset Sales*”, but only if the Issuer shall have first complied with the terms described under such covenant and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing, or otherwise acquiring or retiring such Subordinated Obligations and (b) at a purchase price not greater than 100% of the principal amount of such Subordinated Obligations plus accrued and unpaid interest;
 - (ii) to the extent required by the agreement governing such Subordinated Obligations, following the occurrence of a Change of Control (or other similar event described therein as a “change of control”), but only (a) if the Issuer shall have first complied with the terms described under the covenant described under the caption “—*Repurchase at the Option of Holders—Change of Control*” and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Obligations and (b) a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or
 - (iii) (a) consisting of Acquired Debt (other than Indebtedness incurred (1) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (2) otherwise in connection with or contemplation of such acquisition) and (b) at a purchase price not greater than 100% of the principal amount of such Subordinated Obligations plus accrued and unpaid interest and any premium required by the terms of any Acquired Debt;
- (5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company, a Restricted Subsidiary or any Parent Holdco held by any current or former officer, director, employee or consultant of the Company or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders’ agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed US\$2.0 million per annum (with unused amounts in any calendar year being carried over to the next succeeding calendar year subject to a maximum unused amount of US\$4.0 million in the aggregate); and provided, further, that such amount in any calendar year may be increased by an amount not to exceed the cash proceeds from the sale of Equity Interests of the Company, a Restricted Subsidiary or any Parent Holdco received by the Company or a Restricted Subsidiary during such calendar year, in each case to members of management, directors or consultants of the Company, any Parent Holdco of the Company or any of its Restricted Subsidiaries to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (c)(ii) of the preceding paragraph or clause (2) of this paragraph and are not Excluded Contributions;
- (6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options;
- (7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any preferred stock of any Restricted Subsidiary

issued on or after the Issue Date in accordance with the covenant described below under the caption “—*Incurrence of Indebtedness and Issuance of Preferred Stock*”;

- (8) payments of cash, dividends, distributions, advances or other Restricted Payments by the Company or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (a) the exercise of options or warrants or (b) the conversion or exchange of Capital Stock of any such Person;
- (9) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Company, a Restricted Subsidiary or any Parent Holdco to pay for the purchase or other acquisition for value of Equity Interests of the Company (other than Disqualified Stock or Designated Preference Shares) or any Parent Holdco, or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan, employee benefit trust or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Equity Interests of the Company or any Parent Holdco (other than Disqualified Stock or Designated Preference Shares); provided that the total aggregate amount of Restricted Payments made under this clause (9) does not exceed US\$5.0 million at any one time outstanding;
- (10) payments or distributions to dissenting shareholders pursuant to applicable law in connection with or contemplation of a merger, amalgamation, consolidation or transfer of assets that complies with the provisions of the Notes relating to mergers, amalgamations, consolidations or transfers of substantially all of a Guarantor’s assets;
- (11) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests (other than the Company or any Restricted Subsidiary) then entitled to participate in such dividends on a *pro rata* basis (or no better than *pro rata* basis) or otherwise in compliance with the terms of the instruments governing such Equity Interests;
- (12) dividends, loans, advances or distributions to any Parent Holdco or other payments by the Company or any Restricted Subsidiary in an amount equal to (without duplication) (a) the amounts required to make Permitted Parent Payments; or (b) amounts constituting or to be used for purposes of making payments (i) as disclosed in the Offering Memorandum under the caption “*Use of Proceeds*” on or after the Issue Date; or (ii) to the extent specified in clauses (1), (4), (5) and (10) of the second paragraph under “—*Transactions with Affiliates*”;
- (13) Restricted Payments that are made with Excluded Contributions;
- (14) so long as no Default or Event of Default has occurred and is continuing, the payment of (i) Management Fees and (ii) the declaration of dividends solely related to payment of Management Fees under the preceding clause (i) to the extent disavowed, foregone or declined and not paid;
- (15) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; provided, however, that, the amount of all dividends declared or paid pursuant to this clause (15) shall not exceed the net proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution) of the Company or contributed as Subordinated Shareholder Debt to the Company, as applicable, from the issuance or sale of such Designated Preference Shares;
- (16) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the declaration and payment by the Company of, or loans, advances, dividends or distributions to pay, dividends on the Capital Stock of the Company or a Parent Holdco of the Company following a Public Equity Offering that results in a Public Market of the Capital Stock of the Company or a

Parent Holdco of the Company, in an amount per annum not to exceed the greater of (a) 6.0% of the net cash proceeds received by the Company from such Public Equity Offering or contributed to the equity (other than through the issuance of Disqualified Stock or through an Excluded Contribution) of the Company or loaned as Subordinated Shareholder Debt to the Company; provided, that if such Public Equity Offering was of Capital Stock of a Parent Holdco of the Company, the net proceeds of any such or loans, advances, dividends or distributions are used to fund a corresponding dividend in equal or greater amount on the Capital Stock of such Parent Holdco; and (b) 6.0% of the Market Capitalization of the Company (or such Parent Holdco of the Company); provided that in the case of clause (b) of this paragraph, after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio of the Company and its Restricted Subsidiaries shall be equal to or less than 3.0 to 1.0;

- (17) payment of Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;
- (18) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed the greater of US\$40.0 million and 2.5% of Total Assets of the Company; and
- (19) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of any South African Restricted Subsidiary pursuant to transactions in connection with the B-BBEE Act.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. Unsecured Indebtedness shall not be deemed to be subordinate or junior to secured Indebtedness by virtue of its nature as unsecured Indebtedness.

For purposes of determining compliance with this covenant, in the event that any Restricted Payment or Investment (or portion thereof) meets the criteria of more than one of the categories of Permitted Payments described in clauses (1) through (19) of the second paragraph of this covenant, and/or is permitted pursuant to the first paragraph of this covenant and/or one or more of the clauses contained in the definition of “Permitted Investment,” the Issuer will be entitled to classify such Restricted Payment or Investment (or portion thereof) on the date of its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant, including as an Investment pursuant to one of more clauses contained in the definition of “Permitted Investment”. For the avoidance of doubt, any Restricted Payment permitted under this covenant may be made in the form of a loan.

Incurrence of Indebtedness and Issuance of Preferred Stock

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, “**incur**”) any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however*, that the Company may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock and the Issuer and any Restricted Subsidiary may incur Indebtedness (including Acquired Debt) or issue preferred stock, if on the date on which such additional Indebtedness is incurred or such Disqualified Stock or preferred stock is issued, as the case may be, the Consolidated Leverage Ratio would not exceed 3.3 to 1.0, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom) as if the additional Indebtedness had been incurred or the Disqualified Stock or preferred stock had been issued on such date.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, “**Permitted Debt**”):

- (1) the incurrence by the Company or any Restricted Subsidiary of Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding not to exceed the greater of (x) US\$465.0 million and (y) 29.0% of Total Assets of the Company, plus in the case of any refinancing

of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

- (2) Indebtedness outstanding on the Issue Date after giving pro forma effect to the Transactions and the use of the net proceeds thereof (other than any such Indebtedness that is deemed to be incurred under clauses (1) and (3) of this paragraph pursuant to the allocation provisions set out below);
- (3) the incurrence by the Issuer and the Guarantors of Indebtedness represented by the Notes (other than Additional Notes), the related Note Guarantees (including any future Note Guarantees) and any related “parallel debt” obligations under the Intercreditor Agreement;
- (4) the incurrence by the Company or any Restricted Subsidiary of Indebtedness: (a) representing Capital Lease Obligations, mortgage financings or purchase money obligations or other Indebtedness incurred for the purpose of financing all or any part of the purchase price, lease expense, rental payments or cost of design, construction, installation or improvement of property, plant or equipment or other assets (including Capital Stock) used in the business of the Company or any of its Restricted Subsidiaries, in an aggregate principal amount at any one time outstanding not to exceed the greater of US\$35.0 million and 2.2% of Total Assets of the Company, plus in the case of any refinancing of any Indebtedness permitted under this clause (4)(a) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing; (b) arising out of Sale/Leaseback Transactions; or (c) representing Residual ECG Leases;
- (5) the incurrence by the Company or any Restricted Subsidiary of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) incurred under the first paragraph of this covenant or clauses (2), (3), (5) or (12) of this paragraph;
- (6) the incurrence by the Company or any Restricted Subsidiary of intercompany Indebtedness between or among the Company or any Restricted Subsidiary; *provided that*:
 - (a) if the Issuer or any Guarantor is the obligor on such Indebtedness and the obligee is not the Issuer or a Guarantor, such Indebtedness must be unsecured and ((i) except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Company and its Restricted Subsidiaries and (ii) otherwise, only to the extent legally permitted (the Company and its Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness)) expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Issuer, or the Note Guarantee, in the case of a Guarantor; and
 - (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);
- (7) the issuance by any Restricted Subsidiary to the Company or to any of its Restricted Subsidiaries of preferred stock; *provided that*:
 - (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Company or a Restricted Subsidiary; and

- (b) any sale or other transfer of any such preferred stock to a Person that is not either the Company or a Restricted Subsidiary,

will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);

- (8) the incurrence by the Company or any Restricted Subsidiary of Hedging Obligations not for speculative purposes (as determined in good faith by an Officer or the Board of Directors of the Company);
- (9) the guarantee by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this covenant; provided that if the Indebtedness being guaranteed is subordinated to or pari passu with the Notes or a Note Guarantee, then the guarantee must be subordinated or pari passu, as applicable, to the same extent as the Indebtedness guaranteed;
- (10) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, captive insurance companies, bankers' acceptances, performance and surety bonds in the ordinary course of business;
- (11) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within 30 Business Days;
- (12) Indebtedness (a) of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary (other than Indebtedness incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise merged, consolidated, amalgamated or otherwise combined with the Company or a Restricted Subsidiary or otherwise in connection with, or in contemplation of, such acquisition ("**Target-Level Financing**")) or (b) the Issuer or any Restricted Subsidiary incurred in relation to any such acquisition, merger, consolidation, amalgamation or combination or that represents Target-Level Financing; provided, however, with respect to this clause (12), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was incurred or deemed to be incurred (x) the Company would have been able to incur US\$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the incurrence of such Indebtedness pursuant to this clause (12) calculated on a pro forma basis or (y) the Consolidated Leverage Ratio would be equal to or less than the Consolidated Leverage Ratio immediately prior to giving effect to such acquisition or other transaction on a pro forma basis;
- (13) Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for customary indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Equity Interests of a Subsidiary; provided that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by (or held in escrow as collateral for such Indebtedness for later release to) the Company and its Restricted Subsidiaries in connection with such disposition;
- (14) Indebtedness of the Company and its Restricted Subsidiaries in respect of (a) letters of credit, surety, performance or appeal bonds, completion guarantees, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments issued in the ordinary course of business of such Person or in respect of any governmental requirement and not in connection with the borrowing of

money, including letters of credit or similar instruments in respect of self-insurance and workers compensation obligations, and (b) any customary cash management, cash pooling or netting or setting off arrangements, including customary credit card facilities, entered into in the ordinary course of business; provided, however, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing;

(15)

- (a) Indebtedness represented by customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business;
- (b) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries; and
- (c) Indebtedness incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables, in each case incurred or undertaken in the ordinary course of business;

(16) Indebtedness of the Issuer and the Guarantors in an aggregate outstanding principal amount which, when taken together with any Permitted Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness incurred pursuant to this clause (16) and then outstanding, will not exceed 100% of the net proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary of the Company) of its Subordinated Shareholder Debt or Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; provided, however, that (i) any such net proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (2), (5) and (16) of the second paragraph of the covenant described above under “—*Restricted Payments*” to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any net proceeds that are so received or contributed shall be excluded for purposes of incurring Indebtedness pursuant to this clause (16) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (2), (5) and (16) of the second paragraph of the covenant described above under the caption “—*Restricted Payments*” in reliance thereon;

(17) guarantees by the Company or any Restricted Subsidiary granted to any trustee of any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust scheme approved by the Board of Directors of the Issuer, so long as the proceeds of the Indebtedness so guaranteed are used to purchase Equity Interests of the Company (other than Disqualified Stock); provided that the amount of any net cash proceeds from the sale of such Equity Interests of the Company will be excluded from clause (c)(ii) of the first paragraph of the covenant described above under the caption “—*Restricted Payments*” and will not be considered to be net cash proceeds from an Equity Offering for purposes of the “Optional Redemption” provisions of the Indenture;

(18) Indebtedness under daylight borrowing facilities incurred in connection with any refinancing of Indebtedness (including by way of set-off or exchange); provided that the principal amount of such Indebtedness does not exceed the principal amount of the Indebtedness being refinanced and the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing, so long as any such Indebtedness is repaid within three days of the date on which such Indebtedness is incurred;

- (19) Indebtedness incurred in a Qualified Receivables Financing; and
- (20) the incurrence of Indebtedness by the Company or any of its Restricted Subsidiaries in an aggregate principal amount at any time outstanding, including all Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (20), not to exceed the greater of US\$60 million or 3.8% of Total Assets of the Company at any time outstanding.

Notwithstanding the foregoing, the aggregate principal amount of Priority Indebtedness incurred in reliance on the first paragraph of this covenant or clauses (1), (12)(b), or (20) of the second paragraph of this covenant (including Priority Indebtedness outstanding thereunder on the Issue Date after giving pro forma effect to the Transactions and the use of the net proceeds thereof) permitted to be outstanding at any time will not exceed the greater of US\$150 million and 9.4% of the Total Assets of the Company (measured at the time of incurrence).

For purposes of determining compliance with this “Incurrence of Indebtedness and Issuance of Preferred Stock” covenant:

- (1) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (20) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses and will be permitted on the date of such incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant; *provided* that (a) any Indebtedness outstanding under the Senior Syndicated Facilities on the Issue Date will be deemed to have been incurred under clause (1) above and may not be reclassified pursuant to this paragraph and (b) unless the Company decides, in its sole discretion, to classify and/or reclassify the relevant Indebtedness or a portion thereof in a different manner pursuant to the foregoing and except as provided in the foregoing clause (a), any Indebtedness incurred as Permitted Debt pursuant to the second paragraph of this covenant shall be deemed to have been reclassified to and incurred under the first paragraph of this covenant from the first date on which such Indebtedness could have been incurred thereunder without reliance on the permissions included in the second paragraph of this covenant (and on which, in the case of secured Indebtedness, such reclassification into the first paragraph of this covenant can be affected in compliance with the definition of Permitted Collateral Liens or Permitted Liens or clause (1)(b) of the first paragraph of the covenant described below under “*Liens*”);
- (2) guarantees of, or obligations in respect of letters of credit, bankers’ acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (3) if obligations in respect of letters of credit, bankers’ acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as incurred pursuant to the first or second paragraph above and the letters of credit, bankers’ acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;
- (4) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and
- (5) notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness incurred to refinance Indebtedness initially incurred in reliance on any clause of the second paragraph of this covenant measured by reference to a percentage of Total Assets, if such refinancing would cause the percentage of Total Asset restriction to be exceeded if calculated based on the percentage of Total Assets at the time of such refinancing, such percentage of Total Assets restriction shall not be deemed to be exceeded so long as the principal amount of the refinancing Indebtedness does not

exceed the principal amount of such Indebtedness being refinanced, plus the aggregate amount of accrued and unpaid interest and the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing.

The accrual of interest or preferred stock dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, the payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock, the reclassification of commitments or obligations not previously treated as Indebtedness due to a change in IFRS, or any remeasurement or revaluation under IFRS of previously incurred lease liabilities will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this covenant.

For purposes of determining compliance with the Consolidated Leverage Ratio, the US dollar equivalent principal amount of Indebtedness denominated in a different currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, or at the option of the Company, the date first committed, in the case of Indebtedness incurred under Credit Facilities; *provided*, that (i) if such Indebtedness denominated in currency other than US dollars is subject to a Currency Exchange Protection Agreement with respect to US dollars the amount of such Indebtedness expressed in US dollars will be calculated so as to take account of the effects of such Currency Exchange Protection Agreement; and (ii) the US dollar equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date.

The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the US dollar equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except that to the extent that:

- (1) such US dollar equivalent was determined based on a Currency Exchange Protection Agreement, in which case the refinancing Indebtedness will be determined in accordance with the preceding paragraph; or
- (2) the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the US dollar equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

- (1) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with IFRS;
- (2) the principal amount of the Indebtedness, in the case of any other Indebtedness;
- (3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:
 - (a) the Fair Market Value of such assets at the date of determination; and
 - (b) the amount of the Indebtedness of the other Person;
- (4) any “parallel debt” obligation relating to Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included; and
- (5) the principal amount of any Disqualified Stock of the Company or preferred stock of a Restricted Subsidiary, which will be equal to the greater of the maximum mandatory redemption or repurchase

price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof.

Anti-Layering

Neither the Issuer nor any Guarantor will incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee on substantially identical (or more favorable) terms; *provided, however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely (1) by virtue of being unsecured, (2) by virtue of being secured with different collateral, (3) by virtue of being secured on a junior priority basis, (4) by virtue of not being guaranteed or (5) by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness under Credit Facilities or pursuant to any intercreditor agreement or arrangement.

Liens

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien (an “**Initial Lien**”) of any kind securing Indebtedness upon any of their property or assets, now owned or hereafter acquired, except (1) in the case of any property or asset that does not constitute Collateral, (a) Permitted Liens; or (b) if such Lien is not a Permitted Lien, to the extent that all obligations due under the Indenture, the Notes and the Note Guarantees are, in each case, secured on an equal and ratable basis or on a priority basis with the obligations secured by the Initial Lien (and on a priority basis if such obligations secured by the Initial Lien are subordinated in right of payment to either the Notes or any Note Guarantee); and (2) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created under clause (1)(b) of the preceding paragraph in favor of the holders of Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates and (ii) otherwise as set forth under “—*Security—Release of Liens.*”

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Company or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any Restricted Subsidiary;
- (2) make loans or advances to the Company or any Restricted Subsidiary; or
- (3) sell, lease or transfer any of its properties or assets (except for tax assets) to the Company or any Restricted Subsidiary,

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness incurred by the Company or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) any agreements or instruments with respect to the Company or any Restricted Subsidiary in effect or entered into on the Issue Date (including the Senior Facilities, the Security Documents, the SPV Guarantee and the Intercreditor Agreement) and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements referred to in this clause (1); *provided* that the amendments, restatements, modifications, renewals, supplements,

refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date (as determined in good faith by an Officer or the Board of Directors of the Company) or would not, in the good faith determination of an Officer or the Board of Directors of the Company, materially impair the ability of the Issuer to make payments on the Notes;

- (2) the Indenture, the Notes, the Note Guarantees, the Senior Facilities Agreement, the Security Documents, the SPV Guarantee, the Intercreditor Agreement and any Additional Intercreditor Agreement and other agreements and instruments ancillary thereto;
- (3) agreements governing other Indebtedness permitted to be incurred under the provisions of the covenant described above under the caption “—*Incurrence of Indebtedness and Issuance of Preferred Stock*” and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that the restrictions therein (a) are not materially less favorable to the holders of the Notes than is customary in comparable financings (as determined in good faith by an Officer or the Board of Directors of the Company); or (b) would not, in the good faith determination of an Officer or the Board of Directors of the Company, materially impair the ability of the Issuer to make payments on the Notes;
- (4) applicable law, rule, regulation or order or the terms of any license, authorization, concession or permit;
- (5) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;
- (6) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;
- (7) any encumbrance or restriction:
 - (a) entered into in the ordinary course of business that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;
 - (b) contained in mortgages, pledges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges or other security agreements; or
 - (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;
- (8) any agreement for the sale or other disposition of the Capital Stock or all or substantially all of the property and assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;
- (9) Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced as determined in good faith by an Officer or the Board of Directors of the Company or would not in the good faith determination of an Officer or the Board of Directors of the Company, materially

impair the ability of the Issuer to make payments on the Notes or comply with its obligations under the Intercreditor Agreement;

- (10) Liens permitted to be incurred under the provisions of the covenant described above under the caption “—*Liens*” that limit the right of the debtor to dispose of the assets subject to such Liens;
- (11) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;
- (12) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;
- (13) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of an Officer or the Board of Directors of the Company, are necessary or advisable to effect such Qualified Receivables Financing;
- (14) any encumbrance or restriction pursuant to or ancillary to Hedging Obligations; or
- (15) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (14), or in this clause (15); provided that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced or would not in the good faith determination of an Officer or the Board of Directors of the Company, materially impair the ability of the Issuer to make payments on the Notes.

Merger, Consolidation or Sale of Assets

The Company

The Company will not (a) consolidate or merge with or into another Person (whether or not it is the surviving Person) or (b) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties and assets in one or more related transactions, to another Person, unless:

- (1) either: (a) the Company is the surviving Person; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of an Approved Jurisdiction;
- (2) the Person formed by or surviving any such consolidation or merger with the Company (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Company under its Note Guarantee, the Security Documents (to which the Company is a party), the Intercreditor Agreement (including any Additional Intercreditor Agreement) and the Indenture pursuant to a supplemental indenture and, if applicable, any Additional Intercreditor Agreement;
- (3) immediately after such transaction, no Default or Event of Default exists;
- (4) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four consecutive fiscal quarter period (a) be permitted to incur at least US\$1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described above under the caption “—

Incurrence of Indebtedness and Issuance of Preferred Stock” or (b) have a Consolidated Leverage Ratio not greater than it was immediately prior to giving effect to such transaction; and

- (5) the Company delivers to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officer’s Certificate and Opinion of Counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this covenant and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture and the Company’s Note Guarantee constitute legal, valid and binding obligations of the Company, or the Person formed by or surviving any such consolidation or merger (as applicable) enforceable in accordance with their terms; provided that in giving an Opinion of Counsel, counsel may rely on an Officer’s Certificate as to any matters of fact. The Trustee will be entitled to conclusively rely upon such Officer’s Certificate and Opinion of Counsel, without independent verification.

The Issuer

The Issuer will not (1) consolidate or merge with or into another Person (whether or not it is the surviving Person) or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties and assets in one or more related transactions, to another Person, unless:

- (1) either: (a) the Issuer is the surviving Person; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of an Approved Jurisdiction;
- (2) the Person formed by or surviving any such consolidation or merger with the Issuer (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Issuer under the Notes, the Indenture, the Security Documents to which it is a party, the Intercreditor Agreement and any Additional Intercreditor Agreement pursuant to a supplemental indenture and, if applicable, any Additional Intercreditor Agreement or any other relevant documents;
- (3) immediately after such transaction, no Default or Event of Default exists;
- (4) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four consecutive fiscal quarter period (a) be permitted to incur at least US\$1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described above under the caption “—*Incurrence of Indebtedness and Issuance of Preferred Stock*” or (b) have a Consolidated Leverage Ratio equal to or greater than it was immediately prior to giving effect to such transaction; and
- (5) the Company delivers to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officer’s Certificate and Opinion of Counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this covenant and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture and the Notes constitute legal, valid and binding obligations of the Issuer, or the Person formed by or surviving any such consolidation or merger (as applicable) enforceable in accordance with their terms; provided that in giving an Opinion of Counsel, counsel may rely on an Officer’s Certificate as to any matters of fact. The Trustee will be entitled to conclusively rely upon such Officer’s Certificate and Opinion of Counsel, without independent verification.

Subsidiary Guarantors

A Subsidiary Guarantor (other than a Guarantor whose Note Guarantee is to be released in accordance with the terms of the Note Guarantee and the Indenture as described under “—*The Note Guarantees*”) will not, directly or indirectly:

(1) consolidate or merge with or into another Person (whether or not such Guarantor is the surviving corporation) or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Subsidiary Guarantor and its Subsidiaries that are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person (other than the Company, the Issuer or another Subsidiary Guarantor), unless:

- (1) either:
 - (a) such Subsidiary Guarantor is the surviving Person; or
 - (b) the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of such Subsidiary Guarantor under its Note Guarantee, the Security Documents to which such Subsidiary Guarantor was a party, the Counter-Indemnity Agreement (if applicable) and the Indenture pursuant to a supplemental indenture and, if applicable, any Additional Intercreditor Agreement or any other relevant documents;
- (2) immediately after giving pro forma effect to such transaction or transactions (and treating any Indebtedness which becomes an obligation of the surviving Person as a result of such transaction as having been incurred by the surviving Person at the time of such transaction or transactions), no Default or Event of Default exists; and
- (3) the Company delivers to the Trustee an Officer's Certificate and Opinion of Counsel, in each case, stating that such consolidation or merger and such supplemental indenture (if any) comply with this covenant and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture, the Note Guarantee and the Counter-Indemnity Agreement, if applicable, constitute legal, valid and binding obligations of the Subsidiary Guarantor or the Person formed by or surviving any such consolidation or merger (as applicable) enforceable in accordance with their terms; provided that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact. The Trustee will be entitled to conclusively rely upon such Officer's Certificate and Opinion of Counsel, without independent verification.

In addition, none of the Company, the Issuer or any Subsidiary Guarantor will, directly or indirectly, lease all or substantially all of the properties and assets of it and its Subsidiaries which are Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

General

This "*Merger, Consolidation or Sale of Assets*" covenant will not apply to (a) any consolidation or merger of any Restricted Subsidiary that is not a Guarantor or the Issuer with and into the Issuer or a Guarantor; (b) any consolidation or merger of a Subsidiary Guarantor with or into a Restricted Subsidiary that is not a Guarantor or the Issuer in order to comply with any law, rule or regulation from a regulatory authority having jurisdiction over the Company or any of its Restricted Subsidiaries; (c) any consolidation or merger of any Subsidiary Guarantor with or into the Company, the Issuer or any other Subsidiary Guarantor; or (d) any consolidation or merger of the Company with or into the Issuer or any other Guarantor; *provided* that, in each case, clauses (2) and (5) of the first and second paragraphs of this covenant will be complied with. Clauses (3) and (4) of the first and second paragraphs and clause (2) of the third paragraph of this covenant will not apply to any merger or consolidation of the Company or any Guarantor with or into an Affiliate solely for the purpose of reincorporating the Company or such Guarantor in another jurisdiction.

Transactions with Affiliates

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any services) with any Affiliate of the Company (any such transaction or series of related transactions being, an "**Affiliate Transaction**") involving aggregate value in excess of US\$5.0 million, unless:

- (1) the Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person;
- (2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate value in excess of US\$10.0 million, a resolution of the Board of Directors of the Company confirms that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company; provided, that, in the event that there are no disinterested members of the Board of Directors with respect to any such Affiliated Transaction or series of related Affiliate Transactions involving aggregate value in excess of US\$10.0 million, clause (3) of this paragraph shall apply with respect thereto; and, in addition; and
- (3) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate value in excess of US\$25.0 million or as described in the proviso to clause (2) of this paragraph, a written opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of related transactions is (i) fair from a financial point of view or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

- (1) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent Holdco, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;
- (2) transactions between or among the Company and/or its Restricted Subsidiaries;
- (3) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate;
- (4) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries;
- (5) the execution, delivery and performance (without duplication of any Permitted Parent Payments) of any Tax Sharing Agreement or any arrangement pursuant to which the Company or any of its Restricted Subsidiaries is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;
- (6) any Restricted Payment that is permitted pursuant to the covenant described above under the caption "*—Restricted Payments*" (other than pursuant to clause (12)(b)(ii) of the second paragraph of the covenant described under "*—Restricted Payments*");

- (7) any Permitted Investment (other than Permitted Investments described in clauses (3), (10) or (15) of the definition thereof);
- (8) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Debt; provided that the interest rate and other financial terms of such Subordinated Shareholder Debt are approved by a majority of the members of the Board of Directors of the Company in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Debt made in compliance with the other provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable;
- (9) transactions pursuant to, or contemplated by any agreement in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement, so long as such amendment, modification or extension, taken as a whole, is not materially more disadvantageous to the holders of the Notes than the original agreement as in effect on the Issue Date;
- (10) the payment of Management Fees;
- (11) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Company or the Restricted Subsidiaries, as determined in good faith by an Officer or the Board of Directors of the Company, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;
- (12) transactions, agreements or other arrangements with customers, suppliers, contractors, lessors or sellers of goods or services that are negotiated with an Affiliate or any Parent Holdco, in each case, which are otherwise in compliance with the terms of the Indenture; provided that the terms and conditions of any such transaction, agreement or other arrangement as applicable to the Company and its Restricted Subsidiaries (a) are fair to the Company and its Restricted Subsidiaries and are on terms no less favorable to the Company and its Restricted Subsidiaries than those that could have reasonably been obtained in respect of an analogous transaction or agreement that would not constitute an Affiliate Transaction (in each case, as determined in good faith by an Officer or the Board of Directors of the Company), (b) the performance by the Company and any of its Restricted Subsidiaries in respect of any such arrangements are for its own behalf and in its own name and (c) the Company and its Restricted Subsidiaries do not assume, and are otherwise not liable for any performance or breach in respect of, any such arrangements by the relevant Affiliate;
- (13) any participation in a rights offer or public tender or exchange offer for publicly-held securities or debt instruments issued by the Company or any of its Restricted Subsidiaries that are conducted on arm's length terms and provide for the same price or exchange ratio, as the case may be, to all holders accepting such rights, tender or exchange offer;
- (14) transactions between the Company or any Restricted Subsidiary and any other Person that would constitute an Affiliate Transaction solely because a director of such other Person is also a director of the Company or any Parent Holdco of the Company; provided, however, that such director abstains from voting as a director of the Company or such Parent Holdco, as the case may be, on any matter including such other Person; and
- (15) any transaction effected as part of a Qualified Receivables Financing.

Additional Guarantees

The Company will not cause or permit any of its Restricted Subsidiaries that is not a Guarantor or the Issuer, directly or indirectly, to guarantee the payment of, assume or in any manner become liable with respect to any other

Indebtedness of the Issuer or a Guarantor incurred under Credit Facilities in excess of US\$10.0 million or that constitutes Public Debt unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the guarantee of the payment of the Notes by such Restricted Subsidiary, which Note Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's guarantee of such other Indebtedness.

Notwithstanding the foregoing paragraph in this covenant:

- (1) the Note Guarantee by such Restricted Subsidiary may be limited in amount to the extent such Note Guarantee may reasonably be expected to give rise to or result in (a) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (b) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (c) any material cost, expense, liability or obligation (including with respect to any Taxes but excluding any obligation under the Note Guarantee itself) that cannot be avoided by reasonable measures available to the Company other than reasonable out of pocket expenses (but, in such a case each of the Company and the Restricted Subsidiaries will use their reasonable best efforts to overcome the relevant legal limit and will procure that the relevant Restricted Subsidiary undertakes all whitewash or similar procedures which are legally available to eliminate the relevant limit), or otherwise limited as set forth in the Agreed Security Principles;
- (2) for so long as it is not permissible under applicable law or regulation for a Restricted Subsidiary to become a Guarantor, such Restricted Subsidiary need not become a Guarantor (but, in such a case, each of the Company and the Restricted Subsidiaries will use their reasonable best efforts to overcome the relevant legal prohibition precluding the giving of the Note Guarantee and will procure that the relevant Restricted Subsidiary undertakes all whitewash or similar procedures which are legally available to eliminate the relevant legal prohibition, and shall give such Note Guarantee at such time (and to the extent) that it thereafter becomes permissible); and
- (3) This covenant shall not be applicable to any guarantees by any Restricted Subsidiary:
 - (a) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary (or any Permitted Refinancing thereof); or
 - (b) given to a bank or trust company having, at the time such guarantee was given, combined capital and surplus and undivided profits of not less than US\$500 million and whose debt has a rating of at least "A" or the equivalent thereof by S&P and at least "A2" or the equivalent thereof by Moody's in connection with the operation of cash management programs established for the Company's benefit or that of any Restricted Subsidiary.

No Impairment of Security Interests

Global Collateral

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing the security interest with respect to the Global Collateral (it being understood that the incurrence of Liens on the Global Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Global Collateral) for the benefit of the Trustee and the holders of the Notes, and the Company will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents and the Intercreditor Agreement, any interest whatsoever in any of the Global Collateral; *provided* that (a) nothing in this provision will restrict the discharge or release of the Global Collateral in accordance with the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement

and (b) the Company and its Restricted Subsidiaries may incur Permitted Collateral Liens; and *provided further, however*, that, no Security Document with respect to the Global Collateral may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification or renewal, the Company delivers to the Trustee and the Security Agent one of the following: (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Trustee confirming the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification or replacement; (2) a certificate from the Board of Directors or chief financial officer of the Company (acting in good faith), substantially in the form set forth as an exhibit to the Indenture, that confirms the solvency of the Person granting such Lien after giving effect to any transaction related to such amendment, extension, renewal, restatement, replacement, supplement, modification or release or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens securing the Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified or replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, and that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement.

In the event that the Company complies with this covenant, the Trustee and the Security Agent, as applicable, shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification or replacement with no need for instructions from holders of the Notes.

South African Collateral

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing the security interest with respect to the South African Collateral (it being understood that the incurrence of Liens on the South African Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the South African Collateral) for the benefit of the Security SPV to secure the Counter-Indemnity Agreement, and the Company will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Security SPV, to secure the Counter-Indemnity Agreement and the secured obligations described in the Security Documents and the Intercreditor Agreement, any interest whatsoever in any of the South African Collateral; *provided* that (a) nothing in this provision will restrict the discharge or release of the South African Collateral in accordance with the Indenture, the Security Documents, the Counter-Indemnity Agreement, the Intercreditor Agreement and any Additional Intercreditor Agreement and (b) the Company and its Restricted Subsidiaries may incur Permitted Collateral Liens; and *provided further, however*, that, none of the Security Documents, with respect to the South African Collateral the SPV Guarantee or the Counter-Indemnity Agreement may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification or renewal, the Company delivers to the Trustee and the Security Agent one of the following: (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Trustee confirming the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification or replacement; (2) a certificate from the Board of Directors or chief financial officer of the Company (acting in good faith), substantially in the form set forth as an exhibit to the Indenture, that confirms the solvency of the Person granting such Lien after giving effect to any transaction related to such amendment, extension, renewal, restatement, replacement, supplement, modification or release or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens securing the Notes created under the Security Documents, the SPV Guarantee or the Counter-Indemnity Agreement, as applicable, so amended, extended, renewed, restated, supplemented, modified or replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, and that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement.

In the event that the Company complies with this covenant, the Security SPV, the Security Agent and the Trustee, as applicable, shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification or replacement with no need for instructions from holders of the Notes.

Collateral

The Company will, and will procure that each of its Subsidiaries will, at its own expense, execute and do all such acts and things and provide such assurances as the Security Agent may reasonably require (1) for registering any Security Documents in any required register and for perfecting or protecting the security intended to be afforded by such Security Documents; and (2) if such Security Documents have become enforceable, for facilitating the realization of all or any part of the assets which are subject to such Security Documents and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of those assets. The Company will, and will procure that each of its Subsidiaries will, execute all transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give all notices, orders and directions which the Security Agent may reasonably request.

At the request of the Company, subject to delivery of an Officer's Certificate and an Opinion of Counsel to the Trustee and the Security Agent and without the consent of any holder of Notes, the Issuer, the Company, the Guarantors, the Trustee, the Security Agent and the Security SPV (as applicable and to the extent each is a party to the relevant document) may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) (but subject to compliance with "*No Impairment of Security Interests*" above) provide for Permitted Collateral Liens; (iii) add to the Collateral; (iv) comply with the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement; (v) evidence the succession of another Person to the Issuer or Guarantor, as applicable, and the assumption by such successor of the obligations under the Indenture, the Notes and the Security Documents, in each case, in accordance with the covenant described above under the caption "*Merger, Consolidation or Sale of Assets*"; (vi) provide for the release of property and assets constituting Collateral from the Lien created pursuant to the Security Documents, the release of a Note Guarantee and/or the release of the SPV Guarantee, in each case, in accordance with (and if permitted by) the terms of the Indenture; (vii) conform the Security Documents to this Description of Notes; (viii) evidence and provide for the acceptance of the appointment of a successor Trustee or Security SPV; or (ix) make any other change thereto that does not adversely affect the rights of the holders of Notes in any material respect.

Limitation on Issuer Activities

Notwithstanding anything contained in the Indenture to the contrary, the Company will not permit the Issuer to, and the Issuer will not, engage in any business activity or undertake any other activity, except:

- (1) any activity relating to the offering, issuance and servicing, purchase, redemption, refinancing or retirement of the Notes or other Indebtedness permitted by the terms of the Indenture (and the application of the proceeds therefrom) or performance of the terms and conditions of such Indebtedness, to the extent such activities are otherwise permissible under the Indenture, the lending or otherwise advancing the proceeds of such Indebtedness as contemplated in this Offering Memorandum and any other activities in connection therewith and the granting of Liens permitted pursuant to the covenant described above under the caption "*Liens*";
- (2) any activity undertaken with the purpose of, and directly related to, exercising any rights and fulfilling any obligations arising under (a) the Notes, the Indenture, the Security Documents, the Senior Facilities, the Intercreditor Agreement and any Additional Intercreditor Agreement and any other document (including, without limitation, any purchase agreement) relating to the Notes or Note Guarantees (including Additional Notes issued in accordance with the Indenture) or (b) any document governing Indebtedness permitted to be incurred by the terms of the Indenture or any other document (including, without limitation, any security or guarantee documents or any purchase agreement) entered into in connection with the incurrence of such Indebtedness;
- (3) any activity related to owning Equity Interests in LTIL;

- (4) any activity related to investing amounts received by the Issuer in such manner not otherwise prohibited by the Indenture;
- (5) any activity related or incidental to the establishment and/or maintenance of the Issuer's corporate existence or involving the provision of administrative services;
- (6) related to the ownership of cash and Cash Equivalents;
- (7) any activity reasonably related to the foregoing;
- (8) related to consummating the Transactions; or
- (9) other activities not specifically enumerated above that are de minimis in nature.

The Company will not permit the Issuer to, and the Issuer shall not:

- (1) issue any Equity Interests other than the issuance of its ordinary shares to the Company (other than directors' qualifying shares or shares (or Capital Stock) required by applicable law to be held by a Person other than the Company);
- (2) merge, consolidate, amalgamate or otherwise combine with or into another Person (whether or not the Issuer is the surviving corporation) other than as permitted by the covenant under the caption "*—Merger, Consolidation or Sale of Assets*";
- (3) other than in connection with the incurrence of a Permitted Collateral Lien or Permitted Lien, sell, assign, transfer, lease, convey or otherwise dispose of any material property or assets to any Person in one or more related transactions; or
- (4) create, incur, assume or suffer to exist any Lien in respect of borrowed money of any kind against or upon any of its property or assets, or any proceeds therefrom, except for Liens to secure the payment or performance of the Notes or other Liens securing Indebtedness of the Issuer which are not prohibited under the Indenture.

The Company shall cause the Issuer to, and the Issuer shall, at all times remain a Wholly-Owned Restricted Subsidiary of the Company (other than directors' qualifying shares or shares (or Capital Stock) required by applicable law to be held by a Person other than the Company).

For so long as any Notes are outstanding, the Company will not, and will not permit any of its Restricted Subsidiaries to, commence or take any action to facilitate a winding-up, liquidation or other analogous proceeding in respect of the Issuer.

Limitation on LTIL Activities

Notwithstanding anything contained in the Indenture to the contrary, the Company and the Issuer will not permit LTIL to, and LTIL will not, engage in any business activity or undertake any other activity, except any activity:

- (1) related or reasonably incidental to the establishment and/or maintenance of LTIL's corporate existence;
- (2) related to the ownership of cash and Cash Equivalents;
- (3) reasonably related to the foregoing; or
- (4) not specifically enumerated above that is de minimis in nature.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Company may designate any Restricted Subsidiary (other than the Issuer) to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption “—*Restricted Payments*” or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Company’s Board of Directors giving effect to such designation and an Officer’s Certificate certifying that such designation complies with the preceding conditions and was permitted by the covenant described above under the caption “—*Restricted Payments*”. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption “—*Incurrence of Indebtedness and Issuance of Preferred Stock*”, the Company will be in default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption “—*Incurrence of Indebtedness and Issuance of Preferred Stock*”, calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

Payments for Consent

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Notwithstanding the foregoing, the Company and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes, to exclude holders in any jurisdiction or any category of holders of Notes where (1) the solicitation of such consent, waiver or amendment, including in connection with any tender offer or exchange offer, or the payment of the consideration therefor could reasonably be interpreted as requiring the Company or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws or listing requirements (including, but not limited to, the United States federal securities laws and the laws of the European Union (or any of its member states) or the United Kingdom), which the Company in its sole discretion determines (acting in good faith) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction); or (2) such solicitation would otherwise not be permitted under applicable law in such jurisdiction or with respect to such category of holders of Notes.

Maintenance of Listing

The Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on the Official List of Euronext Dublin for so long as such Notes are outstanding; provided that if at any time the Issuer determines that it will not maintain such listing, it will obtain prior to the delisting of the Notes from Euronext Dublin, and thereafter use its best efforts to maintain, a listing of such Notes on another “recognised stock exchange” as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

Reports

For so long as any Notes are outstanding, the Company will furnish to the Trustee and the holders of the Notes the following reports:

- (1) within 120 days after the end of the Company's fiscal year, annual reports containing the following information: (a) audited consolidated balance sheet of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) pro forma income statement and balance sheet information of the Company (which need not comply with Article 11 of Regulation S-X under the US Exchange Act), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year to which such annual report relates (unless such pro forma information has been provided in a previous report pursuant to clause (2) or (3) below (provided that such pro forma financial information will be provided only to the extent available without unreasonable expense, in which case, the Company will provide, in the case of a material acquisition, acquired company financial statements)); (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, a discussion of financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (d) a description of the business, management and shareholders of the Company, material affiliate transactions and material debt instruments; and (e) material risk factors and material recent developments;
- (2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of the Company, quarterly reports containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the quarterly and year to date periods ending on the unaudited condensed balance sheet date, and the comparable prior year periods for the Company, together with condensed footnote disclosure; (b) pro forma income statement and balance sheet information of the Company (which need not comply with Article 11 of Regulation S-X under the US Exchange Act), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter to which such quarterly report relates (provided that such pro forma financial information will be provided only to the extent available without unreasonable expense, in which case, the Company will provide, in the case of a material acquisition, acquired company financial statements); (c) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated financial condition and results of operations of the Company, and any material change between the current quarterly period and the corresponding period of the prior year; and (d) material recent developments; and
- (3) promptly after the occurrence of any material acquisition, disposition or restructuring of the Company and the Restricted Subsidiaries, taken as a whole, or any changes of the Chief Executive Officer or Chief Financial Officer at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

In addition, if the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries and such Subsidiaries are Significant Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

All financial statements will be prepared in accordance with IFRS. Except as provided for above, no report need include separate financial statements for the Company or Subsidiaries of the Company or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum.

If the due date for any report set forth in clauses (1) and (2) above is not a Business Day, the Company or other reporting entity permitted under this covenant will be entitled to provide such report on the next succeeding Business Day.

Subject to the concluding sentence of this paragraph, substantially concurrently with the issuance to the Trustee and the holders of the Notes of the reports specified in (1), (2) and (3) above, the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable availability of such reports to holders (as determined by an Officer or the Board of Directors of the Company in good faith) or (b) to the extent an Officer or the Board of Directors of the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the holders and, upon their request, prospective purchasers of the Notes. Notwithstanding the foregoing, the Company will be deemed to have furnished the reports specified in clauses (1), (2) or (3) above to the Trustee, the holders of the Notes and prospective holders of the Notes if such information (i) has been posted to the Company's website or (ii) made publicly available through substantially comparable means (as determined in good faith by an Officer or the Board of Directors of the Company) (it being understood that, without limitation, making such reports available on Bloomberg or another private electronic information service will constitute substantially comparable public availability).

Following a Public Equity Offering of the Capital Stock of the Company or a Parent Holdco of the Company and the listing of such Capital Stock on an internationally recognized stock exchange (a "**Qualifying IPO**"), for so long as it elects, and provided that the requirements applicable to such listing require the Company or Parent Holdco of the Company, as applicable, to prepare and publicly file (or otherwise publicly disclose) annual and other reports, the Company will be deemed to have complied with the provisions in the preceding paragraphs in this covenant if it has furnished (or, pursuant to the concluding sentence of the immediately paragraph, which shall apply equally in relation to such public reporting following a Qualifying IPO, is deemed to have furnished) to the Trustee and the holders of the Notes the annual and other reports that the Company or Parent Holdco of the Company, as applicable, is required to publicly file (or otherwise publicly disclose) under such listing-related requirements; *provided* that, in relation to the requirements of clause (2) above with respect to the first and third fiscal quarters of each fiscal year of the Company or Parent Holdco of the Company, as applicable, commencing with the fiscal year beginning immediately after such Qualifying IPO, the public reporting of the Company or the Parent Holdco of the Company, as applicable, within 60 days following the end of each such first or third fiscal quarter includes at least the equivalent of (or, alternatively, the Company or the Parent Holdco, as applicable, shall have separately furnished or be deemed to have furnished to the Trustee and the holders of the Notes) a trading statement containing: (i) total number of kilometers of fiber laid, average churn rate, monthly recurring revenue, cloud seats year-on-year growth and total capacity on subsea assets (or, as applicable, alternative key operating measures and performance indicators concerning the Company's business then used by the Company or Parent Holdco of the Company, as applicable, in its annual and semi-annual reporting); (ii) revenue, a breakdown of revenue by geography, Consolidated EBITDA, a breakdown of Consolidated EBITDA by geography, cash and cash equivalents, gross debt, net debt, gross leverage, net leverage, capital expenditures, a breakdown by category of capital expenditures and brief commentary on working capital movement, in each case, for such first or third quarterly period; and (iii) a discussion of any material recent developments.

So long as the Notes are outstanding, the Company will use its commercially reasonable efforts after the delivery of each report discussed in clauses (1) and (2) of the first paragraph of this covenant to conduct a conference call to discuss such reports and the results of operations for the relevant reporting period; *provided, however*, that the Company will be deemed to have satisfied the requirements of this paragraph if any direct or indirect parent of the Company holds a conference call to discuss such reports and the results of operations for the relevant reporting period.

In addition, for so long as any Notes remain outstanding, the Company has agreed that it will furnish to the holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the US Securities Act.

The Company will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant (or, following a Public Equity Offering of the Capital Stock of the Company or a Parent Holdco of the Company, information otherwise deemed to satisfy the requirements thereof), if and so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market and the rules and regulations of Euronext Dublin so require, at the offices of the Paying Agent.

The Trustee shall have no duty to review or analyze any such financial statements and/or reports provided to it pursuant to this covenant. Delivery of such reports, information and documents to the Trustee is for informational purposes only, and the Trustee's receipt thereof shall not constitute actual or constructive notice of any information contained in such statements and/or reports, determination from information therein, including the Issuer's compliance with any of its covenants under the Indenture (as to which the Trustee is entitled to rely on certificates), a default or Event of Default based on such content and the Trustee does not have a duty to verify the accuracy of such financial statements and/or reports.

Suspension of Certain Covenants when Notes Rated Investment Grade

If on any date following the Issue Date:

- (1) the Notes have achieved Investment Grade Status; and
- (2) no Default or Event of Default shall have occurred and be continuing on such date,

then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (such period, the “**Suspension Period**”), the covenants specifically listed under the following captions herein will no longer be applicable to the Notes and any related default provisions of the Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries:

- (1) “—*Repurchase at the Option of Holders—Asset Sales*”;
- (2) “—*Restricted Payments*”;
- (3) “—*Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (4) “—*Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*”;
- (5) “—*Transactions with Affiliates*”;
- (6) “—*Additional Guarantees*”;
- (7) “—*Designation of Restricted and Unrestricted Subsidiaries*”;
- (8) clause (4) of the first and second paragraph of the covenant described under “—*Merger, Consolidation or Sale of Assets*”.

Such covenants and any related default provisions will again apply according to their terms from the first day on which the Notes cease to have Investment Grade Status. Such covenants will not, however, be of any effect with regard to the actions of Company and the Restricted Subsidiaries properly taken during the continuance of the Suspension Period; *provided* that (1) with respect to the Restricted Payments made after any such reinstatement, the amount of Restricted Payments will be calculated as though the covenant described under the caption “—*Restricted Payments*” had been in effect prior to, but not during, the Suspension Period and (2) all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the second paragraph of the caption “—*Incurrence of Indebtedness and Issuance of Preferred Stock*”. Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero.

The Company shall notify the Trustee in writing that the two conditions set forth in the first paragraph under this covenant have been satisfied, *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective. In the absence of such notice, the Trustee may assume the suspended covenants apply and are in full force and effect. The Trustee will have no obligation to (i) independently determine or verify if such events have occurred, (ii) make any determination regarding the impact of actions taken during the Suspension Period on the Issuer, the Company and its Subsidiaries' future compliance with their covenants, or (iii) monitor the ratings of the Notes.

There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Financial Calculations

When determining the availability under any basket or ratio under the Indenture in connection with any transaction or whether such transaction is permitted under the Indenture (including, for the avoidance of doubt and without limitation, testing any incurrence or assumption of Indebtedness or Liens, the making of any Restricted Payment, Permitted Payment or Investment, any Asset Sale, any acquisition, merger, consolidation, amalgamation or other business combination and any other transaction requiring the testing of any ratio-based flexibility or basket based on Consolidated Net Income or Total Assets), the date of determination of such basket or ratio or the testing of any such transaction and of any Default or Event of Default shall, at the option of the Company, be the date the definitive agreements for such transaction are entered into (the “**Transaction Commitment Date Election**”).

If the Company makes a Transaction Commitment Date Election, such baskets or ratios shall be calculated with such pro forma adjustments as are appropriate and consistent with the pro forma provisions set forth in the definition of Consolidated Leverage Ratio after giving effect to such transaction and other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they had occurred at the beginning of the applicable period for purposes of determining the ability to consummate any such transaction, and, for the avoidance of doubt (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated Net Income, Total Assets or Consolidated Leverage Ratio or that arises from an asset or a target company subject to such transaction) subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transaction is permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such transaction or related transactions.

If the Company makes a Transaction Commitment Date Election, any such transactions (including any incurrence of Indebtedness and the use of proceeds therefrom) shall be deemed to have occurred on the date the definitive agreements are entered into for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such transaction. To the extent the date of determination of a basket or ratio is tested prior to the date of consummation of a transaction, such basket or ratio shall be deemed utilized to the same extent until the earlier of the date of consummation of such transaction or the date such transaction is terminated or expires without consummation, except that, in the case of an acquisition, merger or consolidation, any calculation of Consolidated EBITDA for purposes other than incurrences of Indebtedness or Liens or the making of Restricted Payments (not related to such acquisition, merger or consolidation) shall not reflect such transaction until it has been consummated.

Events of Default and Remedies

Each of the following is an “**Event of Default**”:

- (1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes;
- (2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;
- (3) failure by the Issuer or relevant Guarantor to comply with the provisions described under the caption “—*Certain Covenants—Merger, Consolidation or Sale of Assets*”;
- (4) failure by the Issuer, the Company or any Subsidiary Guarantor for 60 days after written notice (i) to the Issuer by the Trustee or (ii) to the Issuer and the Trustee by the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the agreements in the Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3));
- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its

Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default:

- (a) is caused by a failure to pay principal of such Indebtedness following the expiration of the grace period provided in such Indebtedness and such failure to make any payment has not been waived or the maturity of such indebtedness has not been extended (a “**Payment Default**”); or
- (b) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates US\$25.0 million or more;

- (6) failure by the Issuer, the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of US\$25.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;
- (7) except as permitted by the Indenture (including with respect to any limitations), the Note Guarantee of the Company, any Note Guarantee of a Guarantor that is a Significant Subsidiary or any group of Guarantors that, taken together, would constitute a Significant Subsidiary is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor that is a Significant Subsidiary or any group of Guarantors that, taken together, would constitute a Significant Subsidiary, or any Person acting on behalf of any such Guarantor or Guarantors denies or disaffirms its obligations under its Note Guarantee;
- (8) (a) any Lien created by any Security Document ceases to be in full force and effect (except as permitted by the terms of the Indenture, such Security Document, the Counter-Indemnity Agreement, the Intercreditor Agreement or any Additional Intercreditor Agreement) or any assertion by the Company or any of its Restricted Subsidiaries that any Collateral is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement); or (b) the repudiation by the Company or any of its Restricted Subsidiaries of any of their respective material obligations under any Security Document, in each case, affecting the Collateral with aggregate Fair Market Value equal to or greater than US\$5.0 million and any such Default continues for ten days; and
- (9) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company, the Issuer, Liquid Telecommunications (Jersey) Limited or any of the Company’s Restricted Subsidiaries that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary.

In the case of an Event of Default specified in clause (9), all outstanding Notes will become due and payable immediately without further action or notice or other act on the part of the Trustee or any holders of Notes. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes by written notice to the Issuer (and to the Trustee if such notice is given by the holders) may, declare all amounts in respect of the Notes to be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) under “*Events of Default*” has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and

(2) all existing Events of Default, except non-payment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

The Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes, unless such holders have offered to the Trustee and if requested, the Trustee has received, indemnification, security and/or pre-funding satisfactory to the Trustee in its sole discretion against any cost, loss, liability or expense (which includes the expense of the Trustee's legal counsel). Except (subject to the provisions described under "*—Amendment, Supplement and Waiver*") to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

- (1) such holder has previously given the Trustee written notice that an Event of Default is continuing;
- (2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested, in writing, that the Trustee pursue the remedy;
- (3) such holders have offered and, if requested, provided to the Trustee security and/or indemnity and/or prefunding satisfactory to the Trustee in its sole discretion against any loss, liability or expense (which includes the expense of the Trustee's legal counsel);
- (4) the Trustee has not complied with such written request within 60 continuous days after the receipt of the request and the offer of security, indemnity and/or prefunding; and
- (5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such written request within such 60-day period.

The holders of not less than a majority in aggregate principal amount of the Notes outstanding may, on behalf of the holders of all outstanding Notes, waive any past default under the Indenture and its consequences, except a continuing default in the payment of the principal, premium, if any, any Additional Amounts or interest on any Note held by a non-consenting holder (which may only be waived with the consent of holders of at least 90% of the aggregate principal amount of the then outstanding Notes). For the avoidance of doubt, the Trustee, the Security Agent and the agents shall be entitled to their rights and benefits under the Indenture for actions in respect of Defaults or Events of Default that are subsequently waived, cured or annulled; provided that their conduct is otherwise in accordance with the provisions of the Indenture and does not constitute willful misconduct, fraud or gross negligence.

The Indenture will provide that (i) if a Default occurs for a failure to deliver a report or a certificate in connection with another default (an "**Initial Default**"), then at the time such Initial Default is cured such Default for a failure to deliver a report or required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*—Certain Covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery (prior to acceleration in respect of the relevant breach) of any such report, notice or certificate, even though such delivery is not within the prescribed period specified in the Indenture.

The Issuer will be required to deliver to the Trustee annually a statement regarding compliance with the Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or the Guarantors under the Notes, the Indenture, the Note Guarantees, the Security Documents, the Counter-Indemnity Agreement, the Intercreditor Agreement or any Additional Intercreditor

Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws.

Legal Defeasance and Covenant Defeasance

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Guarantors discharged with respect to their Note Guarantees ("**Legal Defeasance**") except for:

- (1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest (including Additional Amounts) or premium, if any, on, such Notes when such payments are due from the trust referred to below;
- (2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties, indemnities and immunities of the Trustee and the Issuer's and the Guarantors' obligations in connection therewith; and
- (4) the "Legal Defeasance and Covenant Defeasance" provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that will be described in the Indenture ("**Covenant Defeasance**") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, all Events of Default described under "*—Events of Default and Remedies*" (except those relating to payments on the Notes or, solely with respect to the Issuer, bankruptcy or insolvency events) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit with the Trustee (or such entity designated by the Trustee for this purpose), in trust, for the benefit of the holders of the Notes, cash in US dollars, non-callable US dollar-denominated Government Securities or a combination of cash in US dollars and non-callable US dollar-denominated Government Securities, in amounts as will be sufficient, to pay the principal of, or interest (including Additional Amounts and premium, if any) on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;
- (2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee and the Paying Agent an opinion reasonably acceptable to the Trustee of United States counsel confirming that (a) the Issuer has received from, or there has been published by, the US Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable US federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the holders and the beneficial owners of the outstanding Notes will not recognize income, gain or loss for US federal income tax purposes as a result of such Legal Defeasance and will be subject to tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;
- (3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee and the Paying Agent an opinion reasonably acceptable to the Trustee of United States counsel confirming that the holders and the beneficial owners of the outstanding Notes will not recognize income, gain or loss for US federal income tax purposes as a result of such Covenant Defeasance and will be subject to US

federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

- (4) the Issuer must deliver to the Trustee and the Paying Agent an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of Notes over the other creditors of the Issuer or the Guarantors with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer, the Guarantors or others; and
- (5) the Issuer must deliver to the Trustee and the Paying Agent an Officer's Certificate and an Opinion of Counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Additional or Amended Intercreditor Agreement

The Indenture will provide that, at the request and expense of the Company as provided for in an Officer's Certificate, at the time of, or prior to, the incurrence by the Issuer or any other Guarantor of Indebtedness permitted pursuant to the covenant described under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*", the Issuer, the relevant Guarantors, the Trustee and the Security Agent will (without the consent of the holders of the Notes) enter into an additional intercreditor agreement (each an "**Additional Intercreditor Agreement**") on terms substantially similar to the Intercreditor Agreement (or more favorable to the holders of the Notes) or an amendment to or an amendment and restatement of the Intercreditor Agreement (which amendment or an amendment and restatement does not adversely affect the rights of holder of the Notes); *provided* that such Intercreditor Agreement or Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities, indemnities or immunities of the Trustee and/or the Security Agent under the Indenture, any Additional Intercreditor Agreement or the Intercreditor Agreement. Only one such Intercreditor Agreement shall be outstanding at any one time or, if more than one such Intercreditor Agreement is outstanding at any one time, the collective terms of such Intercreditor Agreements must be no more disadvantageous to the holders of the Notes than if all such Indebtedness was a party to one such Intercreditor Agreement.

In relation to the Intercreditor Agreement, the Trustee shall consent, as applicable, on behalf of the holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any Subordinated Obligations; *provided, however*, that such transaction would comply with the covenant described herein under "*—Restricted Payments.*"

The Indenture will also provide that, at the written direction and expense of the Company as provided for in an Officer's Certificate and without the consent of holders of Notes, the Trustee and the Security Agent shall from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such Intercreditor Agreement or Additional Intercreditor Agreement that may be incurred by the Company or its Restricted Subsidiaries that is subject to any such Intercreditor Agreement (*provided* that such Indebtedness is incurred in compliance with the Indenture), (3) add new Guarantors to the Intercreditor Agreement or any Additional Intercreditor Agreement, (4) further secure the Notes (including additional Indebtedness incurred in compliance with the Indenture), or (5) make any other change to any such agreement that does not adversely affect the holders of Notes in any material respect.

The Company shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*" or as permitted by the terms of such Intercreditor Agreement or Additional Intercreditor Agreement, and the Company may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee and the Security Agent or, in the opinion of the Trustee or the Security Agent, as the case may be, adversely affect their respective rights, duties, liabilities, indemnities or immunities under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture will provide that each holder of a Note, by accepting such Note, will be deemed to have agreed to and accepted the terms and conditions of each Intercreditor Agreement and Additional Intercreditor Agreement and any

amendment referred to in the preceding paragraphs and neither the Trustee nor the Security Agent will be required to seek the consent of any holders of Notes to perform its obligations under and in accordance with this covenant.

Amendment, Supplement and Waiver

Except as provided otherwise in the succeeding paragraphs, the second paragraph under the caption “—*Certain Covenants—Collateral*” and under the caption “—*Additional or Amended Intercreditor Agreement*”, the Indenture, the Notes, the Note Guarantees, the Security Documents, the Counter-Indemnity Agreement, the SPV Guarantee and the Intercreditor Agreement (including any Additional Intercreditor Agreement) may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the Note Guarantees, the Security Documents, the Counter-Indemnity Agreement, the SPV Guarantee and the Intercreditor Agreement (including any Additional Intercreditor Agreement) may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes).

Unless consented to by the holders of at least 90% of the aggregate principal amount of then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), without the consent of each holder of Notes affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting holder):

- (1) reduce the percentage of principal amount of Notes whose holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption “—*Repurchase at the Option of Holders*”);
- (3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;
- (4) impair the right of any holder of Notes to institute suit for the enforcement of any payment of principal of and interest or Additional Amounts (if any) on such holder’s Notes or the associated Note Guarantee on or after the due dates therefore;
- (5) waive a Default or Event of Default in the payment of principal of, or interest, Additional Amounts or premium, if any, on, the Notes (except pursuant to a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);
- (6) make any Note payable in money other than that stated in the Notes;
- (7) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest, Additional Amounts or premium, if any, on, the Notes;
- (8) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption “—*Repurchase at the Option of Holders*”);
- (9) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement;
- (10) release all or substantially all of the Collateral from Liens granted for the benefit of the holders of the Notes or to secure the Counter-Indemnity Agreement, except in accordance with the terms of the relevant Security Documents, the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement;

- (11) make any change in the provision of the Indenture described under “—*Additional Amounts*” that adversely affects the right of any holder or beneficial owner of Notes in any material respect or amends the terms of the Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer or applicable Guarantor agrees to pay Additional Amounts, if any, in respect thereof; or
- (12) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding two paragraphs, without the consent of any holder of Notes, the Issuer, the Guarantors and the Trustee may amend or supplement the Indenture, the Notes, the Note Guarantees, the Security Documents, the Counter-Indemnity Agreement, the SPV Guarantee and the Intercreditor Agreement (including any Additional Intercreditor Agreement):

- (1) to cure any ambiguity, defect, omission, mistake or inconsistency;
- (2) to provide for the assumption of the Issuer’s or a Guarantor’s obligations to holders of Notes and Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Issuer’s or such Guarantor’s assets, as applicable;
- (3) to make any change that would provide any additional rights or benefits to the Trustee, the Security Agent or the holders of Notes or that does not adversely affect the legal rights under the Indenture the Trustee, the Security Agent or of any such holder in any material respect;
- (4) to conform the text of the Indenture, the Note Guarantees, the Notes or the Security Documents to any provision of this Description of Notes to the extent that such provision in this Description of Notes was intended to be a verbatim recitation of a provision of the Indenture, the Note Guarantees, the Notes or the Security Documents as evidenced by an Officer’s Certificate;
- (5) to release any Note Guarantee in accordance with the terms of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement;
- (6) to release Collateral in accordance with the terms of the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement;
- (7) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date;
- (8) to allow any Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes;
- (9) to enter into additional or supplemental Security Documents;
- (10) to provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code);
- (11) to add additional parties to the Intercreditor Agreement, any Additional Intercreditor Agreement or any Security Document to the extent permitted hereunder or thereunder; or
- (12) to evidence and provide the acceptance of the appointment of a successor Trustee or a Security Agent under the Indenture or to evidence and provide the acceptance of the appointment of a Security Agent under the Intercreditor Agreement, any Additional Intercreditor Agreement or a Security Document.

The consent of the holders of Notes will not be necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

In formulating its opinion on such matters, the Trustee shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Opinion of Counsel and an Officer's Certificate.

For the avoidance of doubt, no amendment to or deletion of, or actions taken in compliance with, the covenants contained in the Indenture shall be deemed to impair or affect any rights of holders of the Notes to receive payment of principal of, or premium, if any, or interest, on the Notes.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to certain surviving rights of the Trustee and the Issuer's and the Company's and the other Guarantors' obligations with respect thereto, in each case as expressly provided for in the Indenture) as to all Notes issued thereunder, when:

- (1) either:
 - (a) all Notes that have been authenticated and delivered, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer or discharged from such trust as provided for in the Indenture, have been delivered to the Trustee for cancellation; or
 - (b) all Notes that have not been delivered to the Principal Paying Agent for cancellation have become due and payable by reason of the mailing of a notice of redemption by the Principal Paying Agent in the name, and at the expense, of the Issuer or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or such other entity designated by the Trustee for this purpose) solely for the benefit of the holders, cash in US dollars, non-callable US dollar-denominated Government Securities or a combination of cash in US dollars and non-callable US dollar-denominated Government Securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Principal Paying Agent for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;
- (2) the Issuer or any Guarantor has paid or caused to be paid all sums payable by the Issuer and the Guarantors under the Indenture; and
- (3) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent in the Indenture relating to satisfaction and discharge of the Indenture have been satisfied and that such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Indenture; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

If requested in writing by the Issuer, the Trustee (or such other entity designated by the Trustee for this purpose) may distribute any amounts deposited in trust to holders of the Notes prior to maturity or the redemption date, as the case may be. For the avoidance of doubt, the distribution and payment to the holders of the Notes prior to the maturity or redemption date as set forth above shall not include any negative interest, present value adjustment, break cost or any additional premium on such amounts. To the extent the Notes are represented by a Global Note deposited with a depository for the clearing system, any payment to the beneficial holders holding interests as a participant of such clearing system shall be subject to the then applicable procedures of the clearing system.

Judgment Currency

Any payment on account of an amount that is payable in US dollars which is made to or for the account of any holder or the Trustee in lawful currency of any other jurisdiction (the “**Judgment Currency**”), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or any Guarantor, shall constitute a discharge of the Issuer or the Guarantor’s obligation under the Indenture and the Notes or Note Guarantee, as the case may be, only to the extent of the amount of US dollars that such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of US dollars that could be so purchased is less than the amount of US dollars originally due to such holder or the Trustee, as the case may be, the Issuer and the Guarantors shall indemnify and hold harmless the holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Concerning the Trustee

BNY Mellon Corporate Trustee Services Limited is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default of which a responsible officer of the Trustee has received written notice, the Trustee will perform only such duties as are set forth therein. During an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs under the same circumstances. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Issuer shall promptly deliver written notice to the Trustee after becoming aware of the occurrence of a Default or an Event of Default. If the Trustee becomes a creditor of the Issuer or any Guarantor, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; *however*, if it acquires actual knowledge of any conflicting interest it must eliminate such conflict within 90 days or resign as Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture will provide that in case an Event of Default occurs and is continuing of which a responsible officer of the Trustee has received written notice in accordance with the Indenture, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs under the same circumstances. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee security, indemnity and/or pre-funding satisfactory to the Trustee in its sole discretion against any loss, liability or expense.

The Issuer and the Guarantors jointly and severally will indemnify each of the Trustee, the Security Agent, the Paying Agent, the Transfer Agent and the Registrar (as applicable), for any losses, taxes, claims, liabilities, costs and expenses incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with its duties or the acceptance or administration of the Indenture. Each of the Trustee and the Security Agent shall be entitled to rely solely and conclusively on any Officer’s Certificate, Opinion of Counsel or other evidence as it deems appropriate in formulating its opinion or in taking or not taking any action under the Indenture, and may rely on such Officer’s Certificate, Opinion of Counsel or other evidence as it deems appropriate without need for further investigation or verification.

Listing

Application has been made to list the Notes on the Official List of Euronext Dublin and to admit the Notes to trading on the Global Exchange Market. There can be no assurance that the application to list the Notes on the Official List of Euronext Dublin and to admit the Notes for trading on the Global Exchange Market will be approved and settlement of the Notes is not conditioned on obtaining this listing.

Additional Information

Anyone who receives this Offering Memorandum may, following the Issue Date, obtain a copy of the Indenture, the form of Note, the Security Documents, the Counter-Indemnity Agreement, the SPV Guarantee, the Intercreditor Agreement and any Additional Intercreditor Agreement without charge by writing to the Issuer.

So long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market and the rules of Euronext Dublin so require, copies, current and future, of all of the Company's annual audited consolidated financial statements and/or the Company's unaudited consolidated interim financial statements, as applicable, and this Offering Memorandum may be obtained, free of charge, during normal business hours at the offices of the Principal Paying Agent.

Governing Law

The Indenture, the Notes and the Note Guarantees will be governed by, and construed in accordance with, the laws of the State of New York. The Intercreditor Agreement will be governed by English law. The Security Documents are or will be governed by the laws of South Africa, Mauritius, Kenya, England and Wales, Zambia, the Democratic Republic of the Congo and Uganda, respectively. The Counter-Indemnity Agreement and the SPV Guarantee are governed by the laws of South Africa.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer and each Guarantor will appoint CCS Global Solutions, Inc. as its agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Note Guarantees brought in any US federal or New York state court located in the City of New York and will submit to such jurisdiction.

Enforceability of Judgments

Since substantially all of the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, may not be collectable within the United States. See *"Enforcement of Civil Liabilities and Foreign Judgments"*.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed six years after the applicable due date for payment of interest.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"Acquired Debt" means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; and

- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “**control**,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

For purposes of this definition, the terms “**controlling**,” “**controlled by**” and “**under common control with**” have correlative meanings.

“**Agreed Security Principles**” means the agreed security principles as set out in an annex to the Senior Syndicated Term Loan Facilities Agreement as in effect on the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Company.

“**Applicable Premium**” means, with respect to any Note on any redemption date, the greater of:

- (1) 1.0% of the principal amount of the Note; or
- (2) the excess of:
 - (i) the present value at such redemption date of (a) the redemption price of the Note at April 14, 2028 (such redemption price being set forth in the table appearing above under the caption “—*Optional Redemption*”), plus (b) all required interest payments due on the Note through April 14, 2028 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over
 - (ii) the principal amount of the Note,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer may engage. For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, the Security Agent, the Transfer Agent, the Registrar or any Paying Agent.

“**Approved Jurisdiction**” means any state which is a member of the European Union, the United Kingdom, the Republic of South Africa, Mauritius, Switzerland, Canada, the United States, any state thereof or the District of Columbia.

“**Asset Sale**” means:

- (1) the sale, lease, conveyance or other disposition of any assets by the Company or any of its Restricted Subsidiaries; provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption “—*Repurchase at the Option of Holders—Change of Control*” and/or the provisions described above under the caption “—*Certain Covenants—Merger, Consolidation or Sale of Assets*” and not by the provisions described under the caption “—*Repurchase at the Option of Holders—Asset Sales*”; and
- (2) the issuance of Equity Interests by any Restricted Subsidiary or the sale by the Company or any of its Restricted Subsidiaries of Equity Interests in any Subsidiary of the Company (in each case, other than directors’ qualifying shares).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

- (1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than US\$25.0 million;

- (2) a transfer of assets or Equity Interests between or among the Company and any Restricted Subsidiary;
- (3) an issuance of Equity Interests by a Restricted Subsidiary to the Company or to another Restricted Subsidiary;
- (4) the sale, lease or other transfer of accounts receivable, inventory or other assets in the ordinary course of business and any sale or other disposition of damaged, worn-out or obsolete assets or assets disposed of in connection with any decommissioned sites or assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;
- (5) licenses and sublicenses by the Company or any of its Restricted Subsidiaries in the ordinary course of business;
- (6) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (7) the granting of Liens not prohibited by the covenant described above under the caption “—*Certain Covenants—Liens*”;
- (8) the sale or other disposition of cash or Cash Equivalents;
- (9) a Restricted Payment that does not violate the covenant described above under the caption “—*Certain Covenants—Restricted Payments*”, a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;
- (10) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (11) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (12) the disposition of assets to a Person who is providing services (the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person) related to such assets;
- (13) sales or dispositions of Receivable Assets in connection with any Qualified Receivables Financing or any factoring transaction or in the ordinary course of business;
- (14) the sale in any Sale/Leaseback Transaction; and
- (15) solely for the purposes of the first paragraph (and, to the extent such application is not permitted under applicable laws and regulations, the remaining paragraphs) of the covenant described under “—*Repurchase at the Option of Holders—Asset Sales*”, any sale, transfer, lease or other disposition of any assets or rights of any South African Restricted Subsidiary in connection with the B-BBEE Act.

“**Asset Sale Offer**” has the meaning assigned to that term in the Indenture.

“**B-BBEE Act**” means the Broad Based Black Empowerment Economic Act (No. 53 of 2003), including any amendment, supplement, replacement or successor thereto, and any legislation or regulation of a similar or related nature adopted in The Republic of South Africa and any notice, regulation, code of good practice or sector charter published, or any industry guidelines or scorecards established, thereunder.

“**beneficial owner**” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the US Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3)

of the US Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “**beneficially owns**”, “**beneficially owned**” and “**beneficial ownership**” have corresponding meanings.

“**Board of Directors**” means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership or any committee thereof duly authorized to act on behalf of such board;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

“**Business Day**” means a day other than a Saturday, Sunday or other day on which banking institutions in London (United Kingdom), New York City (United States), the jurisdiction of incorporation of the Issuer or a place of payment under the Indenture are authorized or required by law to close.

“**Capital Lease Obligation**” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“**Capital Stock**” means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited), shares or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“**Cash Equivalents**” means:

- (1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the European Union, the United Kingdom, the Republic of South Africa, the United States of America or Switzerland (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union, the United Kingdom, the Republic of South Africa, the United States of America or Switzerland, as the case may be, and which are not callable or redeemable at the issuer’s option;
- (2) overnight bank deposits, time deposit accounts, certificates of deposit, banker’s acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company, or a local branch or Subsidiary of a bank or trust company, which is organized under, or authorized to operate as a bank or trust company under, the

laws of a member state of the European Union, the United Kingdom, the Republic of South Africa, or of the United States of America or any state thereof or Switzerland or in a jurisdiction in which the Company or a Restricted Subsidiary conducts its business or is organized or any commercial banking institution that is a member of the US Federal Reserve System, in each case, either (a) having combined capital and surplus and undivided profits of not less than US\$250,000,000 (or the foreign currency equivalent thereof as of the date of such investment), whose long term, unsecured, unsubordinated and unguaranteed debt has a rating, at the time any investment is made therein, of at least “BBB” or the equivalent thereof from S&P and at least “Ba3” or the equivalent thereof from Moody’s or the equivalent rating category of another internationally recognized rating agency; (b) which has its primary registration in a jurisdiction in which the Company or a Restricted Subsidiary conducts its business or is organized and which would rank, in terms of combined capital and surplus and undivided profits or the ratings on its long term debt, among the top ten such banks registered in such jurisdiction or (c) which is a lender under any Credit Facility to which the Issuer or any Guarantor is a party;

- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;
- (4) commercial paper having one of the two highest ratings obtainable from Moody’s or S&P and, in each case, maturing within one year after the date of acquisition; and
- (5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

“**Change of Control**” means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries, taken as a whole, to any Person (including any “person” (as that term is used in Section 13(d)(3) of the US Exchange Act)) other than one or more Permitted Holders (other than any such sale, lease, transfer, conveyance or other disposition of all or substantially all of the assets of the Company to an Affiliate of the Company for the purpose of reincorporating the Company in another jurisdiction; provided that such transaction complies with the covenant described under the caption “—*Certain Covenants—Merger, Consolidation or Sale of Assets*”);
- (2) the adoption of a plan relating to the liquidation or dissolution of the Company;
- (3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any “person” (as defined above)), other than one or more Permitted Holders, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company, measured by voting power rather than number of shares; provided that any Voting Stock of which any Permitted Holder is the “beneficial owner” (other than deemed beneficial ownership derived from membership in a “group”) shall not be included in any Voting Stock of which any such person or group is the “beneficial owner” (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock; or
- (4) the first day on which the Company fails to directly or indirectly own 100% of the issued and outstanding Capital Stock and Voting Stock of the Issuer (other than directors’ qualifying shares or shares (or Capital Stock) required by applicable law to be held by a Person other than the Company).

“**Change of Control Offer**” has the meaning assigned to that term in the Indenture.

“**Collateral**” means the Global Collateral and the South African Collateral.

“Consolidated EBITDA” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

- (1) provision for taxes based on income or profits of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; plus
- (2) without double counting, the Consolidated Interest Expense of such Person and its Subsidiaries which are Restricted Subsidiaries for such period and Receivables Fees; plus
- (3) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees) and other non-cash charges and expenses (including without limitation write downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on the Company and its Restricted Subsidiaries for such period) of the Company and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) for such period; plus
- (4) any expenses, charges or other costs related to the issuance of any Capital Stock, any Permitted Investment, acquisition, disposition, recapitalization, listing or the incurrence of Indebtedness permitted to be incurred under the covenant described above under the caption “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” (including refinancing thereof) whether or not successful, including (a) such fees, expenses or charges related to any incurrence of Indebtedness issuance and (b) any amendment or other modification of any incurrence; plus
- (5) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to any Parent Holdco of the Company to the extent permitted by the covenant described under “—*Certain Covenants—Transactions with Affiliates*”; plus
- (6) the amount of any minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any non-Wholly-Owned Restricted Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on, or other cash payments in respect of, Equity Interests held by such parties; plus
- (7) all expenses incurred directly in connection with any early extinguishment of Indebtedness; minus
- (8) non-cash items increasing such Consolidated Net Income for such period (other than any non-cash items increasing such Consolidated Net Income pursuant to clauses (1) through (11) of the definition of Consolidated Net Income), other than the reversal of a reserve for cash charges in a future period in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

“Consolidated Interest Expense” means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries, whether paid or accrued, including any pension liability interest cost, plus or including (without duplication) any interest, costs and charges consisting of:

- (1) interest expense attributable to Capitalized Lease Obligations;
- (2) amortization of debt discount, debt issuance cost and premium;
- (3) non-cash interest expense;
- (4) commissions, discounts and other fees and charges owed with respect to financings not included in clause (2) above;

- (5) costs associated with Hedging Obligations;
- (6) dividends on other distributions in respect of all Disqualified Stock of the Company and all preferred stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a Subsidiary of the Company;
- (7) the consolidated interest expense that was capitalized during such period; and
- (8) interest actually paid by the Company or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person.

Notwithstanding any of the foregoing, Consolidated Interest Expense shall not include (i) any interest accrued, capitalized or paid in respect of Subordinated Shareholder Debt, (ii) any commissions, discounts, yield and other fees and charges related to Qualified Receivables Financing and (iii) any payments on any operating leases, including without limitation any payments on any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date.

“**Consolidated Leverage**” means the sum, expressed in US Dollars, of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries on a consolidated basis (excluding Hedging Obligations except to the extent provided in clause (i) of the fifth paragraph and sub-clause (1) of the sixth paragraph of the covenant described under “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”). The US Dollar equivalent of the principal amount of Indebtedness denominated in a different currency shall be calculated based on the applicable provisions of the covenant under the caption “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”.

“**Consolidated Leverage Ratio**” means, as of any date of determination, the ratio of (a) Consolidated Leverage on such date to (b) the aggregate amount of Consolidated EBITDA of the Company for the most recently ended four consecutive fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or other transaction for which the Consolidated Leverage Ratio is being calculated is completed; *provided, however*, that, solely for the purpose of calculating the Consolidated Leverage Ratio for the incurrence of Indebtedness pursuant to the covenant under the caption “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”, the *pro forma* calculation of the Consolidated Leverage Ratio shall not give effect to (i) any Indebtedness incurred on the date on which the event for which the calculation of the Consolidated Leverage Ratio is made (the “**Calculation Date**”) pursuant to the provisions described in the second paragraph under the caption “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” (other than clause (12) of such paragraph, the incurrence of which is itself subject to the Consolidated Leverage Ratio) or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in the second paragraph under the caption “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” (other than clause (12) of such paragraph).

In addition, for purposes of calculating the Consolidated EBITDA for such period:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the four consecutive fiscal quarter reference period or subsequent to such reference period and on or prior to the relevant Calculation Date, or that are to be made on the relevant Calculation Date, will be given *pro forma* effect (as determined in good faith by an Officer or the Board of Directors of the Company and may include anticipated cost synergies and expense and cost reductions) as if they had occurred on the first day of the four consecutive fiscal quarter reference period;
- (2) if since the beginning of such four consecutive fiscal quarter reference period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a “**Sale**”) or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for

such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; provided that if any such sale constitutes “discontinued operations” in accordance with IFRS, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

- (3) any Person that is a Restricted Subsidiary on the relevant Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four consecutive fiscal quarter period; and
- (4) any Person that is not a Restricted Subsidiary on the relevant Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four consecutive fiscal quarter period.

“**Consolidated Net Income**” means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Subsidiaries which are Restricted Subsidiaries for such period, on a consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiary), determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; *provided* that:

- (1) the net income (loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary which is a Subsidiary of the Person; provided that, for the purposes of clause (c)(i) of the first paragraph of the covenant described under “—*Certain Covenants—Restricted Payments*,” such dividend, other distribution or return on investment does not reduce the amount of Investments outstanding under clause (14) or (15) of the definition of “Permitted Investments.”
- (2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph under the caption “—*Certain Covenants—Restricted Payments*”, any net income of any Restricted Subsidiary (other than any Guarantor) will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company (or any Guarantor that holds the Equity Interests of such Restricted Subsidiary, as applicable) by operation of the terms of such Restricted Subsidiary’s charter, or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture or that are not prohibited pursuant to the covenant described under the caption “—*Certain Covenants—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*”, (c) contractual restrictions in effect on the Issue Date with respect to the Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that taken as a whole, are not materially less favorable to the holders of the Notes than such restrictions in effect on the Issue Date; or (d) restrictions pursuant to applicable law, rule, regulation or order or the terms of any license, authorization, concession or permit), except that the Company’s equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than any Guarantor or the Issuer), to the limitation contained in this clause);
- (3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company) will be excluded;
- (4) any one time non-cash charges or any amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of, or merger or consolidation with, another

Person or business or resulting from any reorganization or restructuring involving the Company or its Subsidiaries will be excluded;

- (5) the cumulative effect of a change in accounting principles will be excluded;
- (6) any extraordinary, exceptional, unusual or nonrecurring gains, losses or charges (as determined in good faith by an Officer or the Board of Directors of the Company, and including hyperinflation monetary gain or loss under IAS 29 and any charges in respect of any restructuring, redundancy or severance) will be excluded;
- (7) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;
- (8) any non-cash compensation charge or expenses arising from any grant of stock, stock options or other equity-based awards will be excluded;
- (9) any goodwill or other intangible asset impairment charges will be excluded;
- (10) any foreign currency translation gains or losses (including, without limitation, gains or losses of the Company and its Restricted Subsidiaries related to currency remeasurements of Indebtedness) will be excluded;
- (11) all deferred financing costs written off and premium paid in connection with any early extinguishment of Indebtedness and any net gain or loss from any write-off or forgiveness of Indebtedness will be excluded; and
- (12) the impact of any capitalized interest (including accreting or pay-in-kind interest) on any Subordinated Shareholder Debt will be excluded.

“Consolidated Senior Secured Leverage Ratio” means, as of any date of determination, the ratio of (a) the aggregate amount of the Senior Secured Indebtedness of the Company on such date to (b) the Consolidated EBITDA of the Company for the most recently ended four consecutive fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Senior Secured Indebtedness is incurred; *provided, however*, that, solely for the purpose of calculating the Consolidated Senior Secured Leverage Ratio for the incurrence of Indebtedness pursuant to the covenant under the caption “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”, the *pro forma* calculation of the Consolidated Senior Secured Leverage Ratio shall not give effect to (i) any Senior Secured Indebtedness incurred on the date on which the event for which the calculation of the Consolidated Senior Secured Leverage Ratio is made (the “**Calculation Date**”) pursuant to the provisions described in the second paragraph under the caption “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” (other than clause (12) of such paragraph, the incurrence of which is itself subject to the Consolidated Senior Secured Leverage Ratio) or (ii) the discharge on the Calculation Date of any Senior Secured Indebtedness to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in the second paragraph under the caption “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” (other than clause (12) of such paragraph).

In addition, for purposes of calculating the Consolidated EBITDA for such period:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the four consecutive fiscal quarter reference period or subsequent to such reference period and on or prior to the relevant Calculation Date, or that are to be made on the relevant Calculation Date, will be given pro forma effect (as determined in good faith by an Officer or the Board of Directors of the Company

and may include anticipated cost synergies and expense and cost reductions) as if they had occurred on the first day of the four consecutive fiscal quarter reference period;

- (2) if since the beginning of such four consecutive fiscal quarter reference period the Company or any Restricted Subsidiary has made any Sale or if the transaction giving rise to the need to calculate the Consolidated Senior Secured Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; provided that if any such sale constitutes “discontinued operations” in accordance with IFRS, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;
- (3) any Person that is a Restricted Subsidiary on the relevant Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four consecutive fiscal quarter period; and
- (4) any Person that is not a Restricted Subsidiary on the relevant Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four consecutive fiscal quarter period.

“**Contingent Obligations**” means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Indebtedness (“**primary obligations**”) of any other Person (the “**primary obligor**”), including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
 - (a) for the purchase or payment of any such primary obligation; or
 - (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
 - (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“**continuing**” means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

“**Credit Facility**” means, one or more debt facilities, instruments or arrangements incurred (including the Senior Facilities) or commercial paper facilities and overdraft facilities or indentures or trust deeds or note purchase agreements, in each case, with banks, other institutions, funds or investors, providing for revolving credit loans, term loans, performance guarantees, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, bonds, notes debentures or other corporate debt instruments or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustees or other banks or institutions and whether provided under the Senior Facilities or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “**Credit Facilities**” shall include any agreement or instrument (1) changing the maturity of any Indebtedness

incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

“**Currency Exchange Protection Agreement**” means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar or agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party.

“**Default**” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“**Designated Non-Cash Consideration**” means the Fair Market Value of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as “*Designated Non-Cash Consideration*” pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration.

“**Designated Preference Shares**” means, with respect to the Company or any Parent Holdco of the Company, preferred stock (other than Disqualified Stock) (1) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (2) that is designated as “*Designated Preference Shares*” pursuant to an Officer’s Certificate of the Company at or prior to the issuance thereof, the net proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the first paragraph of the covenant described under “—*Certain Covenants—Restricted Payments*”.

“**Disqualified Stock**” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, (1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the six-month anniversary of the date that the Notes mature or (2) provides for, either mandatorily or at the option of the holder of the Capital Stock, the payment of dividends or distributions (other than in the form of Equity Interests that are not Disqualified Stock). Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption “—*Certain Covenants—Restricted Payments*”. For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock, such Fair Market Value to be determined as set forth herein.

“**Equity Interests**” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“**Equity Offering**” means any sale of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or a Parent Holdco of the Company pursuant to which the net cash proceeds are contributed to the Company in the form of a subscription for, or a capital contribution in respect of, Capital Stock (other than Disqualified Stock) of the Company or as Subordinated Shareholder Debt of the Company.

“**European Union**” means the European Union as of January 1, 2004 (excluding the United Kingdom), comprising the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and Sweden, but not including any country which became or becomes a member of the European Union after January 1, 2004.

“Excluded Contributions” means the net cash proceeds, property or assets received by the Company after the Issue Date from:

- (1) contributions to its Equity Interests; and
- (2) the sale (other than to a Subsidiary of the Company) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company,

in each case designated as *“Excluded Contributions”* pursuant to an Officer’s Certificate (which shall be designated no later than the date on which such Excluded Contribution has been received by the Company), the net cash proceeds of which are excluded from the calculation set forth in the clause (c)(ii) of the first paragraph of the covenant described under the caption *“—Certain Covenants—Restricted Payments”* hereof.

“Existing 2026 Notes” means the Issuer’s US\$620 million 5.500% senior secured notes due 2026.

“Existing Facilities” means the Existing Senior Term Facilities and the Existing Revolving Facility.

“Existing Revolving Facility” means the revolving credit facility provided under the Existing Senior Facilities Agreement (under which, as of November 30, 2025, US\$25.2 million equivalent in aggregate principal amount remains outstanding, all of which amounts have now been fully repaid as part of the Transactions), as further described in *“Description of Certain Financing Arrangements”*.

“Existing Senior Facilities Agreement” means the existing senior facilities agreement originally dated 25 February 2021 between, among others, the Company and J.P. Morgan Securities PLC, The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) and, Standard Chartered Bank (Mauritius) Limited and Standard Chartered Bank – Johannesburg Branch (as amended and/or restated from time to time).

“Existing Senior Term Facilities” means the term facilities provided under the Existing Senior Facilities Agreement (under which, as of November 30, 2025, US\$134.9 million equivalent in aggregate principal amount remains outstanding, all of which amounts have now been fully repaid as part of the Transactions), as further described in *“Description of Certain Financing Arrangements”*.

“Fair Market Value” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by an Officer or the Board of Directors of the Company.

“Fitch” means Fitch Ratings Inc.

“Global Collateral” means the rights, property and assets securing the Notes and the Note Guarantees of the Company and the Non-South African Subsidiary Guarantors as described in the section entitled *“—Security”* and any other rights, property or assets over which a Lien has been granted to secure the Obligations of the Issuer, the Company and the Non-South African Subsidiary Guarantors under the Notes, the Note Guarantees and the Indenture, as applicable.

“Government Securities” means direct non-callable and non-redeemable obligations of, or obligations guaranteed by the United States government, and the payment for which the United States government pledges its full faith and credit.

“guarantee” means a guarantee other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business, of all or any part of any Indebtedness (whether arising by agreements to keep-well, to take or pay or to maintain financial statement conditions, pledges of assets or otherwise).

“Guarantors” means each of the Company, the Subsidiary Guarantors and any other Person that executes a supplemental indenture in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the Indenture.

“Hedging Obligations” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements, (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, including Currency Exchange Protection Agreements, or commodity prices.

“**holder**” means the Person in whose name a Note is registered on the Registrar’s books; *provided that*, in connection with the giving of any consent, instruction or authorization under the Indenture, beneficial owners of interests in a Global Note may constitute “holders” and, in connection therewith, the Issuer, the Trustee, the Security Agent, any Officer signing an Officer’s Certificate and any counsel delivering an Opinion of Counsel shall be permitted to rely in good faith on (i) any consents obtained from such beneficial owners in accordance with the rules and procedures of DTC, Euroclear and Clearstream with respect thereto, to the extent applicable, or (ii) customary certificates or statements of beneficial ownership as evidence of holdings of such interests (without seeking, for the avoidance of doubt, DTC/Euroclear/Clearstream proxies or other authorizations, DTC/Euroclear/Clearstream statements of account for the purpose of proof of holding, DTC/Euroclear/Clearstream certificate of holding or other similar evidence), it being understood that nothing herein shall prevent such parties from requesting such supporting evidence from holders as may be reasonably required.

“**IFRS**” means International Financial Reporting Standards or any variation thereof with which the Company or its Restricted Subsidiaries comply. Except as otherwise set forth in the Indenture, all ratios and calculations (including the calculation of Total Assets) based on IFRS contained in the Indenture shall be computed in accordance with IFRS as in effect from time to time.

“**Indebtedness**” means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables):

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments for which such Person is responsible or liable;
- (3) representing reimbursement obligations in respect of letters of credit, bankers’ acceptances or similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of incurrence);
- (4) representing Capital Lease Obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed;
- (6) representing any Hedging Obligations in respect of interest rate or currency hedging; and
- (7) the principal component of all obligations, or liquidation preferences, with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any preferred stock (but excluding, in each case, any accrued dividends),

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with IFRS. In addition, the term “**Indebtedness**” includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person.

The term “**Indebtedness**” shall not include:

- (1) Subordinated Shareholder Debt;

- (2) any lease, concession or license of property which would have been considered an operating lease under IAS 17 and any guarantee given by the Company or a Restricted Subsidiary in the ordinary course of business solely in connection with, and in respect of, the obligations of the Company or a Restricted Subsidiary under any such operating lease;
- (3) Contingent Obligations in the ordinary course of business;
- (4) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing;
- (5) purchase price hold-backs in respect of a portion of the purchase price of an asset to satisfy warranty claims or other unperforming obligations of the seller;
- (6) obligations under or in respect of Qualified Receivables Financing to the extent such obligations are non-recourse to the Company or any Restricted Subsidiary; or
- (7) for the avoidance of doubt, any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"Indenture" means the indenture for the Notes dated as of the Issue Date and as it may be amended or modified, supplemented from time to time.

"Intercreditor Agreement" means the intercreditor agreement dated March 4, 2021, with, among others, the agent for the Senior Facilities, the Trustee, the Security Agent, the Security SPV and the other parties named therein, as amended, restated or otherwise modified or varied from time to time.

"Investment Grade Status" shall occur when the Notes are rated "Baa3" or better by Moody's and "BBB-" or better by S&P and "BBB-" or better by Fitch (or, if either such entity ceases to rate the Notes, the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the US Exchange Act selected by the Issuer as a replacement agency).

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as Investments on a balance sheet (excluding the footnotes) prepared in accordance with IFRS. If the Company or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "*—Certain Covenants—Restricted Payments*". The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption "*—Certain Covenants—Restricted Payments*". Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

"Issue Date" means April 14, 2026.

“**Lien**” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof.

“**Management Fees**” means (i) customary fees and related expenses for the performance of transaction, management, consulting, financial or other advisory services or underwriting, placement or other investment banking activities, including in connection with mergers, acquisitions, dispositions or joint ventures, by any Parent Holdco for the Company or any Restricted Subsidiary, which payments have been approved by a majority of the disinterested members (to the extent there are any disinterested members) of the Board of Directors of the Company and/or (ii) a dividend or other distribution by the Company or any Restricted Subsidiary to enable any Parent Holdco to pay (A) its operating expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including, without limitation, administrative, legal, accounting and similar expenses provided by third parties), which are reasonable and customary and incurred in the ordinary course of business, in an aggregate amount not to exceed US\$100,000 per annum and/or (B) franchise taxes and similar taxes and other expenses necessary to maintain its corporate existence; *provided* that under no circumstances shall the payment of any such fees and expenses pursuant to this definition exceed an aggregate amount of US\$7.5 million per annum (inclusive of out of pocket expenses).

“**Market Capitalization**” means an amount equal to (1) the total number of issued and outstanding shares of common stock or common equity interests of the Company (or a Parent Holdco of the Company, as applicable) on the date of the declaration of the relevant dividend multiplied by (2) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Net Proceeds**” means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration or Cash Equivalents substantially concurrently received in any Asset Sale), net of (1) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, (2) Taxes paid or payable as a result of the Asset Sale, (3) all distributions and other payments required to be made to minority interest holders (other than the Company or any of its Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Sale, (4) any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with IFRS, and (5) all payments made on any Indebtedness incurred pursuant to clause (4) of the definition of Permitted Debt secured by any assets subject to such Asset Sale, as required in accordance with the terms of any Lien upon such assets, or which by applicable law is required be repaid out of the proceeds from such Asset Sale.

“**New IFC Term Loan Facilities**” means the South African Rand senior secured term loan facilities in aggregate amount up to ZAR 883,640,000 made available under the New IFC Term Loan Facilities Agreement.

“**New IFC Term Loan Facilities Agreement**” means the senior facilities agreement originally dated December 12, 2024, as amended on February 28, 2025, August 27, 2025 and September 25, 2025 and as amended and restated pursuant to an amendment and restatement agreement dated March 28, 2026 between, among others, the Company and the International Finance Corporation (as further amended and/or restated from time to time);

“**Non-Recourse Debt**” means Indebtedness as to which neither the Company nor any of its Restricted Subsidiaries (1) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (2) is directly or indirectly liable as a guarantor or otherwise.

“**Non-South African Subsidiary Guarantors**” means each of Liquid Telecommunications Limited, Liquid Telecommunications DRC S.A., Liquid Telecommunications Kenya Limited, Liquid Telecommunications Operations Limited, Liquid Telecommunications Zambia Limited, Liquid Telecommunications Uganda Limited and Africa Digital Networks SASU (DRC).

“**Note Guarantee**” means the guarantee by each Guarantor of the Issuer’s obligations under the Indenture and the Notes, executed pursuant to the provisions of the Indenture.

“**Obligations**” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“**Offering**” means the offering of the Notes.

“**Offering Memorandum**” means this offering memorandum, dated April 1, 2026, relating to the sale of the Notes.

“**Officer**” means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, director, manager or a responsible accounting or financial officer of such Person.

“**Officer’s Certificate**” means a certificate signed by an Officer.

“**Opinion of Counsel**” means a written opinion (which may be subject to customary assumptions and qualifications) from legal counsel reasonably satisfactory to the Trustee or the Security Agent. The counsel may be an employee of or counsel to the Company or any of its Subsidiaries.

“**Parent Holdco**” means any Person (other than a natural person) which legally and beneficially owns more than 50% of the Voting Stock and/or Capital Stock of another Person, either directly or through one or more Subsidiaries.

“**Pari Passu Indebtedness**” means (1) with respect to the Issuer, any Indebtedness that ranks *pari passu* in right of payment to the Notes and (2) with respect to a Guarantor, any Indebtedness that ranks *pari passu* in right of payment to the Note Guarantee of such Guarantor.

“**Permitted Business**” means (1) any businesses activities engaged in by the Company or any of its Subsidiaries on the Issue Date and (2) any businesses, services and activities engaged in by the Company or any of the Restricted Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

“**Permitted Collateral Liens**” means:

- (1) Liens on the Collateral to secure the Notes (other than Additional Notes) or the related Note Guarantees or the obligations under the Counter-Indemnity Agreement;
- (2) Liens on the Collateral to secure (a) Indebtedness that is permitted by clauses (1) of the second paragraph of the covenant entitled “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”; (b) Indebtedness that is permitted by clause (4) of the second paragraph of the covenant entitled “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” (but only with respect to Liens on the Capital Stock of the Restricted Subsidiaries of the Company that own or lease the underlying assets); or (c) Indebtedness that is permitted by the first paragraph and clauses (12) and (20) of the second paragraph of the covenant entitled “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*,” provided that, in the case of this sub-clause (c), after giving effect to such incurrence on that date, the Consolidated Senior Secured Leverage Ratio of the Company does not exceed 3.3 to 1.0,
- (3) provided, that:
 - (a) all property and assets (including, without limitation, the Collateral) securing such Indebtedness also secures the Notes and the Note Guarantees on a senior or *pari passu* basis; and
 - (b) each of the parties thereto or their representatives will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement;
- (4) Liens on the Collateral securing the Issuer’s or a Guarantor’s Hedging Obligations incurred under clause (8) of the second paragraph of the covenant entitled “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”; provided that the property and assets (including, without limitation, the Collateral) securing such Hedging Obligations also secures the Notes and the

Note Guarantees on a senior or pari passu basis; provided further that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement;

- (5) Liens on the Collateral to secure Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace or discharge, any Indebtedness which is secured by a Lien on the Collateral pursuant to the preceding clauses (1), clause (2)(c) or this clause (5); provided that all property and assets (including, without limitation, the Collateral) securing such Indebtedness also secures the Notes and the Note Guarantees with priority with respect to the Permitted Refinancing Indebtedness which is substantially similar to that of the Indebtedness that is being exchanged, renewed, refunded, refinanced, replaced or discharged; provided further, that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and
- (6) Liens on the Collateral described in one or more of clauses (2), (3), (8), (9), (10), (12), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), (24), (25), (26) and (30) of the definition of “Permitted Liens” and that, in each case, would not materially interfere with the ability of the Security Agent to enforce any Lien over the Collateral.

For purposes of determining compliance with this definition, in the event that a Lien (or any portion thereof) meets the criteria of one or more of the foregoing categories of Permitted Collateral Liens, the Company may, in its sole discretion, divide, classify or from time to time reclassify such Lien (or any portion thereof) in any manner that complies with this definition, and such Lien shall be treated as having been made pursuant only to the category or categories of this definition to which such Lien has been classified or reclassified.

“**Permitted Holders**” means Mr. Strive Masiyiwa, Mr. Nicholas Rudnick, the Public Investment Corporation, British International Investment or any Related Person with respect thereto, or any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of the Company (or any Parent Holdco). Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“**Permitted Investments**” means:

- (1) any Investment in the Company or in a Restricted Subsidiary;
- (2) any Investment in cash and Cash Equivalents;
- (3) any Investment by the Company or any Restricted Subsidiary in a Person, if as a result of such Investment:
 - (a) such Person becomes a Restricted Subsidiary; or
 - (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary;
- (4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption “—*Repurchase at the Option of Holders—Asset Sales*”;
- (5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company or Subordinated Shareholder Debt;
- (6) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement

upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes or foreclosure of Liens;

- (7) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;
- (8) Investments represented by Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant entitled “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (9) Investments in the Notes and any other Indebtedness of the Company or any Restricted Subsidiary (other than Indebtedness constituting Subordinated Obligations);
- (10) any guarantee of Indebtedness permitted to be incurred by the covenant described above under the caption “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (11) guarantees of performance or other obligations (other than Indebtedness) arising in the ordinary course of the business of the Company and its Restricted Subsidiaries, including obligations under licenses, concessions or operating leases related to the ordinary course of the business of the Company and its Restricted Subsidiaries;
- (12) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date by the Company or any Restricted Subsidiary of the Company and any Investment consisting of an extension, modification or renewal of any such Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; provided that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;
- (13) Investments acquired after the Issue Date as a result of the acquisition by the Company or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Company or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption “—*Certain Covenants—Merger, Consolidation or Sale of Assets*” after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;
- (14) any Investment to the extent made using as consideration Capital Stock of the Company (other than Disqualified Stock), Subordinated Shareholder Debt or Capital Stock of any Parent Holdco;
- (15) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (15) that are at the time outstanding not to exceed the greater of (a) US\$40.0 million and (b) 2.5% of Total Assets of the Company; provided that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption “—*Certain Covenants—Restricted Payments*”, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of “Permitted Investments” and not this clause;
- (16) any Investment in a Permitted Business having an aggregate Fair Market Value taken together with all other Investments made pursuant to this clause (16) that are at that time outstanding not to exceed (i) the greater of (a) US\$22.5 million and (b) 1.3% of Total Assets of the Company plus (ii) the net cash proceeds received by the Company from any Equity Offering after the Issue Date, in each case as determined on the date such Investment is made, with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value, plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments; provided,

however, that if any Investment pursuant to this clause (16) is made in any Person that is not a Restricted Subsidiary of the Company at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (16).

“Permitted Liens” means:

- (1) Liens in favor of the Company or any Restricted Subsidiary;
- (2) (a) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with the Company or any Restricted Subsidiary; provided that such Liens do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged with or into or consolidated with the Company or any Restricted Subsidiary; and (b) Liens on assets at the time the Company or any Restricted Subsidiary acquired the assets, including through any acquisition by means of a merger, amalgamation or consolidation with or into the Company or such Restricted Subsidiary; provided, however, that such Liens are limited to the assets (and improvements on such assets) that secured the obligations to which such Liens relate;
- (3) Liens to secure the performance of statutory obligations, trade contracts, insurance, surety or appeal bonds, workers compensation obligations, leases (including, without limitation, statutory and common law landlord’s liens), performance bonds, surety and appeal bonds or other obligations of a like nature incurred (including Liens to secure letters of credit issued to assure payment of such obligations) or Liens in connection with bids, tenders, contracts or leases to secure licenses, public or statutory obligations, in each case, incurred in the ordinary course of business;
- (4) Liens to secure Indebtedness permitted by Clauses (1) and (20) of the second paragraph of the covenant entitled “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (5) Liens to secure Indebtedness permitted by clause (4) of the second paragraph of the covenant entitled “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” covering only the assets acquired with or financed by such Indebtedness;
- (6) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant described under the caption “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (7) Liens existing on the Issue Date after giving effect to the offering of the Notes and the application of proceeds therefrom as described in this Offering Memorandum under the caption “*Use of Proceeds*”;
- (8) Liens for Taxes, assessments or governmental charges or claims that (a) are not yet due and payable or (b) are being contested in good faith by appropriate proceedings;
- (9) Liens imposed by law, such as carriers’, warehousemen’s, landlord’s and mechanics’ Liens, in each case, incurred in the ordinary course of business;
- (10) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (11) Liens created for the benefit of (or to secure) the Notes (or the Note Guarantees);

- (12) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of customs duties in connection with the importation of goods;
- (13) Liens to secure any Permitted Refinancing Indebtedness (excluding Liens to secure Permitted Refinancing Indebtedness initially secured pursuant to clause (32) of this definition) permitted to be incurred under the Indenture; provided, however, that:
 - (a) the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to such property or proceeds or distributions thereof); and
 - (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (i) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged with such Permitted Refinancing Indebtedness and (ii) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;
- (14) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;
- (15) Liens arising in favor of the Trustee for its own benefit and similar Liens in favor of other trustees, agents and representatives arising under instruments governing Indebtedness permitted to be incurred; provided, however, that such Liens are solely for the benefit of the trustees, agents or representatives in their capacities as such and not for the benefit of the holders of the Indebtedness;
- (16) filing of Uniform Commercial Code financing statements under US state law (or similar filings under other applicable laws) in connection with operating leases in the ordinary course of business;
- (17) bankers' Liens, rights of setoff or similar rights and remedies as to deposit accounts, Liens arising out of judgments or awards not constituting an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;
- (18) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
- (19) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (20) leases (including operating leases), licenses, subleases and sublicenses of assets in the ordinary course of business;
- (21) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;
- (22) (a) mortgages, liens, security interests, pledges, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any real property leased by the Company or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

- (23) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (24) (a) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities; or (b) Liens in connection with specified bank accounts (and cash therein) in connection with the incurrence and repayment of Indebtedness under any daylight facilities permitted to be incurred under the caption “—*Certain covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (25) Liens (including put and call arrangements) on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;
- (26) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of the Company or any Restricted Subsidiary’s business or operations as Liens only for Indebtedness to a bank or financial institution directly relating to the goods or documents on or over which the pledge exists;
- (27) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Company or a Restricted Subsidiary on condition that the cash paid into such escrow account in relation to a disposal does not represent more than 15% of the net proceeds of such disposal;
- (28) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;
- (29) Liens created on any asset of the Company or a Restricted Subsidiary established to hold assets of any stock option plan or any other management or employee benefit or incentive plan or unit trust of the Company or a Restricted Subsidiary securing any loan to finance the acquisition of such assets;
- (30) Liens (a) on escrowed proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (b) on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in the case of each of clause (a) and (b), to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;
- (31) Liens on Receivables Assets incurred in connection with a Qualified Receivables Financing;
- (32) Liens on property or assets of a Restricted Subsidiary that is not a Guarantor to secure Indebtedness of such Restricted Subsidiary or any other Restricted Subsidiary that is not a Guarantor; and
- (33) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary securing Indebtedness of the Company and its Restricted Subsidiaries that does not exceed the greater of US\$72.5 million and 4.5% of the Total Assets of the Company at any one time outstanding.

For purposes of determining compliance with this definition, (i) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the foregoing categories of Permitted Liens, the Company may, in its sole discretion, divide, classify or from time to time reclassify such Lien (or any portion thereof) in any manner that complies with this definition, and such Lien shall be treated as having been made pursuant only to the category or categories of this definition to which such Lien has been classified or reclassified; and (ii) if any Indebtedness or other obligation is secured by any Lien outstanding under any category of Permitted Liens measured by reference to a percentage of Total Assets at the time of incurrence of such Indebtedness or other obligations, and is refinanced by any Indebtedness or other obligation secured by any Lien incurred by reference to such category of Permitted Liens, and such refinancing would cause the percentage of Total

Assets to be exceeded if calculated based on the Total Assets on the date of such refinancing, such percentage of Total Assets shall not be deemed to be exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Indebtedness or other obligation does not exceed an amount equal to the principal amount of such Indebtedness or other obligation being refinanced, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) incurred or payable in connection with such refinancing.

“Permitted Parent Payments” means, without duplication as to amounts, payments to any Parent Holdco of the Company to permit such entity to pay:

- (1) customary indemnification obligations of any Parent Holdco owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;
- (2) obligations of any Parent Holdco in respect of directors’ fees, remuneration and expenses (including director and officer insurance (including premiums therefore)) to the extent relating to the Company and its Subsidiaries;
- (3) professional fees and expenses of any Parent Holdco related to the ownership of the Capital Stock of the Company and, indirectly through the Company, its Subsidiaries (including, without limitation, accounting, legal, audit corporate reporting, and administrative expenses and other reasonable and normal course expenses required to maintain such Parent Holdco’s corporate existence or its holding of the Capital Stock of the Company); and
- (4) expenses incurred by any Parent Holdco in connection with any public offering or other sale of Capital Stock or Indebtedness, whether consummated or not, (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Subsidiary of the Company; or (b) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; and
- (5) any Related Taxes.

“Permitted Refinancing Indebtedness” means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that:

- (1) the aggregate principal amount (or accreted value, if applicable), or if issued with original issue discount, aggregate issue price, of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (2) if the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged constitutes a Subordinated Obligation, such Permitted Refinancing Indebtedness has (a) a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the Notes and (b) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;
- (3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is expressly, contractually subordinated in right of payment to the Notes or a Note Guarantee, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes or such Note Guarantee, as the case may be, on terms at least as favorable to the holders of Notes as those

contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged; and

- (4) if the Issuer or any Guarantor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged, such Indebtedness is incurred either by the Issuer or a Guarantor.

Permitted Refinancing Indebtedness in respect of any Indebtedness may be incurred from time to time after the termination, discharge or repayment of any such Indebtedness.

“**Person**” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government or other entity.

“**Priority Indebtedness**” means Indebtedness (excluding Hedging Obligations) (i) of any Restricted Subsidiary that is not a Guarantor or (ii) incurred by the Company or any Restricted Subsidiary and that is secured by a Lien that does not secure the Notes on an equal and ratable basis or on a priority basis; in each case without double counting Indebtedness that meets more than one of the preceding criteria.

“**Public Debt**” means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the US Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A under the US Securities Act or Regulation S under the US Securities Act, whether or not it includes registration rights entitling the holders of such securities to registration thereof with the SEC for public resale.

“**Public Equity Offering**” means, with respect to any Person, a bona fide underwritten public offering of the ordinary shares or common equity of such Person (other than a registration statement on Form S-8 or otherwise relating to Equity Interests issued or issuable under any employee benefit plan).

“**Public Market**” means any time after:

- (1) a Public Equity Offering has been consummated; and
- (2) at least 20% or such other minimum percentage of public float required by the relevant stock exchange or listing authority of the total issued and outstanding ordinary shares or common equity of the Company (or a Parent Holdco of the Company) has been distributed to investors other than the Permitted Holders or any other direct or indirect shareholders of the Company as of the Issue Date.

“**Qualified Receivables Financing**” means any financing pursuant to which the Company or one or more of its Restricted Subsidiaries may sell, convey or otherwise transfer to any Person, or grant a security interest in, any Receivables Assets in any aggregate principal amount equivalent to the Fair Market Value of such Receivables Assets; provided that (a) the financing terms, covenants, termination events and other provisions applicable to such financing shall be on market terms at the time such financing is entered into and in the aggregate economically fair and reasonable to the Company or the relevant Restricted Subsidiarie(s) (as determined in good faith by an Officer or the Board of Directors of the Company); (b) such financing shall be non-recourse to the Company or any of its Restricted Subsidiaries except to the extent customary for such transactions (as determined in good faith by an Officer or the Board of Directors of the Company) and may include Standard Securitization Undertakings.

“**Receivables Assets**” means any accounts receivable (including receivables in respect of spectrum assets), whether now existing or arising in the future, of the Company or any of its Restricted Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets (including, as applicable, spectrum assets) which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving such accounts receivable and any Hedging Obligations entered into by the Company or any of its Restricted Subsidiaries in connection therewith (in each case, as determined in good faith by an Officer or the Board of Directors of the Company).

“Receivables Fees” means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Qualified Receivables Financing.

“Receivables Repurchase Obligation” means any obligation of a seller of Receivables Assets in a Qualified Receivables Financing to repurchase Receivables Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a Receivables Asset or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Related Person” with respect to any Permitted Holder means: (i) any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member, lineal descendant (including by adoption) or relative, or the estate, executor, administrator, committee, legal representatives or beneficiaries of any thereof; or (ii) any trust, corporation, partnership or other person for which the Permitted Holder and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or persons beneficially holding in the aggregate a majority (or more) controlling interest therein.

“Related Taxes” means:

- (1) any Taxes required to be paid (provided such Taxes are in fact paid) by any Parent Holdco by virtue of its:
 - (a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company’s Subsidiaries);
 - (b) issuing or holding Subordinated Shareholder Debt; or
 - (c) being a holding company, directly or indirectly, of the Company or any of the Company’s Subsidiaries; and
- (2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent Holdco, any consolidated or combined Taxes measured by income for which such Parent Holdco is liable up to an amount not to exceed the lesser of the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on (i) a separate company basis or (ii) on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries; provided that distributions shall be permitted in respect of the income of an Unrestricted Subsidiary only to the extent such Unrestricted Subsidiary distributed cash for such purpose to the Company or its Restricted Subsidiaries.

“Replacement Assets” means (1) non-current properties and assets that replace the properties and assets that were the subject of an Asset Sale or (2) non-current properties and assets received in exchange (directly or indirectly through equity interests similar participations) for the properties and assets that are the subject of the Asset Sale and that, in each case, will be used in a Permitted Business.

“Residual ECG Leases” means any leases that remain to be incurred by Liquid Telecommunications South Africa (Pty) Ltd or any other Guarantor in connection with the master services agreement, as in effect on the Issue Date (or as amended or supplemented from time to time, but excluding for this purpose any amendment or supplement that by its terms increases the aggregate amount of leases to be incurred), with the South African State Information Technology Agency relating to the Eastern Cape of South Africa to provide connectivity and associated services to local government sites and facilities across their jurisdiction.

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

“S&P” means Standard & Poor’s Ratings Group.

“Sale/Leaseback Transaction” means an arrangement relating to property or assets now owned or hereafter acquired by the Company or a Restricted Subsidiary whereby the Company or a Restricted Subsidiary transfers such property or assets to a Person and the Company or such Restricted Subsidiary leases it from such Person, other than leases between the Company and a Restricted Subsidiary or between Restricted Subsidiaries.

“SEC” means the US Securities and Exchange Commission.

“Security Documents” means the security agreements, the pledge agreements, the collateral assignments, and other instruments and documents executed and delivered pursuant to the Indenture or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Collateral is pledged, assigned or granted to or on behalf of (i) the Security Agent for the ratable benefit of the holders of the Notes and the Trustee and other secured parties or notice of such pledge, assignment or grant is given or (ii) the Security SPV to secure the obligations of certain of the Guarantors under the Counter-Indemnity Agreement.

“Senior Facilities” means, collectively, the Senior Syndicated Facilities and the New IFC Term Loan Facilities.

“Senior Secured Indebtedness” means, as of any date of determination, with respect to any specified Person, the total amount of Indebtedness under Credit Facilities of such Person and its Restricted Subsidiaries on a consolidated basis that is secured pursuant to the Intercreditor Agreement by a Lien on the Collateral.

“Senior Syndicated Facilities” means, collectively, the Senior Syndicated Revolving Credit Facility and the Senior Syndicated Term Loan Facilities.

“Senior Syndicated Revolving Credit Facility” means the senior secured revolving credit facility made available under the Senior Syndicated Revolving Facilities Agreement up to a committed amount equal to the lesser of US\$30,000,000 and 10% of the aggregate principal amount of the Notes issued on the Issue Date.

“Senior Syndicated Revolving Facilities Agreement” means the senior facilities agreement dated February 27, 2026 between, among others, the Company as parent and original borrower, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), J.P. Morgan Securities PLC, Nedbank Limited, London Branch and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division), as amended from time to time.

“Senior Syndicated Term Loan Facilities” means the U.S. dollar and South African Rand senior secured term loan facilities in aggregate amounts up to US\$200,000,000 (subject to dollar-for-dollar reduction to the extent that the aggregate amount of the Notes exceeds US\$250,000,000) and ZAR 2,560,000,000, respectively, made available under the Senior Syndicated Term Loan Facilities Agreement.

“Senior Syndicated Term Loan Facilities Agreement” means the senior facilities agreement dated February 27, 2026 between, among others, the Company as parent and original borrower, Liquid Telecommunications South Africa (Pty) Ltd as original borrower, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division), Ninety One SA Proprietary Limited (acting for and on behalf of its clients), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division), The Emerging Africa & Asia Infrastructure Fund Limited (acting through its duly authorized agent Ninety One SA Proprietary Limited) and The Mauritius Commercial Bank Limited, as amended from time to time.

“Significant Subsidiary” means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries that are Restricted Subsidiaries (1) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Company or (2) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated Total Assets of the Company.

“South African Collateral” means the rights, property and assets securing the Counter-Indemnity Agreement as described in the section entitled “—Security—Security SPV” and any other rights, property or assets over which a Lien has been granted to secure the Obligations of the Company and the South African Subsidiary Guarantors under the Counter-Indemnity Agreement.

“South African Subsidiary Guarantors” means each of Liquid Telecommunications Holdings South Africa (Pty) Ltd and Liquid Telecommunications South Africa (Pty) Ltd.

“Standard Securitization Undertakings” means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Company or any of its Restricted Subsidiaries which an Officer or the Board of Directors of the Company has determined in good faith to be customary in a Qualified Receivables Financing, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Stated Maturity” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Subordinated Obligation” means, with respect to any Person, any Indebtedness of the Company which is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

“Subordinated Shareholder Debt” means, collectively, any debt provided to the Company by any direct or indirect Parent Holdco of the Company or any Permitted Holder, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided* that such Subordinated Shareholder Debt:

- (1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Company (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition) or the making of any such payment is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;
- (2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the maturity of the Notes or the making of any such payment is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;
- (3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confers on its holders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the maturity of the Notes or any such provision or right is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;
- (4) is not secured by a Lien on any assets of the Company or a Restricted Subsidiary and is not guaranteed by the Company or any Subsidiary of the Company; and
- (5) is contractually subordinated pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement in right of payment to the prior payment in full in cash of all obligations of the Company or Guarantor (as applicable) under the Notes and the Note Guarantees pursuant to subordination on insolvency, enforcement limitation, payment blockage, turnover, filing of claims and release of claims provisions pursuant to the terms of the Intercreditor Agreement or an Additional Intercreditor Agreement,

provided, however, that after any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Debt, such Indebtedness shall constitute an incurrence of such Indebtedness by the Company or Guarantor, as applicable, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

“Subsidiary” means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“**Subsidiary Guarantors**” means the Non-South African Subsidiary Guarantors and the South African Subsidiary Guarantors.

“**Successor Parent**” means, with respect to any Person, any other Person more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, “beneficially owned” (as defined below) by one or more Persons that “beneficially owned” (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, “**beneficially own**” has the meaning correlative to the term “**beneficial owner**”, as such term is defined in Rules 13d-3 and 13d-5 under the US Exchange Act (as in effect on the Issue Date).

“**Tax**” means any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). “**Taxes**” and “**Taxation**” shall be construed to have corresponding meanings.

“**Tax Sharing Agreement**” means any tax sharing or profit and loss pooling or similar agreement with customary or arm's length terms entered into with any Parent Holdco of the Company or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture.

“**Total Assets**” means, with respect to any specified Person as of any date, the total assets of such Person, calculated on a consolidated basis in accordance with IFRS.

“**Transactions**” means the offering of the Notes and the use of proceeds therefrom as contemplated in the section entitled “*Use of Proceeds*” in the Offering Memorandum and the other transactions described in the section entitled “*Summary—The Transactions*” in the Offering Memorandum.

“**Treasury Rate**” means, as of any redemption date, the yield to maturity at the time of computation of US Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available on a day no earlier than two Business Days prior to the redemption date (or, if such statistical release is not so published or available, any publicly available source of similar market data selected by an Officer or the Board of Directors of the Company in good faith)) most nearly equal to the period from the redemption date to April 14, 2028; *provided, however*, that if the period from the redemption date to April 14, 2028 is not equal to the constant maturity of a US Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by a linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields to US Treasury securities for which such yields are given, except that if the period from the redemption date to April 14, 2028 is less than one year, the weekly average yield on actually traded US Treasury securities adjusted to a constant maturity of one year shall be used.

“**Unrestricted Subsidiary**” means any Subsidiary of the Company (other than the Issuer) that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors but only to the extent that such Subsidiary:

- (1) has no Indebtedness other than Non-Recourse Debt;
- (2) except as permitted by the covenant described above under the caption “—*Certain Covenants—Transactions with Affiliates*”, is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company; and
- (3) is a Person with respect to which neither the Company nor any Restricted Subsidiary has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results.

“**Voting Stock**” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“**Weighted Average Life to Maturity**” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amounts of such Indebtedness.

“**Wholly-Owned Restricted Subsidiary**” means a Restricted Subsidiary of a Person, all of the Capital Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the first Person or another Wholly-Owned Restricted Subsidiary) is owned by such Person or another Wholly-Owned Restricted Subsidiary of such Person.

BOOK-ENTRY; DELIVERY AND FORM

General

The Notes will initially be issued in the form of several global notes in registered form without interest coupons attached. The Notes offered and sold in the United States to qualified institutional buyers in reliance upon Rule 144A will be represented by beneficial interests in one or more permanent global notes in fully registered form without interest coupons attached (the “**144A Global Notes**”). The Notes offered and sold outside the United States pursuant to Regulation S will be represented by beneficial interests in one or more permanent global notes in fully registered form without interest coupons attached (such global notes, the “**Regulation S Global Notes**” and, together with the Additional Rule 144A Global Notes, the “**Global Notes**”).

The Rule 144A Global Notes will be deposited with a custodian for DTC and registered in the name of Cede & Co. as nominee of DTC. The Regulation S Global Notes will be deposited with, or on behalf of a common depository for, Euroclear and Clearstream. The Notes will be issued in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Ownership of interests in the Global Notes will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream, as applicable, or persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “*Notice to Investors*”. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, Euroclear and Clearstream and their participants, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear, Clearstream or DTC, as applicable, and their respective participants.

The Book-Entry Interests will not be held in definitive form. Instead, DTC, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant’s account with the interest beneficially owned by such participant. Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC, Euroclear or Clearstream as applicable, or to a successor of DTC, Euroclear or Clearstream as applicable, or their nominees. Book-Entry Interests in the global notes may not be exchanged for definitive notes in registered certificated form (“**Certificated Notes**”) except in the limited circumstances described below. Please see “—*Exchange of Global Notes for Certificated Notes*”. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests.

In addition, while the Notes are in global form, “holders” of Book-Entry Interests will not be considered the owners or “**Holders**” of Notes for any purpose. So long as the Notes are held in global form, DTC, Euroclear and/or Clearstream, as applicable (or their respective nominees), will be considered the Holders of global notes for all purposes under the Indenture. As such, participants must rely on the procedures of DTC, Euroclear and/or Clearstream and indirect participants must rely on the procedures of DTC, Euroclear and/or Clearstream and the participants through which they own Book-Entry Interests in order to exercise any rights of Holders under the Indenture. Neither we nor the Trustee nor any of our respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Payments on Global Notes

Payments of amounts owing in respect of the global notes (including principal, interest and premium, if any) will be made by us to the Paying Agent. The Paying Agent will, in turn, make such payments to DTC or its nominee (in the case of the Rule 144A Global Notes) and to the common depository for Euroclear and Clearstream (in the case of the Regulation S Global Notes), which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Indenture, we, the Paying Agent, the Transfer Agent, the Registrar and the Trustee and any of their respective agents will treat the registered holder of the global notes (i.e., DTC, Euroclear or Clearstream (or their

respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither we nor the Paying Agent, the Transfer Agent, the Registrar and the Trustee or any of our respective agents has or will have any responsibility or liability for:

- any aspects of the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by DTC, Euroclear, Clearstream or any participant or indirect participants, or for maintaining supervising or reviewing the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;
- any other matter relating to the actions and practices of DTC, Euroclear or Clearstream or any participant or indirect participant. Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in “street name”;
- DTC or Euroclear and/or Clearstream, as applicable, or any participant or indirect participant; or
- the records of the custodian or common depository, as applicable

Action by Owners of Book-Entry Interests

DTC, Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a Holder of Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the global notes are credited and only in respect of such portion of the aggregate principal amount of Notes of any series as to which such participant or participants has or have given such direction. DTC, Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the global notes. However, if there is an event of default under the Notes, each of DTC, Euroclear and Clearstream reserves the right to exchange the Global Notes for definitive registered Notes in certificated form, and to distribute such definitive registered Notes to their respective participants.

Exchanges between the Global Notes

The global notes will bear a legend to the effect set forth in “*Notice to Investors*”. Book-Entry Interests in the global notes will be subject to the restrictions on transfer discussed in “*Notice to Investors*”. Book-Entry Interests in any Rule 144A Global Note may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes of the same series only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act. Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of Rule 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Notice to Investors*” and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the global note from which it was transferred and will become a Book-Entry Interest in the global note of such series to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the global note to which it was transferred.

If definitive registered Notes are issued, they will be issued only in minimum denominations of US\$200,000 principal amount and integral multiples of US\$1,000, respectively, in excess thereof, as the case may be, upon receipt by the registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear, Clearstream or

DTC, as applicable, from the participant who owns the relevant Book-Entry Interests. Definitive registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer to be in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under “*Notice to Investors*”. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear, Clearstream or DTC, where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Exchange of Global Notes for Certificated Notes

A global note is exchangeable for Certificated Notes if:

1. in the case of a Rule 144A Global Note, if DTC (a) notifies us that it is unwilling or unable to continue as depository for such global notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, we fail to appoint a successor depository;
2. in the case of a Regulation S Global Note, if Euroclear or Clearstream notifies us that it is unwilling or unable to continue as depository for such global notes, and we have failed to appoint a qualified successor; or
3. there has occurred and is continuing a default or event of default with respect to the Notes and DTC, Euroclear or Clearstream, or the owner of a Book-Entry Interest, as applicable, so requests.

In all cases, Certificated Notes delivered in exchange for any global note or beneficial interests in global notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures) and will bear the restrictive legend referred to in “*Notice to Investors*”, unless that legend is not required by applicable law.

Information Concerning DTC, Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of DTC, Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we nor the Initial Purchasers are responsible for those operations or procedures. The Issuer and the Guarantors understand as follows with respect to DTC and Euroclear and Clearstream:

DTC

DTC is:

- a limited purpose trust company organized under New York Banking Law;
- a “banking organization” under New York Banking Law;
- a member of the Federal Reserve System;
- a “clearing corporation” within the meaning of the New York Uniform Commercial Code; and
- a “clearing agency” registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and

dealers, banks, trust companies, clearing corporations and certain other organizations. DTC's owners are the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. and a number of its direct participants. Others, such as banks, brokers and dealers and trust companies that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

Euroclear and Clearstream

Like DTC, Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Global Clearance and Settlement under the Book-Entry System

The notes represented by the Global Notes are to be listed on the Official List of the Exchange and admitted to trading on the Exchange. The Global Notes are expected to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in the Notes will, therefore, be required by DTC to be settled in immediately available funds. Subject to compliance with the transfer restrictions applicable to the Global Notes, cross-market transfers between participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be done through DTC in accordance with DTC's rules on behalf of each of Euroclear or Clearstream by the common depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream by the counterparty in such system in accordance with the rules and regulations and within the established deadlines of such system. Euroclear or Clearstream will, if the transaction meets its settlement requirements, deliver instructions to the common depository to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Notes from DTC, and making and receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the common depository.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a global note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. Cash received by Euroclear and Clearstream as a result of a sale of an interest in a global note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

The Book-Entry Interests will trade through participants of DTC, Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Although DTC, Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the global notes among participants in DTC, Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Trustee, the Transfer Agent, the Registrar or the Paying Agent will have

any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

TAX CONSIDERATIONS

The following summary describes certain tax consequences for holders of the Notes as in effect on the date of this Offering Memorandum and is subject to any change in such law that may take effect after such date. References in this section to holders of the Notes include the beneficial owners of the Notes. This discussion is not intended as tax advice to any particular investor and does not purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules. It is also not a complete analysis or listing of all potential tax consequences related to your investment in the Notes. We urge you to consult your own tax adviser regarding the specific tax consequences of an investment in the Notes in your own particular factual circumstances, including, without limitation, the consequences of receipt of interest and premium paid (if any), and the sale or redemption of the Notes or any interest therein. This summary also does not address those holders of Existing 2026 Notes who participate in the Tender Offer or the Redemption or any other holders of Existing 2026 Notes.

U.K. TAX CONSIDERATIONS

The following is a summary of certain U.K. income tax considerations in relation to payments of interest and principal with respect to the Notes and certain other U.K. tax considerations in respect of the Notes. It is based on current law and the published practice of HM Revenue and Customs (“**HMRC**”) (which may not be binding on HMRC), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other U.K. tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and may not apply to certain classes of persons, such as dealers in securities, to whom special rules may apply. The following does not necessarily apply where the income is deemed for tax purposes to be income of any other person. The following is a general summary for information purposes and should be treated with appropriate caution. It is not intended to be tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of Notes. Holders of the Notes who may be liable to taxation in jurisdictions other than the U.K. in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisors as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain U.K. taxation aspects of payments in respect of the Notes. In particular, holders of the Notes should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the U.K. Holders of the Notes should consult their own professional advisors with respect to their tax position.

Interest on the Notes

The Notes will constitute “quoted Eurobonds”, provided they are and continue to be “listed on a recognised stock exchange” within the meaning of Section 1005 of the Income Tax Act 2007 as it applies for the purposes of section 987 of the Income Tax Act 2007, or admitted to trading on a “multilateral trading facility” operated by a regulated recognised stock exchange within the meaning of Section 987 of the Income Tax Act 2007. While the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of U.K. income tax.

The Notes will be “listed on a recognised stock exchange” for this purpose if they are admitted to trading on an exchange designated as a “recognised stock exchange” by an order made by the Commissioners for HMRC and either they are included in the U.K. official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in EEA states, in a country outside the U.K. in which there is a “recognised stock exchange.” The Exchange is a “recognised stock exchange” for this purpose. The Issuer’s understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Official List of the Exchange may be regarded as “listed on a recognised stock exchange” for this purpose.

In all cases falling outside the exemption described above, interest on the Notes may fall to be paid under deduction of U.K. income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction

from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

Payments by a Guarantor

Depending on the correct legal analysis of payments made by a Guarantor as a matter of U.K. tax law, it is possible that payments by a Guarantor would be subject to withholding on account of U.K. tax (currently 20%), subject to any applicable exemptions or reliefs. In particular, such payments by the Guarantor may not be eligible for the exemption in respect of securities listed on a “recognised stock exchange” described above in relation to payments of interest by the Issuer. Accordingly, if a Guarantor makes any such payments, these may be subject to U.K. withholding tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty (following receipt of a gross payment direction from HMRC) or to any other exemption which may apply.

Other rules relating to withholding or deductions on account of U.K. income tax

Where Notes are to be, or may fall to be, redeemed at a premium any such element of premium may constitute a payment of interest. Payments of interest are subject to withholding or deduction on account of U.K. income tax as outlined above.

Where interest has been paid under deduction of U.K. income tax, holders of the Notes who are not resident in the U.K. for tax purposes may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to “interest” and “principal” in the statements above mean interest and principal (as applicable) as understood in U.K. tax law. The statements above do not take any account of any different definitions of interest or principal which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation. Holders of the Notes should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes or by a Guarantor which does not constitute interest or principal as those terms are understood in U.K. tax law.

The above description of the U.K. income tax position assumes that there will be no substitution, merger, consolidation or amalgamation of an Issuer and does not consider the tax consequences of any such substitution, merger, consolidation or amalgamation.

Stamp Duty and Stamp Duty Reserve Tax

No U.K. stamp duty or U.K. stamp duty reserve tax is payable on the issue of the Notes. No U.K. stamp duty or U.K. stamp duty reserve tax should be payable on a transfer of the Notes provided that certain conditions are met including that the Notes do not carry and will not at any time carry (i) a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the capital, (ii) a right to interest the amount of which falls to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property, nor (iii) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital (as that term is understood for the purposes of section 79 of the Finance Act 1986) listed in the Official List of the London Stock Exchange.

The U.K. government has confirmed that it will modify the stamp tax regime from 2027 onwards. Under the modified regime, stamp duty and stamp duty reserve tax will be replaced by a single self-assessed tax. The U.K. government has indicated that debt securities will broadly continue to be outside the scope of the self-assessed tax. The position described in the previous paragraph is on that basis expected to apply to the Notes even after the modified stamp tax regime takes effect. However, this cannot be confirmed until the legislation implementing the modified regime has been enacted.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes certain U.S. federal income tax consequences of purchasing, owning and disposing of Notes. This summary does not discuss all of the aspects of U.S. federal income taxation that may be relevant to a beneficial owner of a Note (referred to in this summary as a “**holder**”) in light of its particular investment or other circumstances. This summary is limited to consequences relevant to a U.S. Holder (as defined below), except for discussions on FATCA (as defined below). This summary applies only to a holder of a Note that acquires the Note for cash in this offering for a price equal to its “**issue price**” (*i.e.*, the first price at which a substantial amount of the Notes is sold for money to investors, other than to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), and holds the Note as a capital asset (generally, investment property).

This summary does not address special U.S. federal income tax rules that may be applicable to certain categories of holders of Notes, such as:

- dealers in securities or currencies;
- traders in securities;
- U.S. Holders whose functional currency is not the U.S. dollar;
- persons holding Notes as part of a conversion, constructive sale, wash sale or other integrated transaction or a hedge, straddle or synthetic security;
- persons subject to the alternative minimum tax;
- certain U.S. expatriates;
- financial institutions;
- insurance companies;
- regulated investment companies, real estate investment trusts, and shareholders of such corporations;
- entities that are tax-exempt for U.S. federal income tax purposes and retirement plans, individual retirement accounts and tax-deferred accounts;
- pass-through entities, including S corporations and entities or arrangements classified as partnerships for U.S. federal income tax purposes, and beneficial owners of pass-through entities;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement;
- U.S. Holders that hold Notes in connection with a trade or business conducted outside the United States;
- U.S. Holders that hold Notes through non-U.S. brokers or other non-U.S. intermediaries; and
- persons that acquire the Notes for a price other than their issue price.

In addition, this summary only addresses U.S. federal income tax consequences, and does not address other U.S. federal tax consequences, including, for example, estate or gift tax consequences or the Medicare tax on certain investment income. This summary also does not address any U.S. state or local or non-U.S. income or other tax consequences. This summary does not address the tax consequences to holders that hold Existing 2026 Notes that are

repaid substantially contemporaneously with this offering and assumes that a substantial amount of the Notes will be sold for cash to persons other than such holders.

If an entity or arrangement classified as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. Entities or arrangements classified as partnerships for U.S. federal income tax purposes and partners in such partnerships should consult their own tax advisors regarding the U.S. federal income tax consequences of purchasing, owning and disposing of Notes.

This summary is based on U.S. federal income tax law, including the Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations, administrative rulings and judicial authority, all as in effect or in existence as of the date of this Offering Memorandum. Subsequent developments in U.S. federal income tax law, including changes in law or differing interpretations, which may be applied retroactively, could have a material effect on the U.S. federal income tax consequences of purchasing, owning and disposing of Notes as set forth in this summary. The Issuer cannot provide any assurance that the Internal Revenue Service (the “IRS”) will not challenge one or more of the tax consequences described in this summary, and the Issuer has not obtained, nor does the Issuer intend to obtain, any ruling from the IRS or opinion of counsel with respect to the tax consequences of the purchase, ownership or disposition of the Notes. Before purchasing Notes, a prospective holder should consult its tax advisor regarding the particular U.S. federal, state and local and non-U.S. income and other tax consequences of purchasing, owning and disposing of the Notes that may be applicable to such holder.

For purposes of this summary, a “**U.S. Holder**” is a beneficial owner of a Note that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in, or under the laws of, the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of the source of that income; or
- a trust, if (1) a U.S. court is able to exercise primary supervision over the trust’s administration and one or more “**United States persons**” (within the meaning of the Code) has the authority to control all of the trust’s substantial decisions, or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a “**United States person.**”

Payments of Interest

Interest on the Notes, including any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld, will be included in a U.S. Holder’s gross income and taxed as ordinary interest income at the time such interest is accrued or received in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

Foreign Tax Credit

Interest on the Notes generally will constitute non-U.S. source income, and generally will be treated as “passive category” income or, in certain cases, “general category” income for purposes of the U.S. foreign tax credit. A U.S. Holder may be eligible to claim a foreign tax credit for any non-U.S. withholding tax paid (or deemed paid) by the U.S. Holder with respect to payments of interest on the Notes. Alternatively, the U.S. Holder may be able to deduct such taxes in computing taxable income for U.S. federal income tax purposes, provided that the U.S. Holder does not elect to claim a foreign tax credit for any income taxes paid or accrued for the relevant taxable year. Certain Treasury regulations that apply to non-U.S. income taxes paid or accrued in taxable years beginning on or after December 28, 2021 further restrict the ability of any such credit based on the nature of the tax imposed by the non-U.S. jurisdiction,

although the IRS has provided temporary relief from the application of certain aspects of these regulations until new guidance or regulations are issued. The rules relating to the availability, calculation and timing of foreign tax credits (or deductions in lieu of such credits) are complex and their application depends upon a U.S. Holder's particular circumstances. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit or the deductibility of any withholding taxes for foreign tax credit purposes.

Sale or Other Taxable Disposition of Notes

Upon the sale, redemption, retirement, exchange or other taxable disposition (each a “**disposition**”) of a U.S. Holder's Notes, the U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between:

- the amount realized by such U.S. Holder on the disposition (less any amount attributable to accrued but unpaid interest on such Notes); and
- the U.S. Holder's adjusted tax basis in such Notes, which generally will be their cost to such U.S. Holder.

Any amount realized on the disposition that is attributable to accrued but unpaid interest will generally be taxable as ordinary interest income to the extent not previously included in the U.S. Holder's gross income in the manner described above under “—*Payments of Interest*”. A U.S. Holder's gain or loss generally will be capital gain or loss. This capital gain or loss will be long-term capital gain or loss if, at the time of the disposition, the U.S. Holder has held the Notes for more than one year. Subject to limited exceptions, a U.S. Holder's capital losses cannot be used to offset ordinary income. Long-term capital gain of a non-corporate U.S. Holder generally is subject to a preferential rate of U.S. federal income tax. Capital gain or loss recognized by a U.S. Holder generally will constitute U.S. source income or loss for purposes of the U.S. foreign tax credit.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to payments of interest on the Notes and the proceeds of a disposition of the Notes received by a U.S. Holder unless such U.S. Holder is an exempt recipient, and, when required, provides evidence of such exemption.

In general, “**backup withholding**” (currently at a rate of 24%) may apply to payments of interest on the Notes and the proceeds of a disposition of the Notes, if the U.S. Holder fails to provide a correct taxpayer identification number or otherwise comply with the applicable requirements of the backup withholding rules and does not otherwise establish an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be credited against the U.S. Holder's U.S. federal income tax liability (which may result in the U.S. Holder's being entitled to a refund of U.S. federal income tax), provided that the required information is timely provided to the IRS.

Certain Additional Reporting Requirements

Individual U.S. Holders (and to the extent specified in applicable Treasury regulations certain U.S. Holders that are entities) that hold “specified foreign financial assets,” whose aggregate value exceeds US\$75,000 at any time during the taxable year or US\$50,000 on the last day of the taxable year (or such higher amounts as prescribed by applicable Treasury regulations) generally are required to file a report on IRS Form 8938 with information relating to the assets for each such taxable year. Specified foreign financial assets (as defined in Section 6038D of the Code) would include, among other things, the Notes, unless the Notes are held in an account maintained by a U.S. “financial institution” (as defined in Section 6038D of the Code). Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event an individual U.S. Holder (and to the extent specified in applicable Treasury regulations, a U.S. entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such holder for the related tax year may not close until three years after the date that the required information

is filed. U.S. Holders (including U.S. entities) consult their own tax advisors regarding their reporting obligations with respect to specified foreign financial assets and the substantial penalties for noncompliance.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act and related Treasury guidance (collectively referred to as “**FATCA**”) impose U.S. federal withholding tax at a rate of 30% on “withholdable payments,” which include “foreign passthru payments” made by a “foreign financial institution” (each as defined under FATCA) that has entered into an agreement with the IRS to perform certain diligence and reporting obligations with respect to the foreign financial institution’s accounts (each such foreign financial institution, a “**Participating Foreign Financial Institution**”). If the Issuer were treated as a foreign financial institution and were to become a Participating Foreign Financial Institution and payments on the Notes were considered foreign passthru payments, then FATCA withholding tax may be imposed on payments on the Notes made to a holder (including a foreign financial institution acting as an intermediary), unless the holder complies with the applicable requirements of, or is otherwise exempt from, FATCA. The term “foreign passthru payment” is not yet defined and it is therefore not clear whether or to what extent payments on the Notes could be considered foreign passthru payments. Debt obligations issued on or prior to the date that is six months after the date on which applicable final regulations defining “foreign passthru payments” are published in the Federal Register generally would be “grandfathered,” unless materially modified after such date. In addition, under proposed Treasury regulations, withholding on foreign passthru payments will not be required with respect to payments before the date that is two years after the date of publication of final regulations defining the term “foreign passthru payment”. Taxpayers may generally rely on these proposed regulations until final regulations are issued. The United States has entered into intergovernmental agreements with certain jurisdictions that modify the FATCA withholding regime described above. It is not yet clear how these intergovernmental agreements will address foreign passthru payments and whether such intergovernmental agreements may relieve foreign financial institutions of any obligation to withhold on foreign passthru payments. Potential investors in the Notes should consult their tax advisors regarding the potential impact of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, on their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

CERTAIN KENYAN TAX CONSIDERATIONS

Below is a high level guide to the Kenyan tax considerations relating to the Notes based on current law and practice. It does not purport to be a complete analysis of all tax considerations relating to the Notes and does not constitute legal or tax advice. Prospective holders of Notes should consult their own professional advisers in relation to the Kenyan tax considerations.

Capital gains tax (“CGT”) and Income Tax

The creation of the Collateral and the issuance of the Guarantee will not have any income tax implications under the Income Tax Act (Chapter 470 of the Laws of Kenya) (the “**ITA**”).

In the event that the Issuer is unable to honor its obligations under the Notes, and the Security Agent enforces its rights under the Collateral and Guarantee, any gain or loss realized by the shareholders of Liquid Telecommunications Kenya Limited on enforcement of the Collateral and Guarantee will have CGT implications for the shareholders. It is important to note that under paragraph 5(2) of the Eighth Schedule to the ITA even though at enforcement the transfer of the shares will be effected by the security holders, the burden of paying CGT on any gain will be on the shareholders of Liquid Telecommunications Kenya Limited and not on the security holders.

Kenya has entered into bilateral Double Taxation Agreements (“**DTAs**”) with various countries, including the United Kingdom (the “**Kenya – UK DTA**”). The Kenya-UK DTA applies to persons resident in either Kenya or the UK or in both countries. Under the Kenya-UK DTA, the applicable withholding tax rate for interest should not exceed 15%. In this regard, the interest income paid to the Note holders who are tax resident in Kenya could be subject to withholding

tax in the UK (depending on UK withholding tax rules on interest). Should the withholding tax be applicable, it should not exceed 15%.

In relation to the interest income received by the Noteholders in Kenya, Kenya operates a source basis of taxation and generally, income is only taxable in Kenya if it is accrued in or derived from Kenya. While individual Noteholders would not be subject to further tax in Kenya on the interest income, corporate entities may be subject to tax in Kenya on the foreign sourced income in certain prescribed circumstances, but would be entitled to claim a tax credit in Kenya in relation to any taxes deducted at source in the UK.

Other than the UK, Kenya also has DTAs with the following countries (i) Canada; (ii) Denmark; (iii) France; (iv) Germany; (v) India; (vi) Iran; (vii) Norway; (viii) Sweden; (ix) Zambia; (x) South Africa; (xi) Seychelles; (xii) Republic of South Korea; (xiii) Qatar; and (xiv) the United Arab Emirates. The DTAs apply to persons resident in either Kenya or the other contracting states or in both countries (as applicable). Note holders resident in Kenya will earn interest income which will be subject to withholding tax at the applicable rates (the rates may differ depending on the terms of each DTA).

Value added tax (VAT)

VAT is charged pursuant to the provisions of the Value Added Tax Act (Chapter 476 of the Laws of Kenya) (the “VATA”). Section 5 of the VATA imposes VAT on taxable supplies made by a registered person in Kenya. The term “taxable supply” is defined as “a supply other than an exempt supply, made in Kenya by a person in the course or furtherance of a business carried on by the person, including a supply made in connection with the commencement or termination of a business”. However, the “making of any advances or the granting of any credit” and the “provision of guarantees, letters of credit and acceptance and other forms of documentary credit” are transactions that are exempt from VAT in Kenya.

Stamp duty

The Stamp Duty Act (Chapter 480 of the Laws of Kenya) (the “**Kenyan Stamp Duty Act**”), requires the stamping of any agreement or instrument relating to property situated in Kenya, or to any matter or thing done or to be done in Kenya. Any agreement or instrument that is chargeable with stamp duty can only be admitted as evidence in Kenyan courts, if it is duly stamped. If an agreement or instrument executed outside Kenya is brought into Kenya, stamp duty should be paid within thirty (30) days of the agreement or instrument being received in Kenya.

Stamp duty on the Guarantee to be issued by Liquid Telecommunications Kenya Limited will be payable at a nominal amount of Kenya Shillings two hundred (KES 200) (approximately US\$2). The Kenyan collateral (in form of a memorandum of deposit over the shares of Liquid Telecommunications Kenya Limited) would be exempt from stamp duty pursuant to section 117 (1) (l) of the Kenyan Stamp Duty Act. The instrument for the Kenyan collateral would need to be presented to the Collector of Stamp Duty for assessment and endorsement of the exemption. Unless the stamp duty exemption is obtained, the Kenyan collateral must, in accordance with the provisions of the Kenyan Stamp Duty Act, be stamped with applicable stamp duty as may be assessed by the Collector of Stamp Duty within thirty (30) days of (a) the date of execution or (b) the date on which it is brought into Kenya if executed outside Kenya. In the event that the Issuer is unable to honor its obligations under the Notes, and the Security Agent enforces its rights under the Collateral and Guarantee, the transfer of the shares in Liquid Telecommunications Kenya Limited on enforcement of the Collateral and Guarantee will trigger Kenyan stamp duty that would be payable by the acquirer of the shares in Liquid Telecommunications Kenya Limited. The rate of stamp duty applicable on the transfer of shares is 1% of the higher of the consideration for the shares or the market value of the shares as determined by an auditor.

CERTAIN MAURITIAN TAX CONSIDERATIONS

The following applies only to persons who are the beneficial owners of the Notes and is a summary of the Issuer’s understanding of current law and practice in Mauritius relating to certain aspects of Mauritius taxation. This description does not purport to constitute legal or tax advice and any prospective noteholders who are in doubt as to

their own tax position, or who may be subject to tax in a jurisdiction other than Mauritius, should consult their professional advisers.

Interest on the Notes—Payments by a Guarantor

If a Guarantor incorporated in Mauritius makes any payments in respect of interest on the Notes, such payments may be subject to Mauritius withholding tax at 15% subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption which may apply. A Guarantor holding a Global Business License will be exempted from withholding tax on interest on the Notes to the extent that the interest is paid out of its foreign source income, to non-resident not carrying on business in Mauritius. A Guarantor holding an authorization from the Financial Services Commission is not a resident for Mauritius tax purposes and is not required to withhold tax in Mauritius on any payments in respect of interest on the Notes.

CERTAIN SOUTH AFRICAN TAX CONSIDERATIONS

The following is a general high level guide to the South African tax considerations relating to the Notes based on current law and practice. It does not purport to be a complete analysis of all tax considerations relating to the Notes and does not constitute legal or tax advice. Prospective holders of Notes should consult their own professional advisers.

Persons who are tax resident in South Africa will be subject to income tax on all interest and other income received by or accruing to them in respect of the Notes. Companies are generally taxed at the rate of 27% while individuals are taxed at progressive rates up to a maximum rate of 45%. Most trusts pay income tax at a flat rate of 45%. Proceeds arising in respect of the disposal of a Note by a South African tax resident will be subject to income tax or capital gains tax depending on the specific circumstances of the investor in question. Companies pay capital gains tax at an effective rate of 21.6% while individuals pay capital gains tax at progressive rates up to a maximum effective rate of 18%. Most trusts pay capital gains tax at the effective rate of 36%. Since the Notes are denominated in U.S. Dollars, certain South African resident investors should be aware that foreign exchange gains and losses arising in respect of the Notes could be taxable in South Africa upon translation of the Notes at year end and upon realization thereof.

Section 50B of the Income Tax Act, 1962 (the “**Income Tax Act**”) imposes a withholding tax on interest payments to persons who are not regarded as resident in South Africa for tax purposes, where the interest is sourced in South Africa. The withholding tax is levied at a rate of 15%, but could be reduced by applicable double taxation treaties. The withholding tax will not apply if the Notes are listed on a recognized exchange. There should not be a withholding obligation in respect of any guarantee issued by the South African Subsidiary Guarantors.

CERTAIN ZAMBIAN TAX CONSIDERATIONS

The following applies only to persons who are the beneficial owners of the Notes and is a summary of the Issuer’s understanding of current law and practice in Zambia relating to certain aspects of Zambian taxation. This description does not purport to constitute legal or tax advice and any prospective noteholders who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than Zambia, should consult their professional advisers.

Interest on the Notes—Payments by a Guarantor

If a Guarantor incorporated in Zambia makes any payments in respect of interest on the Notes, such payments may be subject to withholding tax prevailing from time to time, currently at 20% subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption which may apply.

CERTAIN DEMOCRATIC REPUBLIC OF CONGO TAX CONSIDERATIONS

The following summary provides a general overview of certain tax considerations in the Democratic Republic of Congo relating to the Notes, based on current law and practice. It does not constitute legal or tax advice and does not exhaustively address all potential DRC tax consequences. Prospective Noteholders should seek advice from their own tax advisors regarding the DRC tax implications of investing in the Notes.

Corporate Income Tax and Capital Gains

Capital gains realized in the DRC are generally treated as ordinary business income and taxed at the standard corporate income tax rate (30%), unless a specific exemption applies.

Where enforcement of the Collateral or Guarantee results in a disposal of shares held by a Congolese shareholder, any resulting gain will typically be taxable in the DRC as part of the shareholder's business income. The DRC does not have a special capital gains regime for disposals arising from security enforcement.

Withholding Tax on Interest and Other Payments

Under DRC tax law, interest, royalties, dividends and certain service payments to non-residents are ordinarily subject to withholding tax (“WHT”). Historically, the WHT rate applicable to interest was 20%.

However, as from January 1, 2026, the DRC has abolished WHT on interest paid to foreign lenders.

As a result:

- interest paid to Noteholders will no longer be subject to DRC WHT; and
- the removal of WHT improves the after-tax return for lenders and reduces the overall cost of funding for DRC borrowers.

WHT continues to apply to other categories of payments (e.g., dividends, royalties, service fees), with potential reductions available under the DRC–Belgium and DRC–South Africa double tax treaties.

Double Tax Treaties

The DRC currently has double tax treaties with Belgium and South Africa, which provide reduced rates of WHT on dividends, royalties and (where relevant) interest. Although these treaties do not affect the domestic abolition of WHT on interest effective 2026, they remain relevant for other types of cross-border payments.

Source-Based Taxation

The DRC applies a primarily source-based system of corporate taxation. Income is taxable in the DRC when it arises from activities or assets located in the DRC, including income realized through the enforcement of security over DRC shares or assets.

Foreign-source income of resident companies may be taxable depending on the circumstances and subject to the unified corporate income tax system introduced by Law No. 23/053, effective January 1, 2026.

Value Added Tax (VAT)

VAT in the DRC applies at 16% to taxable goods and services supplied within the country.

The issuance of a guarantee is typically treated as the provision of a financial service, which may fall within VAT exemptions. However, VAT consequences may arise depending on the nature of the services concerned and whether the supply is considered to occur in the DRC. Investors should seek specific advice, as the VAT treatment of guarantees and security arrangements is not expressly harmonized under DRC law.

Enforcement of Security – Tax Implications

In the event of enforcement of the Collateral and/or Guarantee by the Security Agent:

- the transfer of shares in a DRC company may give rise to taxable business income for the DRC shareholder;
- interest due during enforcement will not be subject to WHT from January 1, 2026; and
- administrative fees may apply to enforcement-related documents depending on their nature and whether they are executed or used in the DRC.

CERTAIN UGANDAN TAX CONSIDERATIONS

Below is a general high level guide to the Ugandan tax considerations relating to the Notes based on current law and practice. It does not purport to be a complete analysis of all tax considerations relating to the Notes and does not constitute legal or tax advice. Prospective holders of Notes should consult their own professional advisers in relation to the Ugandan tax considerations.

Section 127(1) of the Income Tax Act (Cap. 338) requires a resident person who pays interest to another resident person to withhold tax on the gross amount at a rate of 15%. The 15% withholding tax is not a final tax but is an advance payment.

Uganda has entered into double taxation agreements with various countries namely, (i) Denmark; (ii) India; (iii) Italy; (iv) Mauritius; (v) Netherlands; (vi) Norway; (vii) South Africa; (viii) the United Kingdom; and (ix) Zambia. The DTAs apply to persons resident in either Uganda or the reciprocating countries or in both country (as applicable). Under the applicable DTAs, the rate of withholding tax on interest payments may be reduced.

CERTAIN INSOLVENCY AND ENFORCEABILITY CONSIDERATIONS

The following is a brief description of certain insolvency and enforceability considerations in the jurisdictions in which Guarantees are initially being provided. The descriptions below do not purport to be complete or discuss all of the limitations or considerations that may affect the Notes or the Guarantees. Proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future Guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment (in full) under the Notes and the Guarantees. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations. See "Risk Factors—Risks relating to the Notes and the Guarantees."

ENGLAND AND WALES

The Issuer, and certain of the Guarantors and certain of the providers of Collateral are companies incorporated under the laws of England and Wales (the "**English Obligors**").

Applicable legal framework and jurisdiction of the English courts

While the UK was a member state of the European Union (the "**EU**"), insolvency processes opened in the UK were subject to both EU and applicable UK domestic legislation. Following the UK's departure from the EU on January 31, 2020 and the expiry of the subsequent transition period (the "**Transition Period**") on December 31, 2020, in accordance with the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020), EU law as directly applicable in the UK at the end of the Transition Period (subject to certain exceptions) was transposed into UK domestic law as "retained EU law", subject in each case to amendment and modification by domestic legislation. The Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146) (as amended) effected key amendments to both EU insolvency laws previously directly applicable in the UK, including the Insolvency Regulation 2000 and the EC Regulation No. 2015/848 on Insolvency Proceedings (the "**Recast Insolvency Regulation**"), and domestic insolvency laws, including the Insolvency Act 1986 (the "**Insolvency Act**"), the Insolvency (England and Wales) Rules 2016 (SI 2016/1024) (the "**Insolvency Rules**") and the Cross-Border Insolvency Regulations 2006 (SI 2006/1030) (the "**Cross-Border Insolvency Regulations**"). As a result, the Recast Insolvency Regulation no longer applies as a matter of EU law in the UK to proceedings opened after December 31, 2020 and has been replaced by a domestic UK regime governing jurisdiction and recognition, but the reciprocal recognition and cooperation regime between the UK and EU member states has largely fallen away.

Unless insolvency proceedings or certain related proceedings were opened prior to the expiry of the Transition Period, in which case the unmodified Recast Insolvency Regulation and related EU insolvency legislation govern the proceedings, insolvency proceedings with respect to the English Obligors would likely proceed under, and be governed by, English insolvency laws in force at the time of commencement of the relevant proceedings. However, to the extent that an English Obligor has its COMI in a member state of the EU, insolvency proceedings could, pursuant to the Recast Insolvency Regulation and subject to certain exceptions, be opened in the relevant EU member state and be subject to the laws of that EU member state. In addition, pursuant to the Cross-Border Insolvency Regulations, certain foreign courts may have jurisdiction to oversee insolvency proceedings of any English Obligor which has its COMI or an "establishment" (as defined below) in such foreign jurisdiction. The UK Government has consulted on potential implementation of the UNCITRAL Model Law on Recognition and Enforcement of Insolvency-Related Judgments and the UNCITRAL Model Law on Enterprise Group Insolvency; however as at the date of this Offering Memorandum, neither of these model laws have been fully implemented in England and Wales and their final form and commencement dates remain subject to further legislative action. This will further develop the framework for cross-border insolvency recognition and coordination of corporate group insolvencies, while seeking to maintain the separate legal personality of each entity within the group.

Although the scope of the English courts' jurisdiction varies for the different insolvency proceedings available in England and Wales, English courts generally have jurisdiction to open insolvency proceedings in respect of any

company which has its COMI in the UK or which has its COMI in an EU member state (other than Denmark) and an “establishment” in the UK. An “establishment” is defined to mean any place of operations where the company carries out or has carried out a non-transitory economic activity with human means and assets. For the purposes of determining jurisdiction to open certain insolvency proceedings, such activity must have been carried out at that place during the three-month period preceding the request to open proceedings. While this allows English courts to assume jurisdiction over certain foreign companies in respect of certain insolvency proceedings, the efficacy of such proceedings will significantly depend on the likelihood and extent of subsequent recognition of such proceedings in relevant other jurisdictions (see “*Cross-border recognition of English insolvency and restructuring proceedings*” below).

English insolvency law is different to the laws of the United States and other jurisdictions with which investors may be familiar. In the event that an English Obligor experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings. In addition, English restructuring tools, including schemes of arrangement under Part 26 of the Companies Act 2006 and restructuring plans under Part 26A of the Companies Act 2006 (which includes a cross-class cram-down feature), may affect creditor rights in a manner different from how they are treated in U.S. Chapter 11 proceedings. The obligations under the Notes are guaranteed by the Guarantees and secured by security interests over the Collateral. English insolvency laws and other limitations could limit the enforceability of the payment obligations of the Issuer in respect of the principal, interest and other amounts owing by the Issuer, and of a Guarantee against an English Obligor and of the security interests over the Collateral.

The following is a brief description of certain aspects of English insolvency law relating to such limitations. The application of these laws could adversely affect investors, and their ability to enforce their rights for payment of the principal, interest and other amounts owing by the Issuer, and/or under the Guarantees and/or under the Collateral securing the Notes and the Guarantees and therefore may limit the amounts that investors may receive in an insolvency of an English Obligor.

Fixed versus floating charges

The Notes and the Guarantees benefit from fixed and floating charge security over certain Collateral owned by certain of the English Obligors.

There are a number of ways in which fixed charge security has advantages over floating charge security.

Until floating charge security crystallizes, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of business, meaning that such assets can be effectively disposed of by the charging company so as to give a third party good title to the assets free of the floating charge.

On an insolvency of a charging company: (a) a fixed charge, even if created after the date of a floating charge, may have priority as against a floating charge over the same charged assets (provided that the floating charge has not crystallized at the time the fixed charge was granted and there were no restrictions on the creation of such security which the fixed charge holder was aware of and subject to any contractual negative pledge or priority arrangements which are binding on the relevant secured parties); (b) general costs and expenses (including the remuneration of insolvency office-holders and the costs of continuing to operate the business of the charging company while in administration) properly incurred in an insolvency process are generally payable out of the assets of the charging company (including the assets (including cash) that are the subject of the floating charge) and insolvency office-holders appointed to a charging company can convert floating charge assets to cash and use such cash to meet such general costs and expenses in priority to the claims of the floating charge holder to the extent that the value of the charging company’s unsecured assets is not sufficient to cover such costs and expenses in full; (c) an administrator may dispose of or take action relating to property subject to a floating charge without the prior consent of the charge holder or court, although the floating charge holder retains the same priority in respect of the proceeds from the disposal of the assets subject to the floating charge; (d) where the floating charge is not created or otherwise arising under a “financial collateral arrangement” (generally, a charge over cash or financial instruments such as shares, bonds or tradeable capital market debt instruments and credit claims) under the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the “**Financial Collateral Regulations**”), assets subject to floating charge security

are subject to the claims of certain preferential creditors and the ring-fencing of the Prescribed Part for unsecured creditors (see “*Priority on insolvency*” below); and (e) there are particular insolvency “clawback” risks in relation to floating charge security.

There is a possibility under English law that a court could find that fixed security interests expressed to be created by a security document governed by English law properly take effect as floating charges as the description given to them as fixed charges is not determinative. Whether the purported fixed security interests will be upheld as fixed security interests rather than recharacterized as floating security interests will depend, among other things, on the terms of the security and whether the secured party has the requisite degree of control over the charging company’s ability to deal with the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the security holder in practice. Recent case law indicates that an absolute prohibition on disposals is not required for a charge to be characterized as fixed, but where the charging company is free to deal with the assets that are the subject of a purported fixed charge in its discretion and without the consent of the chargee, the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Administration

English insolvency law empowers the English courts to make an administration order in respect of any company within their general jurisdiction (see “*Applicable legal framework and jurisdiction of the English courts*” above), any company incorporated in England, Wales, Scotland or an EEA State, any company (irrespective of its country of incorporation) with its COMI in the UK or an EU member state (other than Denmark), or, in certain circumstances, where a sufficient connection with England and Wales is established (which may include English law-governed debt, assets located in England or submission to the jurisdiction of the English courts) and upon request from courts in other parts of the United Kingdom or certain other countries and territories. In each case and subject to specific conditions, an administration order can be made if the court is satisfied that (a) the relevant company is or is likely to become “unable to pay its debts” and (b) the administration order is reasonably likely to achieve the purpose of administration.

A company is unable to pay its debts if it is insolvent on a “cash flow” basis (unable to pay its debts as they fall due) or if it is insolvent on a “balance sheet” basis (the value of the company’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities), as per Section 123 of the Insolvency Act. Such insolvency is presumed if, among other matters, the company fails either to satisfy a creditor’s statutory demand for a debt exceeding £750 within 21 days of service or to satisfy in full or in part a judgment debt (or similar court order).

The purpose of an administration is comprised of three statutory objectives that must be considered in a priority order: rescuing the company as a going concern or, if that is not reasonably practicable, achieving a better result for the company’s creditors as a whole than would be likely upon immediate liquidation or, if neither of those objectives is reasonably practicable and the interests of the creditors as a whole are not unnecessarily harmed thereby, realizing property to make a distribution to one or more secured or preferential creditors. The order of priority which applies to any distribution to creditors is set out below (see “*Priority on insolvency*” below).

Without limitation and subject to specific conditions, the debtor company, the directors of such company or the holder of a “qualifying floating charge” (as described in “*Qualifying floating charge*” below) where the floating charge has become enforceable may also appoint an administrator out of court. Different appointment procedures apply according to the identity of the appointor, and prior notice requirements may apply in favor of holders of prior-ranking qualifying floating charges.

An administrator is given wide powers to conduct the business of the company to which they are appointed and, subject to certain requirements under the Insolvency Act, dispose of the property of a company in administration (including property subject to a floating charge). A set proportion of the proceeds of the realization of any property subject to a floating charge will need to be set aside for satisfaction of the claims of preferential creditors and the ring-fencing of the Prescribed Part (see “*Prescribed Part*” below). An administrator may also, with prior approval by the court, deal with assets subject to a fixed charge, provided that disposing of the property is likely to promote the purpose

of the administration and the administrator applies the net proceeds from the disposal towards discharging the obligations of the company to the fixed charge holder.

In addition, certain rights of creditors, including secured creditors, are curtailed in an administration. Upon the appointment of an administrator, a statutory moratorium is imposed such that no step may be taken to enforce security or a guarantee over the company's property except with the consent of the administrator or leave of the court (although a demand for payment could be made under a guarantee granted by the company). The same requirements for consent or permission apply to the institution or continuation of legal process (including legal proceedings, execution, distress and diligence) against the company or property of the company. In either case, a court will consider discretionary factors in determining any application for leave in light of the hierarchy of statutory objectives of administration described above.

However, certain creditors of a company in administration may, in certain defined circumstances, be able to realize their security over certain of that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to any security interest created or otherwise arising under a "financial collateral arrangement" (generally, a charge over cash or financial instruments such as shares, bonds or tradeable capital market debt instruments and credit claims) under the under the Financial Collateral Regulations.

Accordingly, if any of the English Obligors were to enter into administration, the Notes, the Guarantees and the Collateral, as applicable, may not be enforceable without the permission of the court or consent of the administrator while the relevant company was in administration. There can be no assurance that the Security Agent would obtain such permission of the court or consent of the administrator.

Qualifying floating charge

If a company grants security constituting a "qualifying floating charge" to a party for the purposes of English insolvency law, that party will be able to appoint an administrator out of court (see "*Administration*" above) or (in limited circumstances) an administrative receiver (see "*Administrative Receivership*" below). The holder of a qualifying floating charge is also entitled to advance notice of an intention of a company or its directors to appoint an administrator, allowing the charge holder to either appoint its own administrator (or, where applicable, administrative receiver) in place of the proposed administrator, conduct negotiations with the proposed appointors over the identity or terms of appointment of the proposed administrator or (in an extreme case) prevent the company going into administration.

A floating charge constitutes a qualifying floating charge if it is created by an instrument which (a) states that the relevant statutory provision applies to it, (b) purports to empower the holder to appoint an administrator of the company, or (c) purports to empower the holder to appoint an administrative receiver within the meaning given by Section 29(2) of the Insolvency Act. A party will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with other forms of security granted to that party, relates to the whole or substantially the whole of the property of the relevant company, and at least one such security interest is a qualifying floating charge. Please note that it is a matter of fact whether the extent of the security granted relates to 'the whole or substantially the whole' of the property of a company and there is no statutory guidance as to what percentage of a company's assets should be charged to satisfy this test.

Administrative receivership

Administrative receivership as a creditor remedy has been largely abolished and is only available in very limited circumstances. The ability to appoint an administrative receiver only applies to holders of a qualifying floating charge where either the security document granting such charge pre-dates September 15, 2003 or where it falls within one of the exceptions under the Insolvency Act (as amended by the Enterprise Act 2002). The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to "capital market arrangements" (as defined in the Insolvency Act), which may apply if the issue of the Notes creates a debt of at least £50.0 million for the relevant English company during the life of the arrangement and the arrangement involves the issue of a "capital

market investment” (which is defined in the Insolvency Act and includes rated, listed or traded debt instruments and debt instruments designed to be rated, listed or traded).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying floating charge using the out of court procedure) and then only if the person who appointed the administrative receiver consents or the court considers that the security pursuant to which the administrative receiver was appointed is capable of challenge as a transaction at an undervalue, a preference or an invalid floating charge (see “*Transactions at an undervalue*”, “*Preference*” and “*Voidable floating charge*” below, respectively). If an administrator is appointed, any administrative receiver will vacate office.

Fixed charge receivership

A fixed charge receiver (as opposed to an administrative receiver, who is appointed under certain floating charges – see “*Administrative receivership*” above) may be appointed over some or all of the assets secured by a fixed charge in accordance with the terms of a security document creating a fixed charge or (in limited circumstances) pursuant to statute.

If appointed under the terms of a security agreement, grounds for appointment under the terms of the charge (such as a default) must exist and the charging company must have failed to satisfy the demand made for an appointment to take place. A fixed charge receiver can be appointed in parallel to a liquidator. An administrator may require a fixed charge receiver to vacate office unless that fixed charge receiver was appointed under a charge created or otherwise arising under a “financial collateral arrangement”, as per Regulation 8(4) of the Financial Collateral Regulations (see “*Administration*” above).

The primary duty of a fixed charge receiver is to realize the assets over which they are appointed, meaning that they owe an over-riding duty of care for the benefit of the appointor. This contrasts with the duty of an administrator, who performs their duties in the interests of a company’s creditors as a whole. In other words, receivership is a proprietary remedy whereas administration is a collective procedure. In realizing the charged assets, the receiver will need to take reasonable care to obtain the best price obtainable in the circumstances. In doing so, the fixed charge receiver will be entitled to a statutory indemnity in respect of any liabilities from the realizations made of the assets of the company (and may also have the benefit of a contractual indemnity from the appointor).

To the extent the receiver has been appointed under a crystallized floating charge, amounts will be deducted from the proceeds of the realization of the charged assets to pay the Prescribed Part and any preferential creditors (see “*Prescribed Part*” below).

Company voluntary arrangement

A company voluntary arrangement is a procedure under Part 1 of the Insolvency Act 1986 intended to allow companies to avoid potentially terminal insolvency proceedings and to address their financial difficulties by obtaining a binding agreement or compromise with their creditors. Although it does not result in the insolvency of a company, a company voluntary arrangement is implemented under the supervision of an insolvency practitioner who acts as the nominee before the company voluntary proposals are approved, and as the supervisor afterwards. A company voluntary arrangement may also be used as a tool alongside a formal insolvency procedure, such as administration, in order to implement a compromise between the debtor company and its creditors.

English courts are empowered to oversee company voluntary arrangements in respect of companies within their general jurisdiction (see “*Applicable legal framework and jurisdiction of the English courts*” above) and companies incorporated in England, Wales, Scotland or an EEA State or with their respective COMI in the UK or an EU member state (other than Denmark).

An English company (by its directors or its administrator or liquidator, as applicable) may propose a company voluntary arrangement to the company’s shareholders and creditors which entails a compromise, or other arrangement, between the company and its creditors, typically a rescheduling or reduction of the company’s debts. Provided that

the proposal is approved by the requisite majority of creditors (by way of decision procedure) and shareholders (subject to the below), it will bind all unsecured creditors who were or would have been entitled to vote on the proposal if they had had notice of the decision procedure. A company voluntary arrangement cannot affect the right of a secured creditor to enforce its security, except with its consent. A company voluntary arrangement also cannot affect the rights of a preferential creditor to be paid in priority to non-preferential creditors, or to be paid on an unequal basis relative to other preferential creditors, except with its consent. Therefore, company voluntary arrangements are typically used to compromise unsecured trade or lease liabilities rather than financial indebtedness secured by material collateral.

In order for the company voluntary arrangement proposal to be passed, it must be approved by at least 75% (by value) of the company's creditors who respond in the decision procedure, provided no more than 50% (by value) of unconnected creditors whose claims are admitted for voting vote against it. Secured debt cannot be used to vote in a company voluntary arrangement but a secured creditor may vote to the extent that its debt is unsecured. Neither the company nor its creditors may approve any proposal which affects the right of a secured creditor of the company to enforce its security, except with the secured creditor's consent. A secured creditor who proves in the company voluntary arrangement for the whole of its debt may be deemed to have given up its security. As noted above, the company's shareholders will also vote on the company voluntary arrangement and will approve the proposals if a simple majority in value votes in favor of the company voluntary arrangement. However, if the decision of the creditors differs from the decision of the shareholders, the former will prevail unless a shareholder applies to court within 28 days of the company voluntary arrangement's approval by the unsecured creditors and the court orders that the decision of the shareholders should prevail.

Unlike an administration proceeding, a company voluntary arrangement does not automatically trigger a moratorium/stay with respect to security enforcement or legal proceedings.

Scheme of arrangement

Although not an insolvency proceeding, pursuant to Part 26 of the Companies Act 2006 the English courts have jurisdiction to sanction a scheme of arrangement that effects a compromise of a company's liabilities between a company and its shareholders and/or creditors (or any class of its shareholders and/or creditors). An English Obligor may be able to pursue a scheme in respect of its financial liabilities. In addition, a foreign Obligor which (a) is liable to be wound up under the Insolvency Act and (b) has a "sufficient connection" to England and Wales could also pursue a scheme, provided it can be shown to the satisfaction of the court that the scheme of arrangement would be recognized in the jurisdictions in which the company has its main assets or operations. In practice, a foreign company is likely to satisfy the first limb of this test and the second limb has been found to be satisfied where, amongst other things, the company's COMI is in England, the company's finance documents are English law governed or the company's finance documents have been amended in accordance with their terms to be governed by English law. Ultimately, each case will be considered on its particular facts and circumstances so previous cases will not necessarily determine whether or not any of the grounds of the second limb are satisfied in the present case.

Any such compromise can be proposed by the company or its shareholders and/or creditors. Before the court considers the sanction of a scheme of arrangement, the company requires the Court's permission to convene a meeting of the shareholders and/or creditors being compromised. At the meeting(s), the affected shareholders and/or creditors will vote on the proposed compromise or arrangement. Shareholders and/or creditors will be categorized into different classes depending on their rights, with those in each class having rights that will be affected by the proposed scheme and any new rights that such shareholders and/or creditors are given under the scheme, that are not so dissimilar as to make it impossible for them to consult together with a view to their common interest. If a majority in number representing 75% or more by value of those shareholders and/or creditors present and voting at the meeting(s) of each class vote in favor of the proposed scheme, irrespective of the terms and approval thresholds contained in the finance documents, then that scheme will (subject to the sanction of the court) be binding on all affected shareholders and/or creditors, including those affected shareholders and/or creditors who did not participate in the vote and those who voted against the scheme. The scheme then needs to be sanctioned by the court at a sanction hearing where the court will review the fairness of the scheme and consider whether it is reasonable. The court has discretion as to whether to sanction the scheme as approved, make an order conditional upon modifications being made or reject the scheme.

Unlike an administration proceeding, the commencement of a scheme of arrangement does not automatically trigger a moratorium of claims or proceedings. However, a company may apply for a standalone moratorium under Part A1 of the Insolvency Act 1986 (inserted by the Corporate Insolvency and Governance Act 2020) in conjunction with a scheme of arrangement. See “*Moratoriums*” below.

Schemes of arrangement cases initiated on or after January 1, 2026 are subject to subject to a revised Practice Statement published by the Chancellor of the High Court on September 18, 2025, which introduces enhanced case management measures and related procedural guidance.

Restructuring plan

Like a scheme of arrangement, a restructuring plan is not an insolvency process but a procedure under Part 26A of the Companies Act 2006 which allows the English courts to effect a compromise of a company’s liabilities between a company and its shareholders and/or creditors (or any class of its shareholders and/or creditors). While generally available to the same domestic and foreign companies as schemes of arrangement, a company seeking to enter into a restructuring plan process must show that (a) it has encountered, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, and (b) a compromise or arrangement has been proposed between the company and its creditors (or any class of them) whose purpose it is to eliminate, reduce or prevent, or mitigate the effect of, any of those financial difficulties.

A restructuring plan may be proposed by the debtor company, any creditor or shareholder of the company or any liquidator or administrator appointed to the company. As with schemes of arrangement, affected creditors and/or shareholders under a proposed restructuring plan will be categorized into classes with other creditors and/or shareholders who have rights and taking into account any new rights that such shareholders and/or creditors are given under the restructuring plan that are similarly tied to a common interest enabling them to consult together with a view to voting on the proposed compromise or arrangement.

A restructuring plan will be deemed to be approved if at least 75% in value of the shareholders and/or creditors present and voting (either in person or by proxy) at the meeting of at least one class of shareholders and/or creditors vote in favor of the proposed compromise. There is no requirement for the approving creditors to constitute a majority in number of those shareholders and/or creditors present and voting, and there is crucially no requirement for each and every voting class to approve of the plan, provided that the court is satisfied that (a) none of the members of a dissenting class would be any worse off if the restructuring plan were to be sanctioned than they would be in the event of the ‘relevant alternative’ and (b) the restructuring plan was approved by at least one class of shareholders and/or creditors who would receive a payment or have a genuine economic interest in the company in the event of the ‘relevant alternative’. The ‘relevant alternative’ for the purposes of this assessment is whatever the court considers would be most likely to occur in relation to the company if the restructuring plan were not sanctioned (typically an insolvency process such as an administration or liquidation of the company). By virtue of these mechanics, the restructuring plan process provides for the possibility of a ‘cross-class cram-down’, meaning the courts may sanction a restructuring plan even if one or more classes of affected shareholders and/or creditors do not vote in favor of the restructuring plan, effectively allowing the vote of one ‘in the money’ class of stakeholders to bind other classes.

Following approval of the restructuring plan at the relevant meeting(s), the restructuring plan needs to be sanctioned by the court at a sanction hearing where the court will review whether the applicable statutory conditions have been met and consider whether the restructuring plan is just and equitable. The court has discretion as to whether to sanction the restructuring plan as approved, make an order conditional upon modifications being made or reject the restructuring plan. Courts are likely to pay particular attention to the fairness and equity of any cross-class cram-down effected by the proposed arrangement (including scrutiny of the valuation evidence and allocation of restructuring benefits). Notably, unlike in US Chapter 11 proceedings, there is no statutory absolute priority rule (which requires that no impaired non-accepting class of creditors or interest holders receive less than 100% of its claim or interest if a more junior creditor (or interest holder) receives anything under the plan on account of its claim or interest) in Part 26A of the Companies Act 2006. Once sanctioned, the restructuring plan binds all affected stakeholders whose rights will be as set out in the restructuring plan.

As with schemes of arrangement, the commencement of a restructuring plan process does not automatically trigger a moratorium with respect to security enforcement or legal proceedings. However, a company may apply for a standalone moratorium under Part A1 of the Insolvency Act (inserted by the Corporate Insolvency and Governance Act 2020) in conjunction with a restructuring plan. See “*Moratoriums*” below.

Restructuring plans initiated on or after January 1, 2026 will be subject to the same revised Practice Statement as schemes of arrangement (see “*Scheme of arrangement*” above), which provided updated procedural guidance based on practical experience since the introduction of restructuring plans in 2020.

Liquidation/winding-up

Liquidation is a company dissolution procedure under which the assets of a company are realized and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Insolvency Act (see “*Priority on insolvency*” below). There are two forms of winding-up: (a) compulsory liquidation, by order of the court; and (b) members’ voluntary liquidation or creditors’ voluntary liquidation, in each case by resolution of the company’s members. The difference between the two voluntary proceedings is the solvency of the company in question; in a members’ voluntary liquidation, the directors of the company swear a statutory declaration as to the company’s solvency over the following 12 months whereas the primary ground for the creditors’ voluntary liquidation of an insolvent company is that it is unable to pay its debts (as defined in Section 123 of the Insolvency Act – see “*Administration*” above). Note that while a creditors’ voluntary liquidation (other than as an exit from administration) is initiated by a resolution of the members, not the creditors, once in place the process is subject to some degree of control by the creditors. Whereas compulsory liquidation and creditors’ voluntary liquidation proceedings are available to foreign companies with sufficient nexus to the UK in addition to companies within the English courts’ general jurisdiction (see “*Applicable legal framework and jurisdiction of the English courts*” above), members’ voluntary liquidation proceedings are only available to companies registered in England, Wales or Scotland.

The effect of a compulsory winding-up differs in a number of respects from that of a voluntary winding-up. In a compulsory winding-up, under Section 127 of the Insolvency Act any disposition of the relevant company’s property made after the commencement of the winding-up is, unless sanctioned by the court, void. However, this will not apply to any property or security interest subject to a disposition or created or otherwise arising under a “financial collateral arrangement” under the Financial Collateral Regulations and will not prevent a close-out netting provision taking effect in accordance with its terms. Subject to certain exceptions, when an order is made for the winding-up of a company by the court, it is deemed to have commenced at the time of the presentation of the winding-up petition. Once a winding-up order is made by the court, a stay of all proceedings against the company will be imposed. No action or proceeding may be continued or commenced against the company without permission of the court and subject to such terms as the court may impose although there is no freeze on the enforcement of security.

In the context of a voluntary winding-up, however, there is no equivalent to the retrospective effect of a winding-up order; the winding-up commences on the passing of the resolution to wind up. As a result, there is no equivalent of Section 127 of the Insolvency Act. There is also no automatic stay in the case of a voluntary winding-up – it is for the liquidator, or any creditor or contributory of the company, to apply for a stay to prevent the continuation of legal proceedings and enforcement of security.

A liquidator has the power to bring or defend legal proceedings on behalf of the company, to carry on the business of the company as far as it is necessary for its beneficial winding up, to sell the company’s property and execute documents in the name of the company and to challenge antecedent transactions (see “*Avoidance of Transactions*” below).

Priority on insolvency

One of the primary functions of winding-up (and, where the company cannot be rescued as a going concern, one of the possible functions of administration) under English law is to realize the assets of the company in question and distribute the proceeds from those assets to the company’s creditors.

In accordance with the Insolvency Act and the Insolvency Rules, creditors are placed into different classes, with the proceeds from the realization of the insolvent company's property applied in descending order of priority, as set out below. With the exception of the Prescribed Part (as defined below), distributions generally cannot be made to a class of creditors until the claims of the creditors in a prior-ranking class have been paid in full. Unless creditors have agreed otherwise with the company (such as through contractual subordination or intercreditor arrangements that may alter ranking as between particular creditors), distributions are made on a *pari passu* basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

Contractual setting-off arrangements entered into after a company enters liquidation or administration are only respected to the extent they fall within the definition of "mutual dealing" as applied by the mandatory insolvency set-off regime. This regime is mandatory at the date the company enters the relevant procedure; it sees an account being taken of what is due from each party to the other in respect of their mutual dealings, and only the resulting net balance is either provable by the creditor in the administration or liquidation of the company (if amounts remain due to the creditor) or, conversely, is payable by the creditor to the company (if amounts remain due to the company).

The general priority on insolvency is as follows (in descending order of priority):

- *First ranking*: holders of fixed charge security (but only to the extent the value of the secured assets covers that indebtedness);
- *Second ranking*: expenses of the insolvent estate (there are statutory provisions setting out the order of priority in which expenses are paid);
- *Third ranking*: ordinary and secondary preferential creditors.
- Ordinary preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (a) contributions to occupational and state pension schemes; (b) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; and (c) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the date of insolvency. As between one another, ordinary preferential debts rank equally.
- Secondary preferential debts rank for payment after the discharge of ordinary preferential debts and include claims by HMRC in respect of certain taxes including VAT, PAYE income tax (including student loan repayments), employee NI contributions and Construction Industry Scheme deductions (but excluding corporation tax and employer NI contributions) which are held by the company on behalf of employees and customers. As between one another, secondary preferential debts rank equally;
- *Fourth ranking*: holders of floating charge security, according to the priority of their security. This would include any security interest that was stated to be a fixed charge in the document that created it but which, on proper interpretation by the court, was rendered a floating charge. However, before distributing asset realizations to the holders of floating charges, the Prescribed Part (as defined below) must, subject to certain exceptions, be set aside for distribution to unsecured creditors;
- *Fifth ranking*:
 - firstly, provable debts of unsecured creditors and (to the extent of any unsecured shortfall) secured creditors, in each case including accrued and unpaid interest on those debts up to the date of commencement of the relevant insolvency proceedings. To pay the secured creditors any unsecured shortfall, the insolvency office-holder can only use realizations from unsecured assets as secured creditors are not entitled to any distribution from the Prescribed Part unless the Prescribed Part is sufficient to pay out all unsecured creditors;

- secondly, interest on the company’s debts (at the higher of the applicable contractual rate and the rate determined in accordance with the Judgments Act 1838 (currently 8% per annum)) in respect of any period after the commencement of liquidation or after the commencement of an administration which has been converted into a distributing administration. However, in the case of interest accruing on amounts due under the Notes or the Guarantees, such interest due to the holders of the Notes may, if there are sufficient realizations from the secured assets, be discharged out of such security recoveries; and
- thirdly, non-provable liabilities, being liabilities that do not fall within any of the categories above and therefore are only recovered in the (unusual) event that all categories above are fully repaid; and
- *Sixth ranking*: shareholders. If, after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Subject to the above order of priority, subordinated creditors are ranked according to the terms of the subordination language in the relevant documentation.

Prescribed Part

An insolvency practitioner of a company (e.g., an administrator, administrative receiver or liquidator) will generally be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors (after making full provision for preferential creditors and expenses out of floating charge realizations) (the “**Prescribed Part**”). This ring-fence applies to (a) 50% of the first £10,000 of the company’s net property and (b) 20% of the remainder of the company’s net property over £10,000, with a maximum aggregate cap of £800,000 (increased from £600,000 by The Insolvency Act 1986 (Prescribed Part) (Amendment) Order 2020 (SI 2020/211) and except where the company’s net property is available to be distributed to the holder of a first-ranking floating charge created before April 6, 2020, in which case the maximum aggregate cap remains as per the previous cap of £600,000). The Prescribed Part must be made available to unsecured creditors unless the cost of doing so would be disproportionate to the resulting benefit to creditors.

Moratorium

As outlined above, certain of the insolvency processes available in England and Wales provide for the automatic or optional moratorium imposing a period of time during which third parties including creditors are unable to institute or continue legal action against the company, enforce certain rights and/or call upon security or guarantees.

Besides the moratorium available to companies undergoing administration (see “*Administration*” above) or liquidation (see “*Liquidation/winding-up*” above), the Corporate Insolvency and Governance Act 2020 introduced a new standalone moratorium procedure under Part A1 of the Insolvency Act. The moratorium provides “eligible companies” that are, or are likely to become, unable to pay their debts with a breathing space of up to 20 business days (extendable by a further 20 business days by the directors, or for longer periods with creditor consent or court approval) during which creditor enforcement action is restricted. An eligible company includes, amongst other legal entities, a company registered under the Companies Act 2006 (but excludes certain financial services firms and contracts). A company is ineligible for this standalone moratorium if on the filing date it is party to an agreement which is or forms part of a “capital markets arrangement” under which a party has incurred or was expected to incur a debt of at least £10 million (at any time during the life of the arrangement) and which involves the issue of a capital markets investment. The definitions of “capital market arrangement” and “capital market investment” are broad and are such that, in general terms (amongst other things), any company which is a party to an arrangement which involves at least £10 million of debt, the granting of security to a trustee, holding it for a person who holds a capital market investment issued by a party to the arrangement, a guarantee for the performance of obligations of another party and the issue of a rated, listed or traded debt instrument, is excluded from being eligible for a moratorium. The Secretary of State for Trade and Industry may modify the criteria by reference to which a company otherwise eligible for a moratorium is excluded

from being so eligible. The position as to whether or not a company is an “eligible company” may also change from time to time.

Foreign currency

Under English insolvency law, where creditors are asked to submit formal proofs of claim for their debts, the office-holder will convert all foreign currency denominated proofs of debt into pound sterling at a single rate for each currency determined by the office-holder by reference to the exchange rates prevailing on the relevant date. This provision overrides any agreement between the parties. While a creditor may consider challenging the rate in court if they consider it to be unreasonable, the conversion date itself is fixed by statute.

Accordingly, in the event that an English Obligor goes into liquidation or administration, holders of the Notes may be subject to exchange rate risk between the date on which such English Obligor goes into liquidation or administration and receipt of any amounts to which such holders of the Notes may become entitled. Any losses resulting from currency fluctuations are generally not recoverable from the insolvent estate as a provable debt.

Avoidance of transactions

There are circumstances under English insolvency law in which the granting by an English company of security and/or guarantees can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period after the granting of the security and/or guarantee. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, the administrator or liquidator may challenge the validity of the security or guarantee given by such company.

The Issuer cannot be certain that, in the event that the onset of an English company’s insolvency (as described below) is within any of the requisite time periods, the grant of a security interest and/or guarantee in respect of the Notes would not be challenged or that a court would uphold the transaction as valid.

Onset of insolvency

The date of the onset of insolvency, for the purposes of transactions at an undervalue, preferences and invalid floating charges (as discussed below) depends on the insolvency procedure in question.

In an administration, the onset of insolvency is the date on which: (a) the court application for an administration order is issued; (b) the notice of intention to appoint an administrator is filed at court; or (c) otherwise, the date on which the appointment of an administrator takes effect. In a compulsory liquidation, the onset of insolvency is the date the winding-up petition is presented to court, whereas in a voluntary liquidation it is the date the company passes the relevant winding-up resolution. Where liquidation follows administration, the onset of insolvency will be the same as for the initial administration.

Connected persons

If a given transaction at an undervalue, preference or invalid floating charge has been entered into by the company with a “connected person” or an “associate”, then particular specified time periods and presumptions will apply to any challenge by an administrator or liquidator (as set out below).

A “connected person” of a company granting a security interest or guarantee for the purposes of transactions at an undervalue, preferences or invalid floating charges is a party who is: (a) a director of the company; (b) a shadow director; (c) an associate of such director or shadow director; or (d) an associate of the relevant company.

A party is associated with an individual if they are: (a) a relative of the individual; (b) the individual’s husband, wife or civil partner; (c) a relative of the individual’s husband, wife or civil partner; (d) the husband, wife or civil partner of a relative of the individual; or (e) the husband, wife or civil partner of a relative of the individual’s husband, wife or civil partner. A party is associated with a company if they are employed by that company. A company is associated

with another company if the same person has control of both companies, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or if a group of two or more persons has control of each company and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

A person is to be taken as having control of a company if the directors of the company or of another company which has control of it (or any of them) are accustomed to act in accordance with his directions or instructions, or he is entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the company or of another company which has control of it. Where two or more persons together satisfy either of these conditions, they are to be taken as having control of the company.

The potential grounds for challenge available under English law that may apply to any security interest or guarantee granted by the English Obligors include, without limitation, the following described below:

Transactions at an undervalue

Under English insolvency law, a liquidator or administrator could apply to the court for an order to set aside the creation of a security interest or a guarantee (or grant other relief) where the creation of such security interest or guarantee constituted a transaction at an undervalue.

A transaction will only be a transaction at an undervalue if, at the time of the transaction or as a consequence of the transaction, the company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the onset of the company's insolvency is within a period of two years from the date the company grants the security interest or the guarantee. Recent Supreme Court guidance has confirmed that the concept of a "transaction" is to be interpreted broadly; it can include arrangements where a debtor procures that a company controlled by it transfers an asset, even if the debtor does not personally own that asset. In any proceedings, it is for the administrator or liquidator to show that the company was unable to pay its debts unless a beneficiary of the transaction was a connected person (see "*Connected persons*" above), in which case there is a presumption of insolvency and the connected person must demonstrate that the company was not unable to pay its debts at the time of the transaction or became unable to do so as a consequence of the transaction.

A transaction may be set aside as a transaction at an undervalue if the company made a gift to a person, if the company received no consideration or if the company received consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court shall not make an order if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit it.

If the court determines that the transaction was a transaction at an undervalue, the court shall make such order as it sees fit to restore the company to the position it would have been in had it not entered into the transaction, which may include reducing payments due under or setting aside security interests or guarantees. An order by the court for a transaction at an undervalue may affect the property of, or impose any obligation on, any person whether or not they are the person with whom the company entered into the transaction, but such an order will not prejudice any interest in property which was acquired from a person other than the company in good faith and for value or prejudice any interest deriving from such an interest, and will not require a person who received a benefit from the transaction in good faith and for value to pay a sum to the liquidator or administrator of the company, except where the person was a party to the transaction.

Preferences

Under English insolvency law, a liquidator or administrator could apply to the court for an order to set aside payments, the creation of a security interest or a guarantee (or grant other relief) where such payment, creation of security interest or guarantee constituted a preference.

A transaction will only be a preference if, at the time of the transaction or in consequence of the transaction, the company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the company enters into insolvency within a period of six months (if the beneficiary of the security or the guarantee is not a connected person) or two years (if the beneficiary is a connected person, except where such beneficiary is a connected person by reason only of being the company's employee) from the date the company grants the security interest or the guarantee. A transaction may constitute a preference if a transaction has the effect of putting a creditor of the company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. However, a court shall not make an order unless the company which entered into the transaction was influenced by a desire to produce a preferential position in relation to that person when taking their decision, rather than at the time of the transaction itself.

In any proceedings, it is for the administrator or liquidator to show that the company was unable to pay its debts at the relevant time and that there was such desire to prefer the relevant creditor. If, however, the beneficiary of the transaction was a connected person (except where such beneficiary is a connected person by reason only of being the company's employee), it is a rebuttable presumption that the company intended to put that person in a better position and the connected person must demonstrate that there was, in fact, no such desire on the part of the company to prefer them.

If the court determines that the transaction was a preference, the court shall make such order as it sees fit to restore the company to the position it would have been in had it not entered into the transaction, which may include reducing payments due under or setting aside security interests or guarantees. An order by the court for a preference may affect the property of, or impose any obligation on, any person whether or not they are the person to whom the preference was given, but such an order will not prejudice any interest in property which was acquired from a person other than the company in good faith and for value or prejudice any interest deriving from such an interest, and will not require a person who received a benefit from the preference in good faith and for value to pay a sum to the liquidator or administrator of the company, except where the payment is to be in respect of a preference given to that person at a time when they were a creditor of the company.

Transactions defrauding creditors

Under English insolvency law, the court has the power to set aside a transaction at an undervalue if the court is satisfied it was entered into for the substantial purpose of (i) putting assets beyond the reach of a person who is making, or may make, a claim against the company in question or (ii) otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make. A recent decision of the Supreme Court indicates that section 423 of the Insolvency Act applies even if the debtor does not personally own the asset being transferred (e.g., if they arrange for a subsidiary to transfer the asset). This provision may be used by any person who claims to be a "victim" of the transaction including the UK Financial Conduct Authority and the UK Pensions Regulator (with the leave of the court if the company is in liquidation or administration) and use of the provision is therefore not limited to liquidators or administrators. There is no statutory time limit within which the challenge must be made (subject to the normal statutory limitation periods) and the relevant company does not need to be insolvent at the time of, or as a result of, the transaction.

If the court determines that the transaction was a transaction defrauding creditors, the court may make such order as it sees fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction, which may include reducing payments due under or setting aside security interests or guarantees. The relevant court order may affect the property of, or impose any obligation on, any person whether or not they are the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor company in good faith, for value and without notice of the relevant circumstances, and will not require a person who received a benefit from such transaction in good faith, for value and without notice of the relevant circumstances to pay any sum to the liquidator or administrator of the company unless such person was a party to the transaction.

Voidable floating charges

Under English insolvency law, floating charges created by a company within a period of one year prior to the onset of the company's insolvency (or two years in the case of a floating charge in favor of a connected person) at a time when the company was unable to pay its debts or became unable to do so as a consequence of the transaction will be invalid, except to the extent of the value of: (a) the money paid to; (b) the goods or services supplied to; or (c) any discharge or reduction of any debt of, the relevant company at the same time as or after the creation of the floating charge (plus certain interest) (the “**Consideration**”). The requirement for a company to be unable to pay its debts at the time of granting the floating charge or to become insolvent as a consequence of doing so does not apply where the floating charge is granted to a connected person.

An administrator or liquidator (as applicable) does not need to apply to court for an order declaring that a floating charge is invalid by operation of law. Any floating charge created during the relevant time period is automatically invalid, except to the extent of the value of the Consideration, irrespective of whether the relevant company is solvent or insolvent at the time of grant.

However, if the floating charge is created or otherwise arising under a “security financial collateral arrangement” under the Financial Collateral Regulations, the floating charge will not be subject to challenge as described in “*Administration*” above.

Recharacterization of fixed charges

As referred to above (see “*Fixed versus floating charges*” above), note the risk of a fixed charge being recharacterized as a floating charge. If such recharacterization falls within the suspect period referred to above (see “*Voidable floating charges*” above), this could render the charge invalid except to the value of the Consideration.

Disclaimer

An English liquidator has the power to disclaim onerous property, which is any unprofitable contract or other property of the company that cannot be sold, readily sold or may give rise to a liability to pay money or perform any other onerous act, by serving the prescribed notice on the relevant party. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on a company that may be detrimental to creditors. A contract will not be unprofitable merely because it is financially disadvantageous or because the company could have made, or could make, a better bargain. However, this power to disclaim onerous property does not apply to an executed contract nor can it, except so far as is necessary for the purpose of releasing the company from any liability, affect the rights or liabilities of any other person.

Security over shares

Security over shares granted by an English Obligor or over shares of an English Obligor are, under English law, typically equitable charges, not legal charges. An equitable charge arises where a charging company creates an encumbrance over the property in favor of the chargee but the charging company retains legal title to the shares (as the charge is not registered as the holder in the company's register of members). Remedies in relation to equitable charges may be subject to equitable considerations or may otherwise be at the discretion of the court.

The validity of share security and the ability of secured parties to enforce security interests over shares may additionally be affected by a failure of the charging company or related parties or (in certain circumstances) the secured parties to comply within the relevant timeframes with the disclosure and notification obligations under English company statutes in respect of persons with significant control and relevant legal entities. Furthermore, the enforcement of security over shares may trigger mandatory notification and prior clearance requirements under the National Security and Investment Act 2021 (“**NSIA**”), which came into force in January 2022 as the UK's new national security screening regime, if the entity operates in one of 17 sensitive sectors of the UK economy. The NSIA regime applies broadly to acquisitions of control over qualifying entities and qualifying assets, including, in certain circumstances, the acquisition of control arising through the grant or enforcement of security interests by lenders or

security agents. Note that the NSIA regime is not limited to transfers of shares only and may apply to security taken over assets such as land, tangible moveable property, intellectual property or other assets used in connection with activities carried on in the UK. Failure to obtain NSIA clearance where required renders the transfer of control (pursuant to such enforcement) void as a matter of law.

Security over bank accounts

With respect to any security over bank accounts (each an “**Account Charge**”) granted by an English Obligor, the banks with which some of those accounts are held (each an “**Account Bank**”) may have reserved their right at any time to exercise the rights of netting or set-off to which they are entitled under their cash pooling or other arrangements with that English Obligor. As a result, and if the security granted over those accounts is merely a floating (rather than fixed) charge, the collateral constituted by those bank accounts will be subject to the relevant Account Bank’s rights to exercise netting and set-off with respect to the bank accounts charged under the relevant Account Charge.

Recent case law has confirmed that for a charge over fluctuating assets such as bank accounts to be characterized as fixed, the secured party must exercise a sufficient degree of “control” in practice. While the courts will take a nuanced approach which depends upon a combination of factors, this generally requires a “blocking” of the account so that the chargor cannot deal with the funds in the ordinary course of business.

Once the floating charge has crystallized and converted into a fixed charge (as it would on enforcement or the occurrence of certain insolvency events with respect to the relevant English Obligor) and the Account Bank has been formally notified of that fact, the collateral will no longer be subject to the relevant Account Bank’s netting and set-off rights unless the Account Bank has expressly reserved set-off rights in such circumstances.

Limitations on enforcement

Constitutional documents, corporate benefit and financial assistance

The grant of a Guarantee or Collateral by any of the English Obligors in respect of the obligations of another group company must satisfy certain legal requirements. Among other requirements, such a transaction must be allowed by the respective company’s memorandum and articles of association. To the extent that these documents do not allow such an action, there is the risk that the grant of the guarantee and the subsequent security can be found to be void and the respective creditor’s rights unenforceable. Some comfort may be obtained for third parties if they are dealing with an English Obligor in good faith; however, the relevant legislation is not without difficulties in its interpretation.

Further, corporate benefit must be established for each English Obligor in question with respect to its entry into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in a way that he considers, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole. Recent case law guidance has clarified that while this is a subjective test, it includes an objective standard of honesty; a director cannot act in bad faith or mislead the board even if they believe they are acting in the company’s long-term interests. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found to be abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court. Section 172(3) of the Companies Act 2006 additionally provides that, in certain circumstances, the directors need to consider or act in the interests of the creditors of the company. While the statutory provisions do not prescribe when directors’ duties to creditors arise, recent Supreme Court guidance has held that this “creditor interest duty” is triggered when the directors know, or ought to know, that the company in question is insolvent, bordering on insolvency, or that an insolvent liquidation or administration is probable. The duty operates on a “sliding scale”: as the company gets closer to terminal insolvency, the interests of creditors carry greater weight relative to the interests of shareholders.

Security and/or guarantees granted by an English Obligor may also be subject to potential limitations to the extent they would result in unlawful financial assistance contrary to English company law. These rules primarily prohibit a public company (or a private company subsidiary of a public company) from providing financial assistance for the purpose of an acquisition of its own shares or those of its parent company.

Security registration

Under English company law, subject to limited exceptions, a certified copy of any security document pursuant to which a charging company incorporated in England and Wales grants security (including security governed by law other than English law) (together with prescribed particulars of the relevant security) may be delivered to the Registrar of Companies for registration within 21 days after the date of creation of the relevant security interest (the “**Registration Period**”). Under the Economic Crime and Corporate Transparency Act 2023, anyone delivering documents for registration (including security filings) must have had their identity verified by Companies House or be an Authorised Corporate Service Provider. Failure to comply with these identity verification requirements may result in the rejection of the filing. As at the date of this Offering Memorandum, these identity verification requirements are not yet in force and are expected to be implemented in phases, with mandatory verification for presenters currently anticipated to take effect no earlier than November 2026.

While the Companies Act 2006 does not impose an obligation as such on English companies to register security, security will be deemed to be void against a liquidator, administrator and any creditor of the applicable charging company if not registered within the Registration Period. When security becomes so void, the debt which was intended to be secured by such security is deemed to become immediately payable. In limited circumstances, it may be possible to apply to the English courts for an order to rectify a failure to register and allow the relevant charge to be registered after the Registration Period has expired.

The Financial Collateral Regulations exempt certain charges over financial collateral from registration with the Registrar of Companies. Security created by overseas companies over assets in England and Wales similarly does not need to be registered with the Registrar of Companies, although registration with applicable asset registries (such as the Land Registry or the Intellectual Property Office) or the Register of Overseas Entities may still be required depending on the nature of the collateral assets.

Moratorium

As outlined above, certain of the insolvency processes available in England and Wales provide for the automatic or optional moratorium imposing a period of time during which third parties including creditors are unable to institute or continue legal action against the company, enforce certain rights and/or call upon security or guarantees. Besides the moratorium available to companies undergoing administration (see “*Administration*” above), moratoriums are also available to companies entering liquidation (see “*Liquidation/winding-up*” above).

Restriction on the operation and exercise of ipso facto provisions

Recent changes to the Insolvency Act introduced a restriction on the operation and exercise of ipso facto clauses in order to preserve the continuity of the provision of goods and services to companies undergoing insolvency procedures. In general terms, ipso facto clauses are provisions in supply of goods or services contracts which allow suppliers to terminate the contract or supply or take any other action, or provide for the automatic termination of the contract or supply or the occurrence of any other event, upon the counterparty entering an insolvency procedure. Under the new approach, to the extent that the trigger event is the counterparty’s entry into a ‘relevant insolvency procedure’ (i.e. an administration, administrative receivership, company voluntary arrangement, liquidation and/or a restructuring plan), such clauses will be deemed void and suppliers will be unable to terminate the relevant contracts unless the company or the relevant office-holder consents to the termination or the court grants permission on the basis that it is satisfied that the continuation of the contract would cause the supplier hardship.

The restrictions do not apply to a range of contracts involving financial services or entities involved in the provision of financial services, including contracts for the provision of lending, financial leasing or guarantees, contracts for the purchase, sale or loan of securities or commodities and agreements which are, or form part of, arrangements involving the issue of a capital market investment (as defined in the Insolvency Act).

Cross-border recognition of English insolvency and restructuring proceedings

General position

The recognition of English insolvency and restructuring proceedings in other jurisdictions is governed by applicable treaties in respect of the mutual recognition (or otherwise) of courts' jurisdiction, proceedings and judgments and general principles of private international law such as comity and conflicts of laws rules applicable in the relevant jurisdictions.

One of the key insolvency-related treaties is the UNCITRAL Model Law on Cross-Border Insolvency (the “**Model Law**”), which has been adopted in a number of jurisdictions, including the United States and the United Kingdom, where it was implemented by the Cross-Border Insolvency Regulations. The Model Law provides for recognition of certain UK insolvency proceedings in other signatory states as either foreign main proceedings (if COMI of the relevant debtor is determined to be in the UK) or foreign non-main proceedings (if COMI is determined to be in another jurisdiction but the debtor has an establishment in the UK). The Cross-Border Insolvency Regulations only provide for recognition of proceedings under English insolvency law, which in relation to England and Wales covers proceedings initiated under the Insolvency Act other than receivership proceedings and members' voluntary liquidations, and does not extend to restructuring processes governed by corporate law such as schemes of arrangement and restructuring plan processes.

The UK Government has consulted on potential implementation of the UNCITRAL Model Law on Recognition and Enforcement of Insolvency-Related Judgments and the UNCITRAL Model Law on Enterprise Group Insolvency; however as at the date of this Offering Memorandum, neither of these model laws have been fully implemented in England and Wales and their final form and commencement dates remain subject to further legislative action. This will further develop the framework for cross-border insolvency recognition and coordination of corporate group insolvencies, while seeking to maintain the separate legal personality of each entity within a group.

The recognition of English courts' jurisdiction and orders in respect of schemes of arrangement and restructuring plan processes, which are restructuring rather than insolvency proceedings, will be subject to treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention on Choice of Court Agreements 2005, the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters 2019 (the “**Hague 2019 Convention**”) and the Lugano Convention 2007 (subject to the UK's pending accession to the latter) where these apply. The Hague 2019 Convention entered into force for the UK on July 1, 2025 and provides a framework for the recognition of UK judgements in most EU member states (other than Denmark) for proceedings other than insolvency proceedings (such as schemes of arrangements) commenced after that date.

Recognition in the EU

Following the UK's departure from the EU and the expiry of the Transition Period, UK proceedings no longer benefit from automatic and guaranteed recognition in EU member states. As the trade and cooperation terms agreed between the EU and the UK do not include a replacement regime for the current automatic recognition of UK insolvency procedures across the EU (and vice versa) or otherwise address insolvency matters, cross-border insolvencies involving the UK and one or more EU member states remain subject to a degree of uncertainty and increased complexity.

Unless or until a mutual recognition agreement is reached in the future, it is likely to be more problematic for UK restructuring and insolvency proceedings to be recognized in EU member states and for UK office holders to effectively deal with assets located in EU member states. The general position outlined above will apply and recognition will depend on the provisions of the Hague 2019 Convention (where applicable), private international law rules adopted in the relevant EU member state and the need may well arise to open parallel proceedings, increasing the element of risk as well as costs. In particular, in cases where the appointment of a UK office holder is made in

reliance on a UK domestic approach rather than COMI rules, it is much less certain that such appointment will be recognized in other EU member states.

As a consequence, the recognition of English insolvency and restructuring proceedings across the EU member states may be different from what investors may have experienced in the past when the UK was a member state of the EU. It is not possible to predict with certainty if and to what extent proceedings will be recognized and whether investors may be adversely affected as a result.

MAURITIUS

Insolvency Proceedings

Certain Guarantors are incorporated in Mauritius (the “**Mauritian Guarantors**”). Under Mauritian insolvency laws, the following types of proceedings may be commenced against a Mauritian Guarantor incorporated under the laws of Mauritius.

Voluntary Administration

A voluntary administration is a mechanism with the aim of rescuing a company or its business. If it is not possible to save the company or its business, the aim is to administer the business, property and affairs of the company in a way that results in a better return for the company’s creditors and shareholders than would result from the immediate winding up of the company.

Administration begins when an administrator is appointed. An administrator may be appointed by the company, the company’s liquidator (if it is in liquidation), a provisional liquidator, a secured creditor holding a charge over the whole or substantially the whole of the company’s property or the court. If a company is already in administration, an administrator may be appointed only by the court, the creditors (as a replacement for an administrator that the creditors have removed) or the appointer of the first administrator (if that administrator has died, resigned or been disqualified).

The appointment of an administrator vests control of the company’s business, affairs and property in the administrator. The administrator must investigate the company’s affairs and consider ways of salvaging the business in the interests of creditors, employees and shareholders. He or she may carry on the business and manage the company’s property with that objective. The administrator may terminate or dispose of all or part of the company’s business and may dispose of any of its property, and may perform any function and exercise any power that the company or any of its officers could perform or exercise if the company were not in administration.

The directors remain in office but cannot act as officers of the company without the prior written approval of the administrator.

Transactions or dealings by the company in administration or by a person on behalf of the company, which affect the company’s property are void unless they are entered into by the administrator on behalf of the company, with his or her written consent or under a court order. However, this does not apply for payments made by a bank out of the company’s account with the bank, made in good faith and in the ordinary course of banking business and at a time before the bank is notified in writing of the appointment of an administrator or if earlier, at a time when the bank had reason to believe that the company was in administration.

A key effect of administration is the operation of a statutory moratorium. Unless the administrator consents in writing or the court gives permission:

- no person can enforce a charge over the property of the company;
- an owner or lessor cannot take possession of or otherwise recover property that was used or occupied by, or is in the possession of, the company; and

- proceedings in a court shall not be commenced or continued against the company.

Also, during the administration of a company, an enforcement process (i.e., an execution against the property of the company or any other enforcement process involving a court or usher) in relation to the company's proceeds of the sale of the company's property under an execution process, shall not be commenced or continued except with the permission of the court and on terms that the court thinks appropriate. Where a court officer (including an usher or registrar of the court) receives written notice that a company is in administration, the court officer shall not:

- take action to sell property of the company under an execution process;
- pay to a person other than the administrator:
- proceeds of the sale of the company's property under an execution process;
- money of the company seized under an execution process; or
- money paid to avoid the seizure or sale of property of the company under an execution process;
- take action in relation to the attachment of a debt due to the company; or
- pay to any person other than the administrator money received because of the attachment of a debt due to the company.

The moratorium therefore prevents vital assets from being stripped away from the company during the administration by means of individual enforcement by creditors. For secured creditors, the result is that they cannot enforce and realize their security. There is scope, however, for a secured creditor to apply to the court for leave to enforce its security; the court may make an order granting such leave where it is satisfied that serious prejudice will be caused to the secured creditor if the application is not granted which outweighs the prejudice caused to other creditors if it is granted. A secured creditor who is granted leave shall from time to time at intervals not exceeding three months report to the administrator on the enforcement of his or her security and the proceeds thereby recovered by the secured creditor. In the case of perishable property, the court may make an order granting leave to a secured creditor to forthwith enforce his or her security over such property and to hold the proceeds that are recovered by the secured creditor on trust for the administrator pending the conduct of a hearing about whether the secured creditor should be allowed to enforce his or her security.

The administrator must call at least the following meetings within a set time frame:

- the first creditors' meeting for (1) a decision whether to replace the administrator and (2) whether to appoint a committee of creditors; and
- a watershed meeting.

In the ordinary course, the administration will end when one of the following occurs:

- the company's creditors resolve at the watershed meeting that a deed of company arrangement be approved and such deed is executed by the company and the deed administrator;
- the company's creditors resolve at the watershed meeting that the administration should end; or
- the company's creditors resolve at the watershed meeting to appoint a liquidator by a resolution passed at a watershed meeting.

Receivership

A receiver may be appointed:

- under any instrument that confers on a chargee the power to appoint a receiver; or
- by the Court.

In the event where an instrument confers on the chargee the power to appoint a receiver, (or a receiver and manager) the chargee may appoint a receiver by an instrument in writing signed by him or on his behalf. The receiver appointed under a power conferred by an instrument, shall be the agent of the chargor, unless the instrument expressly provides otherwise. The person appointed as receiver may act as receiver and manager unless the instrument appointing him excludes appointment as manager. A power conferred by an instrument to appoint a receiver includes, unless the instrument expressly provides otherwise, the power to appoint (i) two or more receivers, (ii) a receiver additional to a receiver in office and (iii) a receiver to succeed a receiver whose office has become vacant.

A receiver (or a receiver and manager) may be appointed by the Court on the application of a chargee or of any interested person and on notice to the company, where the court is satisfied that (i) the company has failed to pay a debt due to the chargee or has otherwise failed to meet any obligation to the chargee, of that any principal money borrowed by the company or interest is in arrears for more than 21 days; (ii) the company proposes to sell or otherwise dispose of the secured property in breach of the terms of any instrument creating the security or charge; or (iii) it is necessary to do so to ensure the preservation of the secured property for the benefit of the chargee. The person appointed by the Court as a receiver shall be appointed receiver and manager unless the Court directs that the person is to be appointed only as a receiver.

The general duties of a receiver is to exercise his powers in good faith in a manner in which he believes on reasonable grounds to be in the interests of the person in whose interest he was appointed. A receiver shall exercise his powers with reasonable regard to the interests of (i) the chargor; (ii) persons claiming, through the chargor, interests in the property in the receivership; (iii) unsecured creditors of the chargor; and (iv) sureties who may be called upon to fulfil obligations of the chargor. A receiver shall not be bound to act in accordance with the directions of the person who appointed him and any such failure will not be regarded as being a breach of duty.

A receiver who exercises a power of sale of property in a receivership owes a duty to the chargor to obtain the best price reasonably obtainable as of the time of the sale.

A receiver shall pay moneys received by him to the chargee of the charge by virtue of which he was appointed in or towards satisfaction of the debt secured by the charge.

Although the law provides that the persons entitled to payment out of the property of a company in receivership shall be in such rank of priority as may be prescribed, there are no regulations which have been prescribed as at date on the order for distribution. This state of the law is unsatisfactory and creates confusion and uncertainty amidst stakeholders.

A receiver may continue to act as a receiver and exercise all the powers of a receiver in respect of property of a company that has been put into liquidation unless the Court orders otherwise. However, after the commencement of winding up of a company, a receiver may not be appointed in respect of the property of a company except under an order of the Court on such terms as the Court thinks appropriate.

A receiver holding office in respect of property, mentioned above, may act as the agent of the chargor only (i) with the written approval of the Court; or (ii) with the written consent of the liquidator. A debt or liability incurred by a chargor through the acts of a receiver acting as the agent of the company is not a cost, charge or expense of liquidation.

Liquidation/Winding-up

The liquidation or winding-up of a company may be effected by:

- a shareholders' voluntary winding-up where the company is solvent and the liquidator is appointed at a shareholders' meeting;

- a creditors' voluntary winding-up where the company is insolvent and the liquidator is appointed by a resolution of creditors;
- a winding-up order made by the court; or
- a resolution of creditors passed at a watershed meeting of creditors in a voluntary administration (see above).

In the case of a shareholders' voluntary winding-up, a majority of the directors of the company must make a declaration of solvency to the effect that they have made an inquiry into the affairs of the company and at/by a meeting/resolution of directors, they have formed the opinion that the company will be able to pay its debts in full within a period not exceeding 12 months after the commencement of the winding-up. The declaration of solvency must be accompanied by a statement of the affairs of the company showing (i) the assets of the company and the total amount expected to be realized from those assets, (ii) the company's liabilities and (iii) the estimated expenses of the winding-up, made up to the latest practicable date before making the declaration of solvency. In addition, the liquidation must be approved by the resolution of at least 75% of the shareholders at a general meeting of the company.

In a creditors' voluntary winding-up, the directors must (i) cause a meeting of the creditors of the company to be summoned, (ii) cause a full statement of the company's affairs showing the method and manner in which the valuation of the assets was arrived at, together with a list of the creditors and the estimated amount of their claims to be laid before the meeting of creditors and (iii) appoint one of their number to attend the meeting to disclose to the meeting the company's affairs and the circumstances leading up to the proposed winding-up.

A liquidator in a winding-up has broad powers, including to:

- commence, continue, discontinue and defend legal proceedings on behalf of the company;
- carry on the business of the company to the extent necessary for the liquidation;
- in the case of a creditors' voluntary winding-up, with the leave of the court or the creditors' committee of inspection (if there is one in the liquidation, failing which the role of the committee may be exercised by the official receiver, another public official given certain powers by the Insolvency Act 2009 in insolvency proceedings); and in the case of a shareholders, voluntary winding-up, with the approval of a special resolution of the company, pay any class of creditors in full;
- in the case of a creditors' voluntary winding up, with the approval of the court or the committee of inspection; and in the case of a shareholders' voluntary winding up, with the approval of a special resolution of the company, make a compromise or an arrangement with creditors or persons claiming to be creditors or who have or allege the existence of a claim against the company, whether present or future, actual or contingent, or ascertained or not;
- sell or otherwise dispose of the property of the company with the approval of the committee of inspection (or official receiver if there is none);
- act in the name and on behalf of the company and enter into deeds, contracts and arrangements in the name and on behalf of the company; and
- borrow money whether with or without providing security over the company's assets.

A winding-up by the court commences when the winding-up order by the bankruptcy court is made. The winding-up order is made on the presentation of a winding-up petition to the court by an applicant (who is among certain persons listed in the Insolvency Act 2009 and which include a creditor, the company itself or a shareholder). Once a winding-up order is made, no action or proceedings shall be proceeded with or commenced against the company except by leave of the court and on such terms as the court thinks appropriate. Also, a disposition of any property of a company

and a transfer of shares or alteration in the status of a shareholder made after the commencement of the winding-up by the court shall, unless the court otherwise directs, be void.

The principal duty of a liquidator appointed under a winding-up order is to act in a reasonable and efficient manner so as to (i) take possession of, protect, realize, and distribute the assets, or the proceeds of the realization of the assets, of the company to its creditors and (ii) where there are surplus assets remaining, distribute them or the proceeds of the realization of the surplus assets in accordance with the provisions of the Insolvency Act 2009.

A liquidator in a winding-up by the court has similar powers as in a voluntary winding-up. When the liquidator has (i) realized all the property of the company or so much as can in his opinion be realized without needlessly protracting the liquidation, (ii) distributed a final dividend, if any, to the creditors, (iii) adjusted the rights of the contributors among themselves and (iv) made a final return, if any, to the contributors, he or she may apply to the court for an order that he or she be released or for an order that he or she be released and that the company be dissolved.

Limitations on Enforcement

Any exercise of a right by a party under the Notes or the Guarantees to which it is a party must not be made in bad faith or abusively and any abusive exercise of such right is subject to the provisions of article 17 of the Mauritius Civil Code which provides that one may exercise a right with a view to harming others or in such a way as to cause such prejudice not proportionate to the benefit he may receive.

Claims may become time-barred under the laws of Mauritius or may be, or become subject to, defences of set-off or counterclaims.

Mauritius insolvency law contains specific provisions dealing with transactions (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party and any other legal act having similar effect) that may be avoided by a liquidator.

A transaction (e.g., the giving of a charge or payments effected to a third party) may be avoided by a liquidator where such transaction takes place within two years immediately before the company was placed in liquidation. It is, however, a defense to an action to set aside a transaction that if at the time the transaction was entered into:

- the person acted in good faith;
- a reasonable person in his or her position would not have suspected that the debtor was, or would become, unable to pay his or her due debts; and
- the person gave value for the property or altered his or her position in the reasonable reliance upon the belief that the transfer of the property was valid and would not be set aside.

A liquidator may disclaim onerous property such that a disclaimer may bring to an end on and from the date of the disclaimer the rights, interests and liabilities of the company in relation to the property disclaimed, but does not, except so far as is necessary to release the company from a liability, affect the rights or liabilities of any other person. An “onerous property” means an unprofitable contract or a property of a company that is unsalable, or not readily salable or which may give rise to a liability to pay money or perform an onerous act.

Under Mauritian law an *action paulienne* may be resorted to by a creditor who has suffered prejudice as a result of a renunciation in a succession made fraudulently by a debtor in order to thwart the right of the creditor to have his or her debt satisfied. It needs to be observed that in order for such an action to succeed not only must the debt be certain but the debt must also precede the renunciation. In order for an *action paulienne* to succeed, it is incumbent upon the creditor to establish on a balance of probabilities two essential elements: (i) fraud on the part of the debtor and (ii) the prejudice suffered by the creditor as a result of such fraud.

SOUTH AFRICA

Liquid Telecommunications Holdings South Africa (Pty) Ltd and Liquid Telecommunications South Africa (Pty) Ltd are incorporated and domiciled under the laws of the South Africa. The insolvency laws of South Africa may not be as favorable to your interests as a creditor as the laws of the jurisdiction with which you are familiar. In the event of insolvency, the claims of holders of Notes under the guarantee of Liquid Telecommunications Holdings South Africa (Pty) Ltd and Liquid Telecommunications South Africa (Pty) Ltd would be subject to the insolvency laws of South Africa.

The following is a brief description of certain aspects of insolvency law in South Africa.

Insolvency in South Africa is currently regulated by the Insolvency Act, 1936 (the “**Insolvency Act**”), the Companies Act, 2008 (the “**2008 Companies Act**”) and the Companies Act, 1973 (the “**1973 Companies Act**”). The 2008 Companies Act incorporates part of the repealed 1973 Companies Act.

Any creditor, or the debtor itself, may initiate insolvency proceedings in South Africa. Generally a guarantor or an issuer will be subject to winding-up if it is unable to pay its debts as and when they become due.

A company may be liquidated voluntarily if the board passes a special resolution resolving that it be so liquidated (voluntary winding-up), as contemplated by section 80 of the 2008 Companies Act. A company may be liquidated by court order (on application by a creditor) on various grounds set out in the 1973 Companies Act. Some of the more common grounds that are used frequently in practice are in instances where the company is unable to pay its debts or if it appears to the Court that it would be just and equitable that the company should be liquidated.

It must be noted that the liquidation of a company by court order shall be deemed to commence at the time the liquidation application was issued at court, as per section 348 of the 1973 Companies Act (i.e. the date of liquidation applies retrospectively when the court order is granted). This is because once liquidation proceedings commence, a *concurso creditorum* is established, which means all creditors should be treated equally and nothing may be done by any of the creditors to alter the rights of the other creditors. The order placing the company in liquidation crystallizes the insolvent company’s position in that the hand of the law is laid upon the estate, and at once the rights of the general body of creditors have to be taken into consideration.

In the period commencing on the date of the initiation of liquidation proceedings and ending on the effective date of liquidation, the debtor must refrain from any actions that are not in the ordinary course of business and which would reduce its assets. These actions are, once the order of liquidation is granted, retrospectively automatically void and South African courts are only likely to validate such actions if they amount to no more than the bona fide carrying of the company’s operations in the ordinary course of business. Therefore, once a company is liquidated, all of its assets vest in a liquidator and that company can no longer dispose of any of its property.

Voidable dispositions

The Insolvency Act makes provision for the setting aside of certain dispositions made prior to the company’s winding-up if such dispositions constitute “impeachable transactions” or “voidable dispositions”.

The Insolvency Act prescribes when these transactions are capable of being set aside by a Court on application by the liquidator appointed to administer the estate of a company that is placed in liquidation and/or the company’s creditors.

Voidable dispositions are only relevant should a company be liquidated, and such dispositions will then be questioned based on the effect that they had on the estate of the company.

It is important to note that the mere transfer of ownership does not automatically render the transactions capable of being set aside. The merits surrounding the dispositions are only investigated if the company is liquidated so as to establish whether the dispositions would constitute voidable dispositions / impeachable transactions.

In terms of Section 2 of the Insolvency Act, disposition means: “any transfer or abandonment of rights to property and includes the sale, lease, mortgage, pledge, delivery, payment, release, compromise, donation or any contract therefor, but does not include a disposition in complying with an order of the court; and dispose has a corresponding meaning.”

The different types of voidable dispositions (that are liable to be set aside), are as follows:

- (i) **Disposition not made for value (Section 26 of the Insolvency Act)**. Any disposition not made for value by the insolvent can be set aside by the Court:
- if the disposition was made more than two years before the date of liquidation, and immediately after such disposition, the debtor was insolvent (i.e. liabilities exceeds its assets);
 - if the disposition was made less than two years prior to the date of liquidation, the Court can set it aside if the person who benefited by the disposition cannot prove that the assets of the debtor exceeded its liabilities immediately after the disposition was made.

Dispositions not made for value are dispositions for which no benefit or value is or has been received or promised. Such dispositions include donations, the relinquishment of mortgaging of assets without any legal obligation to do so, payment in terms of an invalid or illegal contract, the sale of property for a trifling consideration or the issuing of a surety or guarantee.

The person who benefited by a disposition need not be the person to whom the disposition was in fact made. Where it is proven that at any time after a disposition has been made, the debtor’s liabilities exceeded its assets by less than the amount of the disposition, the extent to which it can be set aside is limited to the amount of such excess. The date at which the value of the property disposed of must be assessed is the date of the disposition, and the date at which the comparison between such value and the amount of the excess of the insolvent’s liabilities over his assets must be made is the date of the sequestration of the insolvent’s estate.

As indicated above, the deemed date of liquidation is the date on which the liquidation application is issued at Court.

“Value” has its ordinary meaning, i.e., any kind of consideration and not merely money. Whether the debtor received ‘value’ for a disposition must be decided by reference to all the circumstances under which the transaction was made. It must be determined whether the debtor received an adequate *quid pro quo* under the circumstances.

If a disposition not made for value has been set aside or if the debtor did not complete the disposition, the beneficiary cannot compete with the creditors of the insolvent estate. However, in the event of the disposition not being completed nor set aside as a disposition not made for value, and which disposition arose by way of a suretyship, guarantee or indemnity, the beneficiary concerned can compete for an amount not exceeding the amount with which the debtor’s assets, immediately preceding the disposition, exceeded its liabilities.

Recent case law has clarified that relief under section 26 is strictly time-bound, emphasizing that for dispositions made within the two-year period, the entire two-year period should be considered rather than a limited snapshot of time. Under South African law, “disposition not for value” essentially means “without any value whatsoever”. The fact that a company’s business or investment agreements are deemed illegal, unlawful, or void does not automatically imply that every transaction it made was without value. As such, even if an agreement cannot be enforced by a court of law, it can still be recognized by the law for certain purposes; thus, if a beneficiary can show that the insolvent entity gained value directly from a transaction, such as receiving an initial deposit for investment prior to making a payment, then value was indeed derived. Consequently, it is not accurate to claim that payments are dispositions without value if a reciprocal benefit was received, as the Court’s discretion to reverse a transaction under section 26(1) depends on whether the insolvent party truly received no equivalent value in return.

- (i) **Voidable preferences (Section 29 of the Insolvency Act)**. A disposition of its property by a debtor prior to its liquidation may have the effect of preferring one of its creditors above another. A disposition by a debtor can be set aside as a voidable preference if it appears that the debtor, due to its dire financial situation, was unable to pay all its creditors fully but nevertheless favored a particular creditor for instance by full payment of its pre-existing debts.

If the disposition had such effect and was made within six months before the date of liquidation, and immediately after it was made, the liabilities of the debtor exceeded the value of its assets, the Court may set aside the disposition, unless the person in whose favor the disposition was made proves that it was made in the ordinary course of business and that it was not intended thereby to prefer one creditor above another.

The onus is on the liquidator to prove that a disposition was made of the debtor's property, that the disposition was made within the period of six months preceding the date of liquidation, that it had the effect of preferring a particular creditor above other creditors and that immediately after it was made the debtor's liabilities exceeded the value of his assets.

If the liquidator succeeded in proving the above, then the beneficiary will only be able to avoid the setting aside of the disposition by proving that the disposition was made in the ordinary course of business and that it was not intended thereby to prefer one creditor above another. If the latter onus is not discharged, in either respect, the Court may set aside the disposition

The test to be applied in a determination as to whether a disposition had the effect of preferring one creditor above another is an objective one. However, the test with regard to the intention is a subjective one and can only be present if the debtor actually applied its mind to the matter.

- (ii) **Undue preference (Section 30 of the Insolvency Act)**. A disposition by a debtor of its property at any time before the date of liquidation and while its liabilities exceeded its assets may be set aside by the Court as an undue preference if it was made with the intention of preferring one of the debtor's creditors and the debtor's estate is thereafter liquidated.

The intention of the debtor may be proven where it can be shown that the debtor was aware of its insolvent state or contemplated liquidation but nevertheless made the disposition, or the intention can be inferred from actions or statements made by the debtor.

- (iii) **Collusion (Section 31 of the Insolvency Act)**. Where prior to the liquidation, the debtor had disposed of property belonging to it in a manner which had the effect of prejudicing its creditors or of preferring one of its creditors above another, the Court may set aside the disposition if it was effected by the insolvent in collusion with another.

By collusion, in this context, is meant an agreement between the insolvent and another pursuant to which the disposition ensued where the contracting parties' intention actually was to defraud the insolvent's creditors. If such agreement was concluded without such intention, the disposition cannot be set aside as a collusive dealing notwithstanding that in fact it prejudiced creditors or resulted in one being preferred above another or others.

Proof that the disposition had the effect of prejudicing creditors or of preferring one creditor above another or others, and that the debtor and the other contracting party or parties knew at the time of the disposition that the debtor was insolvent and that it would have such effect, establishes *prima facie* that the requisite fraudulent intention was present and in the absence of other evidence will be decisive as to its existence.

A person who was a party to a disposition which was collusive is bound to pay to the liquidator the amount of any loss caused thereto by such disposition and, "by way of penalty", such amount as the Court may fix but which may not exceed the amount by which he would have benefited by the collusive dealing if it had not been set aside. In addition, the party forfeits any claim which it may have against the insolvent estate.

Every disposition made after the commencement of liquidation proceedings by a debtor being liquidated and unable to pay its debts, shall be void, unless the Court otherwise orders.

A surety for the debtor and a person in a position by law analogous to that of a surety is deemed to be a creditor of the debtor concerned.

Rankings of creditors

Under South African insolvency law, there are three types of creditors which exist for ranking purposes, namely:

- concurrent creditors;
- secured creditors; and
- preferred creditors.

Concurrent creditors do not enjoy any advantage over other creditors of the insolvent company. Concurrent creditors are paid out of the free residue of unsecured assets after any preferential creditors have been paid. Concurrent creditors all rank equally pro rata according to their claims. Should the free residue be insufficient to meet their claims, each creditor receives a pro rata portion of its claim by way of a dividend.

A secured creditor is one who holds security for its claim in the form of a mortgage bond over immovable property, mortgage over movable property, landlord's legal hypothec, pledge, right of retention or goods delivered in terms of an instalment sale transaction. A secured creditor must have real security. A creditor whose claim is secured by suretyship or guarantee is not classed as a secured creditor but as a concurrent creditor (as these constitute personal security and not real security). A secured creditor is entitled to be paid out of the proceeds of the sale of the property subject to the security, after payment of certain expenses (including expenses incurred to maintain and dispose of the asset) and any secured claim which ranks higher. If the proceeds emanating from a sale of the encumbered property are insufficient to cover the secured creditor's claim, it has a concurrent claim for the balance. Should the secured creditor choose to rely exclusively on its security, it waives the right to participate in the free residue.

Preferred creditors are creditors whose claim is not secured but nevertheless rank above the claims of concurrent creditors. Preferred creditors are entitled to payment out of the free residue of the estate (that portion which is not subject to any security interests) and rank in right of payment before concurrent creditors. Examples of preferred claims include income tax to SARS, employees (for salaries and remuneration) and claims secured by unperfected general notarial bonds.

Business rescue

The 2008 Companies Act brought significant changes to the corporate law of South Africa, including introducing a new regime of "business rescue" for financially distressed companies, which could significantly affect the rights of creditors.

The 2008 Companies Act repealed the 1973 Companies Act, with the exception of the provisions that deal with the winding-up and liquidation of insolvent companies (which will remain in effect until new insolvency legislation is enacted). The 2008 Companies Act introduces significant changes to the corporate law of South Africa, corporate actions, and the responsibilities of directors. In addition, the 2008 Companies Act introduces the concept of "business rescue", a concept similar to Chapter 11-bankruptcy proceedings in the United States or administration in the United Kingdom.

Business rescue, defined under section 128 of the 2008 Companies Act, allows a company that is "financially distressed" and which appears to have a "reasonable prospect" of rescue to facilitate its rehabilitation by the appointment of a business rescue practitioner ("**BRP**") and developing and implementing a business rescue plan to

rescue the company by restructuring its affairs, business, property, debt and other liabilities, and equity in a manner that maximizes the likelihood of the company continuing in existence on a solvent basis or, if it's not possible for the company to so continue in existence, results in a better return for the company's creditors or shareholders than would result from the immediate liquidation of the company. Under South African law, a "reasonable prospect" requires more than a prima facie case or a merely arguable possibility, but sets a lower threshold than the former "reasonable probability" test used for judicial management. The prospect must rest on objectively reasonable grounds and cannot be based on speculation.

A company will be "financially distressed" and in turn a suitable candidate for business rescue if: it will not be able to pay all of its debts as and when they become due and payable within the ensuing 6 months (commercial insolvency); or if its liabilities will exceed its assets within the ensuing 6 months (factual or balance sheet insolvency).

In order to aid the rescue of a financial distressed company, the 2008 Companies Act affords a debtor company various procedural and substantive protections and advantages during the business rescue process.

Business rescue proceedings may be instituted by the board of directors of the company through the adoption of a board resolution (voluntary business rescue proceedings) or by any "affected person" (including a shareholder, creditor, registered trade union or employee), on application to Court (compulsory business rescue proceedings) or by the Court of its own accord at any time during the course of any liquidation proceedings or proceedings to enforce any security against the company.

After initiating business rescue proceedings, the board of directors or the creditors, as the case may be, must appoint a BRP, who will assume full management control of the company in substitution for the board and supervise the board and pre-existing management during business rescue. The company must publish a notice of the appointment of the BRP to each affected person. However, directors continue to exercise their functions, subject to the supervision and authority of the BRP. The BRP may delegate any of his powers and/or functions to any person who was part of the board or management of the company in business rescue. Crucially, section 137(4) of the 2008 Companies Act states that directors are prohibited from taking any action on behalf of the company that requires the BRP's approval without first obtaining such consent, as any act performed without this authority is considered legally void.

The BRP, after consultation with the creditors, other affected persons and the management of the company, must prepare a business rescue plan for consideration and possible adoption at a meeting of creditors convened in accordance with the provisions of the 2008 Companies Act which sets out, among other things, all details of the plan envisaged to rescue the company. Once the business rescue plan is adopted, the BRP must implement the plan.

The proposed business rescue plan will be approved if it was supported by the holders of more than 75% of the creditors' voting interests that were voted and the votes in support of the proposed plan included at least 50% of the independent creditors' voting interests, if any, that were voted. In addition, if the plan alters the rights of the holders of the company's securities, the majority of such holders must also approve the proposed business rescue plan. If not approved, the appointed BRP or any affected person may seek a vote of approval from the holders of voting interests to prepare and publish a revised plan or apply to court to set aside the result of the vote by the holders of voting interests or shareholders, as the case may be, on the grounds that it was inappropriate. Furthermore, any affected person may make a binding offer to purchase the voting interests of one or more persons who oppose the adoption of the business rescue plan. Note however South African courts have held that a purportedly binding offer at liquidation value made to a dissenting creditor is not automatically binding on the creditor. The impact of this is that the option of buying claims of dissenting creditors at liquidation value is generally considered to be no longer workable. A plan that is adopted is binding on the company, the creditors of the company and every holder of the company's securities, whether or not such person was present at the meeting, voted in favor of the adoption of the plan or, in the case of creditors, had proven their claims against the company

During a company's business rescue proceedings, the BRP is empowered to suspend entirely, partially or conditionally (for the duration of the business rescue proceedings), any contractual obligations to which the company is a party (other than an employment contract or an agreement on the terms of the ISDA master agreements) at the

commencement of the business rescue proceedings. The BRP may also apply urgently to a Court to cancel entirely, partially or conditionally, any obligation of the company, on terms that are just and reasonable in the circumstances.

The suspension of a contract does not preclude the other contracting party to cancel the contract in terms of the provisions of the contract, if there was a breach of contract prior to the commencement of the business rescue proceedings. The suspension of any obligations of the company does not result in the company automatically maintaining provisions relating to the creditor's performance obligations. On suspension or cancellation of any agreement, the creditor will have a claim for damages against the company. Further, if a BRP suspends a provision of an agreement relating to payment or performance, that provision continues to apply with respect to any proposed disposal of property by the company if that property is subject to security. The 2008 Companies Act protects the validity of a creditor's security; specifically, while the BRP may suspend the obligation to pay, the BRP cannot dispose of the underlying secured property without the creditor's consent unless the debt is discharged in full. Therefore, a creditor's security can be preserved even if the BRP suspends the remainder of the company's obligations under that contract. Furthermore, Section 134(3) of the 2008 Companies Act ensures that if the BRP suspends the provisions of an agreement relating to security, this suspension will not affect the rights of the secured creditor to have the proceeds of any sale of that property applied toward their claim.

It must be noted that, contracts are not automatically terminated or altered by virtue of the commencement of business rescue, however if the BRP exercises his powers of suspension, the other party cannot compel him to perform in terms of the contract, unless the contract is reciprocal by nature. The reverse also applies. If a BRP suspends some or all of a company's obligations, the other party is entitled to refuse to render any continuing services or supply any continuing materials or support, unless and until the BRP tenders compliance with the company's obligations that fell due after the business rescue commence. Accordingly, a BRP may not suspend obligations that are due in respect of the contract, and still expect performance by the other contracting party. Likewise, the creditor may not simply ignore the suspension and insist on performance by the BRP contrary thereto.

During business rescue proceedings, a general moratorium is placed on legal proceedings against the company and no legal action, including enforcement action, against the company, or in relation to property of the company (or lawfully in its possession), may be commenced except with inter alia the written approval of the BRP or with the leave of the Court. This moratorium provides the company with "breathing space" while the BRP attempts to rescue and restructure the company through the implementation of a business rescue plan. The moratorium provides the company with a "buffer" within which to focus on restructuring its affairs rather than fighting litigation

The power of the company to deal with its property is restricted during business rescue and the company may only dispose of property if such disposal takes place: in the ordinary course its business; or in a transaction in good faith to which the BRP has given his or her prior written consent; or as part of an approved business rescue plan.

The 2008 Companies Act provides a degree of protection of property interests of a party that has security over, or title interest in, property held by the company. It states that if the company wishes to dispose of any property in which another creditor has any security over, or title interest in, the company must obtain the prior consent of that other creditor, unless the proceeds of the disposal would be sufficient to fully discharge the indebtedness protected by that creditor's security or the title interest and, following the disposal, either promptly pays to that creditor the sale proceeds attributable to that property up to the amount of the company's indebtedness to that creditor or provides security for the amount of those proceeds, to the reasonable satisfaction of that creditor.

Securities

Limitation on Enforcement

The Indenture will become fully effective with respect to, and binding on, the Company, the South African Subsidiary Guarantors and the Security SPV, as applicable, following the completion of the Offering and the Intercreditor Agreement, the security documents relating to any Collateral located in or governed by the laws of South Africa, the SPV Guarantee and Counter-Indemnity Agreement will remain in full force and effect and shall be binding on, the

Company, the South African Subsidiary Guarantors and the Security SPV, as applicable, and shall secure, amongst other things, the obligations of the Company and the South African Subsidiary Guarantors under the Indenture.

The Security SPV has issued the SPV Guarantee (on behalf of the South African Subsidiary Guarantors) and Liquid Telecommunications South Africa (Pty) Ltd and Liquid Telecommunications Holdings South Africa (Pty) Ltd have provided a counter indemnity by way of the Counter-Indemnity Agreement in favor of the Security SPV which forms part of the South African Collateral provided by the South African Subsidiary Guarantors and the Security SPV.

Under South African law, the formalities for establishing a valid security interest in an asset (including shares) are those of the place where the asset is situated. If the asset is situated in South Africa, formalities under South African law must be satisfied. The shares which form the subject of the pledge are for purposes of establishing a security interest, located in South Africa (typically where the share register is maintained). In terms of the Exchange Control Regulations, issued under the Currency and Exchange Act, 1933, no South African resident may place any asset at the disposal of a non-resident or transfer any assets (including shares or the proceeds of such shares) out of South Africa without the prior approval of the Financial Surveillance Department of the SARB. The SARB's current policy is to "pre-approve" certain types of transactions, payments and transfers for exchange control purposes via the Currency and Exchanges Manual for Authorised Dealers. The issuing of a guarantee and the granting of security interests by South African residents in favour of non-residents is generally pre-approved. Therefore, in order for a South African resident to issue a guarantee or to grant a security interest to a non-South African resident, the South African resident will be required to obtain the necessary approval from the SARB (usually applied for through an Authorised Dealer, such as a commercial bank). Failure to obtain this approval can render the underlying security or guarantee legally unenforceable.

In this regard, the SARB has provided an approval in respect of Liquid Telecommunications Holdings South Africa (Pty) Ltd and Liquid Telecommunications South Africa (Pty) Ltd providing a guarantee and providing a pledge of the shares that each such company holds in the other South African Subsidiary Guarantors. No further approval will be required for the repatriation of funds realized by the non-resident secured party subject to any other conditions set out in the SARB approval, such as providing notice to the SARB of the repatriation. In granting its pre-approval for the Guarantees to be granted by Liquid Telecommunications South Africa (Pty) Ltd and Liquid Telecommunications Holdings South Africa (Pty) Ltd, SARB stated that should there be a claim in respect of the Guarantee, they require to be advised thereof and that the claim may not exceed the net asset value of such Guarantors. There is uncertainty regarding how this net asset value limitation should be interpreted and applied and we cannot assure you that the effect of this limitation is not to effectively subordinate claims under the Guarantee below those of creditors the claims of which may need be deducted in order to reach the net asset value. See "*Risk Factors—Risks Related to the Notes and Guarantees—The Guarantees and the Collateral securing the Notes are subject or will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.*"

Key considerations relating to South African Collateral

General notarial bonds

A general notarial bond ("GNB") creates a personal right (and not a real right) over certain movable property. Therefore, a GNB does not automatically constitute the holder as a secured creditor in terms of the Insolvency Act, 1936, except if the GNB has been perfected by way of a court order prior to the commencement of the liquidation of the company. This perfection involves (i) obtaining a court order allowing the creditor to take possession of the movable assets secured under the bond; and (ii) the creditor actually taking effective possession (only then does the bondholder become a secured creditor in respect of the assets). If the GNB is not so perfected prior to commencement of the liquidation of the company, the bondholder will enjoy a preference over the proceeds of the inventory and other movable corporeal assets of the company after secured creditors have been paid in full (i.e. the bondholder will be a preferred creditor above concurrent creditors). In addition, a GNB may only be perfected after an event of default has occurred and is continuing, and only if the relevant finance parties elect to pursue such perfection.

Competition laws

If enforcement action in respect of secured assets would result in a “merger” as defined in and for the purposes of the Competition Act, 1998 (either as a result of the Security SPV or the beneficiaries of the SPV Guarantee, or any third party to whom the secured assets may be disposed of, acquiring a controlling interest in the relevant firm or assets), it will be notifiable to and subject to approval by the South African competition authorities.

Independent Communications Authority of South Africa

Where a South African entity is the holder of licenses (“**Relevant Licenses**”) issued to it in terms of the ECA by the ICASA, enforcement of security over (i) the Relevant Licenses of the South African Entity; or (ii) the issued share capital of the licensee, would be subject to the ECA. Section 13(1) of the ECA (as amended by the Electronic Communications Amendment Act 1 of 2014) states that an individual license may not be let, sub-let, assigned, ceded or transferred, and the control of an individual license may not be assigned, ceded, or in any way transferred, to any person without the prior written permission of ICASA. Similarly, section 31(2A) of the ECA states that a radio frequency spectrum license may not be let, sub-let, assigned, ceded or transferred, and the control of a radio frequency spectrum license may not be assigned, ceded, or in any way transferred, to any person without the prior written permission of ICASA. In terms of sections 13(1) and section 31(2A) of the ECA, any proposed transfer of an individual license and/or a radio frequency spectrum license will require ICASA’s prior written approval. This means that if the Security SPV were, in the future, to seek to take transfer or give effect to transfer to a third party of (i) the licenses issued to a South African entity or (ii) the issued share capital comprising a controlling stake in the licensee (pursuant to the exercise of its security rights), such transfer would require the prior written approval of ICASA. It is also important to note that ICASA will not approve the assignment, ceding or transfer of an individual license and/or a radio frequency spectrum license or a controlling interest therein if such transfer will result in the reduction of equity ownership held by historically disadvantaged persons to be less than 30%. However, there is an opportunity for an equity equivalent investment program, as an alternative to a 30% equity ownership, following the Ministerial Policy Direction on B-BBEE in the ICT sector, published in Government Gazette 53855 on December 12, 2025 (signed December 11, 2025), which instructs ICASA to urgently align its ownership regulations with the Amended ICT Sector Code, including recognition of Equity Equivalent Investment Programmes.

Effect of general banking facilities on South African Collateral

It is possible that the South African Subsidiary Guarantors will have general banking facilities in place which could include overdraft facilities supplied by the relevant bank. These facilities may be provided on a net basis and allow netting of overdraft debit amounts against cash balances across different bank accounts held with the relevant bank providing such facilities. To the extent that security is required over bank accounts of the South African Subsidiary Guarantors, these arrangements should be closely considered because the effect of such arrangements may be to limit the ability of creditors to obtain meaningful security over bank accounts and cash balances of the South African Subsidiary Guarantors.

Special Notarial bonds

A real right can be created over specifically identified tangible movable property by registering the bond as a special notarial bond (“**SNB**”) with the deeds registrar, under the Security by Means of Movable Property Act, 1993.

According to the Security by Means of Movable Property Act, 1993 the corporeal property purported to be provided as collateral must be specified and described in the SNB in a manner which renders it readily recognizable, otherwise security will not be conferred over the relevant assets. We can’t guarantee that the asset lists attached to the SNB will be sufficient for these purposes. Vague descriptions could result in the SNB being treated as a GNB, losing its “secured” status in insolvency.

Other considerations

In terms of the Insolvency Act, 1936:

- lodgment for registration of mortgage bonds, special notarial bonds and general notarial bonds must occur within a period of 2 (two) months from the date on which the relevant underlying debt to which the registerable South African law security is accessory was incurred, failing which in the case of the liquidation of a South African entity within 6 (six) months of the date of registration of the relevant registerable South African law security, that security will not confer any protection on liquidation.

It must be taken note of that, with reference to voidable transactions referred to above, a disposition of property includes the granting of collateral over the property. Guarantees, indemnities and suretyship agreements all fall within the ambit of a disposition (which security agreements may be liable to be set aside under the Insolvency Act).

KENYA

Validity and enforceability

In Kenya, for a company to give a guarantee or issue a security, certain requirements must be satisfied. As part of these requirements, the giving of a guarantee and creation of collateral by a Kenyan company must be for its commercial benefit. There is no statutory definition of commercial benefit under Kenyan law. The existence or the absence of a commercial benefit is assessed on a case-by-case basis. In addition, for certain securities governed by Kenyan law to be enforceable in Kenya, it is a requirement that they be drawn by an Advocate of the High Court of Kenya. Section 34 (1) of the Advocates Act (Chapter 16 of the Laws of Kenya) lists the documents that have to be prepared by an Advocate and these do not include a guarantee. However, the Supreme Court of Kenya recently passed a judgment holding that a guarantee as a security document should be prepared by an Advocate.

In practice, even though a guarantee may expressly refer to it securing additional obligations, fresh guarantees should be sought for securing additional obligations.

The Kenyan collateral will be in the form of a memorandum of deposit of the shares of Liquid Telecommunications Kenya Limited. The memorandum of deposit of the shares of a company under the Companies Act (Chapter 486 of the Laws of Kenya) (the “**Companies Act**”) is not registrable under the Companies Act if it is created by a foreign entity. However, an initial notice and amendment notice in respect of the security created under the Kenyan collateral should be registered in accordance with the provisions of the Movable Property Security Rights Act (Chapter 499A of the Laws of Kenya) for such security to be effective against third parties.

Enforcement against Liquid Telecommunications Kenya Limited by a Foreign Entity

In recent rulings, the Kenyan High Court has determined that foreign companies that are not registered under the Kenyan Companies Act do not have the capacity to sue in Kenyan courts. The cases involved foreign entities seeking to recover debts owed by Kenyan counterparties, but the courts ruled that foreign companies must be registered in Kenya in order to have legal standing:

- (a) The High Court in *Stichting Rabobank Foundation v Ava Chem Limited & another (Commercial Case E374 of 2022) (2024)*, ruled that foreign companies not registered under the Kenyan Companies Act, lack standing to sue in Kenyan courts. The case involved a Dutch entity that had provided loan facilities of USD 230,868 to a Kenyan company, who defaulted, prompting the suit.
- (b) In *Turn Key International Trade Limited v Sunmatt Limited (Civil Suit E406 of 2022) (2024)* the High Court dismissed a case filed by a Chinese-registered company over the supply to a Kenyan entity of goods worth USD 440,221, citing the same issue of standing.

The above decisions are a departure from what was the generally accepted position that no such registration was required and even it were, it was not a bar to access to the courts. These decisions were largely based on Section 974 of the Companies Act, which prohibits unregistered foreign companies from ‘carrying on business’ in Kenya. There have however been further recent rulings from the High Court of Kenya that have clarified the position on the legal

standing (*locus standi*) of foreign companies in Kenya. These cases offer a more nuanced interpretation regarding the *locus standi* of foreign companies before Kenyan courts.

- (a) In, *Superon Schweisstechnik India Limited v Oxychem Africa Limited and The Registrar of Trademarks (Civil Suit No. E635 of 2023)*, the ruling which was delivered on June 13, 2025, the Court affirmed that *locus standi* refers to a party's right to bring an action and its sufficient interest in the subject matter. The Court held that registration under Section 974(1) of the Companies Act, is not, in itself, determinative of *locus standi*. Instead, what is essential is whether a party can demonstrate a real and substantial connection to the subject matter of the litigation. Superon's *locus standi* in this case arose from its alleged claim as the registered proprietor of the trademark "SUPERON" in various jurisdictions, including Kenya, founded on its proprietary interest in intellectual property rights allegedly infringed by Oxychem.
- (b) The Court explicitly stated that Superon's standing was "firmly anchored in statutory intellectual property rights, and not in its corporate registration status under the Companies Act". The cause of action was the enforcement of a legal right conferred by trademark law, which transcends territorial corporate registration. The Court further emphasized that the right to access justice is not contingent upon corporate registration, especially when the dispute arises within the Kenyan jurisdiction and affects persons resident or domiciled in Kenya. It cited Articles 48, 50(1), and 22(1) of the Constitution of Kenya, which guarantee access to justice, fair hearing, and the right of any person (including a juristic person) to institute proceedings where a right or fundamental freedom is threatened. The Court stressed that procedural or technical objections should not subvert the right to be heard when a foreign entity seeks to vindicate legally recognized rights, such as intellectual property rights under the Trade Marks Act, Cap. 506.
- (c) The principles established in the Superon case were relied upon in the case of *Bruton Gold Trading LLC v Anne Atieno Amadi & Others (HCCC No. E211 of 2023)*, delivered on July 24, 2025. In its analysis, the Court emphasized that the legal personality or existence of a foreign company is not necessarily given through its registration under Section 974 of the Companies Act in Kenya but rather becomes a legal person upon its incorporation in its country of origin. While acknowledging that Section 974(1) registration may be relevant in certain contexts, the Court decisively stated that it is not, in itself, determinative of *locus standi*. The Court explicitly cited and quoted the Superon Schweisstechnik ruling (*supra*) noting that "*the doctrine of locus standi is concerned with whether the claimant has a genuine stake in the matter before the court... Consequently, the question of registration, such as under Section 974(1) of the Companies Act, may be relevant in certain contexts, but is not, in itself, determinative of locus standi.*"
- (d) The Court further highlighted that the right to access justice under the Constitution of Kenya, 2010 (Articles 22(1), 48, 50(1)), significantly broadens legal standing for any person, including juristic persons. This means that a foreign company with a legitimate interest can generally seek remedy before Kenyan courts. The Superon ruling and the Bruton Gold ruling provide a strong precedent that an unregistered foreign company does not automatically lack the legal standing to sue in Kenyan courts merely due to non-registration under Section 974(1) of the Companies Act.

These decisions contradict the interpretations previously seen in the Stichting case and the Turn Key case and are well thought out and reasoned. The Superon and the Bruton Gold ruling decisions introduce a crucial counter-precedent from the High Court, suggesting that where a foreign entity seeks to enforce specific statutory rights (such as intellectual property rights) or where the dispute involves a real and substantial connection to Kenya, its right to access justice and to prosecute a claim may be upheld, even without local registration. The Superon ruling and the Bruton Gold indicate that the lack of registration in Kenya may not be a fatal impediment to commencing legal action, particularly for claims arising from specific statutory rights or where the constitutional right to access justice is paramount. The references to the constitutional right to justice are also relevant since this was never referred to in the earlier cases.

However, the Superon and the Bruton Gold decisions remain persuasive precedent and are not binding on other High Courts until affirmed by an appeal court or Section 974 is amended to provide more guidance on its application. To

address the uncertainties, an amendment to section 974 of the Companies Act was drafted and included in the Business Laws (Amendment) Bill, 2025, which we understand is anticipated for publication before the end of the first quarter of 2026. If enacted, this targeted legislative reform will realign and cement the statutory regime with international best practices and safeguard the contractual rights of foreign counterparties and their ability to access justice in Kenyan courts.

As at the date of this Offering Memorandum, the amendments to section 974 have not been enacted and the enforcement of the Guarantee by the Security Agent, who is a foreign entity, against Liquid Telecommunications Kenya Limited may be affected by this uncertainty.

Kenyan insolvency law considerations

The primary law governing insolvency of corporate entities in Kenya is the Insolvency Act (Chapter 53 of the Laws of Kenya) (the “**Insolvency Act**”) and the Insolvency Regulations 2018 (as promulgated thereunder). The Insolvency Act empowers Kenyan courts to place a company in liquidation or administration in accordance with sections 424 and 523 respectively, which are the two principal formal insolvency processes. A court may on the application of a creditor or a company or its director(s) make an order placing the company in liquidation or administration. A company, its director(s) or a holder of a qualifying floating charge may also appoint an administrator in respect of the company. Administration in the Kenyan context is different from liquidation as the main objective of an administrator is to rescue the company. The circumstances under which Kenyan courts make orders to liquidate are mainly in instances where the company is unable or likely to become unable to pay its debts or where the court is of the opinion that it is just and equitable to liquidate the company. Section 384 of the Insolvency Act states that the circumstances under which a company is deemed to be unable to pay its debts are:

- if a creditor serves a notice to pay an amount of KES 100,000/= (approximately US\$8,000) or more and the company fails to pay within 21 days; or
- if an order is obtained against the company directing the company to pay its due debts and the order is returned to court unsatisfied; or
- if it is proved to the satisfaction of the court that the company is unable to pay its debts as they fall due; or
- if it is proved to the satisfaction of the court that the company’s assets are less than the amount of its liabilities (including contingent and prospective liabilities).

Administration

Under section 522 of the Insolvency Act, the objectives of administration are to maintain the company as a going concern, to achieve a better outcome for the company’s creditors as a whole than would likely to be the case if the company were liquidated or to realize the property of the company in order to make a distribution to one or more secured or preferential creditors.

Appointing an administrator

An administrator may be appointed by:

- (i) the court upon an application from the company or its directors; the employees of the company; one or more creditors of the company; the official receiver; a holder of a qualifying floating charge (QFC) or the registrar of companies;
- (ii) a company or its directors; or
- (iii) a holder of a qualifying floating charge (QFC). A holder of a QFC is one who holds one or more debentures of the company secured by a qualifying floating charge that relates to the whole or substantially the whole of

the company's property. A QFC is one which is created by a document that states that section 534 of the Insolvency Act applies to the floating charge, or purports to empower the holder of the floating charge to appoint an administrator of the company.

The administrator is an officer of the court, whether appointed by the court or not and as such owes an obligation to all creditors as a whole whether secured or not and whether preferred or not. The court has the power to make an administration order in respect of a company even if a company may be able to pay its debts.

Position of creditors once a company is under administration

Once appointed, the administrator assumes control of all the property of the company and manages its affairs. While a company is under administration, a creditor can only take steps to enforce a security over the company's property with the consent of the administrator, or with the approval of the court. The administrator may also make a distribution to creditors of the company and where a creditor is neither a secured nor a preferential creditor, a payment may be made to the creditor as part of a distribution only with the approval of the court. While the company is in administration an automatic moratorium becomes effective prohibiting any legal action being brought against the company or any execution, attachment or sale or execution of its assets without the administrator's consent or court approval.

Administrator's powers over charged property

The administrator of a company may dispose of, or take action relating to, property that is subject to a floating charge as if it were not subject to the charge. If this is done, the holder of the floating charge has the same priority in respect of acquired property as that holder had in respect of the property disposed of.

However, where a company's property is subject to a fixed charge, the administrator (should he intend disposing of the property) must make an application to court under section 588 of the Insolvency Act; if the court believes that disposal of the property would be likely to promote the purpose of the administration of the company, it may authorize the sale. Where the court orders the sale of secured property, the order shall be on condition that the proceeds of disposal of the property will be applied towards discharging the amounts secured by the security.

Liquidation

The liquidation of a company under the Insolvency Act can be classified in two main categories namely, voluntary liquidation and involuntary liquidation. Voluntary liquidation can be by members or directors of the company where the company is solvent or by creditors where the company is insolvent. An involuntary liquidation is by a court order made upon the application by the company, its directors, creditor, contributories, and administrator or if the company is in voluntary liquidation, the liquidator or the Attorney General.

Effect of appointment and position of creditors

Once the liquidation commences, the liquidator takes over the affairs of the company with the general objective of selling the company's assets and making distributions to the creditors. The property of the company will also vest in the liquidator. There is no moratorium in liquidation similar to the one in administration and therefore secured creditors retain the right to realize their securities and sell the assets secured. However, once a company is placed in liquidation legal proceedings against the company may only begin or be or continued with the leave of court. Generally, in the course of the liquidation process, any creditor has the right to also apply for an injunction and judicial relief if it feels that its securities are in danger of realization or waste.

For purposes of voting and taking part in the liquidation, the secured creditor would only be entitled to take part in creditors' meetings to the extent that its debts are not fully secured. In instances where the secured assets are realized but the proceeds are not enough to settle the secured debt, the remaining debt owed to the secured creditor is deemed to be unsecured and the secured creditor can prove for such portion of debt for voting purposes in a creditors' meeting. The unsecured debt will also rank equal to other unsecured debts.

After commencement of the insolvency process, a disposition of the assets (including shares or alteration of the members' register) of a company in liquidation (where the liquidation was ordered by the court) is void unless sanctioned by the court. A liquidator can also reverse a transaction (with the leave of court) (reviewable transactions) entered into by the company before the commencement of the liquidation where the contract places an unconscionable burden on the company to perform the contract; or where an officer of the company disposes of the company's assets fraudulently knowing that the company is insolvent, twelve (12) months before the commencement of the liquidation.

Reviewable transactions in liquidation

Transaction at an undervalue: A transaction is deemed to be at an undervalue if a company enters into a transaction on terms where the company receives no consideration or the value of the consideration is significantly less than the value of the consideration provided by the company. If the transaction is entered into in good faith to carry on the company's business and there are reasonable grounds for believing that it will benefit the company, then no liability will be incurred.

To be vulnerable to challenge, the transaction must have been entered into during the period of two (2) years ending with the onset of insolvency (broadly, the commencement of the winding up or administration). If a transaction is found to be at an undervalue, the court has very wide powers to restore the parties to the position they were both in before the transaction was entered into, although there is a protection for a third party that has acquired some benefit or interest, if they acted in good faith and for the purpose of carrying out its business.

Preference transaction: A company gives a preference if it does anything or suffers anything to be done that has the effect of putting a creditor or a guarantor of its debts in a position that, if it were to go into insolvent liquidation or administration, would be better than the position that person would have been in if the thing had not been done. The company must have been influenced by a desire and/or intention to produce the preferential effect in order for the transaction to be deemed vulnerable.

Any such transaction will be set aside, in the case of an unconnected person, if it was entered into in the six (6) month period before the commencement of the winding up of the company or its entry into administration. This period extends to two years in the case of a person connected to the company. For the transaction to be set aside, the company must have been insolvent at the time it was entered into or to have become so as a result of entering into it. As with a transaction at an undervalue, if a transaction is found to be a preference, the court has powers to set aside the transaction and restore the parties to the position they were in before the transaction was entered into.

Extortionate credit transactions- The court has powers to set aside extortionate transactions. A transaction is deemed to be extortionate if, it occurs within the last three (3) years before a company's insolvency, the transaction required the company to make exorbitant payments without any valuable return or it otherwise grossly contravened ordinary principles of fair dealing.

Disclaimer of onerous contracts-Under the Insolvency Act, a liquidator can disclaim a contract but may not disclaim part of a contract. Under section 476 (1) of the Insolvency Act, a liquidator has the power to disclaim onerous property which is described in section 476 (2) of the Insolvency Act as; (i) an unprofitable contract; or (ii) other property of the company that is unsaleable or not readily saleable or is such that it may give rise to a liability to pay money or perform any other onerous act. What constitutes an unprofitable contract is not defined in law and this would depend on the court's interpretation. The effect of the disclaimer by a liquidator would be that the person sustaining loss or damage by the disclaimer would be deemed to be a creditor to the extent of the loss or damage and can prove for that amount in the company's liquidation.

A company that is eligible to obtain a moratorium under the Insolvency Act may, if its directors wish to make a proposal for a voluntary arrangement, obtain a moratorium by lodging certain prescribed documents in court. While a moratorium is in effect, certain actions are restricted. These include enforcement of security over the company's property without the approval of the court or disposal of any property or payment of any debts and liabilities except

where there are reasonable grounds to believe that the disposal or the payment will benefit the company or where the disposal is approved by the provisional supervisor or the moratorium committee.

The Notes are being secured by inter alia, the Guarantee and the Kenyan collateral which for purposes of Kenyan Insolvency law, could be voided and/or rescinded and any payments made pursuant to them ordered to be refunded if a court were to determine that: the issuance of the Guarantee and the Kenyan collateral was tantamount to preference, extortionate or undervalue transaction and the directors knew or ought to have known that Liquid Telecommunications Kenya Limited was insolvent; or disbursements payable under the Guarantee and Kenyan collateral were unconscionable and did not reflect the true and/or fair value supposed to be paid. If a competent court were to order that the Guarantee and/or the Kenyan collateral be voided for any reason holders of the Notes would have to prove their debts as unsecured creditors.

Receivership

The legal position in Kenya stemming from common law and practice is that a receiver's powers and obligations are governed by the security document under which the receiver is appointed. The concept of receivership is not enshrined in the Insolvency Act. Corporate receivership is founded on the contractual relationship between the parties and derives its force from the principles of common law and the rules of equity.

Receivers appointed pursuant to a contract will generally only act on behalf of the secured creditor that appointed them and will realize the assets specifically covered by the security document. The contractually-appointed receiver is appointed to take possession of and sell or liquidate the assets secured by the security agreement in order to repay the outstanding debt. In a receivership, a secured creditor may also appoint a receiver manager to operate and manage the business until it is sold as a going concern.

The receiver is tasked with selling the assets secured under the security agreement and, after deducting the receivership's fees and expenses, distributing the proceeds from the sale to creditors on a priority basis. In situations where the proceeds from the sale of assets are not sufficient to fully repay the liabilities of the secured creditor, none of the proceeds will be available for distribution to the unsecured creditors.

Pre-Insolvency Moratorium

The Insolvency Act also prescribes pre-insolvency moratorium. This procedure allows a financially distressed company, a company that complies with any provisions of the Insolvency Regulations and is not declared to be ineligible by the Insolvency Act, to seek temporary protection from its creditors to explore restructuring or other arrangements that might lead to a rescue or a more efficient liquidation. An ineligible company is a company that on the lodgement date, is a project company of a project that is a public-private partnership project and includes step-in rights.

To initiate the pre-insolvency moratorium, the company's directors must appoint an authorised insolvency practitioner to act as a "monitor". The directors then lodge specific documents with the Court, including a statement from the monitor confirming that the moratorium has a reasonable prospect of achieving its aims and that the company is likely to have sufficient funds to continue its business during the period. Once the relevant documents are lodged, the moratorium typically lasts for thirty days, though it can be extended by the court for at least another thirty days if deemed desirable. The legal effect once the moratorium takes place is powerful: while the moratorium is active, no insolvency proceedings may be commenced or progressed against it, including applications or resolutions for liquidation, the appointment of an administrator, administrative receiver, or similar office-holder, all of which are either prohibited or rendered ineffective. Meetings of the company may only be convened with the consent of the monitor or the approval of the court (and subject to any conditions imposed). In addition, creditors are restricted from enforcing security, repossessing goods under credit purchase arrangements, exercising rights of forfeiture, commencing or continuing legal proceedings, executing judgments, or levying distress against the company or its property, except with the approval of the court and subject to such conditions as the court may impose.

ZAMBIA

Validity

In respect of guarantees, such as the guarantee to be provided by the Zambian Guarantor, it has become common practice in Zambia to ensure that the guarantor has obtained independent legal advice before guaranteeing the liabilities of the debtor. This is in light of the Supreme Court in *Nkongolo Farms Limited v Zambia National Commercial Bank Limited and Kent Choice Limited (In Receivership) Charles Haruperi (2007) Z.R. 149* at page 175 in which the Supreme Court stated that: “Now the question is whether or not the 1st respondent shared in the wrong doings of the 3rd respondent. In the case of *Credit Lyonnais Bank Nederlands NV v Burch (16)*, the facts already quoted and the ruling by the court which we already quoted, the court placed the responsibility on the Bank lending money to take reasonable steps to explain to the surety, the extent, and the implications of the transaction and to make sure that the surety independently sought independent legal advice before committing itself to the transaction. In that same case the court held that it was not sufficient for the bank lending money just to have causal contact with the guarantor. According to these English authorities, the bank had a duty to make sure that the surety sought independent legal advice. The ratio of this English case is that, the creditor has the obligation to inform itself as to whether or not there is a relationship of trust and confidence between the borrower and guarantor, and the attendant risk to abuse that, relationship. The bank has an obligation to ensure that the guarantee did not in any way exercise undue influence on the guarantor.”

As such, the creditor has the obligation to ensure that the debtor did not exercise undue influence over the guarantor. For this reason, the creditor ought to ensure that the guarantor has obtained independent legal advice on the implications of the transaction giving rise to the guarantee. Accordingly, it has become standard in guarantor resolutions for the board/shareholders of the guarantor to include provision in the resolutions confirming that the guarantor has sought independent legal advice as to its obligations under the guarantee.

Perfection of security interests is done by registration of the security documents in the relevant registries, being Companies Registration Agency (“PACRA”), the collateral registry of PACRA in respect of security interests over movable property (including tangible and intangible assets) and the Lands and Deeds Registry where the security involves security over real property.

Further, please also note that agreements, including security documents, that are executed outside Zambia ought to comply with the Zambian Authentication of Documents Act Chapter 75 of the Laws of Zambia (the “**Zambia Authentication Act**”). Under the Zambia Authentication Act before a document signed outside of Zambia can be used in Zambia it must be “authenticated” as set out in the Zambia Authentication Act which is defined as follows: “Authentication when applied to a document, means the verification of any signature thereon.”

The Authentication Act applies to all documents which under the act are defined as “any deed, contract, power of attorney, affidavit, or other writing, but does not include an affidavit sworn before a Commissioner of the High Court.”

The procedure for authentication is as follows:

- (a) in the case of a document executed in Great Britain or Ireland it be duly authenticated by a notary public under his signature and seal of office;
- (b) in the case of a document executed in any part of Her Britannic Majesty’s dominions outside the United Kingdom it be duly authenticated by the signature and seal of office of the mayor of any town or of a notary public or of the permanent head of any Government Department in any such part of Her Britannic Majesty’s dominions;
- (c) in the case of document executed in any of Her Britannic Majesty’s territories or protectorates in Africa it be duly authenticated by the signature and seal of office of any notary, magistrate, permanent head of a Government Department, Resident Commissioner or Assistant Commissioner in or of any such territory or protectorate;

- (d) in the case of a document executed in any place outside Her Britannic Majesty's dominions (hereinafter referred to as a "foreign place") it be duly authenticated by the signature and seal of office-
 - (i) of a British Consul-General, Consul or Vice-Consul in such foreign place; or
 - (ii) of any Secretary of State, Under-Secretary of State, Governor, Colonial Secretary, or of any other person in such foreign place who shall be shown by the certificate of a Consul or Vice-Consul of such foreign place in Zambia to be duly authorized under the law of such foreign place to authenticate such document.

Unfortunately, there is no judicial decision as to what constitutes "Her Britannic Majesty's dominions" as stated in the Authentication Act. By way of practice it is assumed that it only applies to those countries which still recognize the Queen of England or the reigning British monarch as Head of State.

Failure to authenticate under the Authentication Act makes the agreement unenforceable in Zambia.

In a situation where the lender/security trustee is outside Zambia and the borrower or person granting security is in Zambia, it is prudent that only the borrower executes the security document in Zambia by itself. This is because a unilateral execution of a security document by the borrower/security provider binds such borrower/security provider without the signature of the lender/security trustee.

Lastly, in accordance with a recent Supreme Court decision, a document/agreement will be properly authenticated where the last party to sign the agreement signs the document in Zambia. Accordingly, to ensure valid execution, the parties to the transaction documents must ensure that the last party to sign signs the agreement last in Zambia. If this is done, it will not be necessary to follow the authentication modalities set out above.

For purposes of this transaction, there is need to ensure that the transaction agreements which may be required to be enforced in or used in Zambia are properly authenticated as per the advice set out above.

Zambian law insolvency considerations

The Corporate Insolvency Act No. 7 of 2017 (the "**Zambia Insolvency Act**") is the principal statute regulating corporate insolvency in Zambia.

Receivership

The Zambia Insolvency Act makes provision for the appointment of a receiver. The first mode of appointment is by an order of the Court, when the charge over the property of a company is enforceable, upon an application by a chargee.

The court may also appoint a receiver over the property and undertaking of the company, upon an application of the charge over a floating charge, irrespective of whether the charge has become enforceable. However, the court has to be satisfied that events have occurred or are likely to occur and the company retaining the power to dispose of the assets would be unjust to the chargee.

Section 4 (3) of the Zambia Insolvency Act also permits the appointment of a receiver under a deed of appointment.

The Zambia Insolvency Act in section 16 imposes a duty on a receiver to manage the assets to realize the money owed to the secured creditor without disposing of it. However, an asset may be sold if management of the asset will further deplete the asset or is insufficient to satisfy the debt.

If an asset is to be sold, it is to be disposed of by public tender, at the highest possible amount and in the most transparent manner in the circumstances. To ensure further transparency, 21 days prior to the sale, the registrar must be notified of the intention to dispose of the asset.

Section 8 of the Act prescribes that when a receiver is appointed on behalf of a person holding a debenture secured by a floating charge, the priority of debts in winding up shall be followed (despite the company not being wound-up), to

repay claims using the assets held by the receiver, before repaying the debenture claim. The date of appointment of the receiver is considered to be the date of commencement of the winding up.

Business rescue proceedings

The Zambia Insolvency Act, which is a fairly recent statute also introduces Business Rescue Proceedings to Zambia. Business rescue proceedings are aimed at facilitating the rehabilitation of a company that is financially distressed by providing for;

- (i) the temporary supervision of the company and management of affairs, business and property by a Business Rescue Administrator;
- (ii) a temporary moratorium (suspension) on the rights of claimants against the company in respect of property in its possession; and
- (iii) the development and implementation of a plan (if approved) to rescue the company by restructuring its business, debt and liabilities to maximize the chances of the company operating as a going concern.

There are two ways in which a company can be placed under business rescue. The first is by way of a voluntary resolution of the company. Secondly, an affected person may apply to Court for an order to place the company under supervision and begin business rescue proceedings, unless the company has commenced voluntary business rescue proceedings.

Section 25 of the Zambia Insolvency Act generally suspends legal proceedings against a company during rescue proceedings, with some exceptions.

Liquidation and winding up

Under the Zambia Insolvency Act there are three types of Liquidation namely: (i) a winding up by the Court, (ii) a members voluntary winding up, and (iii) a creditors voluntary winding up.

Section 57 of the Zambia Insolvency Act provides for the circumstances under which the Court may wind up a company. A company can be wound-up when the company has by special resolution resolved to be wound-up by Court, the company is unable to pay its debts, any period fixed for the duration of the company by the articles expires or an event dissolving the company in the articles occurs, number of members is reduced below two, the incorporation of the company was fraudulently obtained or, in the opinion of the Court, it is just and equitable that the company should be wound-up.

A company is unable to pay its debts under the Zambia Insolvency Act: (i) there is due to a creditor a prescribed fee; and the creditor has more than 30 days previously served a written demand requiring payment of the amount due, and, the company has failed to pay it to the reasonable satisfaction of the creditor; or (ii) Execution on an order or judgment of Court is returned unsatisfied wholly or partly; or (iii) the company is unable to pay its debts as they become due.

Section 60 of the Act provides that the court on hearing a winding up petition may dismiss the petition with or without costs, adjourn the hearing conditionally or unconditionally or make any interim order or other order that it thinks fit. Additionally, the court may not refuse to make a winding up order on the ground only that the assets of the company have been mortgaged to an equal amount to or in excess of those assets or that the company has no assets or in the case of a petition by a member that there will be no assets available for distribution amongst the members.

Sections 62 and 63 of the Zambia Insolvency Act has the effect of protecting the assets and property of the company, by regarding dispositions of the property, transfer of shares, attachment/distress/execution of the assets after commencement of winding up by the Court, as void.

In terms of voluntary winding-up, a company may be wound-up by way of special resolution of the members or the creditors. Within 14 days of the passing of a resolution, the company shall lodge a copy of the resolution with the

registrar who then has 7 days from lodgment to cause the notice to be published in the gazette, according to section 88 of the Act. The voluntary winding-up commences at the time of passing the resolutions.

In terms of section 99 of the Zambia Insolvency Act, the assets of a company must be distributed in equal priority and distributed amongst members according to their rights and interests in the company.

Section 127 of the Zambia Insolvency Act sets out the priority of payment of debt on winding up in priority to all other unsecured debts, as follows:

- (i) Costs of the winding-up which includes remuneration of the liquidator, taxed cost of a petitioner and the costs of carrying out an audit (s127(1)(a) of the Zambia Insolvency Act);
- (ii) Tax/duty/rate payable by the company before commencement of the winding-up (s127 (1) (e)) of the Zambia Insolvency Act. Also, Government rents less than 5 years in arrears at the start of the winding-up (s127(1)(f)) of the Zambia Insolvency Act); and, rates payable to a local authority that were due within 3 years before date of commencement of the winding-up (s127(1)(g) of the Zambia Insolvency Act);
- (iii) Amounts due under s127(1)(b) of the Zambia Insolvency Act which include, wages or salaries accruing to each employee within 3 months of commencement of winding-up, leave accruing to each employee within 2 years prior to commencement of winding-up, paid absence within 3 months commencement of winding-up and recruitment or other expenses repayable under a contract of employment. Section 127(1) (c) of the Zambia Insolvency Act covers severance pay to each employee equal to 3 months wages/salary. This category also includes Section 127(1) (d) of the Zambia Insolvency Act which relates to amounts due for workers compensation accrued before commencement of winding-up;
- (iv) All secured creditors or lenders of the company; and
- (v) Lastly, all unsecured creditors.

It is noteworthy that debts in the same priority rank equally between themselves and must be paid in full. Where the assets of a company are insufficient to meet the debts within each priority, section 127(4) of the Zambia Insolvency Act provides that the debt shall decrease in equal proportions between themselves.

If the assets are insufficient to meet preferential debts and priority debts, debenture holders under any floating charge have priority over creditors and are paid with the priority ranking in the Moveable Property (Security Interest) Act, 2016.

DEMOCRATIC REPUBLIC OF CONGO

Under DRC law, the validity, creation and enforceability of guarantees and security interests are primarily governed by the following OHADA Uniform Acts:

- the Uniform Act on Commercial Companies and Economic Interest Groups,
- the Uniform Act on Securities (AUS), and
- the Uniform Act on the Organisation of Collective Insolvency Proceedings.

As part of the OHADA legal system, these instruments apply directly in the Democratic Republic of Congo and regulate the formalities, perfection requirements, enforcement mechanisms and potential challenges affecting guarantees and security interests.

Corporate Benefit / Corporate Interest Requirement

Although the OHADA Uniform Acts do not expressly define *corporate benefit*, courts in the DRC—consistent with OHADA jurisprudence—require that any guarantee or security granted by a company must serve its corporate interest.

Thus, a guarantee may be challenged if it is manifestly prejudicial to the company's interests, it confers a benefit that is disproportionate to the obligations undertaken, or it is granted in circumstances that undermine the company's financial integrity.

The assessment is fact-specific and performed on a case-by-case basis. During insolvency proceedings, a guarantee granted without valid corporate interest may be set aside as detrimental to the company or its creditors.

Formalities Applicable to Security Documents

To be valid and enforceable, security interests must comply with the formalities set out in the AUS, including a Written form of the security agreement, a Clear identification of the secured obligations and collateral, a Registration of movable security interests with the RCCM in order to be enforceable against third parties and Land registry inscription for any security over immovable property.

It should be noted that there is no formal requirement under DRC law that security documentation be prepared or signed by a Congolese lawyer.

Nature of Collateral under DRC/OHADA Law

In accordance with the AUS, security interests may be taken over a wide range of assets, including Shares and shareholder rights (via pledge of rights), Receivables, Bank accounts, Tangible movable property and Immovable property.

Registration at the RCCM is compulsory for the perfection of movable security interests.

Insolvency Law Considerations

Applicable Insolvency Framework

Insolvency in the DRC is governed by the OHADA Uniform Act of September 10, 2015 on the Organisation of Collective Proceedings and Measures of Debt Discharge, complemented by certain provisions of Congolese domestic law.

The OHADA Insolvency Act provides a modern framework comprising Preventive settlement (*règlement préventif*), Judicial restructuring (*redressement judiciaire*), Liquidation of assets (*liquidation des biens*).

Insolvency Procedures

1. Preventive Settlement (*Règlement préventif*) : this procedure is mainly intended to avoid cessation of payments and allow negotiation with creditors. It aims to restore the debtor's viability.
2. Judicial Redress (*Redressement judiciaire*) : it is a restructuring procedure designed to preserve activity, safeguard employment, and enable payment of debts under a restructuring plan supervised by a court-appointed administrator. Approval by creditors and confirmation by the court are required.

3. Liquidation (Liquidation des biens) : if the company can no longer continue operations, a liquidator is appointed to realise assets and distribute proceeds to creditors. Liquidation may follow failure of redress or may be opened immediately in cases of severe insolvency.

Criteria for Insolvency

A company is deemed insolvent when it cannot pay its debts as they fall due, or its assets are insufficient to cover its liabilities. Commercial courts supervise the proceedings and appoint administrators or liquidators.

Effects on Creditors

Upon commencement of insolvency proceedings:

- individual enforcement actions are stayed;
- secured creditors may enforce rights, subject to collective-proceedings rules; and
- certain acts performed during the suspect period may be challenged, including:
 - transactions at undervalue,
 - preferential payments, and
 - fraudulent transfers.

Impact on Guarantees and Security during Insolvency

Guarantees or security granted shortly before insolvency may be set aside if they:

- constitute a preference in favor of a particular creditor,
- are undervalue transactions,
- amount to fraudulent transfers, or
- were granted while the company was already insolvent.

If a court sets aside the guarantee or security, Noteholders would rank as **unsecured creditors** and share *pari passu* with other unsecured claims.

Liquidation

In liquidation proceedings:

- assets are sold and proceeds are distributed according to statutory priorities;
- a court-appointed liquidator manages the process and may reverse transactions entered into during the suspect period; and
- secured creditors may enforce collateral, subject to collective-proceedings rules, with any surplus returned to the estate.

Receivership (Not Applicable Under OHADA)

OHADA law does not recognize receivership as an independent remedy. In fact, enforcement of security is carried out through judicial sale of secured assets, or contractually permitted out-of-court enforcement (e.g., pledge of receivables or shares), in accordance with the AUS rather than common-law receivership principles.

UGANDA

Ugandan insolvency law considerations

The Insolvency Act (Cap. 108) (the “**Uganda Insolvency Act**”) is the principal statute regulating corporate insolvency in Uganda. The Act provides for receivership, administration, liquidation, arrangements, bankruptcy, the regulation of insolvency practitioners and cross-border insolvency.

Receivership

A receiver may be appointed by court or pursuant to a contract. Where appointed by the court, the receivership takes effect as specified in the court order. In all other cases, the receivership commences upon the receiver's written acceptance of the appointment. A receiver may be appointed over the whole, or substantially the whole, of a company's property and undertaking.

The fundamental duty of a receiver is to exercise their powers in a manner which they believe, on reasonable grounds, to be in the best interests of all persons in whose interests the receiver is appointed. Subject to this primary duty, a receiver shall have power over the property in receivership with reasonable regard to the interests of the grantor, any person claiming through the grantor, any unsecured creditors of the grantor, and any surety or guarantor who may be called upon to fulfil obligations of the grantor.

A receiver has the powers expressly or impliedly conferred by the appointing document and, unless specifically provided to the contrary, may demand or recover all income of the property in receivership, issue receipts, manage the property, inspect documents, and execute documents in the name of the grantor. An administrative receiver may carry on the company's business, manage its property and affairs, and exercise the powers that the company or its directors would perform if the company were not in receivership.

Nothing in the Uganda Insolvency Act prevents the exercise of a power of enforcement of a charge over property, subject to compliance with provisions regarding claims by secured creditors. A receiver may continue to act as receiver and exercise all powers of a receiver in respect of any property of a company which is in liquidation, unless the court orders otherwise.

A receiver has a duty to act in good faith and for the purposes of obtaining repayments for his security holder. A receiver must take care to obtain a proper price when selling the charged assets.

Administration

The Uganda Insolvency Act provides for two stages of administration: provisional administration and administration. Provisional administration is designed to allow investigation of the company's affairs and consideration of whether administration is appropriate.

A provisional administrator is appointed by special resolution and notice in writing, and the notice must include a certificate signed by the appointer certifying that there is reason to believe the company is or will be unable to pay its debts. Before appointing a provisional administrator, the company must by special resolution agree that it needs to make a settlement with its creditors.

The fundamental duties of a provisional administrator are to investigate the company's business, property, affairs and financial circumstances, and to exercise their powers to achieve the survival of the company as a going concern, the approval of an administration deed, or a more advantageous realization of the company's assets than would be effected in a liquidation.

During provisional administration, certain actions are restricted. An application for the liquidation of the company by the court shall not be commenced, a receiver shall not be appointed over any property of the company, and except with the provisional administrator's written consent or with leave of court, steps shall not be taken to enforce any charge over the company's property and proceedings, execution or other legal process shall not be commenced or continued against the company or its property. However, nothing in the Act shall prevent the continued exercise of a power of enforcement of a charge over property where the power was exercised before the commencement of the provisional administration.

A provisional administration terminates when the period specified in the interim order lapses and the period shall not be more than thirty (30) day, an administration deed is executed or when the provisional administrator gives notice of termination of the provisional administration in accordance with the Act.

Administration commences with the execution of an administration deed by the company in a general meeting, and the administrator's appointment takes effect on execution of the deed. The administration deed shall specify, among other things, the proposed administrator, the property available to pay creditors' claims, the nature and duration of any moratorium period, the extent to which the company is to be released from its debts, and the order in which proceeds are to be distributed amongst creditors bound by the deed.

The function of the administrator is to supervise the implementation of the administration deed.

An administration deed binds the company, its directors and secretary, shareholders, the administrator, and all the company's creditors in relation to claims arising on or before the day specified in the deed. A person bound by the deed shall not make an application for the liquidation of the company and shall not, except with leave of court, take steps to enforce any charge over the company's property or commence or continue execution proceedings or other legal process against the company or its property. However, this does not prevent a secured creditor from exercising a power of enforcement of a charge over company property, except where the deed provides for the charge in relation to the secured creditor who voted in favor of the resolution for execution of the deed.

The administration may be terminated in two circumstances. First, it may be terminated by court order. Secondly, it will terminate where circumstances occur that are specified in the deed as grounds for termination.

Liquidation

Under the Uganda Insolvency Act, the liquidation of a company may be by the court, voluntary (members' voluntary or creditors' voluntary), or subject to the supervision of the court.

A company may be liquidated voluntarily if it resolves by special resolution that it cannot, by reason of its liabilities, continue its business and that it is advisable to liquidate. In a creditors' voluntary liquidation, the company must cause a meeting of creditors to be summoned and lay before the meeting a full statement of the company's affairs, including a list of creditors and estimated claims.

The court may appoint a liquidator on the application of the company, a director, shareholder, creditor, contributory, or the Official Receiver, if satisfied that the company is unable to pay its debts. A debtor is presumed to be unable to pay its debts if: (a) the debtor has failed to comply with a statutory demand; (b) execution issued against the debtor has been returned unsatisfied in whole or in part; or (c) all or substantially all property of the debtor is in the possession or control of a receiver or person enforcing a charge. The prescribed amount for a statutory demand in the case of a company is Uganda Shillings two million (UGX 2,000,000/=) (approximately US\$564).

Upon commencement of liquidation, the company shall cease to carry on business, except so far as may be required for the beneficial liquidation of the company. However, the corporate status and powers of the company continue until it is dissolved.

The liquidator shall take custody and control of the company's property, the officers of the company shall remain in office but cease to have any powers other than those permitted by the Act, proceedings, execution or other legal process shall not be commenced or continued and distress shall not be levied against the company or its property, and shares shall not be transferred. However, nothing in the Act prevents the exercise of a power of enforcement of a charge over property.

The fundamental duties of a liquidator are to take, in a reasonable and expeditious manner, all steps necessary to collect, realize as advantageously as reasonably possible, and distribute, the assets or proceeds of the assets of the company. In a liquidation by the court, any disposition of the property of the company made after the commencement of the liquidation shall, unless the court otherwise orders, be void. Any transfer of shares, not being a transfer made to or with the sanction of the liquidator, and any alteration in the status of members made after commencement of voluntary liquidation, is void.

Priority of claims

Subject to the rights of secured creditors, the liquidator shall apply the assets to preferential debts, which shall be paid in priority to other debts. Preferential debts are paid in the following order of priority:

First to be paid shall be: (a) remuneration and expenses properly incurred by the liquidator; (b) any receiver's or provisional administrator's indemnity and remuneration and expenses properly incurred by any receiver, liquidator, provisional liquidator or administrator, proposed supervisor or supervisor; and (c) the reasonable costs of any person who petitioned court for a liquidation order, including costs of persons appearing on the petition whose costs are allowed by the court.

After making the first category of payments, next to be paid shall be: (a) all wages or basic salary, wholly earned or earned in part by way of commission for four months; (b) all amounts due in respect of any compensation or liability for compensation under the Workers Compensation Act, accrued before commencement of the liquidation, not exceeding the prescribed amount; and (c) all amounts that are preferential debts under the Act's provisions relating to documents.

After paying the above sums, the liquidator shall then pay: (a) the amount of any tax withheld and not paid over to the Uganda Revenue Authority for twelve months prior to the commencement of insolvency; and (b) contributions payable under the National Social Security Fund Act.

After paying preferential debts, the liquidator or trustee shall apply the assets in satisfaction of all other claims, which shall rank equally among themselves and be paid in full unless the assets are insufficient to meet them, in which case they abate in equal proportions.

Secured creditors may: (a) realize any asset subject to a charge, where entitled to do so; (b) claim as a secured creditor; or (c) surrender the charge for the general benefit of creditors and claim as an unsecured creditor for the whole debt. A secured creditor who realizes an asset subject to a charge may claim as an unsecured creditor for any balance due after deducting the net amount realized.

Where before the commencement of a liquidation, a creditor agrees to accept a lower priority in respect of a debt than that which the creditor would otherwise have, nothing in the Act prevents the agreement from having effect according to its terms.

Voidable Transactions

The Uganda Insolvency Act contains provisions which may render certain transactions voidable at the instance of a liquidator, administrator, receiver or creditor.

- **Preferences:** A transaction involving a transfer of property by a company to another person is voidable where the transfer is made: (i) on account of an antecedent debt; (ii) at a time when the company was unable to pay its due debts; and (iii) within the year preceding the commencement of the liquidation, receivership, arrangement or administration, or where it enabled that person to receive more towards satisfaction of the debt than they would otherwise have received in the insolvency, unless the debt was incurred in the ordinary course of business and the transfer was made not later than forty-five working days after the debt was incurred. A transfer made within the six months preceding commencement is, unless the contrary is proved, presumed to have been made at a time when the company was unable to pay its due debts and on account of a debt not incurred in the ordinary course of business.
- **Transactions at undervalue:** A transaction is voidable if: (a) it was entered into within one year preceding the commencement of liquidation, receivership, arrangement or administration; (b) the value of the consideration received by the company is significantly less than the value of the consideration provided by the company; (c) when the transaction was entered into, the company was unable to pay its due debts, was engaged or about to engage in transactions for which its financial resources were unreasonably small, or incurred the obligation knowing it would not be able to perform; (d) the company became unable to pay its due debts as a result of the transaction; or (e) the transaction was entered into to aid the insolvent to put the asset beyond the reach of creditors.
- **Voidable charges:** A transaction providing for or creating a charge over any property of a company in respect of any debt is voidable if the charge was given within the year preceding commencement on account of an antecedent debt, unless the charge secures the actual price or value of property sold or supplied to the company or other valuable consideration given prior to execution of the security and immediately after the charge was made, the company was able to pay its due debts, or the charge is in substitution for a charge given more than one year preceding commencement. A company giving a charge within the six months preceding commencement is presumed to have been unable to pay its due debts immediately after giving the charge.
- **Insider dealings:** The Act also provides for the avoidance of insider dealings.

Where a transaction is set aside, any person affected may, after giving up the benefit of the transaction, claim for the value of the benefit as a creditor in the liquidation. The court may make orders requiring persons to pay sums representing benefits received, requiring property to be restored to the company, releasing charges, or requiring security for discharge of the order. The setting aside of a transaction shall not affect the title or interest of a person in property which that person has acquired from a person other than the insolvent, for valuable consideration, and without knowledge of the circumstances of the transaction.

Recovery may be denied wholly or in part where the person from whom recovery is sought received the property in good faith and has altered their position in the reasonably held belief that the transfer was validly made and would not be set aside, and in the opinion of the court it is inequitable to order recovery.

Cross-Border Insolvency

The Uganda Insolvency Act includes comprehensive provisions on cross-border insolvency based on the UNCITRAL Model Law. These provisions apply where assistance is sought in Uganda by a foreign court or foreign representative in connection with a foreign proceeding, or where foreign proceedings and proceedings under the Act regarding the same debtor are taking place concurrently.

On recognition of foreign main proceedings: (a) commencement or continuation of individual actions or proceedings concerning the debtor's assets, rights, obligations or liabilities is stayed; (b) execution against the debtor's assets is stayed; and (c) the right to transfer, encumber or dispose of any assets of the debtor is suspended. Foreign creditors have the same rights regarding commencement of and participation in proceedings under the Act as creditors in Uganda, except that foreign creditors' claims may not be ranked lower than non-preferential debts.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement (the “**Purchase Agreement**”) to be dated as of the date of this Offering Memorandum, among the Issuer, the Guarantors, and the Initial Purchasers, we have agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase, the Notes from the Issuer.

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase Notes from the Issuer, are several and not joint. The Purchase Agreement provides that the Initial Purchasers will purchase all the Notes if they purchase any of them.

The Initial Purchasers propose to offer the Notes initially at the price indicated on the cover page hereof. The Initial Purchasers may change the price at which the Notes are offered and other selling terms of the Notes at any time without notice. The Initial Purchasers may offer and sell Notes through certain of their affiliates (as defined under Rule 501(b) of the U.S. Securities Act). To the extent the Initial Purchasers intend to effect any sales of the Notes in the United States, they will do so through their respective selling agents, or through one or more U.S. registered broker dealers or as otherwise permitted by applicable U.S. law.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel. The Purchase Agreement also provides that, if an Initial Purchaser defaults, the purchase commitments of the non-defaulting Initial Purchasers may be increased or, in some cases, the Offering may be terminated.

The Purchase Agreement provides that the Issuer and the Guarantors will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. The Issuer will pay each of the Initial Purchasers a commission and pay certain fees and expenses relating to the offering of the Notes. The Issuer, the Guarantors and subsidiaries or other affiliates of the Guarantors have agreed, subject to certain limited exceptions, not to offer, sell, contract to sell or otherwise dispose of, any debt (including, without limitation, any debt securities, loans or other instruments) of, or guaranteed by, the Issuer or the Guarantors and having a tenor of more than one year during the period from the date of the Purchase Agreement through and including the date 90 days after the date of the Purchase Agreement, in each case, without the prior written consent of the Initial Purchasers.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to QIBs in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under “*Notice to Investors.*”

Each Initial Purchaser, severally and not jointly, has represented, warranted and agreed that it:

- (i) has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer and the Guarantors; and
- (ii) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for this

purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Offering Memorandum and resale of the Notes. See “*Notice to Investors.*”

The Notes are a new issue of securities for which there currently is no market. We have applied, through our listing agents, to list the Notes on the Official List of the Exchange. The Exchange is an exchange regulated market and not a regulated market for the purposes of Directive 2014/65/EU. There is no assurance that the Notes will be listed and admitted to trading on the Exchange or that any such listing or admission will be maintained.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market-making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price that will be favorable to you. See “*Risk Factors—Risks relating to the Notes and the Guarantees—There is no established trading market for the Notes and no assurance that the holders of the Notes will be able to sell them.*”

We expect that delivery of the Notes will be made against payment therefor on or about the date specified on the cover page of this Offering Memorandum, which will be the seventh business day (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes. Under Rule 15c6-1 of the U.S. Exchange Act (as defined herein), trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next six succeeding business days will be required, by virtue of the fact that the Notes initially will settle T+7, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of pricing or the next succeeding six business days should consult their advisors.

In connection with the offering of the Notes, the Stabilizing Manager, or persons acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager may bid for and purchase Notes in the open markets for the purpose of pegging, fixing or maintaining the price of the Notes. The Stabilizing Manager, or persons acting on its behalf, may also over-allot the offering of the Notes, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase the Notes in market-making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See “*Risk Factors—Risks relating to the Notes and the Guarantees—There is no established trading market for the Notes and no assurance that the holders of the Notes will be able to sell them.*”

The Initial Purchasers or their respective affiliates (as defined under Rule 501(b) of the U.S. Securities Act) from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to us and our affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. The Initial Purchasers or their respective affiliates (as defined under Rule 501(b) of the U.S. Securities Act) may also receive allocations of the Notes. J.P. Morgan Securities plc and The Standard Bank of South Africa Limited will not receive any fee for acting as Development Finance Structuring Agents. The Initial Purchasers (including the Development Finance Structuring Agents) and their respective affiliates (as defined under Rule 501(b) of the U.S. Securities Act) may be currently advising us or other interested parties, and may advise us or

other interested parties from time to time on other transactions in the future. In particular, certain of the Initial Purchasers or their affiliates (as defined under Rule 501(b) of the U.S. Securities Act) act as arrangers, lenders or other counterparties to certain of our financing arrangements, for which they have received, or may in the future receive, customary fees, commissions and payments. In particular, certain of the Initial Purchasers have credit exposure via credit facilities outstanding to which the Company or its subsidiaries are borrowers, and such Initial Purchasers will receive from the proceeds of the Notes funds sufficient to repay and cancel such facilities. The Standard Bank of South Africa Limited has credit exposure through its affiliate, Stanbic Bank of Zambia Limited, as the lender to Liquid Telecommunications Zambia Limited under a ZMW 65.4 million facility, of which ZMW 13.4 million and ZMW 27.8 million has been drawn and will be outstanding following completion of the Transactions. The Standard Bank of South Africa Limited also has credit exposure as lender to Liquid Telecommunications South Africa (Pty) Ltd under various performance guarantees, financial guarantees and other transactional products (including a ZAR 230 million working capital facility), the total limit of which is ZAR 465 million, of which ZAR 240 million (in total) has been utilized as at the date of this Offering Memorandum. Each of the Initial Purchasers has credit exposure as a joint mandated lead arranger under the Senior Facilities. See “*Summary—The Transactions,*” “*Use of Proceeds*” and “*Capitalization*”.

The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) will act as Security Agent under the Indenture and the Senior Facilities, pursuant to the terms thereof.

DEVELOPMENT FINANCE INVESTMENTS

We have entered into investment agreements with certain development finance institutions under which, subject to certain conditions set forth therein, the development finance institutions indicated an intention to purchase a portion of the Notes from the Initial Purchasers as part of the initial distribution of the Notes, in an aggregate amount up to US\$75 million. The aggregate principal amount of Notes allocated to the development finance institutions (including DEG-Deutsche Investitions-und Entwicklungsgesellschaft mbH), collectively, under the terms of the investment agreements is US\$40 million. In consideration of these investment agreements, we have agreed to pay a fee to the development finance institutions and we have made certain representations and covenants with respect to our compliance with certain international and policy standards related to environmental, social, anti-money laundering, corruption and sanctions by which any entity in which these development finance institutions invest in, must agree to be bound. The relevant development finance institutions may sell the Notes at any time following the consummation of the Offering and potential investors should not place any reliance on any development finance institution's potential investment when making their investment decisions.

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

The Notes and the Guarantees will not be registered under the U.S. Securities Act, or any state securities laws, and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Notes and the Guarantees are being offered and sold only (i) to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) (“**QIBs**”) in compliance with Rule 144A; and (ii) outside the United States in offshore transactions in accordance with Regulation S. The terms “offshore transaction” and “United States” have the meanings given to them in Regulation S.

Each purchaser of the Notes hereunder (other than each of the Initial Purchasers) will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A and Regulation S are used herein as defined therein):

1. It understands and acknowledges that the Notes (and the Guarantees) have not been registered under the U.S. Securities Act or any applicable state securities law; are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any state securities law, including sales pursuant to Rule 144A; and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraph (5) below.
2. It is not an “affiliate” (as defined in Rule 144 under the U.S. Securities Act) of the Issuer or acting on behalf of the Issuer and it is either:
 - a QIB and is aware that any sale of the Notes to it will be made in reliance on Rule 144A, and the acquisition of Notes will be for its own account or for the account of another QIB; or
 - person purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S under the U.S. Securities Act.
3. It acknowledges that none of us, the Issuer or the Initial Purchasers, nor any person representing any of them, has made any representation to it with respect to the offering or sale of any Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It acknowledges that neither the Initial Purchasers nor any person representing the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of the information contained in this Offering Memorandum. It also acknowledges that (i) it has been afforded an opportunity to request from us and the Initial Purchasers and to review and has received all additional information considered by it to be necessary to verify the accuracy and completeness of the information provided to it and (ii) that it has not relied on the Initial Purchasers or any person affiliated (as defined under Rule 501(b) of the U.S. Securities Act) with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision and (iii) no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained in this Offering Memorandum, and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

4. It is purchasing the Notes and the Guarantees for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.
5. It acknowledges that each Note issued pursuant to Rule 144A will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND, ACCORDINGLY, NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A")) OR (B) IT IS ACQUIRING THE SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE U.S. SECURITIES ACT AND (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) (THE "RESALE RESTRICTION TERMINATION DATE") ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT.

Each purchaser will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

6. It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.
7. It acknowledges that the Transfer Agent will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to the Issuer and the Trustee that the restrictions set forth therein have been complied with.
8. It acknowledges that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it will promptly notify the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.
9. It understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of Distribution.*"
10. Each purchaser and subsequent transferee of a Note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the Notes constitutes assets of any employee benefit plan subject to Title I of ERISA, any plan, individual retirement account or other arrangement subject to Section 4975 of the Code or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of similar law, or any entity whose underlying assets are considered to include "plan assets" of any such plan or account, or (ii) the purchase and holding of the Notes will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

COMMERCIAL PAPER REGULATIONS UNDER THE SOUTH AFRICAN BANKS ACT

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS PUBLISHED UNDER THE SOUTH AFRICAN BANKS ACT NO. 94 OF 1990, AS AMENDED, IN RELATION TO THIS ISSUE OF NOTES

The Issuer is required to make the disclosure set out below pursuant to paragraph 3(5) of the exemption notice published in terms of the South African Banks Act No. 94 of 1990 (the “**Banks Act**”) under the Commercial Paper Regulations exempting the designation of certain activities from falling within the meaning of “the business of a bank” (as that term is defined in the Banks Act).

1. Paragraph 3(5)(a)

The “ultimate borrower” is the Issuer.

2. Paragraph 3(5)(b)

The issuer is a going concern with a material uncertainty (in line with the Liquid Group’s ability to continue as a going concern as disclosed in note 2.1 (Going Concern) to the Interim Financial Statements for the period ended November 30, 2025) on its ability to, in all circumstances, be reasonably expected to meet its commitments under the Notes.

3. Paragraph 3(5)(c)

The auditors of the Issuer are Deloitte LLP, a firm registered in the UK.

4. Paragraph 3(5)(d)

As at the date of this issue:

- the Issuer has issued U.S.\$300 million (inclusive of this commercial paper but excluding the Existing 2026 Notes being redeemed); and
- it is not anticipated that the Issuer will issue any additional commercial paper during the remainder of its current financial year, ending February 28, 2027.

5. Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Offering Memorandum and the documentation incorporated herein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes.

6. Paragraph 3(5)(f)

There has been no material adverse change in the Issuer’s financial position since the date of its last audited financial statements.

7. Paragraph 3(5)(g)

The Notes issued will be listed on the Official List of Euronext Dublin.

8. Paragraph 3(5)(h)

As an initial step in the Transactions, on February 25, 2026, a portion of the proceeds of the Parent Contribution, together with other cash on hand, was used to repay all amounts outstanding under the Existing Facilities. In order to complete the Transactions, the proceeds from the offering of the Notes, together with a portion of the proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities,

are intended to be used to: (i) fully redeem the Existing 2026 Notes, and (ii) pay costs, expenses and fees (including the Initial Purchasers' fees, legal, accounting and other fees and expenses) in connection with the Transactions. The remaining proceeds of the Senior Syndicated Term Loan Facilities and the New IFC Term Loan Facilities will effectively replenish a portion of the Company's cash on hand that was used for repayment of the Existing Facilities and be available for general corporate purposes, see "*Use of Proceeds*."

9. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are secured, but guaranteed by the Guarantors.

10. Paragraph 3(5)(j)

Deloitte LLP, the statutory auditors of the Issuer, have confirmed that their procedures did not reveal anything which indicates that the issue of the Notes will not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Fried, Frank, Harris, Shriver & Jacobson (London) LLP, with respect to U.S. federal, New York and English law, BLC Robert & Associates Ltd, with respect to Mauritian law, Werksmans Attorneys, with respect to South African law, Anjarwalla & Khanna, with respect to Kenyan law, Mulenga Mundashi Legal Practitioners, with respect to Zambian law, MKM Partners with respect to Democratic Republic of Congo law and ENS Advocates, with respect to Ugandan law and Ogier (Jersey) LLP with respect to Jersey law.

Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Latham & Watkins (London) LLP, with respect to U.S. federal, New York and English law, Appleby, with respect to Mauritian law, Webber Wentzel, with respect to South African law, Coulson Harney LLP, with respect to Kenyan law, Dentons Eric Silwamba & Jalasi, with respect to Zambian law, Risai & Associates, with respect to Democratic Republic of Congo law, AF MPANGA with respect to Ugandan law and Walkers (Jersey) LLP, with respect to Jersey law.

INDEPENDENT AUDITORS

The Annual Financial Statements included in this Offering Memorandum have been audited by Deloitte, Mauritius, independent auditors, as stated in their reports appearing therein.

The condensed consolidated financial statements of the Liquid Group as of and for the nine months ended November 30, 2025 included in this Offering Memorandum have been reviewed by Deloitte, Mauritius, independent auditors, as stated in their review report appearing herein. Deloitte, Mauritius, is a registered audit firm with oversight by The Mauritius Institute of Professional Accountants.

Deloitte's reports on the audit for the years ended February 28, 2023, February 29, 2024 and February 28, 2025 and the review report for the nine months ended November 30, 2025 state that the respective reports were made solely to the Company and its shareholders as a body; that the independent auditor's work was undertaken so that the independent auditor might state to the shareholders of the Company those matters that were required to be stated to them in an auditor's report and review report and for no other purpose; and that Deloitte does not accept or assume responsibility to anyone other than the Company and shareholders of the Company as a body for its audit and review work, for its report or review report or the opinions it has formed.

Deloitte LLP, based in the United Kingdom, is an independent auditor with respect to the Issuer and its subsidiary.

WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this Offering Memorandum and, to the extent provided to the Initial Purchasers by us for such purpose, any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

- (i) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
 - (a) such person has not relied on the Initial Purchasers or any person affiliated (as defined under Rule 501(b) of the U.S. Securities Act) with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
 - (b) except as provided pursuant to point (i) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

For so long as any of the Notes remain “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are not subject to Section 13 or 15(d) under the U.S. Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) of the U.S. Exchange Act, make available to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial holder, the information specified in, and meeting the requirement of Rule 144A(d)(4) under the U.S. Securities Act upon the written request of any such holder or beneficial owner. All of the above documents will be available at the offices of the Issuer.

ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a public company limited by shares organized under the laws of England and Wales and the Guarantors of the Notes are incorporated under the laws of Mauritius, South Africa, Kenya, Zambia, Democratic Republic of Congo, Uganda and England and Wales. All of their directors and executive officers are non-residents of the United States and all of the Issuer's and the Guarantors' assets and those of such persons are located outside the United States. Although the Issuer and the Guarantors will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case, in connection with any action under U.S. securities laws, you may not be able to effect service of process on such persons or the Issuer or the Guarantors within the United States in any action, including actions predicated on civil liability provisions of the U.S. federal and state securities laws or other laws.

Under the terms of the Indenture, the Issuer, the Guarantors (including the Company) and the Trustee agree that any dispute, controversy or cause of action against the Issuer, the Company, the Guarantors and/or the Trustee arising out of the Indenture or any transaction contemplated therein, the Notes or other deposited securities, will be referred to and resolved by the courts of New York, as more fully described in the Indenture.

If a judgment is obtained in a U.S. court against the Issuer, the Guarantors (including the Company) or any directors or officers, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for England and Wales, Mauritius, South Africa, Kenya, Zambia, Democratic Republic of Congo and Uganda, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

ENGLAND AND WALES

The following is a discussion with respect to the enforceability of certain U.S. court judgments in England and Wales and is based upon advice provided to the Issuer by its English counsel. The United States and the United Kingdom do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters (although the United States and the United Kingdom are both parties to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958). Any judgment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities law, would not be directly enforceable in England and Wales. In order to enforce any such judgment in England and Wales, proceedings must be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in England and Wales. In this type of action, an English court generally will not (subject to the matters identified below) reinvestigate the merits of the original matter decided by a U.S. court if:

- the relevant U.S. court had jurisdiction (under English rules of private international law) to give the judgment and;
- the judgment is final and conclusive on the merits and is for a definite sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty or otherwise based on a U.S. law that an English court considers to be a penal, revenue or other public law).

An English court may refuse to enforce such a judgment, however, if it is established that:

- the enforcement of such judgment would contravene public policy or statute in England and Wales (including, for the avoidance of doubt, the European Convention of Human Rights);
- the enforcement of the judgment is prohibited by statute (including, without limitation, if the amount of the judgment has been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained);
- the English proceedings were not commenced within the relevant limitation period;

- before the date on which the U.S. court gave judgment, the issues in question had been the subject of a final judgment of an English court or of a court of another jurisdiction whose judgment is enforceable in England;
- the judgment has been obtained by fraud or in proceedings in which the principles of natural justice were breached;
- the bringing of proceedings in the relevant U.S. court was contrary to an agreement under which the dispute in question was to be settled otherwise than by proceedings in that court (to whose jurisdiction the judgment debtor did not submit); or
- an order has been made and remains effective under section 9 of the U.K. Foreign Judgments (Reciprocal Enforcement) Act 1933 applying that section to U.S. courts including the relevant U.S. court.

If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the court discretion to prescribe the manner of enforcement. In addition, it may not be possible to obtain an English judgment or to enforce that judgment if the judgment debtor is subject to any insolvency or similar proceedings, or if the judgment debtor has any set-off or counterclaim against the judgment creditor. Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters obtained from U.S. federal or state courts in the manner described above using the methods available for enforcement of a judgment of an English court.

It is, however, uncertain whether an English court would impose liability on the Issuer, the Company or other persons in an action predicated upon the U.S. federal securities law brought in England and Wales.

MAURITIUS

The United States and Mauritius do not currently have a treaty providing for reciprocal recognition and enforcement of court judgments (other than arbitration awards) in civil and commercial matters (although the United States and Mauritius are both parties to the 1958 New York Convention on the recognition and enforcement of foreign arbitral awards). As a result, any judgment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities law, would not be directly enforceable in Mauritius. In order to enforce any such judgment in Mauritius, proceedings must be initiated by way of Exequatur in accordance with article 546 of the Code de Procedure Civile. In this type of action, the Supreme Court of Mauritius will register and enforce the original judgment without reconsideration of the merits, if;

- a. the foreign judgment is still valid, final and capable of execution in the United States, notwithstanding that an appeal may be pending against it or that it may still be subject to an appeal in such country;
- b. the foreign judgment is not contrary to any principle affecting public policy in Mauritius;
- c. the Mauritian conflict of laws rules were respected;
- d. there has not been any *fraude à la loi*, i.e. any malice, bad faith or fraud on and in the choice of law and jurisdiction clauses;
- e. the foreign judgment is duly registered with the relevant authority in Mauritius, in circumstances in which its registration is not liable, thereafter, to be set aside;
- f. the courts of the United States which delivered the said judgment had jurisdiction to hear the claim; and
- g. the Company had been regularly summoned to attend the proceedings before the foreign court.

Currency of judgment

The courts in Mauritius will generally render judgment for a sum of money in Mauritian currency. If a foreign judgment is in a foreign currency, the courts in Mauritius will recognize and enforce the judgment in the foreign currency.

SOUTH AFRICA

The following is a discussion with respect to the enforceability of certain U.S. court judgments in South Africa and is based upon advice provided to the Issuer by its South African counsel.

Choice of Law

In any proceedings for the enforcement of the obligations of any South African party, the South African courts will generally give effect to the choice of foreign law as contemplated in the Notes as the governing law thereof.

Jurisdiction

Any party's (i) irrevocable submission under the Indenture to the jurisdiction of a New York court; and (ii) agreement not to claim any immunity to which it or its assets may be entitled, is generally legal, valid, binding and enforceable under the laws of South Africa and, subject to the qualifications referred to below, any judgment obtained in the foreign jurisdiction will be recognized and be enforceable by the courts of South Africa without the need for re-examination of the merits. The appointment by any party of an agent in a New York court to accept service of process in respect of the jurisdiction of the New York courts is generally valid and binding on that party.

Under South African law, a court will not accept a complete ouster of jurisdiction, although generally it recognizes party autonomy and gives effect to choice of law and choice of jurisdiction provisions. However, jurisdiction remains within the discretion of the court and a court may, in certain instances, assume jurisdiction provided there are sufficient jurisdictional connecting factors. South African courts may, in rare instances, choose not to give effect to a choice of jurisdiction clause, if, for example, such choice is contrary to public policy. Proceedings before a court of South Africa may be stayed if the subject of the proceedings is concurrently before any other court (the plea of *lis alibi pendens*).

Recognition of foreign judgments

The consent of the South African Minister of Trade and Industry may in certain circumstances specifically be required in respect of judgments, orders, directives or arbitration awards given outside of South Africa in connection with, among others, mining activities or the use or sale of ownership of any matter or material. Subject to obtaining the permission of the South African Minister of Trade and Industry under the South African Protection of Businesses Act No. 99 of 1978 (the "**SA PB Act**"), if required, an authenticated judgment obtained in a competent court of jurisdiction other than South Africa will be recognized and enforced in accordance with procedures ordinarily applicable under South African law for the enforcement of foreign judgments, namely a provisional sentence summons, application or action claiming enforcement of the foreign judgment; provided that the judgment was pronounced by a proper court of law, was final and conclusive (in the case of a judgment for money, on the face of it), has not become stale, and has not been obtained by fraud or in any manner opposed to natural justice or contrary to the international principles of due process and procedural fairness, the enforcement thereof is not contrary to South African public policy and the foreign court in question had jurisdiction and competence according to the applicable South African rules on international competence. South African courts will not enforce foreign revenue or penal laws (such as fines or governmental levies (distinct from private judgments)) and South African courts have, as a matter of public policy, generally not enforced awards for multiple or punitive damages. Permission from the Minister of Trade and Industry will similarly not be granted if it would result in the recovery of punitive damages. In practice, South African courts have interpreted the SA PB Act restrictively, typically requiring Ministerial consent only for foreign judgments arising from transactions concerning the mining, production, or trade of raw materials or other strategic industries.

Where obligations are to be performed in a jurisdiction outside South Africa they may not be enforceable under the laws of South Africa to the extent that such performance would be illegal or contrary to public policy under the laws of South Africa or the foreign jurisdiction, or to the extent that the law precludes South African courts from granting extra-territorial orders. South African courts have the discretion of refusing the granting of orders with extra-territorial effect if the granting of such order would be ineffectual.

Under the International Arbitration Act, No. 15 of 2017 (the “**International Arbitration Act**”), which repealed and replaced the Recognition and Enforcement of Foreign Arbitral Awards Act, No. 40 of 1977, any foreign arbitral award may, subject to the provisions of the UNCITRAL Model Law (as incorporated into South African law by section 6 of the International Arbitration Act), be made an order of court. Any such award which has been made an order of court pursuant to the provisions of the International Arbitration Act may be enforced in the same manner as any judgment or order to the same effect (subject to the provisions of the SA PB Act, which apply *mutatis mutandis* to foreign arbitral awards). A court may only refuse to recognize or enforce a foreign arbitral award on limited grounds section 18 of the International Arbitration Act (reflecting Article 36 of the Model Law), such as the subject matter not being arbitrable under South African law or the enforcement being contrary to public policy.

Effect of liquidation on civil proceedings

In general and subject to certain exceptions, civil proceedings (including arbitration proceedings) instituted by or against a company are automatically stayed upon the winding-up of the company until the appointment of a final liquidator. Execution against the company in liquidation’s assets is similarly stayed. A plaintiff wishing to continue with such proceedings against the company in liquidation must give the final liquidator three weeks’ notice of its intention to do so within a period of four weeks from the date on which that liquidator is finally appointed, failing which, the proceedings are deemed to be abandoned. However, where the court finds that there was a reasonable excuse for a failure to give the requisite notice, it has discretion to allow a plaintiff to continue with proceedings on such conditions as it deems fit. Any attachment or execution put in force against the estate or assets of the company after the commencement of the winding-up (i.e. the date upon which the application for the winding-up was lodged with the Court or a resolution to voluntarily wind-up the company was filed) shall be void.

Furthermore, if a South African company is placed into business rescue under Chapter 6 of the 2008 Companies Act, a general moratorium is placed on all legal proceedings, including enforcement action, against the company or in relation to its property. During business rescue, no legal proceedings may be commenced or continued against the company except with the written consent of the business rescue practitioner or with the leave of the court.

KENYA

Choice of law and jurisdiction

Choice of law is a well-recognized principle in Kenyan law. Courts in Kenya will normally uphold a clause in which parties have agreed to be governed by a particular law. The rationale for this is founded on the common law principle of freedom of contract between parties on that a court is to hold the parties to their bargain rather than re-write the terms of the contract. The governing law of the contract will therefore be the proper law of the contract provided that the selection is bona fide and reasonable and there is no objection on the grounds of public policy even where the law has no real connection with the contract.

However, where parties to a contract agree that in the event of a dispute that they will submit exclusively to the courts of another country, Kenyan Courts will determine whether or not to uphold the foreign exclusive jurisdiction by taking into account the circumstances of the case. The following are issues that Kenyan courts have held, need to be considered on questions relating to an exclusive jurisdiction clause:

- in what country the evidence on the issues of fact is situated or more readily available and the effect of that on the relative convenience and expense of trial as between the court of the country and the court of the foreign country. The rationale here being that it would not be proper in all reasonableness to have a matter heard in a

different country whereas all the evidence is situated in a different country and that it would be expensive and inconvenient to try the matter in a different country;

- whether the law of the foreign court applies, and if so, whether it differs from the law of the country in any material respects;
- with what country either party is connected and how closely;
- whether either of the parties to the dispute genuinely desires trial in the foreign country or is only seeking a procedural advantage. The rationale here being that it would not be proper to allow forum shopping where the only objective is to defeat a claim by the other party; or
- whether either of the parties would be prejudiced by having to sue in the foreign court because they would be deprived of security for their claim, be unable to enforce any judgment obtained or be faced with a time bar not applicable in their country.

For the purposes of the issuance of the Notes, Guarantee and Collateral, choice of law will be respected by Kenyan courts subject to the above tests being applied in the event of a dispute. It should be noted that the choice of law or legal system is construed as referring to the substantive law of that state and not to its conflict of laws, rules or procedural rules. Therefore, if a contract stipulates, for example, that English law is to apply and that a dispute shall be submitted to the exclusive jurisdiction of English courts, a Kenyan court would uphold English law in determining the rights and liabilities of the parties but apply Kenyan conflict of laws and procedural rules in considering whether the matter will be resolved in the English courts.

Recognition of foreign judgments

Foreign judgments are enforceable in Kenya if they originate from countries whose courts are recognized under the Foreign Judgments (Reciprocal Enforcement) Act (Chapter 43 of the Laws of Kenya) (the “**FJEA**”) as “designated courts”. A designated court is defined in section 2 of the FJEA as a superior court of a reciprocating country which is a Commonwealth country, a superior court of any other reciprocating country which is specified in an order made under section 13 of the FJEA or a subordinate court of a reciprocating country which is specified in an order made under section 13. The foreign judgments enforceable under the FJEA are set out in sub-sections 3(1) and 3(2) of the FJEA and include:

- a judgment or order of a designated court in civil proceedings whereby a sum of money is made payable;
- a judgment or order of a designated court in civil proceedings under which movable property is ordered to be delivered to any person;
- a judgment given in any court on appeal against a judgment or order of a designated court;
- a judgment of a designated superior court for the costs of an appeal from a subordinated court, whether or not a designated court, or from an award in arbitration proceedings ; and
- an award in arbitration proceedings, if the award has become enforceable (under the laws in force in the country where it was made) in the same manner as a judgment given by a designated court in that country.

The FJEA however applies to a foreign judgment in instances where the judgment requires the judgment debtor to make an interim payment of a sum of money to the judgment creditor; or the judgment is final and conclusive as between the parties thereto. It should be noted that a judgment is deemed to be final and conclusive notwithstanding that an appeal may be pending against it, or that it may still be subject to appeal, in the courts of the country of the original court.

Once a judgment is obtained in a foreign jurisdiction, the judgment needs to be registered in the High Court of Kenya upon the making of an application. The application must comply strictly with the requirements set out in section 5 of the FJEA. Elaborate rules are set out under the FJEA setting out how the application for registration is to be made, how the order is to be drawn up, notice of registration to the judgment debtor, how an application to set aside registration is to be made and for appeal.

Once the judgment has been registered it will be recognized by Kenyan courts, and it will have the same force and effect as if the judgment was entered in Kenya. The enforcement thereof will then follow the same procedure set out in the Civil Procedure Act (Chapter 21 of the Laws of Kenya). The registration of the judgment must however be done within six (6) years from the date of the judgment save where it is subject to appeal in which case the six year period is from the date of the determination of the appeal. Judgments registered in Kenya for enforcement are payable in the Kenyan shilling equivalent of the currency in which the judgment was entered at the exchange rate prevailing at the date of registration of that judgment. Where the High Court is satisfied that the judgment is partially satisfied in the country in which it was made, the judgment may be registered only in respect of the sums or the items of movable property remaining payable or deliverable in the proceedings. Kenyan courts may also reserve jurisdiction over some peripheral matters or on issues dealing with immovable property located in Kenya even though parties have settled on the laws of another country as the choice of law.

With respect to the finality of the foreign judgment, section 9 of the Kenyan Civil Procedure Act provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the parties or between parties under whom they or any of them was claiming. What this means is that Kenyan courts will not seek to revise and/or review the foreign judgment on its merits or seek to review the facts and will enforce it as it was passed in the foreign court.

However there are certain instances when the Kenyan courts will not recognize a foreign judgment. These instances include:

- where a foreign court lacked jurisdiction to adjudicate on the matter the subject of its judgment;
- where the merits of the case were not considered by the foreign court;
- where the proceedings in the foreign court were based on an incorrect view of Kenyan law in cases where such law is applicable;
- where the proceedings in the foreign court were in contravention of the rules of natural justice;
- where the judgment was obtained by fraud; and
- where the judgment sustains a claim founded on a breach of any law in force in Kenya.

Enforceability of U.S. judgments in Kenya

The United States is not a reciprocating country under the FJEA. In addition, New York courts are not designated courts for purposes of enforcing reciprocal judgments. Kenyan courts have on various occasions been faced with instances where parties have sought to enforce judgments from non-reciprocating countries. In the absence of a reciprocal enforcement arrangement, a foreign judgment is enforceable in Kenya as a claim in common law. Under English common law, which has the force of law in Kenya, a judgment of a competent foreign court condemning a party to pay a certain sum constitutes a good cause of action and is regarded as creating a debt in respect of which a suit may be filed in Kenyan courts. The process entails instituting a claim in a competent court with the resultant effect of obtaining a judgment from a Kenyan court based on using the foreign judgment. The Court of Appeal in Kenya has previously held that the following requirements must be fulfilled before enforcement in such a case:

- The party seeking to enforce the foreign judgment must file a plaint at the High Court of Kenya providing a concise statement of the nature of the claim, claiming the amount of the judgment debt, supported by a verifying

affidavit, list of witnesses and bundle of documents intended to be relied upon. A certified copy of the foreign judgment should be exhibited to the plaintiff. It is open to a defendant to challenge the validity of the foreign judgment under the grounds set out in Section 9 of the Civil Procedure Act (set out in our analysis above paragraph 2.6).

- A judgment creditor is entitled to summary judgment under Order 36 of the Civil Procedure Rules unless the defendant judgment debtor can satisfy the Court that there is a real prospect of establishing at trial one of the grounds set out in Section 9 of the Civil Procedure Act.
- If the foreign judgment creditor is successful after trial, they will have the benefit of a High Court judgment and will be entitled to use the procedures of Kenyan courts to enforce the foreign judgment that will now be executed as a Kenyan judgment.
- The money judgment in the foreign judgment must be final and conclusive and must be enforced in Kenya within six (6) years from the date of judgment. It may be final and conclusive even though it is subject to an appeal;
- The foreign court must have had jurisdiction (according to the Kenyan rules on conflict of laws) to determine the subject matter of the dispute and the parties to the foreign court's judgment and the enforcement proceedings must be the same or must derive their title from the original parties.

The Kenya High Court will generally consider the foreign court to have had jurisdiction where the person against whom the judgment was given:

- was, at the time the proceedings were commenced, habitually resident or incorporated in or having a principal place of business in the foreign jurisdiction;
- was the claimant or counter-claimant in the foreign proceedings;
- willingly submitted to the jurisdiction of the foreign court; or
- agreed, before commencement, in respect of the subject matter of the proceedings to submit to the jurisdiction of the foreign court.

Where the above requirements are established to the satisfaction of the Kenya High Court, it will not re-examine the merits of the foreign court judgment. The foreign judgment will be enforced on the basis that the defendant has a legal obligation as a matter of common law, recognized by the High Court, to satisfy the money decree.

Effect of insolvency on civil proceedings

Under the Insolvency Act, where the High Court finds that a company (registered in Kenya) is insolvent and issues a liquidation or administration order, no court proceedings (including debt recovery proceedings) can be commenced against the company without approval of the High Court. Similarly any enforcement of securities, execution and/or attachment of the company's assets will only be commenced or continued with the approval of the High Court. If a company is liquidated and/or wound up, the claims of the beneficiary of a guarantee will rank *pari passu* with the claims of an unsecured creditor. It should be noted that the Insolvency Act requires that 20% of the realizations of a floating charge be set aside to settle unsecured claims meaning that floating charge holders will only get 80% value of their securities. It should also be noted that floating charge holders rank after preferential creditors but in priority to unsecured creditors. Schedule 2 of the Insolvency Act sets out the preferential debtors in priority as being (i) expenses of the liquidation; (ii) wages and other employee costs; (iii) certain taxes and other levies due in law; (iv) floating charge holders (if applicable); and (v) unsecured creditors to be paid *pari passu*.

Assets pledged as security do not form part of the insolvency estate in Kenya and the secured creditor has a right to realize the security and set off debts due to it but must account for any excess funds from the realization which must be remitted to the liquidator for distribution.

ZAMBIA

Choice of law

The express choice of law which has been made by the relevant parties, including the Zambian Guarantor, as the governing law of the Notes will be recognized by the Zambian Courts. However, Zambian case law now provides that foreign jurisdiction clauses are not in themselves decisive of the legal point on jurisdiction. This was decided in the case of *Chansa Chipili & Powerflex (Z) Limited v Wellingtone Kanshimike & Wilson Kalumba SCZ No. 27 of 2012* where the Zambian Supreme Court held that in business transactions with foreign jurisdiction clauses, where business is partly conducted in foreign countries, settlement of the legal question on jurisdiction is based on circumstances supported by the evidence available. Thus, while parties may agree on foreign jurisdiction clauses, in an attempt to oust the jurisdiction of the state or country where they have business activities, such state or country may rightly claim jurisdiction depending on the circumstances in a given case. The Court further held that in deciding whether to recognize foreign jurisdiction clauses, courts will look at the jurisdiction with which the action has the most real and substantial connection. Factors such as the residence of the parties, places where business is conducted, convenience in terms of expenses and availability of witnesses should be canvassed.

Registration of a foreign judgment-New York court judgments

The registration and enforcement of foreign Judgments in Zambia is provided in the Foreign Judgments (Reciprocal Enforcement) Act Chapter 76 of the Laws of Zambia (the “**Zambia Foreign Judgments Act**”). The Zambia Foreign Judgments Act only applies to countries in respect of which Zambia has passed an order for the registration and enforcement of judgments and which foreign country has also passed an equivalent reciprocal order for the registration and enforcement of Zambian judgments. Zambia has not passed such order for the registration and enforcement of judgments from the Courts of the State of New York. As such, for a New York judgment to be registered and enforced in Zambia, such judgment has to be re-litigated on the merits in Zambia with the judgment obtained in the State of New York as a cause of action.

Registration of Foreign Arbitral Awards

Conversely, the High Court for Zambia regularly recognizes and enforces foreign arbitral awards. Zambia has ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and this is domesticated into Zambian Legislation. Sections 30 and 31 of the Arbitration Act No. 19 of 2000 provides as follows:

“30. For the purposes of this Part, an award shall not be deemed final if any proceedings for the purpose of contesting the validity of the award are pending in the country in which it was made.

31. Nothing in this Part shall-

- (a) prejudice any rights which any person would have had of enforcing in Zambia any award or of availing himself in Zambia of any award if this Part had not been enacted; or
- (b) apply to any award made on an arbitration agreement governed by the law of Zambia.”

Further, Section 2 (2) and (3) of the Arbitration Act provides as follows:

“(2) In the First Schedule, reference to “this State” be construed shall be construed as a reference to Zambia.

- (3) In interpreting this Act, an arbitral tribunal or a court may refer to the documents relating to the Model Law on International Commercial Arbitration adopted by the United Nations Commission on International Trade Law on the 21st June, 1985 set out in the First Schedule and, subject to the other provisions of this Act, to the documents of the Commission’s working group, namely the travaux preparatoires; and in interpreting the provisions of the First Schedule, regard shall be had to

its international origin and to the desirability of achieving international uniformity in its interpretation and application.”

DEMOCRATIC REPUBLIC OF CONGO

Choice of law is a recognized principle under Congolese private international law. Courts in the Democratic Republic of Congo will generally give effect to the parties’ contractual choice of governing law, provided that the choice is made in good faith and does not contravene Congolese public policy (*ordre public*). Congolese courts apply this principle through the Civil Code, which forms the basis of the country’s private-law framework for international obligations.

The DRC has been a member of OHADA since September 12, 2012, and its courts must apply OHADA Uniform Acts in all matters falling within their scope and it is to be noted that these Uniform Acts do not restrict parties’ ability to choose foreign governing law for international commercial contracts.

With respect to jurisdiction clauses, Congolese courts may uphold exclusive foreign jurisdiction provisions, but will assess their enforceability based on several considerations, including:

- whether enforcement of the clause would violate Congolese public policy;
- whether the dispute has a sufficiently close connection to the chosen foreign forum;
- whether the foreign court will be able to hear the matter effectively; and
- whether referring the matter abroad would deprive a party of access to justice.

In practice, DRC courts often defer to foreign jurisdiction clauses in commercial contracts, subject to the above limits. However, Congolese courts retain exclusive jurisdiction over certain matters—such as rights in rem over immovable property located in the DRC—regardless of contractual stipulations.

For purposes of the Notes, the Guarantee and the DRC collateral, a Congolese court would generally respect the parties’ choice of foreign law as the law governing the contracts, while applying DRC conflict-of-laws and procedural rules to determine whether the dispute must be referred to the chosen forum.

Recognition and Enforcement of Foreign Judgments

The enforcement of foreign judgments in the DRC is governed by national law (the Congolese Civil Code) and by relevant international treaties. Foreign judgments do not receive automatic recognition in the DRC—they must first undergo an *exequatur* procedure before the competent Congolese court.

A Congolese court will generally grant *exequatur* if:

- the foreign court had proper jurisdiction;
- the parties were properly heard (respect of due process / natural justice);
- the foreign judgment does not violate Congolese public policy;
- the judgment is final and conclusive in its country of origin; and
- there is no fraud.

Once a foreign judgment is granted *exequatur*, it has the same force and effect as a domestic Congolese judgment and can be enforced through the DRC’s civil enforcement mechanisms (now governed by OHADA’s Uniform Act on Civil Enforcement Proceedings).

Recognition of U.S. judgments in the DRC

There is no treaty between the DRC and the United States on reciprocal enforcement of judgments. U.S. judgments may nevertheless be enforced in the DRC through the ordinary exequatur procedure, provided the above criteria are satisfied.

Effect of Insolvency on Civil Proceedings and Enforcement

The DRC insolvency regime is governed by the OHADA Uniform Act of September 10, 2015 on Collective Proceedings. This Act applies directly and uniformly across all OHADA Member States. It provides for:

- preventive settlement (*règlement préventif*),
- judicial restructuring (*redressement judiciaire*), and
- liquidation.

Once insolvency proceedings commence, several consequences arise:

- *Stay of proceedings*: Individual legal actions and enforcement measures are generally suspended. Creditors must submit claims through the collective proceeding.
- *Restriction on enforcement of security*: Secured creditors retain preferential rights, but enforcement must comply with collective-proceedings rules and often requires judicial oversight.
- *Treatment of guarantees*: A beneficiary of a guarantee ranks as an unsecured creditor.
- *Avoidance of transactions*: Transactions that constitute an undervalue transaction, preferential payment, or fraudulent transfer during the hardening period (*période suspecte*) preceding insolvency may be voided. The hardening period runs from the date when the company is deemed insolvent and ends on the date of the decision to commence the restructuring or asset liquidation process. The hardening period can be backdated by the court up to 18 months before the judgement opening the process.

Assets that have been perfected as security under the OHADA Uniform Act on Securities do not form part of the insolvency estate and may be enforced in priority, subject to the collective-proceedings rules.

Liquidation

In liquidation, a court-appointed liquidator takes control of all assets, realizes the estate, and distributes proceeds according to statutory priorities. Secured creditors have priority on the proceeds of their security, while unsecured creditors rank *pari passu*.

Liquidators may also seek to unwind:

- transactions at an undervalue,
- preferential payments, or
- fraudulent transfers, entered into within the statutory suspect period preceding the opening of proceedings.

If a court were to void the Guarantee or DRC collateral, Noteholders would need to prove their claims as unsecured creditors, ranking after preferential creditors.

Receivership

The concept of contractual receivership does not exist under DRC/OHADA law and there is no separate common-law receivership regime. Thus, remedies must be exercised through judicial sale of secured assets, or out-of-court enforcement where expressly permitted by the security instrument under the OHADA Uniform Act on Securities.

UGANDA

Choice of Law

In proceedings for the enforcement of the obligations of a Ugandan party, Ugandan courts will generally give effect to the choice of foreign law as the governing law. Ugandan courts have recognized that where parties clearly bind themselves to a foreign forum and law, courts will ordinarily give effect to that bargain.

Recognition of foreign judgment from a New York court

The recognition of foreign judgments by Ugandan courts is based on the principle of reciprocity. Ugandan courts will, uphold the judgments of a foreign court where that foreign court accords reciprocal treatment to Ugandan judgments.

Uganda does not have a reciprocal arrangement on mutual enforcement of judgments with the U.S, however, the jurisdiction of the U.S and rulings from New York courts are likely to be recognized by local courts in Uganda under the common law principles of obligation, reciprocity and comity.

In the case of *Christopher Sales v AG (Civil Suit No. 91 of 2011)*, the Court stated that in absence of a reciprocal arrangement, a judgment passed by a foreign court with competent jurisdiction can be recognized, registered and enforced in Uganda on the basis of international comity and international law theories of obligation and reciprocity. In this case, the Court recognized as enforceable a judgment from the United States Southern District of New York Court despite there being no reciprocal arrangement between Uganda and the United States of America. This decision has been followed by the High Court in several recent cases including *Briana Rose v Mugisha Joseph (High Court Miscellaneous Cause No. 98 of 2024)* where orders of District Court of Texas were recognized and enforced.

Based on the case law above, local courts in Uganda have recognized foreign judgements even where there is no reciprocal arrangement between the respective countries. Accordingly, rulings from courts in the U.S would be recognized in Uganda. In practice, the holder of the foreign judgment will apply to the relevant court in Uganda for recognition and registration of the foreign judgment by way of Notice of Motion. Upon registration the foreign judgment is enforceable in the same manner as if it were a decree.

Pursuant to section 5 of the Foreign Judgments (Reciprocal Enforcement) Act, a registered foreign judgment may be set aside where the court is satisfied, inter alia, that the original court lacked jurisdiction in the circumstances of the case; that the proceedings were materially defective or conducted in breach of the rules of natural justice; that the judgment was obtained by fraud; that enforcement would be contrary to the public policy of the country of the registering court; or that the rights under the judgment are not vested in the applicant seeking registration or enforcement.

Recognition of foreign arbitral awards

The Arbitration and Conciliation Act (Cap. 5) (the “ACA”) provides for the enforcement of foreign arbitral awards. The ACA grants the parties the discretion to determine the manner in which they wish the arbitration to be conducted including the number of arbitrators and the place of arbitration. Arbitration is only available where parties have agreed to submit to arbitration. An arbitration agreement must be in writing.

The ACA recognizes international arbitration governed by rules of an international arbitration centre. Foreign arbitral awards are enforceable in Uganda if the parties are from states which are signatories to the Convention on the

Recognition and Enforcement of Foreign Arbitral Awards (the “**New York Convention**”) adopted by the United Nations Conference on International Commercial Arbitration on June 10, 1958 subject certain conditions specified in the ACA. Further, an arbitral award obtained under the Convention on the Settlement of Investment Disputes (the “**ICSID Convention**”) in a territory of a State which is party to the ICSID Convention is also enforceable in Uganda.

Under the ACA, an arbitral award shall be recognized as binding and upon application in writing to the court shall be enforced. A party relying on an arbitral award or applying for its enforcement is required to furnish to the High Court of Uganda for registration the duly authenticated original arbitral award or a duly certified copy of it, the original arbitration agreement or a duly certified copy of it. Upon registration with the High Court of Uganda, an arbitral award is enforceable in the same manner as if it were a decree of the High Court. It shall be recognized and deemed binding and enforced upon application in writing to the court where it is sought to be enforced.

A foreign arbitral award may only be set aside at the seat of arbitration. However, recognition and enforcement of such an award may be refused by the High Court of Uganda on any of the grounds set out under Article V of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

These grounds include, inter alia: incapacity of a party; invalidity of the arbitration agreement under the applicable law; lack of proper notice of the appointment of an arbitrator or of the arbitral proceedings; inability of a party to present its case; circumstances where the award deals with matters beyond the scope of the submission to arbitration or fails to address matters properly referred; improper composition of the arbitral tribunal or irregularity in the arbitral procedure; the award not yet being binding on the parties or having been set aside or suspended by a competent authority at the seat of arbitration; and where recognition or enforcement of the award would be contrary to the public policy of Uganda.

LISTING AND GENERAL INFORMATION

Liquid Telecommunications Financing plc is a public company limited by shares incorporated under the laws of England and Wales. Liquid Telecommunications Financing plc was incorporated on May 8, 2017, and is registered under company number 10759673. Liquid Telecommunications Financing plc's registered office is located at 17th Floor, 6 New Street Square, London EC4A 3BF, and its telephone number is +44 20 7101 6100. The Issuer is a finance company and the only subsidiary of the Issuer as of the Issue Date will be Liquid Telecommunications Investments Limited.

The issue of the Notes was authorized by the shareholders of the Issuer at a general meeting held on February 24, 2026 and the written resolutions of the board of directors of the Issuer dated February 24, 2026.

The Notes will be guaranteed by the following Issue Date Guarantors:

- a. The Company (Liquid Telecommunications Holdings Limited), a private company limited by shares incorporated on January 26, 2007 under the laws of Mauritius, registered under company number 068355 GBC, with registered address 10th Floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, 72201, Republic of Mauritius;
- b. Liquid Telecommunications Operations Limited, a private company limited by shares incorporated on February 12, 2007 under the laws of Mauritius, registered under company number 068753 GBC, with registered address 10th Floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, 72201, Republic of Mauritius;
- c. Liquid Telecommunications Limited, a private company limited by shares incorporated on October 28, 2003 under the laws of England and Wales, registered under company number 04946019, with registered address 9th Floor, 6 New Street Square, London EC4A 3BF;
- d. Liquid Telecommunications Zambia Limited, a limited company incorporated on May 12, 2011 under the laws of Zambia under company number is 120110092298, with registered address 3rd Floor, Elunda II, Stand 4648, Addis Ababa Roundabout, Long Acres, Lusaka, Zambia;
- e. Liquid Telecommunications Kenya Limited, a limited company incorporated on November 13, 1989 under the laws of Kenya under company number C41705, with registered address Sameer Business Park, Block A, Mombasa Road, Nairobi, Kenya (with a postal address of Post Office Box Number 62499-00200, Nairobi, Kenya);
- f. Liquid Telecommunications DRC S.A., a limited liability company, incorporated on January 15, 2020 under the laws of the Democratic Republic of Congo under company number CDN/KIN/RCCM/14-B-6476, with registered address 11, avenue des Orangers, 4th floor, Gombe – Kinshasa, Democratic Republic of the Congo;
- g. Liquid Telecommunications South Africa (Pty) Ltd, a limited company incorporated on February 24, 2004 under the laws of the Republic of South Africa under company number 2004/004619/07, with registered address 401 Old Pretoria Main Road, Halfway House, Midrand, 1685, Gauteng, South Africa. Liquid Telecommunications South Africa (Pty) Ltd provides connectivity, voice, cloud, cybersecurity and related services to public and private enterprises; and
- h. Liquid Telecommunications Holdings South Africa (Pty) Ltd, a limited company incorporated on June 23, 2016 under the laws of the Republic of South Africa under company number 2016/272836/07, with registered address 401 Old Pretoria Main Road, Halfway House, Midrand, 1685, Gauteng, South Africa.

Within 120 days from the Issue Date, the Notes will be guaranteed by the following additional Post-Issue Date Guarantors:

- a. Liquid Telecommunications Uganda Limited, a limited liability company, incorporated on August 16, 1993 under the laws of Uganda under company number 80010000269436, with registered address 5th Floor, BMK House, Plot 4-5 Nyabong Road, Wampewo Avenue, P O Box 122660, Kampala GPO, Uganda; and
- b. Africa Digital Networks SASU (DRC), a limited liability company, incorporated on January 14, 2020 under the laws of the Democratic Republic of Congo under company number CD/KIN/RCCM/14-B-2535, with registered address 11, avenue des Orangers, 5th floor, Gombe – Kinshasa, Democratic Republic of the Congo.

The Issue Date Guarantors, together with the Post-Issue Date Guarantors, comprise the Guarantors of the Notes.

Each of the Guarantors provides telecommunications and related services as described above in “*Business*.” The Liquid Group is not aware of any encumbrances on the assets of the Guarantors not disclosed in this Offering Memorandum that could materially affect the Guarantors’ ability to meet their obligations under the Guarantees.

For a description of certain risks relating to the Guarantors and their guarantees, see “*Risk Factors*.”

Our Issue Date Guarantor subsidiaries comprised 45.5% (or US\$110.1 million) of our EBITDA and 617.6% (or US\$883.7 million) of our net assets as of and for the year ended February 28, 2025 and our non-Issue Date Guarantor subsidiaries comprised 58.1% (or US\$140.5 million) of our EBITDA and -86.3% (or US\$-123.5 million) of our net assets as of and for the year ended February 28, 2025.

Our Guarantor subsidiaries, including the Post-Issue Date Guarantors, comprised 56.8% (or US\$137.4 million) of our EBITDA and 615.1% (or US\$880.2 million) of our net assets as of and for the year ended February 28, 2025 and our non-Guarantor subsidiaries comprised 46.8% (or US\$113.2 million) of our EBITDA and -83.8% (or US\$-120.0 million) of our net assets as of and for the year ended February 28, 2025.

The Issuer comprised -3.6% (or US\$-8.7 million) of our EBITDA and -431.3% (or US\$-617.2 million) of our net assets as of and for the year ended February 28, 2025.

The table below provides a breakdown of our EBITDA and net assets represented by our Issue Date Guarantor subsidiaries, our Post-Issue Date Guarantor subsidiaries, our non-Guarantor subsidiaries and the Issuer.

	As of and for the year ended February 28, 2025			
	EBITDA (US\$ millions)	EBITDA (%)	Net assets (US\$ millions)	Net assets (%)
Issue Date Guarantor subsidiaries	110.0	45.5	883.7	617.6
Post-Issue Date Guarantors	27.4	11.3	-3.5	-2.5
Guarantor subsidiaries, including the Post-Issue Date Guarantors	137.4	56.8	880.2	615.1
Non-Guarantor subsidiaries	113.2	46.8	-120.0	-83.8
Issuer	-8.7	-3.6	-617.2	-431.3
Total	241.9	100.0	143.0	100.0

The table below provides information about the Guarantors that represented 25.0% or more of our EBITDA or net assets as of and for the year ended February 28, 2025.

	As of and for the year ended February 28, 2025			
	EBITDA (US\$ millions)	EBITDA (%)	Net assets (US\$ millions)	Net assets (%)
The Company (Liquid Telecommunications Holdings Limited)	—	—	391.2	273.4
Liquid Telecommunications South Africa (Pty) Ltd	84.6	35.0	211.0	147.4
Liquid Telecommunications Holdings South Africa (Pty) Ltd	—	—	253.7	177.3

Application has been made to list the Notes on the Official List of Euronext Dublin and to admit them for trading on the Exchange.

Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the admission of the Notes to the Official List of Euronext Dublin and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Exchange thereof.

Notes sold pursuant to Regulation S in this Offering have been accepted for clearance through the facilities of Euroclear and Clearstream under the common code 333016567. Notes sold pursuant to Rule 144A in this Offering have been accepted for clearance through the facilities of DTC under the common code 333827034 and have been assigned CUSIP number 536333 AC1. The international securities identification number (ISIN) for the Notes sold pursuant to Regulation S is XS3330165674 and the ISIN for the Notes sold pursuant to Rule 144A is US536333AC15.

The Notes will be fully and unconditionally guaranteed by certain of our subsidiaries, as described elsewhere in this listing particulars, on a joint and several basis. Except as otherwise disclosed in the sections, “*Risk Factors—Risks Related to the Notes and the Guarantees*” and “*Certain Insolvency and Enforceability Considerations*”, which address local law considerations and limitations, there are no specific risks related to Liquid Telecommunications Holdings Limited, Liquid Telecommunications South Africa (Pty) Limited or Liquid Telecommunications Holdings South Africa (Pty) Limited which could impact their respective guarantees. The Financial Statements included in this Listing Particulars include consolidated financial information for our subsidiaries guaranteeing the Notes and our non-Guarantor subsidiaries.

Other than Liquid Telecommunications Kenya Limited, as described below, each of the Guarantors is a wholly-owned subsidiary of the Liquid Group. In order to comply with local shareholding requirements, 196,164 ordinary shares, representing approximately 20% of the share capital of Liquid Telecommunications Kenya Limited, are held by Stamford TC Limited, an employee benefit trust vehicle. In addition, as of the date of this Offering Memorandum, Lisinfo 213 Property (RF) Proprietary Limited holds 30% of the voting rights in Liquid Telecommunications Holdings South Africa (Pty) Ltd (the remaining 70% being held by the Company). Lisinfo 213 Property (RF) Proprietary Limited holds no economic interest in Liquid Telecommunications Holdings South Africa (Pty) Ltd.

We have appointed The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) as Security Agent, and BNY Mellon Corporate Trustee Services Limited, as Trustee.

We have appointed The Bank of New York Mellon SA/NV, Dublin Branch, as Registrar, The Bank of New York Mellon SA/NV, Dublin Branch, as Transfer Agent, and The Bank of New York Mellon, London Branch, as Paying Agent.

Electronic or physical copies of the following documents will be available for inspection free of charge, during normal business hours on any weekday, at our offices located at 17th Floor, 6 New Street Square, London EC4A 3BF from the date of publication of this Offering Memorandum for as long as the securities are listed on the Official List of Euronext Dublin and admitted to trading on the Exchange:

- the Offering Memorandum;
- the articles of association of the Issuer and each of the Guarantors;
- the Guarantees;
- the Indenture;
- the Intercreditor Agreement and the documents creating the security interests in the Collateral as contemplated by the Indenture;
- the reviewed consolidated financial statements of the Liquid Group as of and for the nine-month period ended November 30, 2025, together with the auditors' review report and including the related notes thereto; and
- the audited consolidated financial statements of the Liquid Group as of and for the years ended February 28, 2023, February 29, 2024 and February 28, 2025, together with the auditors' report and including the related notes thereto.

There has been no material adverse change in the prospects of the Liquid Group since February 28, 2025, the end of the period to which our audited financial statements relate.

There has been no significant change in the Liquid Group's financial or trading position since November 30, 2025, the end of the last financial period for which interim financial information has been published, except as set forth in the sections entitled "*Summary—Recent Developments*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments*."

The results of the Offering will be made public by us through a press release promptly upon the closing of the Offering.

Holders of the Notes may contact the Transfer Agent with questions relating to the transfer of Notes on the books of the Registrar, which shall be maintained at the Trustee's principal office at 160 Queen Victoria Street, London EC4V 4LA United Kingdom.

Although the Issuer does not currently contemplate making any applications to list the Notes and have them admitted to trading on a regulated market for the purposes of Directive 2014/65/EU, such application may be made in the future. If any such application is made, there will be no assurance that the Notes will be so listed or admitted to trading.

GLOSSARY OF TECHNICAL TERMS

“**ACE**” means Africa Coast to Europe;

“**ARPTC**” means Post and Telecommunications Regulatory Authority;

“**CA**” means Communications Authority of Kenya;

“**CCTV**” means Closed-Circuit Television;

“**DARE1**” means Djibouti Africa Regional Express 1;

“**DFA**” means Dark Fiber Africa;

“**EASSy**” means East Africa Submarine Cable System;

“**FTTB**” means Fiber to the Business;

“**FTTH**” means Fiber to the Home;

“**FWA**” means Fixed Wireless Access;

“**GPON**” means Gigabit Passive Optical Networks;

“**IoT**” means Internet of Things;

“**IRU**” means Indefeasible Right of Use;

“**ISPs**” means Internet Services Providers;

“**LTE**” means Long Term Evolution;

“**METISS**” means Melting Pot Indian Oceanic Submarine System;

“**MNO**” means Mobile Network Operators;

“**MSAs**” means master service agreements which the Liquid Group has entered into;

“**MVNOs**” means Mobile Virtual Network Operators;

“**NICTBB**” means National ICT Broadband Infrastructure;

“**NLD**” means National Long Distance;

“**NOC**” means Network Operating Centers;

“**NOFBI**” means National Optic Fiber Backbone;

“**OTT**” means over-the top;

“**PEACE**” means Pakistan & East Africa Connecting Europe;

“**PoPs**” means Points of Presence;

“**POTRAZ**” means the Postal and Telecommunications Regulatory Authority, the regulator for the telecommunications industry in Zimbabwe, which is a body corporate capable of suing and being sued in its corporate name and, subject to the Postal Act, of performing all acts that bodies corporate may by law perform.

“**PSTN**” means Public Switched Telephone Network;

“**SACS**” means South Atlantic Cable System;

“**SAFE**” means the South Atlantic 3 submarine cable serving SSA prior to 2009;

“**SAIL**” means the South Atlantic Inter Link;

“**SAT-3**” means the South Africa Far East submarine cable serving SSA prior to 2009;

“**SCPT**” means Societe Congolaise des Postes et Telecommunication;

“**SEAS**” means Seychelles East Africa System;

“**TCRA**” means Tanzania Communications Regulatory Authority;

“**TEAMS**” means the East African Marine Systems;

“**VSAT**” means very small aperture terminal, a data transmission technology used for many types of data management;

“**VoIP**” means Voice-over-Internet Protocol networks;

“**WACS**” means West Africa Capable System; and

“**ZICTA**” means the Zambia Information and Communications Authority.

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**Interim Financial Statements for the Liquid Group
as of and for the nine months ended
November 30, 2025**

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED

(trading as)



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE 9 MONTHS ENDED

30 November 2025

Report on Review of Condensed Consolidated Interim Financial Statements to the Board of Directors of Liquid Telecommunications Holdings Limited

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of **Liquid Telecommunications Holdings Limited** (the “Group”) set out on pages 2 to 24 which comprise the condensed consolidated interim statement of financial position of the Group as at 30 November 2025 and the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for nine months then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 in the condensed consolidated interim financial statements, which indicates that the Group’s ability to continue as a going concern depends on its ability to refinance USD 620 million of Senior Secured Notes which mature in September 2026, and that its ability to do so depends on the satisfaction of conditions precedent associated with new term loans, and on the successful completion of a related USD 300 million bond issue. Furthermore, Note 2.1 indicates that the Group’s forecast headroom on covenants associated with the new term loans is low. As stated in Note 2.1, these events or conditions along with other matters as set forth in Note 2.1 indicate that material uncertainties exist that may cast significant doubt on the Group’s ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Liquid Telecommunications Holdings Limited for the nine months ended 30 November 2025 are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

Deloitte

Deloitte

Chartered Accountants

25 March 2026

	Notes	9 months ended		3 months ended	
		30/11/2025	30/11/2024	30/11/2025	30/11/2024
		USD'000	USD'000	USD'000	USD'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	561,181	512,906	208,774	149,635
Interconnect related costs		(26,904)	(27,294)	(6,821)	(8,452)
Data and network related costs		(174,494)	(159,801)	(73,913)	(44,258)
Net other income	4	2,082	2,950	(1,222)	1,373
Selling, distribution and marketing costs		(8,989)	(7,109)	(3,456)	(2,667)
Expected credit loss (provision) / reversal		(2,901)	4,095	(689)	(3,336)
Administrative expenses		(44,869)	(45,759)	(18,120)	(21,185)
Staff costs		(76,018)	(83,985)	(21,827)	(29,756)
Depreciation, impairment and amortisation		(92,467)	(86,631)	(32,775)	(20,476)
Operating profit		136,621	109,372	49,951	20,878
Dividend received		255	25	115	21
Restructuring costs		(767)	(2,975)	(357)	(224)
Interest income	5	19,320	17,098	6,362	6,193
Finance costs	6	(74,921)	(73,364)	(25,768)	(26,360)
Foreign exchange gain / (loss)		9,668	(262,072)	5,439	(128,760)
Hyperinflation monetary gain / (loss)		6,640	263,927	(3,895)	46,878
Share of profits of associate		10	15	4	4
Profit / (loss) before taxation		96,826	52,026	31,851	(81,370)
Tax (expense) / credit	7	(33,104)	(18,118)	(14,954)	17,319
Profit / (loss) for the period		63,722	33,908	16,897	(64,051)
Other comprehensive income / (expense)					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation gain on accounting for foreign entities		19,363	38,027	6,964	1,841
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		(2,739)	(54,280)	198	(50,745)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Fair value gain / (loss) on investments in equity instruments designated as FVTOCI		1,059	(351)	602	(425)
Total other comprehensive income / (expense), net of tax		17,683	(16,604)	7,764	(49,329)
Total comprehensive income / (expense)		81,405	17,304	24,661	(113,380)
Income / (expense) attributable to:					
Owners of the company		62,833	34,329	16,897	(64,016)
Non-controlling interest		889	(421)	-	(35)
		63,722	33,908	16,897	(64,051)
Total comprehensive income / (expense) attributable to:					
Owners of the company		80,496	17,774	24,660	(113,305)
Non-controlling interest		909	(470)	1	(75)
		81,405	17,304	24,661	(113,380)
Earnings / (loss) per share					
Basic (Cents per share)	24	50.32	27.49	13.53	(51.27)

	Notes	30/11/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Non-current assets			
Goodwill	8	81,097	76,089
Intangible assets	9	57,029	58,812
Property, plant and equipment	10	489,793	475,990
Right-of-Use assets	11	235,306	233,008
Investment in associate		631	573
Investments at Fair Value Through Other Comprehensive Income (FVTOCI)	22	17,849	16,672
Deferred tax assets		45,455	49,912
Investments at amortised cost		42	41
Long-term receivables	20	161,418	136,330
Pre-commencement lease payments		5,754	10,754
Total non-current assets		1,094,374	1,058,181
Current assets			
Inventories		26,099	22,005
Trade and other receivables	13	406,171	331,750
Taxation		3,482	2,953
Cash and cash equivalents	12	65,843	85,368
Restricted cash and cash equivalents	12	448	425
Assets classified as held for sale	28	11,289	-
Total current assets		513,332	442,501
Total assets		1,607,706	1,500,682
Equity and liabilities			
Capital and reserves			
Share capital		3,716	3,716
Share premium		276,714	276,714
Convertible preference shares		180,000	180,000
Share application monies		35,000	35,000
Investment revaluation reserve		439	(620)
Retained earnings / (accumulated losses)		23,660	(39,173)
Foreign currency translation reserve		(295,022)	(311,626)
Total equity attributable to owners of the parent		224,507	144,011
Non-controlling interests		(330)	(918)
Total equity		224,177	143,093
Non-current liabilities			
Long term borrowings	14	-	617,583
Long term lease liabilities	15	135,281	140,740
Long term provisions		4,483	5,479
Deferred revenue	17	50,484	47,179
Deferred tax liabilities		6,625	3,346
Total non-current liabilities		196,873	814,327
Current liabilities			
Short term portion of long term borrowings	14	790,308	177,174
Short term portion of long term lease liabilities	15	48,402	36,628
Trade and other payables	16	276,714	238,979
Short term provisions		11,258	24,120
Deferred revenue	17	45,381	47,595
Taxation		10,930	18,766
Liabilities classified as held for sale	28	3,663	-
Total current liabilities		1,186,656	543,262
Total equity and liabilities		1,607,706	1,500,682

Approved by the Board of Directors and authorised for issue on 25 March 2026

Eric Venpin
Director

Mike Mootien
Director

Notes	Share capital USD'000	Share premium USD'000	Preference shares USD'000	Share application monies USD'000	Investment revaluation reserve USD'000	Foreign currency translation reserve USD'000	(Accumulated losses) / retained earnings USD'000	Non-controlling interest USD'000	Total equity USD'000
At 01 March 2024 (Audited)	3,716	276,714	180,000						
Dividend	-	-	-	-	-	-	-	(556)	(556)
Income / (expense) and total comprehensive income / (expense) for the period	-	-	-	-	(351)	(16,204)	34,329	(470)	17,304
Profit / (loss) for the period	-	-	-	-	-	-	34,329	(421)	33,908
Fair value loss on investments in equity instruments designated as FVTOCI	-	-	-	-	(351)	-	-	-	(351)
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	-	-	-	-	-	(54,280)	-	-	(54,280)
Translation gain / (loss) on accounting for foreign entities	-	-	-	-	-	38,076	-	(49)	38,027
At 30 November 2024 (Unaudited)	3,716	276,714	180,000	-	(335)	(295,446)	(23,287)	(940)	140,422
At 01 March 2025 (Audited)	3,716	276,714	180,000	35,000	(620)	(311,626)	(39,173)	(918)	143,093
Dividend	-	-	-	-	-	-	-	(321)	(321)
Income and total comprehensive income / (expense) for the period	-	-	-	-	1,059	16,604	62,833	909	81,405
Profit for the period	-	-	-	-	-	-	62,833	889	63,722
Fair value gain on investments in equity instruments designated as FVTOCI	-	-	-	-	1,059	-	-	-	1,059
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	-	-	-	-	-	(2,739)	-	-	(2,739)
Translation gain on accounting for foreign entities	-	-	-	-	-	19,343	-	20	19,363
At 30 November 2025 (Unaudited)	3,716	276,714	180,000	35,000	439	(295,022)	23,660	(330)	224,177

Notes	9 months ended		3 months ended	
	30/11/2025 USD'000 (Unaudited)	30/11/2024 USD'000 (Unaudited)	30/11/2025 USD'000 (Unaudited)	30/11/2024 USD'000 (Unaudited)
Cash flows from operating activities:				
	96,826	52,026	31,851	(81,370)
Profit / (loss) before tax				
Adjustments for:				
	92,467	86,631	32,775	20,476
Depreciation, impairment and amortisation				
	(255)	(25)	(115)	(21)
Dividend received				
	2,901	(4,095)	689	3,336
Expected credit loss provision / (reversal)				
	(14,727)	2,852	(5,367)	4,442
(Decrease) / increase in provisions				
	(7,571)	225,768	(5,875)	115,152
Foreign exchange (gain) / loss				
	(6,640)	(263,927)	3,895	(46,878)
Hyperinflation monetary (gain) / loss				
	(61)	(970)	(9)	(1,142)
Profit on disposal of Property, plant and equipment				
	358	210	-	223
Net gain on lease terminations and modifications				
5	(19,320)	(17,098)	(6,362)	(6,193)
Interest income				
6	74,921	73,364	25,768	26,360
Finance costs				
	(10)	(15)	(4)	(4)
Share of profit from associate				
	<u>218,889</u>	<u>154,721</u>	<u>77,246</u>	<u>34,381</u>
Working capital changes:				
	(3,313)	7,998	2,149	3,881
(Increase) / decrease in inventories				
	(93,519)	(75,395)	(35,919)	875
Increase in trade and other receivables				
	42,607	60,932	29,254	1,090
Increase in trade and other payables				
	(3,255)	2,676	(2,886)	2,278
(Decrease) / increase in deferred revenue				
	161,409	150,932	69,844	42,505
Cash generated from operations				
	(28,894)	(18,012)	(10,604)	(6,415)
Income tax paid				
	<u>132,515</u>	<u>132,920</u>	<u>59,240</u>	<u>36,090</u>
<i>Net cash generated from operating activities</i>				
Cash flows from investing activities:				
	1,177	1,369	305	822
Interest income				
	255	25	115	21
Dividend received				
22 (i)	(102)	(2,069)	(5)	(2,069)
Purchase of investment at FVTOCI				
	(31,953)	(27,298)	(11,074)	(7,639)
Purchase of property, plant and equipment				
	312	1,739	9	1,123
Proceeds on disposal of property, plant and equipment				
	(5,075)	(5,268)	(1,714)	(1,506)
Purchase of intangible assets				
	103	-	50	-
Proceeds on disposal of intangible assets				
	-	(435)	-	-
Pre-commencement lease payments				
	(131)	(165)	(59)	(64)
Increase of long-term receivables from related parties				
	(605)	-	56	2,709
(Increase) / decrease in long term receivables				
	<u>(36,019)</u>	<u>(32,102)</u>	<u>(12,317)</u>	<u>(6,603)</u>
<i>Net cash used in investing activities</i>				
Cash flows from financing activities:				
	(321)	(623)	(136)	(133)
Dividend paid				
	(48,881)	(52,427)	(21,830)	(23,949)
Finance costs paid				
	(54,489)	(38,582)	(21,766)	(15,655)
Repayment of lease liabilities				
	(10,231)	(3,340)	(283)	(100)
Repayment of borrowings				
	<u>(113,922)</u>	<u>(94,972)</u>	<u>(44,015)</u>	<u>(39,837)</u>
<i>Net cash used in financing activities</i>				
	(17,426)	5,846	2,908	(10,350)
Net (decrease) / increase in cash and cash equivalents				
	85,793	57,076	63,061	68,730
Cash and cash equivalents at beginning of the period				
	(1,310)	-	43	-
Cash transferred to assets held for sale				
	(766)	(7,247)	279	(2,705)
Translation of cash with respect to foreign subsidiaries				
12	<u>66,291</u>	<u>55,675</u>	<u>66,291</u>	<u>55,675</u>
Cash and cash equivalents at end of the period				
Represented by:				
12	65,843	55,244	65,843	55,244
Cash and cash equivalents				
12	448	431	448	431
Restricted cash and cash equivalents				
	<u>66,291</u>	<u>55,675</u>	<u>66,291</u>	<u>55,675</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 condensed 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 9 months ended 30 November 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, in assessing the ability of the Liquid Telecommunications Holdings Limited (LTH) group and company to continue as a going concern, have considered a number of factors. These include both the operations of the LTH group and the primary purpose of the company, which is to hold investments in its subsidiaries that provide telecommunications services. The directors have also reviewed the forecasts of the group and company in terms of income, related expenses and have assessed the ability to service its liabilities as they fall due. The directors have considered a going concern period of not less than 12 months from the date of the signing of these condensed consolidated interim financial statements for the nine months period ended 30 November 2025. The directors have specifically considered the group's ability to settle the USD 620 million Senior Secured Notes which mature in September 2026.

In the financial statements for the year ended 28 February 2025, issued on 26 June 2025, the LTH group identified that its ability to continue to trade as a going concern was dependent on the timing and quantum of the current Refinancing Project and the ability to meet covenants in the meantime. Timely and satisfactory completion of this Project is required to enable settlement of the USD 620 million Senior Secured Notes maturing in September 2026. The "Refinancing Project" encompasses:

- an equity private placement which includes the sale of an asset within the LTH group to inject further capital into it and the LTH group,
- compliance with certain conditions precedent to enable the draw down on the new USD 220.0 million (now USD 210.0 million) equivalent South African Rand term loan (SA term loan) within the LTH group; and
- completion of the refinancing of the USD 620 million Senior Secured Notes ahead of maturity.

In the period to 30 November 2025 and subsequent to period end the group has made progress with regards to the equity private placement which includes the sale of an asset and has repaid the SA term loan and RCF in full which has resulted in the removal of the refinancing risk on the SA term loan and RCF and the previously referenced covenant requirements. In addition, new term loans of approximately USD 210.0 million ZAR equivalent and up to USD 200 million have been arranged subject to the satisfaction of a number of conditions precedent, including the requirement for an additional USD 150 million equity within the bond perimeter (of which USD 25 million remains outstanding), in order to allow drawdown ahead of the refinancing of the Senior Secured Notes. While the group has made progress on the completion of these conditions precedent, these are not fully complete. The USD 620 million Senior Secured Notes are expected to be repaid using the proceeds from the overall refinancing which includes the SA and USD term loans and the new bond issuance.

Meeting the conditions precedent is therefore a required step in the refinancing. The directors have a reasonable expectation that these will be met in a timely manner. However, even once these are met, there remain other risks inherent in a bond issue, particularly with respect to the current volatile market conditions. If the LTH group is unable to successfully complete this new bond issue of USD 300 million, then the group would not have sufficient resources to repay the outstanding debt and would no longer be able to continue to trade without taking further actions which are outside the control of the directors. In addition, following the drawdown of the new term loans, new covenants would become effective. The directors' forecasts show that the headroom on the adjusted net leverage ratio at 30 May 2026 is forecast to be low. In the event of a breach of these covenants, management would need to obtain a waiver which is outside of their control. These facts and circumstances represent material uncertainties which may cast significant doubt on the company and group's ability to continue as a going concern. Therefore, the company and group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the material uncertainty referred to above, the directors have concluded that preparing the condensed consolidated interim financial statements on the going concern basis is appropriate.

2. Accounting policies (continued)

2.2 Zimbabwean currency and hyperinflation accounting

Following changes to the currency in Zimbabwe in February 2019, the economic conditions are those of a hyperinflationary environment. As a result, local accounting bodies have determined that the principles of IAS 29 - *Financial Reporting in Hyperinflationary Economies* should be applied. The group has continued the application of hyperinflation accounting during the period ended 30 November 2025, with effect from 1 October 2018 for its Zimbabwean subsidiaries.

More details on the currency changes and the adoption of hyperinflation accounting are set out in notes 2.2.1 and 2.2.2 below.

2.2.1 Zimbabwean currency

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

During the period ended 30 November 2025, the group has used a rate of ZWG:USD 26.2:1 (30 November 2024: ZWG:USD 25.5:1) to translate both the statement of profit or loss and the statement of financial position at 30 November 2025. Of the USD 9.7 million of net foreign exchange gain in the condensed consolidated interim statement of profit and loss (30 November 2024: loss of USD 262.1 million), Zimbabwe contributed USD 0.8 million (30 November 2024: USD 266.6 million). The net foreign exchange gain or 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 6 November 2025.

The application of hyperinflationary accounting results in certain assets, liabilities, revenues and costs being reported in inflation adjusted terms as at 30 November 2025.

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 condensed consolidated interim financial statements, effective from 1 October 2018. The adjustment for the impact of foreign exchange on opening balances of non-monetary assets and liabilities under hyperinflation accounting of the Zimbabwe entities at 1 March 2025 resulted in a foreign exchange loss of USD 2.7 million (1 March 2024: USD 54.3 million) which has been recognised directly in other comprehensive income, in accordance to IAS 21 - *The Effects of Changes in Foreign Exchange Rates*.

The retranslation 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 6.6 million (30 November 2024: USD 263.9 million) have been recognised in the condensed consolidated interim statement of profit or loss through 'Hyperinflation monetary gain' based on a CPI of 190.88 (30 November 2024: 160.41).

In addition, IAS 29 requires the translation of the results at closing rate rather than average rate. The closing rate of ZWG:USD 26.2:1 (28 February 2025: ZWG:USD 26.6:1) has been used.

The directors continue to monitor the economic conditions in Zimbabwe.

2.3 Accounting policies

The accounting policies applied by the group in the preparation of the condensed 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.

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:

Critical accounting 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.

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

Critical accounting judgements (continued)

Going concern

See note 2.1 regarding the material uncertainty related to going concern.

Key sources of estimation uncertainty

Impairment of goodwill

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

3. Revenue and segment information

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

The group categorises its revenue streams as shown below:

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

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

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

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

A reconciliation of Operating profit, as shown in the condensed consolidated interim 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 9 months ended 30 November 2025 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	169,579	120,725	98,653	39,679	-	(30,298)	398,338
C2	47,806	16,402	24,878	29,389	-	(15,829)	102,646
Dataport	5,036	673	6,851	17,659	-	(5,629)	24,590
Voice traffic	6,862	81	17	31,026	-	(2,379)	35,607
Inter-segmental revenue	(6,258)	(2,377)	(3,877)	(41,623)	-	54,135	-
Group External Revenue	223,025	135,504	126,522	76,130	-	-	561,181
Adjusted EBITDA	81,639	84,359	38,532	26,761	(8,669)	6,721	229,343
Depreciation, impairment and amortisation							(92,467)
Restructuring costs							(767)
Interest income							19,320
Finance costs							(74,921)
Foreign exchange loss							9,668
Hyperinflation monetary gain							6,640
Share of profits of associate							10
Profit before taxation							96,826
Tax expense							(33,104)
Profit for the period							63,722

The following is an analysis of the group's revenue and results by reportable segment for the 9 months ended 30 November 2024 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	159,114	104,668	89,034	48,352	-	(38,199)	362,969
C2	42,934	13,108	18,238	25,296	-	(15,309)	84,267
Dataport	5,509	1,156	8,270	19,082	-	(7,210)	26,807
Voice traffic	7,804	66	11	34,094	-	(3,112)	38,863
Inter-segmental revenue	(6,126)	(1,719)	(4,016)	(51,969)	-	63,830	-
Group External Revenue	209,235	117,279	111,537	74,855	-	-	512,906
Adjusted EBITDA	71,200	67,227	32,427	47,805	(15,961)	(6,670)	196,028
Depreciation, impairment and amortisation							(86,631)
Restructuring costs							(2,975)
Interest income							17,098
Finance costs							(73,364)
Foreign exchange loss							(262,072)
Hyperinflation monetary gain							263,927
Share of profits of associate							15
Profit before taxation							52,026
Tax expense							(18,118)
Profit for the period							33,908

*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 30 November 2025 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	73,260	43,566	36,300	12,766	-	(10,578)	155,314
C2	16,520	5,155	8,675	10,387	-	(5,108)	35,629
Dataport	1,696	184	1,997	5,935	-	(1,684)	8,128
Voice traffic	2,349	41	11	7,999	-	(697)	9,703
Inter-segmental revenue	(1,620)	(353)	(1,305)	(14,789)	-	18,067	-
Group External Revenue	92,205	48,593	45,678	22,298	-	-	208,774
Adjusted EBITDA	28,603	32,650	14,915	2,238	(666)	5,101	82,841
Depreciation, impairment and amortisation							(32,775)
Restructuring costs							(357)
Interest income							6,362
Finance costs							(25,768)
Foreign exchange loss							5,439
Hyperinflation monetary loss							(3,895)
Share of profits of associate							4
Profit before taxation							31,851
Tax expense							(14,954)
Profit for the period							16,897

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 30 November 2024 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	46,224	27,767	29,097	10,260	-	(11,288)	102,060
C2	13,665	4,492	6,350	7,719	-	(5,068)	27,158
Dataport	1,472	278	2,654	5,996	-	(2,094)	8,306
Voice traffic	2,738	21	1	10,471	-	(1,120)	12,111
Inter-segmental revenue	(2,096)	(811)	(1,217)	(15,446)	-	19,570	-
Group External Revenue	62,003	31,747	36,885	19,000	-	-	149,635
Adjusted EBITDA	18,725	17,230	10,656	1,441	(5,292)	(1,385)	41,375
Depreciation, impairment and amortisation							(20,476)
Restructuring costs							(224)
Interest income							6,193
Finance costs							(26,360)
Foreign exchange loss							(128,760)
Hyperinflation monetary gain							46,878
Share of profits of associate							4
Loss before taxation							(81,370)
Tax credit							17,319
Loss for the period							(64,051)

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

4. Net other income

	9 months ended		3 months ended	
	30/11/2025	30/11/2024	30/11/2025	30/11/2024
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Management fees income (note 18)	2,514	1,988	967	553
Net loss on lease terminations and modifications	(358)	(210)	-	(223)
Sundry (expense) / income*	(135)	202	(2,198)	(99)
Gain on disposal of property, plant and equipment	61	970	9	1,142
	2,082	2,950	(1,222)	1,373

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

5. Interest income

	9 months ended		3 months ended	
	30/11/2025	30/11/2024	30/11/2025	30/11/2024
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest received from external parties	1,177	1,369	305	822
Interest received from related parties (note 18)	18,143	15,729	6,057	5,371
	19,320	17,098	6,362	6,193

6. Finance costs

	9 months ended		3 months ended	
	30/11/2025	30/11/2024	30/11/2025	30/11/2024
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on loans	15,913	20,160	4,676	7,260
Finance cost on Senior Secured Notes	25,575	25,575	8,525	8,525
Finance arrangement fees amortised	2,737	2,725	1,289	914
Interest on lease liabilities	30,441	24,635	11,194	9,575
Interest paid to related parties (note 18)	255	269	84	86
	74,921	73,364	25,768	26,360

7. Taxation

	9 months ended		3 months ended	
	30/11/2025	30/11/2024	30/11/2025	30/11/2024
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current taxation	15,557	15,943	556	8,069
Deferred taxation charge / (credit)	12,455	(5,034)	12,420	(26,847)
Withholding taxation	5,092	7,209	1,978	1,459
	33,104	18,118	14,954	(17,319)

The tax expense of USD 33.1 million represents an effective tax rate of 34.2%. The group's effective tax rate is largely driven by the impact of :

- (a) An IAS 29 adjustment relating to Zimbabwe
- (b) Non-deductible expenses
- (c) Tax losses not recognised as deferred tax assets.

8. Goodwill

	30/11/2025	28/02/2025
	USD'000	USD'000
	(Unaudited)	(Audited)
Cost		
Opening balance	76,089	73,990
Foreign exchange gain	5,008	2,099
Closing balance	81,097	76,089

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

8. Goodwill (continued)

	<u>30/11/2025</u> USD'000 (Unaudited)	<u>28/02/2025</u> 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	64,881	59,873
Liquid Telecommunications Zambia Limited	2,201	2,201
Raha Tanzania Holdings Limited	5,584	5,584
	<u>81,097</u>	<u>76,089</u>

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

The following approach and key assumptions were used for the value in use calculations for the year ended 28 February 2025 and the same approach is being adopted for the period ended 30 November 2025.

- The cash flows used are based on Board approved budgets and only take into account cash flows arising from the current asset base and not from any future developments in technology, acquisitions or change in business model and this includes certain cash flows which are anticipated but not yet fully contracted.
- Assessments are performed on a value in use basis, using a 5-year discounted cash flow method extrapolated beyond the budget period using a terminal growth rate, as set out below.
- Growth rates: the group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The average growth rates used ranged from 1.0% to 4.3% (FY25: 1.0% to 4.3%).
- 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) (FY25: 16.8% to 21.2%). The discount rates used reflect both time value of money and other specific risks relating to the relevant CGU and operating country.

Specifically in relation to Liquid Telecommunications Holdings South Africa (Pty) Limited ("LTHSA"), there was no impairment (28 February 2025: no impairment) and the following assumptions were applied:

- A terminal growth rate of 4.3% (28 February 2025: 4.3%) was applied in line with inflation forecasts for South Africa over a comparable period.
- LTHSA's WACC of 15.2% (28 February 2025: 15.2%) was used as the discount rate. On a pre-tax basis, this rate is 16.2% (28 February 2025: 16.2%).

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 (FY25: no impairment with an increase of 10% or 0.4pp) and a decrease of 10% or 0.4pp would still result in no impairment (FY25: no impairment with a decrease of 10% or 0.4pp).
- An increase of 10% or 1.5pp in the above WACC would result in an impairment of USD 30.4 million (FY25: impairment of USD 30.4 million with an increase of 10% or 1.5pp) and a decrease of 10% or 1.5pp would result in no impairment, with headroom (FY25: no impairment with a decrease of 10% or 1.5pp).
- An increase of 1.3% in the EBITDA forecasts in each period would result in no impairment (FY25: no impairment), with adequate headroom. On the other hand, a reduction of 1.3% in the EBITDA forecasts in each period would result a complete erosion of the headroom of USD 14.8 million.

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 (28 February 2025: no impairment with an increase of 10% or 1.5pp), with headroom. A decrease of 10% or 1.5pp would still result in no impairment (28 February 2025: no impairment with a decrease of 10% or 1.5pp), with significant headroom.

9. Intangible assets

	Operating Licence	Computer Software	Customer Relationships	Work in Progress	Other Intangible Assets*	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:						
At 01 March 2024 (Audited)	31,390	40,872	24,713	3,046	45,087	145,108
Purchases during the period	2,352	5,115	-	789	-	8,256
Disposals during the year	-	(6,236)	-	-	-	(6,236)
Transfers	2,719	852	-	(852)	(2,719)	-
Write off	-	(729)	-	-	-	(729)
Foreign exchange differences	(2,239)	(522)	1,266	-	1,525	30
Adjustments - IAS 29	2,655	1,454	-	-	-	4,109
Transfer from Property, plant and equipment (note 10)	149	888	-	(60)	-	977
At 28 February 2025 (Audited)	37,026	41,694	25,979	2,923	43,893	151,515
Purchases during the period	-	3,195	-	1,880	-	5,075
Disposals during the year	(51)	(45)	-	(53)	-	(149)
Transfers	385	35	-	(420)	-	-
Reclassification	-	381	-	21	-	402
Transfer to Assets classified as held for sale (note 28)	(670)	(33)	-	-	-	(703)
Transfer from Property, plant and equipment (note 10)	-	21	-	-	-	21
Foreign exchange differences	1,689	2,195	3,146	-	1,530	8,560
Adjustments - IAS 29	120	70	-	-	-	190
At 30 November 2025 (Unaudited)	38,499	47,513	29,125	4,351	45,423	164,911
Accumulated amortisation:						
At 01 March 2024 (Audited)	12,970	30,222	20,691	-	21,094	84,977
Amortisation	2,443	6,410	2,177	-	362	11,392
Disposals during the year	-	(6,236)	-	-	-	(6,236)
Transfer from Property, plant and equipment (note 10)	28	888	-	-	-	916
Write offs	-	(729)	-	-	-	(729)
Foreign exchange differences	(1,447)	(17)	492	-	1,292	320
Adjustments - IAS 29	1,612	451	-	-	-	2,063
At 28 February 2025 (Audited)	15,606	30,989	23,360	-	22,748	92,703
Amortisation	2,013	5,559	1,527	-	273	9,372
Disposals during the year	-	(45)	-	-	-	(45)
Transfer to Assets classified as held for sale (note 28)	(371)	(20)	-	-	-	(391)
Foreign exchange differences	868	1,806	1,627	-	1,534	5,835
Adjustments - IAS 29	82	326	-	-	-	408
At 30 November 2025 (Unaudited)	18,198	38,615	26,514	-	24,555	107,882
Carrying amount:						
At 28 February 2025 (Audited)	21,420	10,705	2,619	2,923	21,145	58,812
At 30 November 2025 (Unaudited)	20,301	8,898	2,611	4,351	20,868	57,029

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

10. Property, plant and equipment

	Land and buildings	Furniture and fittings	Computer equipment	Network equipment	Motor vehicles	Work in progress	Fibre infrastructure	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:								
At 01 March 2024 (Audited)	14,671	8,767	26,704	83,807	9,913	27,120	863,096	1,034,078
Additions during the period	-	659	883	2,119	89	30,284	10,743	44,777
Disposals during the period	-	(113)	(4,775)	(1,006)	(291)	(542)	(12,794)	(19,521)
Impairment	-	(32)	(16)	(74)	-	(73)	(108)	(303)
Write offs	-	-	(709)	(91)	-	-	-	(800)
Transfers	-	244	53	3,491	60	(30,217)	26,369	-
Transfer to intangible assets (note 9)	-	-	37	(701)	11	-	(324)	(977)
Transfer to inventory	-	-	-	-	-	(61)	-	(61)
Transfer to prepayments (note 20)	-	-	-	-	-	(107)	-	(107)
Foreign exchange differences	(1,143)	(1,427)	(402)	2,023	(3,284)	(4,106)	(142,943)	(151,282)
Adjustments - IAS 29	1,460	1,416	841	1,266	3,277	5,330	150,985	164,575
At 28 February 2025 (Audited)	14,988	9,514	22,616	90,834	9,775	27,628	895,024	1,070,379
Additions during the period	-	191	371	1,115	636	29,878	2,739	34,930
Disposals during the period	-	(19)	(259)	(23)	(91)	(204)	(3,336)	(3,932)
Reclassification	-	-	-	-	-	(723)	-	(723)
Transfers	-	157	217	1,296	-	(18,901)	17,231	-
Transfer to Assets classified as held for sale (note 28)	-	(20)	(84)	(1,341)	(206)	-	(8,980)	(10,631)
Transfer to intangible assets (note 9)	-	-	-	-	-	(21)	-	(21)
Transfer to inventory	-	-	-	-	-	(44)	-	(44)
Foreign exchange differences	1,096	395	1,184	3,046	138	1,337	49,444	56,640
Adjustments - IAS 29	66	199	27	76	(307)	1,121	7,104	8,286
At 30 November 2025 (Unaudited)	16,150	10,417	24,072	95,003	9,945	40,071	959,226	1,154,884
Accumulated depreciation								
At 01 March 2024 (Audited)	4,933	5,258	22,929	60,768	6,766	-	449,720	550,374
Depreciation	280	967	1,544	8,000	544	-	45,225	56,560
Disposals during the period	-	(68)	(4,661)	(980)	(133)	-	(12,575)	(18,417)
Write offs	-	-	(709)	(91)	-	-	-	(800)
Impairment	-	-	(1)	(15)	-	-	-	(16)
Transfers	-	-	-	(517)	-	-	517	-
Transfer (to) / from Intangible assets (note 9)	-	(22)	(6)	(562)	4	-	(330)	(916)
Foreign exchange differences	174	(831)	36	454	(1,732)	-	(58,951)	(60,850)
Adjustments - IAS 29	-	640	191	803	1,332	-	65,488	68,454
At 28 February 2025 (Audited)	5,387	5,944	19,323	67,860	6,781	-	489,094	594,389
Depreciation	214	694	1,063	5,926	441	-	32,780	41,118
Disposals during the period	-	(18)	(252)	(9)	(91)	-	(3,310)	(3,680)
Transfer to Assets classified as held for sale (note 28)	-	(10)	(82)	(720)	(206)	-	(1,902)	(2,920)
Reclassification	-	-	-	(299)	-	-	299	-
Foreign exchange differences	461	255	1,017	1,919	108	-	27,448	31,208
Adjustments - IAS 29	-	123	116	15	365	-	4,357	4,976
At 30 November 2025 (Unaudited)	6,062	6,988	21,185	74,692	7,398	-	548,766	665,091
Carrying amount:								
At 28 February 2025 (Audited)	9,601	3,570	3,293	22,974	2,994	27,628	405,930	475,990
At 30 November 2025 (Unaudited)	10,088	3,429	2,887	20,311	2,547	40,071	410,460	489,793

11. Right-of-Use assets

	Land and buildings USD'000	Furniture and fittings USD'000	Network equipment USD'000	Motor vehicles USD'000	Fibre infrastructure USD'000	Fibre Optical - IRU USD'000	Total USD'000
Cost:							
At 01 March 2024 (Audited)	70,291	-	41,328	1,947	126,633	151,503	391,702
Additions during the period	7,805	231	2,340	1,698	55,738	1,911	69,723
Disposals during the period*	(4,120)	-	(2,554)	(153)	(700)	(909)	(8,436)
Transfers	(4,068)	-	-	-	4,068	-	-
Foreign exchange differences	(11,938)	(10)	(2,492)	(5)	1,668	756	(12,021)
Adjustments - IAS 29	12,713	-	-	-	-	-	12,713
At 28 February 2025 (Audited)	70,683	221	38,622	3,487	187,407	153,261	453,681
Additions during the period	797	-	13,298	-	17,067	-	31,162
Disposals during the period*	(737)	-	(16,703)	-	(941)	(421)	(18,802)
Transfer from pre-commencement lease payments**	-	-	-	-	-	5,000	5,000
Write offs***	-	-	(10,017)	-	-	-	(10,017)
Transfer to Assets classified as held for sale (note 28)	(962)	-	-	-	(817)	-	(1,779)
Foreign exchange differences	2,732	14	2,389	309	12,217	1,867	19,528
Adjustments - IAS 29	1,164	-	-	-	-	-	1,164
At 30 November 2025 (Unaudited)	73,677	235	27,589	3,796	214,933	159,707	479,937
Accumulated depreciation:							
At 01 March 2024 (Audited)	31,927	-	21,699	1,768	45,580	73,772	174,746
Depreciation	10,607	142	10,050	319	23,222	7,787	52,127
Disposals during the period*	(3,121)	-	(2,541)	(131)	(697)	(656)	(7,146)
Transfers	(2,686)	-	-	-	2,686	-	-
Foreign exchange differences	919	(6)	(1,771)	39	907	404	492
Adjustments - IAS 29	454	-	-	-	-	-	454
At 28 February 2025 (Audited)	38,100	136	27,437	1,995	71,698	81,307	220,673
Depreciation	7,172	40	5,409	315	22,485	5,845	41,266
Disposals during the period*	(612)	-	(14,957)	-	(941)	(421)	(16,931)
Write offs***	-	-	(10,017)	-	-	-	(10,017)
Transfer to Assets classified as held for sale (note 28)	(897)	-	-	-	(664)	-	(1,561)
Foreign exchange differences	1,780	10	1,550	186	6,000	1,527	11,053
Adjustments - IAS 29	148	-	-	-	-	-	148
At 30 November 2025 (Unaudited)	45,691	186	9,422	2,496	98,578	88,258	244,631
At 28 February 2025 (Audited)	32,583	85	11,185	1,492	115,709	71,954	233,008
At 30 November 2025 (Unaudited)	27,986	49	18,167	1,300	116,355	71,449	235,306

*relates to lease modifications or cancellations.

** During the period ended 30 November 2025, USD 5.0 million was transferred from pre-commencement lease payments to Right-of-Use assets as the assets were brought into use.

***relates to leases fully depreciated.

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

	30/11/2025	28/02/2025
	USD'000	USD'000
	(Unaudited)	(Audited)
Cash and bank balances	59,256	80,913
Money market deposits	6,587	4,455
Cash and cash equivalents	<u>65,843</u>	<u>85,368</u>
Restricted cash and cash equivalents	<u>448</u>	<u>425</u>
Total cash and cash equivalents	<u>66,291</u>	<u>85,793</u>

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 11.2 million (28 February 2025: USD 17.1 million) in Zimbabwe held in cash, short term deposits and similar instruments. These amounts have been translated at the rate of ZWG:USD of 26.2:1 (28 February 2025: ZWG:USD 26.6:1). See note 2.2 - *Zimbabwean currency and Hyperinflation accounting* for more detailed disclosure.

The group has restricted cash for the following purposes:

	30/11/2025	28/02/2025
	USD'000	USD'000
	(Unaudited)	(Audited)
Guarantees	1	1
Customer deposits held	447	424
	<u>448</u>	<u>425</u>

13. Trade and other receivables

	30/11/2025	28/02/2025
	USD'000	USD'000
	(Unaudited)	(Audited)
Trade receivables from external parties	164,218	126,426
Trade receivables from related parties (note 18)	79,157	69,145
Expected credit loss provision	(29,782)	(30,114)
Total trade and related parties receivables, net of expected credit loss provision	213,593	165,457
Short term inter-company and other related party receivables (note 18)	75,407	78,327
Expected credit loss provision on short term inter-company and other related party receivables	(138)	(138)
Sundry debtors	59,741	45,100
Deposits paid	4,438	3,881
Prepayments	53,130	39,123
	<u>406,171</u>	<u>331,750</u>

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.

	Current USD'000	Past due				Total USD'000
		31 - 60 days USD'000	61 - 90 days USD'000	91 - 120 days USD'000	> 120 days USD'000	
As at 30 November 2025						
Trade and related parties receivables - Gross	87,462	34,646	19,840	20,449	80,978	243,375
Lifetime ECL	(1,232)	(2,168)	(3,000)	(2,709)	(20,673)	(29,782)
Trade and related parties receivables - Net	86,230	32,478	16,840	17,740	60,305	213,593
Default rate	1.4%	6.3%	15.1%	13.2%	25.5%	
As at 28 February 2025						
Trade and related parties receivables - Gross	71,191	23,679	11,469	16,580	72,652	195,571
Lifetime ECL	(3,649)	(3,110)	(2,638)	(4,372)	(16,346)	(30,114)
Trade and related parties receivables - Net	67,541	20,569	8,831	12,208	56,306	165,456
Default rate	5.1%	13.1%	23.0%	26.4%	22.5%	

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

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

	30/11/2025	28/02/2025
	USD'000	USD'000
	(Unaudited)	(Audited)
Long term borrowings:		
USD 620 million 5.5% Senior Secured Notes (i)	-	615,632
Net settled: Embedded derivatives (note 22)	-	1,878
Other long-term borrowings	-	73
	<u>-</u>	<u>617,583</u>
Short term portion of long term borrowings (including interest accrued):		
USD 620 million 5.5% Senior Secured Notes (i)	626,329	17,050
Net settled: Embedded derivatives (note 22)	1,878	-
USD 220 million equivalent South African Rand term loan (ii)	134,893	132,845
Stanbic Bank of Zambia Limited revolving loan (iii)	1,900	1,741
USD 60 million revolving credit facility (iv)	25,163	25,290
Other Short-term portion of long term borrowings	145	248
	<u>790,308</u>	<u>177,174</u>

(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 outstanding balance has been fully settled in February 2026.

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

In February 2026, the group successfully signed new facilities to refinance its South African Rand term loan on a multi-tenor basis. The new facilities, 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 which are still outstanding as of the date of signing of the condensed consolidated interim financial statements for the period ended 30 November 2025.

(iii) As of 30 November 2025, the outstanding amount on the Revolving Credit Facility contracted by Liquid Telecommunications Zambia Limited was USD 1.9 million. The effective interest rate is in the aggregate of the margin at 8% plus Bank of Zambia policy rate. The loan facility is unsecured.

(iv) In addition to the USD 620.0 million 5.5% Senior Secured Notes and the USD 220.0 million equivalent South African Rand term loan, the group has a USD 60.0 million Revolving Credit Facility agreement between the company, JP Morgan Chase Bank N.A., London branch, Standard Finance (Isle of Man), Standard Chartered Bank (Mauritius) Limited and the Mauritius Commercial Bank Limited. The Revolving Credit Facility is secured and is guaranteed on a senior secured basis by, Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Financing Plc, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Holdings South Africa (Pty) Limited, Liquid Telecommunications South Africa (Pty) Limited, Liquid Telecom DRC S.A. and Liquid Telecommunications Zambia Limited. The obligations under the Revolving Credit Facility are secured equally and ratably with the Senior Secured Notes by first priority liens over the security. The Revolving Credit facility is denominated in USD, bears interest at the rate of SOFR plus 4.15%, subject to certain adjustments for the net leverage ratio and is to be utilised for general corporate purposes. The facility holds the same covenant obligations as the South African Rand term loan referenced above. The outstanding balance as at 30 November 2025 was USD 25.2 million. The outstanding balance has been fully settled in February 2026.

For the refinancing of the USD 620 million 5.5% Senior Secured Notes, refer to note 2.1 - *Going concern*.

15. Lease liabilities

	30/11/2025	28/02/2025
	USD'000	USD'000
	(Unaudited)	(Audited)
Long term portion of lease liabilities	135,281	140,740
Short term portion of lease liabilities	48,402	36,628
	<u>183,683</u>	<u>177,368</u>

16. Trade and other payables

	<u>30/11/2025</u>	<u>28/02/2025</u>
	USD'000	USD'000
	(Unaudited)	(Audited)
Trade accounts payable to external parties	147,322	132,340
Trade payable balance to related parties (note 18)	25,458	27,415
Accruals	88,027	58,135
Staff payables	3,643	4,021
Transaction taxes due in various jurisdictions	10,876	12,489
Other short-term payables	1,388	4,579
	<u>276,714</u>	<u>238,979</u>

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

	<u>30/11/2025</u>	<u>28/02/2025</u>
	USD'000	USD'000
	(Unaudited)	(Audited)
Long-term portion of deferred revenue	50,484	47,179
Short-term portion of deferred revenue	45,381	47,595
	<u>95,865</u>	<u>94,774</u>

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

18. Related party transactions and balances

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

- Econet Wireless Private Limited (Zimbabwe), Econet Telecom Lesotho (Pty) Limited (Lesotho), Transaction Payment Solutions (Private) Limited (Zimbabwe), Econet South Africa (Pty) Limited, Steward Bank Limited and Econet Wireless Zimbabwe Limited are referred to as "Econet Global related group companies";
- Cassava Technologies Limited (Jersey) as the intermediate holding company;
- 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) and Oasis Communication Technologies Limited (Israel) are referred to as "Telrad related group companies";
- Sasai Fintech Limited (Mauritius) and Sasai Fintech (PTY) Ltd (South Africa) are referred to as "Sasai related group companies";
- VAYA Africa Mauritius Ltd (Mauritius) is referred to as "Vaya related group companies";
- Distributed Power Africa (Private) Limited (Zimbabwe) and Distributed Power Africa Services Proprietary Limited (South Africa) are referred to as "Econet Infraco related group companies";
- Liquid Telecommunications (Jersey) Ltd, Liquid Technologies Infrastructure Finance SARL (Belgium), Liquid Intelligent Technologies Limited (Nigeria), Liquid Delta (Jersey) Limited and Liquid ECG Infraco (Pty) Ltd (South Africa) are referred to as "Liquid (Jersey) and other related group of companies"
- Non-Executive Directors of the Company and the wider group; and
- DTOS Limited (Mauritius)

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

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

	9 months ended		3 months ended	
	<u>30/11/2025</u>	<u>30/11/2024</u>	<u>30/11/2025</u>	<u>30/11/2024</u>
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of goods and services				
Econet Global related group companies	59,170	41,034	24,768	11,000
Africa Data Centres related group companies	382	383	108	144
Liquid (Jersey) and other related group of companies	13,162	32,678	4,408	2,703
	<u>72,714</u>	<u>74,095</u>	<u>29,284</u>	<u>13,847</u>

18. Related party transactions and balances (continued)

	9 months ended		3 months ended	
	30/11/2025	30/11/2024	30/11/2025	30/11/2024
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Purchase of goods and services				
Econet Global related group companies	10,032	13,612	3,121	4,358
Africa Data Centres related group companies	1,435	1,413	488	480
Liquid (Jersey) and other related group of companies	2,170	25,670	116	522
	<u>13,637</u>	<u>40,695</u>	<u>3,725</u>	<u>5,360</u>
Management fees expense				
Econet Global related group companies	<u>450</u>	<u>450</u>	<u>150</u>	<u>150</u>
Management fees income				
Africa Data Centres related group companies	-	404	-	148
Liquid (Jersey) and other related group of companies	2,514	1,584	967	405
	<u>2,514</u>	<u>1,988</u>	<u>967</u>	<u>553</u>
Dividend paid				
Other shareholders (net of taxes)	<u>321</u>	<u>556</u>	<u>136</u>	<u>96</u>
Interest income				
Econet Global related group companies	484	540	157	194
Liquid (Jersey) and other related group of companies	2,415	2,089	801	824
Africa Data Centres related group companies	15,244	13,100	5,099	4,353
	<u>18,143</u>	<u>15,729</u>	<u>6,057</u>	<u>5,371</u>
Finance costs				
Liquid (Jersey) and other related group of companies	<u>255</u>	<u>269</u>	<u>84</u>	<u>86</u>
Administration fees paid				
DTOS Limited	<u>338</u>	<u>287</u>	<u>117</u>	<u>86</u>

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 intermediate holding company but the group is a significant beneficiary of the work carried out. The amount paid in the period is USD 0.4 million.

The group has the following balances at the period end:

	30/11/2025	28/02/2025
	USD'000	USD'000
	(Unaudited)	(Audited)
Short-term receivables from related parties		
Africa Data Centres related group companies	34,938	32,745
Liquid (Jersey) and other related group of companies	34,452	40,179
Econet Global related group companies	2,570	2,501
Econet Infracore related group companies	849	804
Sasai Related Group Companies	2,598	2,098
	<u>75,407</u>	<u>78,327</u>
Trade receivables balances from affiliated entities and other related parties		
Econet Global Limited (Mauritius)	4,999	4,999
Econet Global Related Group Companies	19,373	10,713
Cassava Technologies Limited	1,279	6,258
Econet Infracore related group companies	11	10
Vaya Related Group Companies	885	657
Liquid (Jersey) and other related group of companies	44,196	37,524
Africa Data Centres related group companies	8,316	8,506
Strive Masiyiwa	98	478
	<u>79,157</u>	<u>69,145</u>
Trade payable balance to related parties		
Econet Global related group companies	724	944
Telrad Networks Ltd	22	15
Africa Data Centres related group companies	1,587	9,199
Sasai Related Group Companies	1,103	212
Liquid (Jersey) and other related group of companies	22,022	17,045
	<u>25,458</u>	<u>27,415</u>
Long-term receivables		
Africa Data Centres related group companies	156,106	132,064
Liquid (Jersey) and other related group of companies	4,353	3,958
	<u>160,459</u>	<u>136,022</u>

19. Capital commitments

At 30 November 2025, the group committed to the following capital commitments:

	30/11/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Authorised and contracted		
Intangible assets	436	5,673
Property, plant and equipment	27,543	18,145
	<u>27,979</u>	<u>23,818</u>

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)	160,459	136,022
Other receivables	959	308
	<u>161,418</u>	<u>136,330</u>

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

21. Dividend

Period ended 30 November 2025:

Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared and paid a dividend of USD 0.3 million. USD 0.1 million is attributable to the non-controlling interests of the subsidiary.

Raha Tanzania Holdings Limited, a subsidiary of the group, declared and paid a dividend of USD 0.3 million. USD 0.1 million is attributable to the non-controlling interests of the subsidiary.

Worldstream (Pty) Ltd, a subsidiary of the group, declared and paid a dividend of USD 0.2 million. USD 0.1 million is attributable to the non-controlling interests of the subsidiary.

Period ended 30 November 2024:

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

Worldstream (Pty) Ltd, a subsidiary of the group, declared and paid a dividend of USD 0.2 million. USD 0.1 million is attributable to the non-controlling interests of the subsidiary.

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

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

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

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

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
30 November 2025				
Investments at FVTOCI (i)	2,535	-	15,314	17,849
Total (Unaudited)	<u>2,535</u>	<u>-</u>	<u>15,314</u>	<u>17,849</u>
	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
28 February 2025				
Investments at FVTOCI (i)	1,358	-	15,314	16,672
Total (Audited)	<u>1,358</u>	<u>-</u>	<u>15,314</u>	<u>16,672</u>

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

	30/11/2025 USD'000 (Unaudited)	28/02/2025 USD'000 (Audited)
Opening balance	16,672	15,362
Additions	102	1,983
Fair value gain / (loss)	1,059	(636)
Foreign exchange loss	16	(37)
Closing balance	<u>17,849</u>	<u>16,672</u>

22. Fair value measurements recognised in the condensed consolidated interim 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 30 November 2025, the fair value of the embedded derivatives was not material (28 February 2025: nil).

23. Non-cash transactions

Transactions excluded from statements of cash flows

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

During the period ended 30 November 2025:

- Purchase of property, plant and equipment of the group included a non cash portion of USD 3.0 million.

During the period ended 30 November 2024:

- Purchase of property, plant and equipment of the group included a non cash portion of USD 2.6 million.

24. Profit per share

	9 months ended		3 months ended	
	30/11/2025	30/11/2024	30/11/2025	30/11/2024
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit / (loss) per share (Cents per share)	50.32	27.49	13.53	(51.27)

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	62,833	34,329	16,897	(64,016)
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	9 months ended	
	30/11/2025	30/11/2024
	USD'000	USD'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic profit per share for the period ended	124,857,914	124,857,914

At 30 November 2025, the share capital of USD 3.7 million represents 124,857,914 ordinary shares (30 November 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 5.9 million and USD 11.2 million, the exact timing and value of which is unknown and cannot be measured with any reliability.

• **Refinancing of the USD 220.0 million equivalent South African Rand term loan**

In February 2026, the group successfully signed new facilities to refinance its South African Rand term loan on a multi-tenor basis. The new facilities, 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 which are still outstanding as of the date of signing of the consolidated interim financial statements for the period ended 30 November 2025.

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. We have filed our heads of Argument on 18 December 2025. A hearing date has not been set. It is anticipated that the matter will be heard in the 3rd quarter of 2026. No liability has been recognised, based on currently available information, as there is no present obligation, and it is not yet probable that an outflow of resources embodying economic benefits will be required to settle the claim.

• 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 condensed consolidated interim statement of profit or loss, to Adjusted EBITDA reported in note 3 - *Revenue & Segment information*.

	9 months ended		3 months ended	
	30/11/2025	30/11/2024	30/11/2025	30/11/2024
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating profit	136,621	109,372	49,951	20,878
Add back:				
Depreciation, impairment and amortisation	92,467	86,631	32,775	20,476
Dividend received	255	25	115	21
Adjusted EBITDA (note 3)	<u>229,343</u>	<u>196,028</u>	<u>82,841</u>	<u>41,375</u>

26.2 Reconciliation of condensed consolidated interim financial statements of profit or loss to management profit or loss

The group has standardised its condensed consolidated interim financial statements 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 condensed consolidated interim statement of profit or loss and management profit or loss is included below:

	Consolidated	Reclassification	Revised
	statement of profit	of network costs	statement of
	or loss		profit or loss
	USD'000	USD'000	USD'000
9 months ended 30 November 2025 (Unaudited):			
Revenue	561,181	-	561,181
Interconnect related costs	(26,904)	-	(26,904)
Data and network related costs	(174,494)	25,829	(148,665)
Gross Profit	<u>359,783</u>	<u>25,829</u>	<u>385,612</u>
Other income	2,082	-	2,082
Dividend received	255	-	255
Selling, distribution and marketing costs	(8,989)	-	(8,989)
Expected credit loss provision	(2,901)	-	(2,901)
Administrative expenses	(44,869)	(25,829)	(70,698)
Staff costs	(76,018)	-	(76,018)
Adjusted EBITDA	<u>229,343</u>	<u>-</u>	<u>229,343</u>

26.2 Reconciliation of condensed consolidated interim financial statements of profit or loss to management profit or loss (continued)

	Consolidated statement of profit or loss	Reclassification of network costs	Revised statement of profit or loss
	USD'000	USD'000	USD'000
9 months ended 30 November 2024 (Unaudited):			
Revenue	512,906	-	512,906
Interconnect related costs	(27,294)	-	(27,294)
Data and network related costs	(159,801)	24,384	(135,417)
Gross Profit	325,811	24,384	350,195
Other income	2,950	-	2,950
Dividend received	25	-	25
Selling, distribution and marketing costs	(7,109)	-	(7,109)
Expected credit loss reversal	4,095	-	4,095
Administrative expenses	(45,759)	(24,384)	(70,143)
Staff costs	(83,985)	-	(83,985)
Adjusted EBITDA	196,028	-	196,028
3 months ended 30 November 2025 (Unaudited):			
Revenue	208,774	-	208,774
Interconnect related costs	(6,821)	-	(6,821)
Data and network related costs	(73,913)	8,612	(65,301)
Gross Profit	128,040	8,612	136,652
Other income	(1,222)	-	(1,222)
Dividend received	115	-	115
Selling, distribution and marketing costs	(3,456)	-	(3,456)
Expected credit loss provision	(689)	-	(689)
Administrative expenses	(18,120)	(8,612)	(26,732)
Staff costs	(21,827)	-	(21,827)
Adjusted EBITDA	82,841	-	82,841
3 months ended 30 November 2024 (Unaudited):			
Revenue	149,635	-	149,635
Interconnect related costs	(8,452)	-	(8,452)
Data and network related costs	(44,258)	8,120	(36,138)
Gross Profit	96,925	8,120	105,045
Other income	1,373	-	1,373
Dividend received	21	-	21
Selling, distribution and marketing costs	(2,667)	-	(2,667)
Expected credit loss provision	(3,336)	-	(3,336)
Administrative expenses	(21,185)	(8,120)	(29,305)
Staff costs	(29,756)	-	(29,756)
Adjusted EBITDA	41,375	-	41,375

27. Events after the reporting period

• **Sale and leaseback**

Post the reporting date, the group entered into an agreement with a related party for the sale and leaseback of certain network equipment for a consideration of USD 25.7 million.

• **Settlement of the USD 220 million equivalent South African Rand Term loan**

Post the reporting date, Liquid Telecommunications South Africa (Pty) Limited, a subsidiary of the group has repaid the outstanding balance of the USD 220 million equivalent South African Rand Term loan.

• **Settlement of the USD 60 million revolving credit facility**

Post the reporting date, the group has repaid the outstanding balance of the USD 60 million revolving credit facility.

• **Impact of global events**

On 28 February 2026, a conflict erupted between the United States and Israel against Iran leading to many casualties on both sides. Due to the early nature of this conflict, the global economic impact is not yet known. As such, the group regards the economic impact of this conflict to be a non-adjusting post balance sheet event, with no direct or indirect impact on the group's operations.

• **Corporate credit rating**

In March 2026, both the corporate family rating of Liquid Telecommunications Holdings Limited and the instrument rating on the USD 620 million Senior Secured Notes issued by Liquid Telecommunications Financing Plc were upgraded to Caa1 from Caa2. This upgrade, accompanied by a review for further potential upgrades, is due to the recent repayment of the outstanding balance of the USD 220 million equivalent South African Rand term loan and the USD 60 million revolving credit facility and the successful execution of a planned debt reduction, ahead of the need for refinancing its USD 620 million Senior Secured Notes before the September 2026 maturity date.

28. Assets held for sale

During the period under review, the group entered into a sale agreement for the disposal of one of its subsidiaries, Liquid Telecommunications Sahara Holdings Limited, a private company incorporated in Mauritius, for a consideration USD 9.9 million. The disposal is expected to be completed within 12 months, has been classified as a disposal group held for sale as per IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* and presented separately in the statement of financial position. The proceeds of disposal are expected to substantially exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale. The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	<u>30/11/2025</u>
	<u>USD'000</u>
	<u>(Unaudited)</u>
<u>Assets classified as held for sale</u>	
Cash and cash equivalents	1,310
Intangible assets	312
Property, plant and equipment	7,711
Right-of-Use assets	218
Inventories	132
Trade and other receivables	980
Deferred tax assets	626
	<u>11,289</u>
	<u>11,289</u>
<u>Liabilities directly associated with assets classified as held for sale</u>	
Trade and other payables	1,486
Lease liabilities	233
Deferred tax liabilities	1,324
Deferred revenue	92
Taxation	413
Provisions	115
	<u>3,663</u>
	<u>3,663</u>
Net assets of disposal group	<u>7,626</u>
	<u>7,626</u>

29. 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.

**Audited Annual Financial Statements for the Liquid Group
as of and for the year ended**

February 28, 2025

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED

(trading as)



**(Licence Number: GB21100696)
ANNUAL FINANCIAL STATEMENTS
28 February 2025**

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
(Licence Number: GB21100696)
ANNUAL FINANCIAL STATEMENTS
28 February 2025

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LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS
28 February 2025

General review

The operating results of Liquid Telecommunications Holdings Limited (the “company”) and its subsidiaries (the “group”) for the year ended 28 February 2025 are fully disclosed in the accompanying audited annual financial statements.

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.

The group, trading as Liquid Intelligent Technologies, is a technology and digital solutions provider with operations in more than 25 countries primarily in Eastern, Southern and Central Africa that serves carrier, enterprise and retail customers with high-speed, reliable connectivity and digital services. The group has built Africa’s largest independent fibre network, which reached 108,868 kilometres for the year ended 28 February 2025.

Total revenue for the year was USD 693.5 million (29 February 2024: USD 686.7 million), an increase of 1.0% year-on-year on a reported basis and total profit for the year was USD 18.4 million (29 February 2024: USD 5.3 million) representing an increase of 247.2% year-on-year on a reported basis. This increase in profit after tax is largely driven by foreign exchange movement and hyperinflation accounting in Zimbabwe. The group has seen growth across almost all product segments, particularly in South Africa and Zimbabwe, where customer demand has continued to rise. However, the underlying increase has been impacted by the adverse exchange rates in our largest markets as well as the general decline in voice revenue, which is following the global trend away from traditional voice traffic.

The group has evolved as a technology solutions provider delivering a broad range of value add products and services to its customers. As such the group manages and reports 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.

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 annual financial statements, taking into account the operating requirements of the business, debt service obligations and certain equity and refinancing activities currently underway. The detail of these requirements and activities are set out in note 42. Having carried out such an assessment, 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 annual financial statements subject to the material uncertainty over the quantum and timing of the completion of its debt refinancing which encompasses the completion of the second equity round, an asset sale by its 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”). This is associated with the Senior Secured Notes of USD 620.0 million, which would become payable on maturity in September 2026 and which management would not have the ability to repay given current cash and liquidity constraints. This is combined with the need to continue to meet its EBITDA forecasts in order to allow the group and company to meet tighter expected headroom of its financial covenants. As stated in note 42, these events or conditions, along with the other matters as set forth in note 42, indicate that a material uncertainty exists that may cast significant doubt on the group and company’s ability to continue as a going concern.

Events after the reporting date

There have been no material events after the reporting date.

Statement of directors’ responsibility in respect of the annual financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the group and the company. In preparing those consolidated and separate financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (“IFRS”) Accounting Standards, as issued by the International Accounting Standards Board (“IASB”), have been followed, subject to any material departures disclosed and explained in the consolidated and separate financial statements;

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS (continued)
28 February 2025

Statement of directors' responsibility in respect of the annual financial statements (continued)

- prepare the consolidated and separate financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business, and
- maintain adequate accounting records and an effective system of internal controls and risk management.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the consolidated and separate financial statements comply with IFRS, laws and regulations. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the consolidated and separate financial statements.

Chairman and CEO's statement

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We continuously review and enforce our systems to counter bribery and corruption.

Incorporation

Liquid Telecommunications Holdings Limited was incorporated on the 26 January 2007 in Mauritius and was granted a Category 2 – Global Business Licence. The company's Global Business Licence (category 2) was converted to a Global Business Company licence on 30 June 2021.

Dividends

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. 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.

Share capital

The share capital of USD 3.7 million represents 124,857,914 ordinary shares (29 February 2024: USD 3.7 million represented by 124,857,914 ordinary shares). Refer to note 22 for details.

Investments

Full details of the group's and company's investments in subsidiaries, investments in associates, investments at Fair Value Through Other Comprehensive Income (FVTOCI) and at amortised cost, and other investments are disclosed in notes 13, 14, 15 and 16 of the financial statements.

Auditor

The auditor, Deloitte, has indicated its willingness to continue in office until the next annual meeting.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS (continued)
28 February 2025

Directors and secretary

The directors of the company for the financial year ended 28 February 2025 and up to the date of this report were as follows:

Name:	Appointed on:	Resigned on:	
Nicholas Trevor Rudnick ²	22-Oct-07	31-Jul-24	¹ <i>Zimbabwean</i>
Eric Venpin ³	26-Jan-07	-	² <i>German</i>
Hardwork Pemhiwa Njodzi ¹	4-Nov-16	-	³ <i>Mauritian</i>
Omobola Olubusola Johnson ⁶	16-Aug-18	-	⁴ <i>British</i>
Christopher Rajendran Hyman ⁴	29-Jun-22	-	⁵ <i>American</i>
Eric Ricardo Thompson ⁵	25-Jan-23	30-Apr-24	⁶ <i>Nigerian</i>
Mike Mootien ³	27-Jun-23	-	
Lorraine Harper ⁴	26-Jun-24	-	
Jake Sise Donavan ⁴	26-Jun-24	-	

Secretary

DTOS Ltd
10th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène, 72201
Republic of Mauritius

Registered office

10th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène, 72201
Republic of Mauritius

Auditor

Deloitte
7th-8th Floor, Standard Chartered Tower
19-21 Bank Street,
Cybercity,
Ebène, 72201,
Republic of Mauritius

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001

We certify to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of Liquid Telecommunications Holdings Limited under Section 166 (d) of the Mauritius Companies Act 2001 for the year ended 28 February 2025.


For DTOS
Secretary

10th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène, 72201
Republic of Mauritius

Date: 26 June 2025

**Independent auditor's report to the Shareholders of
Liquid Telecommunications Holdings Limited**

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **Liquid Telecommunications Holdings Limited** (the "Company") and its subsidiaries (the "Group") set out on pages 8 to 71, which comprise the consolidated and separate statements of financial position as at 28 February 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and Company as at 28 February 2025, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 42 in the consolidated and separate financial statements, which indicates there is a material uncertainty over the quantum and timing of the completion of the Refinancing Project described in that note. This project is associated with the Senior Secured notes of \$620 million, which would become payable on maturity in September 2026. Management do not expect to have the ability to repay these notes without completion of the Refinancing Project given current cash and liquidity constraints. Furthermore, until such time as the Refinancing Project is complete, debt is reduced and the covenants are reset, the Group and Company are required to meet their current EBITDA forecasts to ensure they continue to meet tighter existing financial covenants at the next covenant test on the 31 August 2025. As stated in Note 42, these events or conditions, along with the other matters as set forth in Note 42, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises of Report of the Directors and the Certificate from the secretary but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the Shareholders of Liquid Telecommunications Holdings Limited (continued)

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the IASB and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

**Independent auditor's report to the Shareholders of
Liquid Telecommunications Holdings Limited (continued)**

Auditor's responsibilities for the audit of the consolidated and separate financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Group and Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required;
- in our opinion, proper accounting records have been kept by the Group and Company as far as appears from our examination of those records.

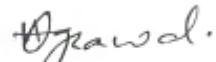
Use of this report

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.


Deloitte

Chartered Accountants

26 June 2025


Vishal Agrawal, FCA
Licensed by FRC

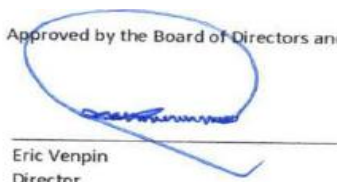
LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 28 February 2025


	Notes	Group		Company	
		28/02/25	29/02/24	28/02/25	29/02/24
		USD'000	USD'000	USD'000	USD'000
Revenue	4.1	693,534	686,718	-	-
Interconnect related costs		(38,829)	(43,905)	-	-
Data and network related costs		(203,436)	(201,845)	-	-
Net other income	5.2	1,671	12,234	20,861	39,262
Selling, distribution and marketing costs		(11,286)	(10,764)	(842)	(1,016)
Expected credit loss (provision) / reversal		(823)	(7,665)	312	(7,978)
Administrative expenses		(58,870)	(66,898)	(24,459)	(30,130)
Staff costs	5.3	(116,993)	(110,645)	(5,591)	(514)
Depreciation, impairment and amortisation	5.4	(124,666)	(115,052)	(30,465)	(2,164)
Operating profit / (loss)		140,302	142,178	(40,184)	(2,540)
Dividends received from investments at FVTOCI		59	44	-	-
Dividend received from related parties		-	-	1,426	1,123
Restructuring costs		(3,619)	-	(419)	-
Acquisition and other investment costs	5.5	-	(106)	-	(106)
Gain on bargain purchase	31	-	272	-	-
Interest income	6	24,291	24,610	23,340	23,923
Finance costs	7	(101,847)	(79,894)	(34,727)	(32,012)
Net foreign exchange (loss) / gain	5.6	(321,579)	(440,858)	34	343
Hyperinflation monetary gain	1.1	306,722	386,603	-	-
Share of profits of associate	14	14	21	-	-
Profit / (loss) before taxation		44,343	32,870	(50,530)	(9,269)
Tax expense	8	(25,894)	(27,592)	(2,321)	(2,752)
Profit / (loss) for the year		18,449	5,278	(52,851)	(12,021)
Other comprehensive (expense) / income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation gain / (loss) on accounting for foreign entities		30,341	(8,688)	-	-
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	1.1	(62,819)	(53,200)	-	-
<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	15	(636)	867	-	-
Total other comprehensive expense, net of tax		(33,114)	(61,021)	-	-
Total comprehensive expense		(14,665)	(55,743)	(52,851)	(12,021)
Profit attributable to:					
Owners of the company		18,443	5,631	(52,851)	(12,021)
Non-controlling interest		6	(353)	-	-
		18,449	5,278	(52,851)	(12,021)
Total comprehensive expense attributable to:					
Owners of the company		(14,577)	(55,179)	(52,851)	(12,021)
Non-controlling interest		(88)	(564)	-	-
		(14,665)	(55,743)	(52,851)	(12,021)
Earnings per share					
Basic (Cents per share)	39	14.77	4.51		

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
as at 28 February 2025

	Notes	Group		Company	
		28/02/25	29/02/24	28/02/25	29/02/24
		USD'000	USD'000	USD'000	USD'000
Non-current assets					
Goodwill	9	76,089	73,990	-	-
Intangible assets	10	58,812	60,131	4,822	4,280
Property, plant and equipment	11	475,990	483,704	114	85
Right-of-Use assets	12	233,008	216,956	-	-
Investment in subsidiaries	13	-	-	650,598	662,791
Investment in associate	14	573	540	-	-
Investments at Fair Value Through Other Comprehensive Income (FVTO)	15	16,672	15,362	15,310	15,310
Deferred tax assets	17	49,912	41,869	-	-
Investments at amortised cost	16	41	41	-	-
Long-term receivables	18	136,330	143,074	185,178	186,543
Pre-commencement lease payments		10,754	9,565	-	-
Total non-current assets		1,058,181	1,045,232	856,022	869,009
Current assets					
Inventories	19	22,005	50,399	-	-
Trade and other receivables	20	331,750	258,944	179,796	177,259
Taxation	8	2,953	5,277	-	-
Cash and cash equivalents	21	85,368	56,654	11,319	14,582
Restricted cash and cash equivalents	21	425	422	11	12
Total current assets		442,501	371,696	191,126	191,853
Total assets		1,500,682	1,416,928	1,047,148	1,060,862
Equity and liabilities					
Capital and reserves					
Share capital	22	3,716	3,716	3,716	3,716
Share premium	22	276,714	276,714	276,714	276,714
Convertible preference shares	22	180,000	180,000	180,000	180,000
Share application monies	22	35,000	-	35,000	-
Investment revaluation reserve	22a	(620)	16	-	-
Accumulated losses		(39,173)	(57,616)	(71,659)	(18,808)
Foreign currency translation reserve	22a	(311,626)	(279,242)	-	-
Total equity attributable to owners of the parent		144,011	123,588	423,771	441,622
Non-controlling interests	13.2	(918)	86	-	-
Total equity		143,093	123,674	423,771	441,622
Non-current liabilities					
Long term borrowings	23a	617,583	742,252	-	-
Long term lease liabilities	29	140,740	116,804	-	-
Long term intercompany borrowings	24	-	-	528,136	533,095
Long term provisions	26	5,479	6,372	-	-
Deferred revenue	28	47,179	56,967	-	-
Deferred tax liabilities	17	3,346	4,615	-	-
Total non-current liabilities		814,327	927,010	528,136	533,095
Current liabilities					
Short term portion of long term borrowings	23b	177,174	80,987	25,290	42,665
Short term portion of long term lease liabilities	29	36,628	20,441	-	-
Trade and other payables	25	238,979	199,889	67,158	43,480
Short term provisions	27	24,120	13,912	2,793	-
Deferred revenue	28	47,595	40,443	-	-
Taxation	8	18,766	10,572	-	-
Total current liabilities		543,262	366,244	95,241	86,145
Total equity and liabilities		1,500,682	1,416,928	1,047,148	1,060,862

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


Eric Venpin
Director


Mike Mootien
Director

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
for the year ended 28 February 2025

Group

Notes	Share Capital	Share Premium	Convertible preference shares	Share application monies	Investment revaluation reserve	Foreign currency translation reserve	Accumulated losses	Non-controlling interest	Total Equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 01 March 2023	3,716	276,714	180,000	-	-	(217,565)	(64,098)	1,146	179,913
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 year	-	-	-	-	867	(61,677)	5,631	(564)	(55,743)
Profit for the year	-	-	-	-	-	-	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)
At 29 February 2024	3,716	276,714	180,000	-	16	(279,242)	(57,616)	86	123,674
Receipt of share application monies	-	-	-	35,000	-	-	-	-	35,000
Dividend	-	-	-	-	-	-	-	(916)	(916)
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	-
Income / (expense) and total comprehensive income / (expense) for the year	-	-	-	-	(636)	(32,384)	18,443	(88)	(14,665)
Profit for the year	-	-	-	-	-	-	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 on accounting for foreign entities	-	-	-	-	-	30,435	-	(94)	30,341
At 28 February 2025	3,716	276,714	180,000	35,000	(620)	(311,626)	(39,173)	(918)	143,093

Company

	Share capital	Share premium	Convertible preference shares	Share application monies	Accumulated losses	Total Equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 01 March 2023	3,716	276,714	180,000	-	(6,787)	453,643
Loss for the year	-	-	-	-	(12,021)	(12,021)
At 29 February 2024	3,716	276,714	180,000	-	(18,808)	441,622
Loss for the year	-	-	-	-	(52,851)	(52,851)
Receipt of share application monies	-	-	-	35,000	-	35,000
At 28 February 2025	3,716	276,714	180,000	35,000	(71,659)	423,771

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
for the year ended 28 February 2025

	Notes	Group		Company	
		28/02/25 USD'000	29/02/24 USD'000	28/02/25 USD'000	29/02/24 USD'000
Cash flows from operating activities:					
Cash generated from / (used in) operations	30	224,066	155,554	(14,779)	(49,442)
Income tax paid	8	(25,026)	(30,987)	(2,321)	(2,752)
<i>Net cash generated from / (used in) operating activities</i>		<u>199,040</u>	<u>124,567</u>	<u>(17,100)</u>	<u>(52,194)</u>
Cash flows from investing activities:					
Interest income		1,542	5,028	88	166
Purchase of investment at FVTOCI	15	(1,983)	(953)	-	-
Disposal of investment at FVTOCI	15	-	1,772	-	-
Net cash inflow on acquisition of subsidiary	31	-	148	-	-
Dividends received from investments at FVTOCI		59	44	-	-
Dividend received from related parties	32	-	-	1,708	840
Purchase of property, plant and equipment		(41,386)	(61,290)	-	-
Proceeds on disposal of property, plant and equipment		2,088	23,703	-	-
Pre-commencement lease payments		(1,189)	(1,101)	-	-
Purchase of intangible assets		(8,256)	(7,938)	-	-
Proceeds on disposal of intangible assets		-	84	-	-
Cash paid to long-term receivables from related parties		(337)	(9,115)	(2,235)	(2,047)
Cash received from long-term receivables from related parties		10,772	751	6,839	20,258
Decrease in long term receivables		(304)	-	-	-
<i>Net cash (used in) / generated from investing activities</i>		<u>(38,994)</u>	<u>(48,867)</u>	<u>6,400</u>	<u>19,217</u>
Cash flows from financing activities:					
Dividend paid		(1,090)	(360)	-	-
Finance costs paid		(60,251)	(57,504)	(4,940)	(2,510)
Receipt of share application monies		35,000	-	35,000	-
(Decrease) / increase in borrowings		(37,567)	28,603	(17,665)	42,441
Decrease in lease liabilities		(59,247)	(50,354)	-	-
Decrease in intercompany equity loans	24	-	-	(3,105)	-
Increase in long term intercompany borrowing	24	-	-	(1,854)	-
<i>Net cash (used in) / generated from financing activities</i>		<u>(123,155)</u>	<u>(79,615)</u>	<u>7,436</u>	<u>39,931</u>
Net (decrease) / increase in cash and cash equivalents		36,891	(3,915)	(3,264)	6,954
Cash and cash equivalents at beginning of the year		57,076	88,818	14,594	7,640
Translation of cash with respect to foreign operations		(8,174)	(27,827)	-	-
Cash and cash equivalents at end of the year		<u>85,793</u>	<u>57,076</u>	<u>11,330</u>	<u>14,594</u>
Represented by:					
Cash and cash equivalents	21	85,368	56,654	11,319	14,582
Restricted cash and cash equivalents	21	425	422	11	12
		<u>85,793</u>	<u>57,076</u>	<u>11,330</u>	<u>14,594</u>

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 28 February 2025

1. General information

Liquid Telecommunications Holdings Limited (trading as Liquid Intelligent Technologies) is a private company incorporated in Mauritius on 26 January 2007 and was granted a Category 2 – Global Business Licence Company as from 29 January 2007. The company's Global Business Licence (category 2) was converted to a Global Business Company licence on 30 June 2021. Its registered office is situated at 10th floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, Mauritius. The company's main activity is to carry on the business of a holding company in respect of subsidiary companies 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 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), on 5 April 2024.

1.1 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.

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.

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.

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 application of hyperinflationary accounting results in certain assets, liabilities, revenues and costs being reported in inflation adjusted terms as at 28 February 2025.

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 ("GPI"). The gains on the net monetary position of USD 306.7 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).

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2025

1.1 Zimbabwean currency and hyperinflation accounting (continued)

Hyperinflation accounting (continued)

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.

1.2 Application of New and Revised IFRS Accounting Standards

In the current year, the company and group have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 March 2024.

New and revised IFRSs and IFRICs applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities.
IAS 1	Presentation of Financial Statements - Amendments to defer the effective date of the January 2020 amendments.
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of debt with covenants.
IAS 7	Statement of Cash Flows - Amendments regarding supplier finance arrangements.
IFRS 7	Financial Instruments: Disclosure - Amendments regarding supplier finance arrangements.
IFRS 16	Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.

Impact of the above revised Standards:

IAS 1 - Presentation of Financial Statements:

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The group already applies this amendment.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2025

1.2 Application of New and Revised IFRS Accounting Standards (continued)

Impact of the above revised Standards (continued):

IAS 1 - Presentation of Financial Statements

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The group has applied this amendment.

IAS 7 - Statement of Cash Flows & IFRS 7 - Financial instruments

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments

This amendment does not impact the group, as the group does not have any supplier finance arrangements.

IFRS 16 - Leases

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

The group already applies this amendment.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2025

1.2 Application of New and Revised IFRS Accounting Standards (continued)

New and revised IFRSs and IFRICs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 21	The Effects of Changes in Foreign Exchange Rates - Lack of exchangeability (effective 1 January 2025).
IFRS 7	Financial Instruments: Disclosure - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026).
IFRS 9	Financial Instruments - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026).
IFRS 18	Presentation and Disclosures in Financial Statements – Original issue (effective 1 January 2027).
IFRS 19	Subsidiaries without Public Accountability: Disclosures – Original issue (effective 1 January 2027).

The directors anticipate that these IFRSs will be applied on their effective dates in the financial statements in future periods. The directors have estimated that the application of these amendments will not have material impacts in the financial statements in future periods.

2. Material accounting policy information

Basis of preparation

The consolidated and separate financial statements have been prepared under the historical cost convention, except for certain financial instruments carried at fair value and hyperinflation accounting in Zimbabwe (refer to note 1.1). The financial statements have been prepared in accordance with IFRS Accounting Standards. The material accounting policy information adopted in the preparation of these financial statements are set out below:

Historical cost is generally based on the fair value of the consideration given in exchange for the goods or services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the group and the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis except for share-based transactions which fall in the scope of IFRS 2, leasing transactions that are in the scope of IFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation 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 annual financial statements subject to the material uncertainty, as detailed in note 42.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) up to the reporting date each year. Control is achieved when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profits or losses and each component of the other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2. Material accounting policy information (continued)

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the equity interests issued by the group, liabilities incurred by the group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, except that:

- deferred tax or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Non-controlling interests are considered to be insignificant when the closing balance, individually and collectively, is 5% or lower of the combined total equity at year end. See note 13.2 for *Details of non-wholly owned subsidiaries that have material non-controlling interests*.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land is not depreciated.

Depreciation is charged so as to write off the cost to their residual values, over their estimated useful lives, using the straight-line method, on the following basis:

Buildings	20 - 50 years
Furniture and fittings	5 - 10 years
Computer equipment	2 - 10 years
Network equipment	5 years
Motor vehicles	4 - 5 years
Fibre infrastructure	5 - 25 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gains and losses arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying value of the asset and is recognised in profit or loss.

2. Material accounting policy information (continued)

Property, plant and equipment (continued)

Work in progress relates to an asset under construction that has not yet been put into use. The asset is not subject to depreciation while in the construction phase. Once the asset is fully developed and available for use, depreciation will start.

Investment in associate

An associate is an entity over which the group has significant influence through holding, directly or indirectly, of 20 percent or more of the voting power of the associate, but that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately as a 'bargain purchase gain' in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 "Impairment of Assets" are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of the impairment loss is recognised in accordance with IAS 36 "Impairment of Assets" to the extent that the recoverable amount of the investment subsequently increases.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or part of the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter by an increase or decrease in the carrying amount of the investee by the group's share of profit or loss of the investee.

When the group's share of losses of an associate exceeds the group's interest in that associate (which includes any long-term interest that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

Investment in subsidiaries

In the company's financial statements, investments in subsidiaries are measured and valued at cost less impairment.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows has not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2025

2. Material accounting policy information (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses in bringing the items to their present location and condition. The cost of inventory is calculated using the Average Cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value (excluding trade receivables which are recognised at transaction price in terms of IFRS 15). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets are classified into the following specified categories:

- Amortised cost;
- Fair Value Through Other Comprehensive Income (FVTOCI); and
- Fair Value Through Profit or Loss (FVTPL).

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below); and
- the group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the consolidated statement of profit or loss after Operating profit.

All financial assets on the consolidated statement of financial position, with the exception of investments are classified at amortised cost.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

(ii) Equity instruments designated as at FVTOCI (continued)

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, that is dividends are recognised when the entity's right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably. Dividends are recognised in statement of profit or loss unless they clearly represent recovery of a part of the cost of the investment, in which case they are deducted from the cost of investment.

The group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

However, IFRS 9 observes that in limited circumstances, cost may provide an appropriate estimate of fair value. This would be the case if sufficient more recent information is not available to measure fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The directors considered the requirements of IFRS 9 and are of the opinion that cost is the best estimate for fair value for these investments in equity.

(iii) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost, exchange differences are recognised in the statement of profit or loss in the 'Net foreign exchange (loss) / gain' line item;
- for equity instruments measured at FVTOCI, exchange differences are recognised in the statement of other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the receivable, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the receivable's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the receivable;
- significant increases in credit risk on other financial instruments of the same receivable; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the receivable's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group).

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (d) the disappearance of an active market for that financial asset because of financial difficulties.

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iv) Write-off policy

The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed in liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, after the group has exhausted all efforts to recover such trade receivables, which ever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of profit or loss.

(v) Measurement and recognition of expected credit losses (ECL)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information (including for example macroeconomic developments).

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

The group makes provision on the following basis, which falls under stage 3 of the ECL model:

- 100% of all non-intercompany trade debts aged 90 days or older (see exception below),
- 100% of the balance due from a client who has a publicised case of either Curatorship, Judicial Management, Liquidation, Scheme of Arrangement and Insolvency and its operations might have ceased or are being wound up, and
- 100% of any disputed balances

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The following are areas where management considers that the risk of default is minimal to nil and no provision is provided unless management assess that the credit risk has increased:

- Payment plans - A signed acknowledgment of debt with a payment plan and/or a set-off agreement exists and the client is abiding by the terms of these agreements. If the client does not comply with the payment plans, the services are stopped. If they still do not pay, the group will engage legal counsel to pursue recovery from the client. Historically and in most cases, customers do pay when legal letters are issued. When the client is unable to pay due to cash flow issues (hence, increased credit risk), a provision is made.
- Payment history – The customer's payment trend is in intervals, say quarterly, bi-annually or annually and its history is evidenced on their customer statement. This is usually applicable to government bodies and strategic clients.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss. In addition, on derecognition of an investment in equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the statement of profit or loss, but is transferred to retained earnings.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2025

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised when the proceeds are received, net of direct issue costs.

A repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Share capital and share premium are classified as equity.

Financial liabilities

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial liabilities comprise of long and short term borrowings, other long term payables, trade and other payables and lease liabilities.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Net foreign exchange (loss) / gain' line item in the statement of profit or loss.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

Derivatives

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Embedded derivatives are disclosed separately in the consolidated statement of financial position. Embedded derivatives relating to financial assets and financial liabilities are not bifurcated.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2025

2. Material accounting policy information (continued)

Cash or cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Restricted cash comprises cash held in restricted accounts for bank guarantees and customer deposits.

Financing activities include dividends paid. Interest paid is included in financing activities.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities arising from the taxable temporary differences associated with investments in subsidiaries, branches and associates are not recognised if the company has both the ability to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the consolidated statement of profit or loss, except when they relate to items recognised in other comprehensive income, in which case the tax is also recognised in other comprehensive income, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

2. Material accounting policy information (continued)

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it.

Revenue recognition

The group recognises revenue from the following major sources:

- Network - primarily revenue from long haul and metro networks;
- 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.

Revenue is measured based on the consideration to which the group expects to be entitled from a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer. Depending on whether certain criteria are met, revenue is recognised:

- Over time, in a manner that best reflects the delivery of the group's performance obligations; or
- At a point in time, when control of the goods or services is transferred to the customer.

The group accounts for a contract with a customer only when there is evidence of an arrangement, the group can identify each party's rights regarding the goods and services to be transferred, the contract has commercial substance and collectability is reasonably assured.

- Network: The performance obligation relating to these service contracts consists of two parts; firstly the installation of the equipment and/or connection of the service, the Non-Recurring Revenue (NRR), and secondly the provisioning of monthly services, the Monthly Recurring Revenue (MRR).

The majority of these contracts only have one performance obligation even though the different parts of the service contracts are interrelated. Therefore, both the NRR and MRR components of the contract will be recognised over the period of the contract. Transaction prices are determined based on signed contracts, which take into account equipment and data rates determined at market related prices with the client for the NRR and MRR components. Deferred revenue (contract liability) is raised for the NRR payment received upfront. Customers are invoiced once for NRR and on a monthly basis for MRR. A receivable (contract asset) is raised as the service is delivered.

- C2: The majority of these contracts have one performance obligation that is recognised when the service is made available to customers on-demand via remote connection to a cloud computing server. The connection of the service performance obligation is satisfied on completion of connection as ownership is transferred. The provisioning of a service is recognised monthly as this is when the service is delivered. The transaction price is determined by the signed contract, which takes into account the rates determined at market related prices. Customers are invoiced once for NRR and on a monthly basis for MRR. A receivable (contract asset) is raised as the service is delivered.

- Dataport: The performance obligation relating to these service contracts consists of two parts; firstly the installation of the equipment and/or connection of the service, the Non-Recurring Revenue (NRR), and secondly the provisioning of monthly services, the Monthly Recurring Revenue (MRR).

The majority of these contracts only have one performance obligation which is the provisioning of a monthly service that is satisfied over time. Therefore, both the NRR and MRR components of the contract will be recognised over the period of the contract. Transaction prices are determined based on signed contracts, which take into account equipment and data rates determined at market related prices with the client for the NRR and MRR components. Deferred revenue is raised for the NRR payment received upfront. Customers are invoiced once for NRR and on a monthly basis for MRR. A receivable (contract asset) is raised as the service is delivered.

- Voice Traffic: The performance obligation relating to wholesale voice traffic is to provide voice minutes for the duration of the call until termination. The transaction price is determined based on agreed upon per minute rates and the duration of the call. Revenue relating to wholesale voice is recognised at the point the call is terminated, as this is the point the service is delivered to the customer. Customers are invoiced monthly based for their voice usage and a receivable (contract asset) is raised as the service has been delivered.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2025

2. Material accounting policy information (continued)

Revenue recognition (continued)

Revenue recognition is applied to individual contracts with customers. However, the International Accounting Standards Board (IASB) recognised that there may be situations in which it may be more practical for an entity to combine contracts for revenue recognition purposes rather than attempt to account for each contract separately.

In addition to revenue recognition for revenue streams mentioned above, based on the nature of the group's business operations, from time to time management enters into contracts with customers that include unique contractual terms and other elements that fall outside of the group's general contract terms and conditions. Such contracts are considered dynamic in nature and encapsulate other performance obligations which are not in line with the group's main business operations. These contracts are entered into on an ad-hoc basis for larger contracts and as a result are accounted for separately.

Management fees

Management fees are recognised when the right to receive payment has been established.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in US Dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in statements of profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in statements of profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (excluding foreign operations which have the currency of a hyperinflationary economy) are expressed in US Dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the year.

Exchange differences arising on translation of foreign operations, if any, are recognised in other comprehensive income and accumulated under the group's translation reserve. Such translation differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate on the closing date.

Leases

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a Right-of-Use asset and a corresponding lease liability with respect to all lease arrangements, including the lease duration (including any extension or termination options), in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, which are short term and low value, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The group does not have leases with variable payments and has an insignificant amount of leases of low value assets.

2. Material accounting policy information (continued)

Leases (continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related Right-of-Use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Right-of-Use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provisions, contingent liabilities and contingent assets". To the extent that the costs relate to a Right-of-Use asset, the costs are included in the related Right-of-Use asset, unless those costs are incurred to produce inventories.

Right-of-Use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the Right-of-Use asset reflects that the group expects to exercise a purchase option, the related Right-of-Use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Right-of-Use assets are presented as a separate line in the consolidated statement of financial position.

The group applies IAS 36 "Impairment of Assets" to determine whether a Right-of-Use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of tangible and intangible assets excluding goodwill' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the Right-of-Use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Administrative expenses' in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has elected that any existing lease comprising of both components to be treated as a lease. The group has elected not to separate non-lease components from lease components, and instead account for each lease component and associated non-lease component as a single lease component. The practical expedient has been applied to fibre infrastructure, motor vehicles, site leases, land and buildings. The practical expedient will not apply where the costs associated with the above leases are treated and invoiced separately by the lessors and therefore accounted in accordance with other applicable accounting standards.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2025

2. Material accounting policy information (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowing costs are expensed in the year in which they are incurred.

Intangible assets

Intangible assets acquired are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives, on the following basis:

Operating Licence	10 - 25 years
Computer Software	2 - 8 years
Customer relationships	3 - 5 years
Other Intangible Assets*	3 - 10 years

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

Upon acquisition of Liquid Telecommunications South Africa (Pty) Limited, Zanlink Limited and Raha Limited a valuation was assigned to the existing customer base of each entity and is classified as Customer relationships in Intangible assets (note 10).

The estimated useful lives and amortisation method are reviewed at the end of each annual reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statements of profit or loss and other comprehensive income when the asset is derecognised.

Cash flows

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, restricted cash, treasury bills and deposits held, less bank overdrafts all of which are available for use by the company unless otherwise stated.

Equity Loans

Equity loans to subsidiaries arising on acquisition are recognised in investments in subsidiaries on the date of acquisition.

3. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the group's accounting policies (note 2), management has made the following critical accounting judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements:

Critical accounting judgements

(i) Revenue recognition

As mentioned in note 2 - *Material accounting policy information*, 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.

For more details on the accounting policy, see 'Revenue recognition' in note 2 - *Material accounting policy information*.

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

Critical accounting judgements (continued)

(ii) 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 40 - *Contingent liabilities* for further disclosure.

For more details on the accounting policy, see 'Provisions' in note 2 - *Material accounting policy information*.

(iii) *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 annual 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 4 - *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 annual 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.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2025

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

(iii) *Going concern (continued)*

Equity capital funding (continued)

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 sources of estimation uncertainty

(i) 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 present value of the recoverable amount.

For more details on the accounting policy, see note 2 - *Material accounting policy information* and for movement in balances including sensitivity analysis, see note 9 - *Goodwill*.

(ii) Impairment of investment

The assessment of whether there is an impairment in the carrying value of an investment requires an estimation of the value in use of the cash generating unit to which the investment relates. 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.

For more details on the accounting policy, see 'Investment in subsidiaries' in note 2 - *Material accounting policy information* and for movement in balances including sensitivity analysis, see note 13 - *Investments in subsidiaries*.

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4. Revenue and segment information

4.1 Segment revenue and results

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, that also represents the basis on which the Chief Operating Decision Maker reviews segment results, is Adjusted EBITDA.

Adjusted EBITDA is defined as earnings before profit, 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
- Fair value loss on derivatives assets
- Gain on disposal of investments at Fair Value Through Other Comprehensive Income
- Net foreign exchange loss (see note 5.6)
- Hyperinflation monetary gain (see note 1.1)
- Share of profits of associate

The following is an analysis of the group's revenue and results by reportable segment for the:

Year ended 28 February 2025

	South		Rest of	Rest of	Central	Eliminations	Total
	Africa	Zimbabwe	Africa	the World	Administration		
	USD'000	USD'000	USD'000	USD'000	Costs*	USD'000	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	-
Group External Revenue	274,557	172,418	150,455	96,104	-	-	693,534
Adjusted EBITDA	91,017	100,662	43,918	49,063	(22,396)	2,763	265,027
Depreciation, impairment and amortisation							(124,666)
Restructuring costs							(3,619)
Interest income							24,291
Finance costs							(101,847)
Net foreign exchange loss							(321,579)
Hyperinflation monetary gain							306,722
Share of profits of associate							14
Profit before taxation							44,343
Tax expense							(25,894)
Profit for the year							18,449

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

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4. Revenue and segment information (continued)

4.1 Segment revenue and results (continued)

Year ended 29 February 2024

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	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	-
Group External Revenue	241,403	167,601	154,028	123,686	-	-	686,718
Adjusted EBITDA	78,816	85,387	42,157	76,267	(16,484)	(8,869)	257,274
Depreciation, impairment and amortisation							(115,052)
Acquisition and other investment costs							(106)
Gain on bargain purchase							272
Interest income							24,610
Finance costs							(79,894)
Net foreign exchange loss							(440,858)
Hyperinflation monetary gain							386,603
Share of profits of associate							21
Profit before taxation							32,870
Tax expense							(27,592)
Profit for the year							5,278

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

The accounting policies of the reportable segments are the same as the group's accounting policies described in note 2.

For the year ended 28 February 2025, there is only 1 major customer** comprising more than 10% of the total group revenue (2024: only 1 major customer). The revenue from this customer is spread across the 4 segments.

** the customer name and revenue have not been disclosed due to confidentiality of information.

The following tables show the timing of revenue recognition:

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Year ended 28 February 2025					
Recognised over the life of the contract as per IFRS 15	255,949	156,253	130,229	72,433	614,864
Recognised immediately on delivery of the service	18,608	16,165	20,226	23,671	78,670
	<u>274,557</u>	<u>172,418</u>	<u>150,455</u>	<u>96,104</u>	<u>693,534</u>
Year ended 29 February 2024					
Recognised over the life of the contract as per IFRS 15	198,125	153,520	121,674	95,797	569,116
Recognised immediately on delivery of the service	43,278	14,081	32,354	27,889	117,602
	<u>241,403</u>	<u>167,601</u>	<u>154,028</u>	<u>123,686</u>	<u>686,718</u>

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4. Revenue and segment information (continued)

4.2 Segment assets and liabilities (continued)

	<u>28/02/25</u>	<u>29/02/24</u>
	USD'000	USD'000
Segment assets		
South Africa	639,934	570,616
Zimbabwe	271,047	239,600
Rest of Africa	357,409	336,931
Rest of the World	232,292	269,781
Consolidated total assets	<u>1,500,682</u>	<u>1,416,928</u>
Segment liabilities		
South Africa	241,382	183,684
Zimbabwe	79,879	28,982
Rest of Africa	179,972	162,076
Rest of the World	63,661	99,314
Total segment liabilities	564,894	474,056
Group Borrowings (USD 620 million 5.5% Senior Secured Notes, embedded derivatives, USD 220 million equivalent South African Rand term loan and USD 60 million revolving credit facility - note 23)	792,695	819,198
Consolidated total liabilities	<u>1,357,589</u>	<u>1,293,254</u>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments.
- all liabilities are allocated to reportable segments other than group borrowings.

4.3 Other segment information

	Depreciation, impairment and amortisation		Additions to property, plant and equipment, Right-of-Use assets and intangible assets	
	<u>28/02/25</u>	<u>29/02/24</u>	<u>28/02/25</u>	<u>29/02/24</u>
	USD'000	USD'000	USD'000	USD'000
South Africa	57,734	54,517	75,925	77,469
Zimbabwe	13,698	10,845	7,964	4,468
Rest of Africa	7,334	28,480	31,124	42,323
Rest of the World	45,900	21,210	7,743	21,353
	<u>124,666</u>	<u>115,052</u>	<u>122,756</u>	<u>145,613</u>

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5. Profit / (loss) before taxation

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000

5.1 Profit / (loss) before taxation is arrived at after taking the following into account:

Fees payable to auditors for audit services	3,054	2,335	576	220
Fees payable to auditors for non-audit services	68	107	-	-
Consultancy fees	7,540	7,888	1,287	2,019
Management fee expense (note 32)	600	510	18,258	24,376

5.2 Net other income

Gain on disposal of property, plant and equipment	984	253	-	-
(Loss) / profit on disposal of Right-of-Use assets	(133)	1,554	-	-
Management fees income (note 32)	1,685	3,686	20,860	32,881
Sundry (expense) / income*	(865)	6,741	1	6,381
	1,671	12,234	20,861	39,262

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

5.3 Staff costs

Wages and salaries	90,353	83,403	5,591	514
Social security costs	12,295	13,906	-	-
Defined contribution plans expense	8,140	8,458	-	-
Other staff costs	6,205	4,878	-	-
	116,993	110,645	5,591	514

The group operates defined contribution retirement benefit plans for all qualifying employees in accordance with the regulations of each jurisdiction. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the benefits. The only obligation of the group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in statement of profit or loss of USD 8.1 million (29 February 2024: USD 8.5 million) represents contributions paid to these plans by the group at rates specified in the rules of the plans.

5.4 Depreciation, impairment and amortisation

Depreciation (note 11)	56,560	56,854	57	25
Amortisation of intangible assets (note 10)	11,392	9,724	3,812	2,139
Right-of-Use assets depreciation (note 12)	52,127	46,973	-	-
Inventory written off (note 19)	8	5	-	-
Provision for obsolete inventory (note 19)	590	148	-	-
Impairment of other receivables	3,702	-	-	-
Impairment of investment in subsidiary (note 13.1)	-	-	12,195	-
Write off of property, plant and equipment (note 11)	-	5	-	-
Impairment of property, plant and equipment (note 11)	287	1,285	-	-
Impairment of intangible assets (note 10)	-	58	-	-
Write off of long term intercompany receivable (note 18)	-	-	14,401	-
	124,666	115,052	30,465	2,164

5.5 Acquisition and other investment costs

Professional fees	-	60	-	60
Other investment costs	-	46	-	46
	-	106	-	106

5.6 Net foreign exchange (loss) / gain

Exchange losses - unrealised	(320,150)	(447,307)	(115)	(42)
Exchange losses - realised	(35,804)	(19,315)	(5)	-
Exchange gains - unrealised	31,897	23,043	154	385
Exchange gains - realised	2,478	2,721	-	-
	(321,579)	(440,858)	34	343

6. Interest income

Interest received from external parties	1,542	5,028	88	166
Interest received from related parties (note 32)	22,749	19,582	23,252	23,757
	24,291	24,610	23,340	23,923

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7. Finance costs	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Interest on loans	27,419	23,339	5,228	2,531
Finance cost on Senior Secured Notes	34,100	34,100	-	-
Finance arrangement fees amortised	3,630	3,614	-	-
Interest on lease liabilities	36,348	18,509	-	-
Interest paid to related parties (note 32)	350	332	29,499	29,481
	101,847	79,894	34,727	32,012

8. Tax expense	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Current taxation	24,982	24,535	-	-
Deferred taxation credit (note 17)	(9,195)	(5,611)	-	-
Withholding taxation	10,107	8,668	2,321	2,752
Total tax expense	25,894	27,592	2,321	2,752

The charge / (credit) for the year can be reconciled to profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

Profit / (loss) before taxation	44,343	32,870	(50,530)	(9,269)
Taxation at domestic rate for foreign subsidiaries in tax paying jurisdictions	5,232	23,820	(7,579)	(1,390)
Tax effect of non-deductible expenses	15,084	4,115	3,373	28
Tax effect of non-taxable income	(9,487)	(35,021)	-	-
Tax effect of foreign tax credit	(998)	(504)	-	-
Effect of tax losses not recognised as deferred tax assets	3,518	6,692	4,206	1,363
Tax effect of utilised unrecognised tax losses	(949)	(2,187)	-	-
Tax effect on IAS 29 adjustments	3,387	22,009	-	-
Withholding taxation	10,107	8,668	2,321	2,752
	25,894	27,592	2,321	2,752

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%

Taxation asset:

Opening balance	5,277	3,098	-	-
Acquisition of subsidiary (note 31)	-	76	-	-
Provision / (reversal) for the year	10	22	-	-
Payments during the year	362	575	-	-
Net reclassification of deferred tax assets / liabilities	1	2,138	-	-
Net reclassification of tax assets / liabilities	(1,506)	-	-	-
Foreign exchange differences	(1,191)	(632)	-	-
Closing balance	2,953	5,277	-	-

Taxation liability:

Opening balance	(10,572)	(10,828)	-	-
Acquisition of subsidiary (note 31)	-	(72)	-	-
Provision for the year	(35,099)	(33,225)	(2,321)	(2,752)
Payments during the year	24,664	30,412	2,321	2,752
Net reclassification of deferred tax assets / liabilities	(215)	(2,138)	-	-
Net reclassification of tax assets / liabilities	1,506	-	-	-
Foreign exchange differences	950	5,279	-	-
Closing balance	(18,766)	(10,572)	-	-

9. Goodwill

Cost	Group	
	28/02/25	29/02/24
	USD'000	USD'000
Opening balance	73,990	76,576
Foreign exchange differences	2,099	(2,586)
Closing balance	76,089	73,990

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9. Goodwill (continued)

Goodwill acquired in a business combination is allocated at acquisition to the cash generating units (CGUs) that are expected to benefit from that business combination.

	Group	
	<u>28/02/25</u>	<u>29/02/24</u>
	USD'000	USD'000
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
	<u>76,089</u>	<u>73,990</u>

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 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.

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10. Intangible assets

Group	Operating	Computer	Customer	Work in	Other	Total
	Licence	Software	Relationships	Progress	Intangible Assets*	
Cost:	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 01 March 2023	32,394	36,352	26,350	3,104	47,122	145,322
Acquisition of subsidiary (note 31)	-	-	82	-	-	82
Additions during the year	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
At 29 February 2024	31,390	40,872	24,713	3,046	45,087	145,108
Additions during the year	2,352	5,115	-	789	-	8,256
Disposals during the year	-	(6,236)	-	-	-	(6,236)
Transfers	2,719	852	-	(852)	(2,719)	-
Transfer to pre-commencement lease payments	149	888	-	(60)	-	977
Write off	-	(729)	-	-	-	(729)
Foreign exchange differences	(2,239)	(522)	1,266	-	1,525	30
Adjustments - IAS 29	2,655	1,454	-	-	-	4,109
At 28 February 2025	37,026	41,694	25,979	2,923	43,893	151,515
Accumulated amortisation:						
At 01 March 2023	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
At 29 February 2024	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 to Right-of-Use assets (note 12)	28	888	-	-	-	916
Write off	-	(729)	-	-	-	(729)
Foreign exchange differences	(1,447)	(17)	492	-	1,292	320
Adjustments - IAS 29	1,612	451	-	-	-	2,063
At 28 February 2025	15,606	30,989	23,360	-	22,748	92,703
Carrying amount:						
At 29 February 2024	18,420	10,650	4,022	3,046	23,993	60,131
At 28 February 2025	21,420	10,705	2,619	2,923	21,145	58,812

* 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).

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10. Intangible assets (continued)

Company	Software	Work in Progress	Total
	USD'000	USD'000	USD'000
Cost:			
At 01 March 2023	4,858	155	5,013
Additions during the year	1,987	2,272	4,259
Transfers	2,226	(2,226)	-
Disposals during the year	-	(84)	(84)
At 29 February 2024	9,071	117	9,188
Additions during the year	3,621	767	4,388
Transfers	829	(829)	-
Transfer from / (to) Property, plant and equipment	21	(55)	(34)
At 28 February 2025	13,542	-	13,542
Accumulated amortisation:			
At 01 March 2023	2,769	-	2,769
Amortisation	2,139	-	2,139
At 29 February 2024	4,908	-	4,908
Amortisation	3,812	-	3,812
At 28 February 2025	8,720	-	8,720
Carrying amount:			
At 29 February 2024	4,163	117	4,280
At 28 February 2025	4,822	-	4,822

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11. Property, plant and equipment

Group	Land and buildings	Furniture and fittings	Computer equipment	Network equipment	Motor vehicles	Work in progress	Fibre infrastructure	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost								
At 01 March 2023	16,027	9,527	28,237	93,659	9,788	40,383	898,939	1,096,560
Acquisition of subsidiary (note 31)	-	4	97	-	-	-	-	101
Additions during the year	231	2,159	2,110	3,797	761	14,991	41,436	65,485
Disposals during the year	(1,007)	(2,775)	(2,702)	(30,589)	(197)	(1,282)	(34,818)	(73,370)
Transfer from Right-of-Use assets	-	-	-	515	-	-	-	515
Reclassification	-	-	-	-	-	2,257	-	2,257
Impairment	-	-	-	-	-	-	(1,285)	(1,285)
Transfer to inventory (note 19)	-	-	(5)	-	-	-	(6,688)	(6,693)
Write offs	-	-	-	-	-	(5)	-	(5)
Transfers	-	68	34	27,410	-	(27,927)	415	-
Transfer from inventory (note 19)	-	-	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
At 29 February 2024	14,671	8,767	26,704	83,807	9,913	27,120	863,096	1,034,078
Additions during the year	-	659	883	2,119	89	30,284	10,743	44,777
Disposals during the year	-	(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 10)	-	-	37	(701)	11	-	(324)	(977)
Transfer to prepayments (note 20)	-	-	-	-	-	(107)	-	(107)
Transfer to inventory (note 19)	-	-	-	-	-	(61)	-	(61)
Foreign exchange differences	(1,143)	(1,427)	(402)	2,023	(3,284)	(4,106)	(142,943)	(151,282)
Adjustments - IAS 29	1,460	1,416	841	1,266	3,277	5,330	150,985	164,575
At 28 February 2025	14,988	9,514	22,616	90,834	9,775	27,628	895,024	1,070,379
Accumulated depreciation								
At 01 March 2023	5,729	7,768	25,478	88,285	6,697	(2,257)	438,817	570,517
Acquisition of subsidiary (note 31)	-	3	54	-	-	-	-	57
Depreciation charge for the year	279	666	1,243	7,649	559	-	46,458	56,854
Disposals during the year	(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
At 29 February 2024	4,933	5,258	22,929	60,768	6,766	-	449,720	550,374
Depreciation charge for the year	280	967	1,544	8,000	544	-	45,225	56,560
Disposals during the year	-	(68)	(4,661)	(980)	(133)	-	(12,575)	(18,417)
Write offs	-	-	(709)	(91)	-	-	-	(800)
Impairment	-	-	(1)	(15)	-	-	-	(16)
Transfers	-	-	-	(517)	-	-	517	-
Transfer from intangible assets (note 10)	-	(22)	(6)	(562)	4	-	(330)	(916)
Foreign exchange differences	174	(831)	36	454	(1,732)	-	(58,951)	(60,850)
Adjustments - IAS 29	-	640	191	803	1,332	-	65,488	68,454
At 28 February 2025	5,387	5,944	19,323	67,860	6,781	-	489,094	594,389

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11. Property, plant and equipment (continued)

Group (continued)

	Land and buildings USD'000	Furniture and fittings USD'000	Computer equipment USD'000	Network equipment USD'000	Motor vehicles USD'000	Work in progress USD'000	Fibre infrastructure USD'000	Total USD'000
Carrying amount:								
At 29 February 2024	9,738	3,509	3,775	23,039	3,147	27,120	413,376	483,704
At 28 February 2025	9,601	3,570	3,293	22,974	2,994	27,628	405,930	475,990

Refer to note 23 for details of security over property, plant and equipment.

In Property, plant and equipment, during the year ended 28 February 2025, USD 0.3 million assets were impaired as they were deemed to be unusable, they relate to the Rest of Africa segment. (29 February 2024: USD 1.3 million). No further impairment was required following the review of the carrying value of Property, plant and equipment of the group and company by the directors.

Company

Cost

	Computer equipment USD'000
At 01 March 2023	108
Additions	68
At 29 February 2024	176
Additions	52
Transfer from / (to) Intangible assets	34
At 28 February 2025	262
Accumulated depreciation:	
At 01 March 2023	66
Depreciation charge for the year	25
At 29 February 2024	91
Depreciation charge for the year	57
At 28 February 2025	148
Carrying amount:	
At 29 February 2024	85
At 28 February 2025	114

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12. Right-of-Use assets
Group

	Land and buildings	Furniture and fittings	Network equipment	Motor vehicles	Fibre infrastructure	Fibre Optical - IRU	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:							
At 01 March 2023	101,169	-	52,324	2,081	87,247	148,285	391,106
Additions during the year	8,580	-	11,905	-	45,849	5,856	72,190
Disposals during the year*	(10,086)	-	(20,396)	-	(2,588)	(462)	(33,532)
Write offs	(1,039)	-	-	-	-	-	(1,039)
Transfer from pre-commencement lease payments**	-	-	-	-	-	200	200
Transfer to Property, plant and equipment	-	-	-	-	-	(515)	(515)
Transfers	-	-	-	-	76	(76)	-
Transfer to inventory	-	-	-	-	(449)	-	(449)
Foreign exchange differences	(43,780)	-	(2,505)	(134)	(3,502)	(1,785)	(51,706)
Adjustments - IAS 29	15,447	-	-	-	-	-	15,447
At 29 February 2024	70,291	-	41,328	1,947	126,633	151,503	391,702
Additions during the year	7,805	231	2,340	1,698	55,738	1,911	69,723
Disposals during the year*	(4,120)	-	(2,554)	(153)	(700)	(909)	(8,436)
Transfers	(4,068)	-	-	-	4,068	-	-
Foreign exchange differences	(11,938)	(10)	(2,492)	(5)	1,668	756	(12,021)
Adjustments - IAS 29	12,713	-	-	-	-	-	12,713
At 28 February 2025	70,683	221	38,622	3,487	187,407	153,261	453,681
Accumulated depreciation:							
At 01 March 2023	37,073	-	31,999	1,675	31,575	67,465	169,787
Write offs	(1,039)	-	-	-	-	-	(1,039)
Depreciation	9,153	-	11,523	193	18,046	8,058	46,973
Disposals during the year*	(5,615)	-	(20,370)	-	(2,274)	(13)	(28,272)
Reclassification	-	-	-	-	-	(249)	(249)
Transfers	-	-	-	-	57	(57)	-
Foreign exchange differences	(7,562)	-	(1,453)	(100)	(1,824)	(1,432)	(12,371)
Adjustments - IAS 29	(83)	-	-	-	-	-	(83)
At 29 February 2024	31,927	-	21,699	1,768	45,580	73,772	174,746
Depreciation	10,607	142	10,050	319	23,222	7,787	52,127
Disposals during the year*	(3,121)	-	(2,541)	(131)	(697)	(656)	(7,146)
Transfers	(2,686)	-	-	-	2,686	-	-
Foreign exchange differences	919	(6)	(1,771)	39	907	404	492
Adjustments - IAS 29	454	-	-	-	-	-	454
At 28 February 2025	38,100	136	27,437	1,995	71,698	81,307	220,673
Carrying amount:							
At 29 February 2024	38,364	-	19,629	179	81,053	77,731	216,956
At 28 February 2025	32,583	85	11,185	1,492	115,709	71,954	233,008

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12. Right-of-Use assets (continued)

Group (continued)

No impairment was required following the review of the carrying value of Right-of-Use assets by the directors for the year ended 28 February 2025 (29 February 2024: Nil).

* 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.

The group leases several assets including land and buildings, computer equipment, furniture and fittings, network equipment, motor vehicles and fibre infrastructure. The average lease term is 5 years (29 February 2024: 5 years). For some of the lease contracts, the group has the option to purchase the assets at the end of the lease terms.

The maturity analysis of lease liabilities is presented in note 29.

Amounts recognised in consolidated statement of profit or loss	<u>28/02/25</u>	<u>29/02/24</u>
	<u>USD'000</u>	<u>USD'000</u>
Right-of-Use assets depreciation (note 5.4)	52,127	46,973
Interest on lease liabilities (note 7)	36,348	18,509

The group does not have leases with variable payments and has an insignificant amount of leases of low value assets. The total cash outflow for leases amount to USD 59.2 million (29 February 2024: 50.4 million).

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13. Investments in subsidiaries

13.1 Subsidiaries

Name of Company	Principal business activity	Country of Incorporation/ Principal place of business	Status	Percentage Holding	Company	
					28/02/25	29/02/24
				%	USD'000	USD'000
▪ Liquid Telecommunications Operations Limited	H Telecommunications	Mauritius	Active	100	-	-
▪ Transaction Payment Solutions Indian Ocean Limited	S Transaction Payment Solutions & Technology	Mauritius	Active	100	-	-
▪ Liquid Telecommunications Limited	H Telecommunications & Technology	United Kingdom	Active	100	8,000	8,000
▪ Transaction Payment Solutions International Limited	H Transaction Payment Solutions & Technology	Mauritius	Active	100	-	-
▪ Transaction Payment Solutions Botswana (Pty) Limited	S Transaction Payment Solutions & Technology	Botswana	Active	100	-	-
▪ Transaction Payment Solutions Kenya Limited	S Transaction Payment Solutions & Technology	Kenya	Active	99	-	-
▪ Transaction Payment Solutions Zambia Limited	S Transaction Payment Solutions & Technology	Zambia	Active	99.995	-	-
▪ Transaction Payment Solutions Nigeria Limited	S Transaction Payment Solutions & Technology	Nigeria	Active	100	-	-
▪ Transaction Payment Solutions South Africa (Pty) Limited t/a Paybay	S Transaction Payment Solutions & Technology	South Africa	Active	100	-	-
▪ Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe**	H Telecommunications	Zimbabwe	Active	100	256,749	256,749
▪ Zimbabwe Online (Private) Limited	S Telecommunications	Zimbabwe	Active	100	-	-
▪ Liquid Telecommunications Zambia Limited	H Telecommunications	Zambia	Active	100	52,197	52,197
▪ HAI Telecommunications Limited	S Telecommunications	Zambia	Dormant	100	-	-
▪ Liquid Telecommunications Kenya Limited*	H Telecommunications	Kenya	Active	79.99	43,052	43,052
▪ Liquid Telecommunications Uganda Limited	H Telecommunications	Uganda	Active	99.99	1,463	1,463
▪ Liquid Telecommunications Rwanda Limited	H Telecommunications	Rwanda	Active	70	5,090	5,090
▪ Liquid Telecom DRC S.A.	H Telecommunications	Democratic Republic of Congo	Active	99	8,940	8,940

* The company continues to have 100% economic interest in Liquid Telecommunications Kenya Limited as at 28 February 2025.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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13. Investments in subsidiaries (continued)

13.1 Subsidiaries (continued)

Name of Company	Principal business activity	Country of Incorporation/ Principal place of business	Status	Percentage Holding	Company	
					28/02/25	29/02/24
				%	USD'000	USD'000
▪ Liquid Telecommunications Operations Mozambique Limitada	H Telecommunications	Mozambique	Dormant	100	-	2
▪ Liquid Vision Media (Pty) Limited	S Telecommunications	South Africa	Dormant	100	-	-
▪ Liquid Telecommunications Tanzania Limited	H Telecommunications	United Republic of Tanzania	Dormant	100	-	-
▪ Africa Digital Networks SASU	H Telecommunications	Democratic Republic of Congo	Active	100	100	100
▪ Liquid Telecommunications International FZE	H Telecommunications	United Arab Emirates	Active	100	545	545
▪ Liquid Telecommunications Botswana (Pty) Limited	H Telecommunications	Botswana	Active	100	5,150	10,731
▪ Liquid Telecommunications Financing PLC	H Financing for group	United Kingdom	Active	100	130	130
▪ Liquid Telecommunications Investments Limited	S Financing for group	United Kingdom	Active	100	-	-
▪ Raha Tanzania Holdings Limited	H Telecommunications	Mauritius	Active	70	12,650	12,650
▪ Raha Limited	S Telecommunications	United Republic of Tanzania	Active	100	-	-
▪ Zanlink Limited	S Telecommunications	United Republic of Tanzania	Active	70	-	-
▪ Liquid Telecommunications Holdings South Africa (Pty) Limited*	H Telecommunications	South Africa	Active	100	254,167	254,167
▪ Liquid Telecommunications Operations South Africa (Pty) Limited	S Telecommunications	South Africa	Dormant	100	-	-
▪ Liquid Telecommunications South Africa (Pty) Limited*	S Telecommunications	South Africa	Active	100	-	-
▪ Liquid Telecommunications Sahara Holdings Limited	H Telecommunications	Mauritius	Active	100	1	1
▪ Liquid Telecommunications Co. Limited	S Telecommunications	Sudan	Dormant	100	-	-
▪ Liquid Telecom West Africa Data Centre Ghana Limited	H Telecommunications	Ghana	Dormant	100	-	-
▪ Worldstream (Pty) Limited	H Telecommunications	South Africa	Active	71	2,364	8,974
▪ Liquid Telecommunications Cote D'Ivoire	H Telecommunications	Ivory Coast	Dormant	100	-	-
▪ Liquid Intelligent Technologies Egypt	H Telecommunications	Egypt	Active	100	-	-
					<u>650,598</u>	<u>662,791</u>

H = This is a direct holding by Liquid Telecommunications Holdings Limited.

S = This is an indirect holding.

The company has assessed its investments in subsidiaries in accordance with IAS 36 - *Impairment of Assets* and has determined there is no indication of impairment (2024: no impairment) in respect of its investment in Liquid Telecommunications Holdings South Africa (Pty) Limited (South Africa segment). This assessment was based on a five-year cash flow financial forecast with a terminal growth rate of 4.3% (2024: 4.3%) and discounted using the weighted average cost of capital rate of 15.2% (pre-tax 16.2%) (FY24: 16.3%, pre-tax 17.1%). These local currency forecasts were converted at a closing rate of ZAR:USD 18.54:1 (2024: ZAR:USD 19.21:1) and compared to an investment value translated at the historical rate of ZAR:USD 13.39:1.

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

If the WACC increases by 10% or 1.5pp there would be no impairment, with lower headroom (FY24: impairment of 16.2 million with an increase of 10% or 1.6pp). If the WACC decreases by 10% or 1.5pp, it would still result in no impairment, with additional headroom (FY24: no impairment with a decrease of 10% or 1.6pp).

If the ZAR:USD exchange rate weakens by 10% there would be no impairment, with lower headroom (FY24: 6.3 million). If the ZAR:USD exchange rate strengthens by 10%, it would still result in no impairment, with additional headroom (FY24: no impairment).

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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13. Investments in subsidiaries (continued)

13.1 Subsidiaries (continued)

The directors have reviewed the carrying value of the investments listed above and have found that the carrying value for the investments listed below exceeded their respective value-in-use. As such, provision for impairment has been recorded as shown below and disclosed in note 5.4

Name of Company	Company	
	28/02/25	29/02/24
	USD'000	USD'000
Liquid Telecommunications Operations Mozambique Limitada	(2)	-
Liquid Telecommunications Botswana (Pty) Limited	(5,581)	-
Worldstream (Pty) Limited	(6,612)	-
	<u>(12,195)</u>	<u>-</u>

See note 41.1 for additional non-cash investment in subsidiaries made during the year ended 28 February 2025.

The directors have reviewed the carrying value of each of the above investments in subsidiaries and have not found any indication of impairment, other than those mentioned above.

13.2 Details of non-wholly owned subsidiaries that have non-controlling interests

	Profit / (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Individually immaterial subsidiaries with non-controlling interests	6	(353)	(918)	86
	<u>6</u>	<u>(353)</u>	<u>(918)</u>	<u>86</u>

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14. Investment in associate

Name of associate	Principal activity	Country of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests	
			28/02/25	29/02/24
			%	%
Number Portability Company (Pty) Limited	Telecommunications	South Africa	20	20

Pursuant to the shareholder agreement, Liquid Telecommunications South Africa (Pty) Limited, a subsidiary of LTH, has the right to cast 20% of the vote at shareholder meetings of Number Portability Company (Pty) Limited.

The associate has a December year end, however when reporting, the group has adjusted and aligned the year end to February.

Although Liquid Telecommunications South Africa (Pty) Limited holds 20% of the equity shares of Number Portability Company (Pty) Limited, and it has less than 50% of the voting power at shareholder meetings, Liquid Telecommunications South Africa (Pty) Limited exercises significant influence by virtue of its contractual right to appoint directors to the board of directors of that entity.

Summarised is the financial information in respect of the group's associate where it has significant interest.

	28/02/25	29/02/24
	USD'000	USD'000
Number Portability Company (Pty) Limited		
Total assets	3,059	2,859
Total liabilities	(194)	(156)
Net assets	<u>2,865</u>	<u>2,703</u>
Revenue	<u>1,748</u>	<u>1,719</u>
Profit for the year	<u>72</u>	<u>105</u>
Total comprehensive income for the year	<u>72</u>	<u>105</u>
Group's share of net assets of associate	<u>573</u>	<u>540</u>
Carrying amount of the group's interest in Number Portability Company (Pty) Limited:		
Opening balance	540	543
Share of profits of associate	14	21
Foreign exchange	19	(24)
Closing balance	<u>573</u>	<u>540</u>

15. Investments at Fair Value Through Other Comprehensive Income (FVTOCI)

Investments in equity instruments designated as at FVTOCI	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Opening balance	15,362	15,314	15,310	15,310
Additions	1,983	953	-	-
Fair value (loss) / gain on investment	(636)	867	-	-
Disposal	-	(1,772)	-	-
Foreign exchange loss	(37)	-	-	-
Closing balance	<u>16,672</u>	<u>15,362</u>	<u>15,310</u>	<u>15,310</u>

The above represents investments in shares over which the group and the company does not have any significant influence or control.

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18. Long term receivables

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Long term intercompany receivables (note 32)	136,022	139,933	205,998	191,716
Expected credit loss provision	-	-	(6,419)	(5,173)
Write off	-	-	(14,401)	-
Other long term receivables	308	3,141	-	-
	136,330	143,074	185,178	186,543

The directors have assessed the recoverability of the long term intercompany receivables at group level and have concluded that the Expected Credit Loss ("ECL") is not material, hence no ECL has been accounted for. An ECL of USD 6.4 million (29 February 2024: USD 5.2 million) and a write off of USD 14.4 million (29 February 2024: nil) were recognised in the company after an assessment of the recoverable amount was performed and found that the carrying value of certain long term intercompany receivables exceeded their respective recoverable amounts.

Other long term 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 were recognised in the year 29 February 2024.

19. Inventories

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Goods for resale	22,542	43,410	-	-
Provision for obsolete inventory for the year (note 5.4)	(590)	(148)	-	-
Inventory written off (note 5.4)	(8)	(5)	-	-
Transfer from Property, plant and equipment (note 11)	61	6,693	-	-
Transfer from Right-of-Use assets (note 12)	-	449	-	-
	22,005	50,399	-	-
Cost of inventories expensed	10,936	14,474	-	-

The directors are of the opinion that the inventory amounts are recorded at values not in excess of their net realisable value.

20. Trade and other receivables

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Trade receivables	126,426	130,824	-	-
Receivables balances from affiliated entities and other related parties (note 32)	69,145	35,652	124,653	136,623
Expected credit loss provision	(30,114)	(39,051)	(1,248)	(2,805)
Total trade and affiliated entities receivables, net of expected credit loss provision	165,457	127,425	123,405	133,818
Short term inter-company and other related party receivables (note 32)	78,327	51,498	51,929	37,140
Expected credit loss provision on short term inter-company and other related party receivables	(138)	-	-	-
Sundry debtors	45,100	45,149	418	786
Deposits paid	3,881	3,781	-	-
Prepayments	39,123	31,091	4,044	5,232
Dividend receivable (note 32)	-	-	-	283
	331,750	258,944	179,796	177,259

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

Before accepting any new customer, where possible 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 completed by any new customer. The creditworthiness of customers is reviewed continuously throughout the year.

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.

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20. Trade and other receivables (continued)

Sundry debtors mainly include VAT receivable and non-operating receivable.

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

	Current USD'000	Past due				Total USD'000
		31 - 60 USD'000	61 - 90 USD'000	91 - 120 USD'000	> 120 USD'000	
Group - 2025						
Trade and affiliated entities receivables - Gross	71,191	23,679	11,469	16,580	72,652	195,571
Lifetime ECL	(3,649)	(3,110)	(2,638)	(4,372)	(16,346)	(30,114)
Trade and related parties receivables - Net	67,541	20,569	8,831	12,208	56,306	165,456
Default rate	5.1%	13.1%	23.0%	26.4%	22.5%	
Group - 2024						
Trade and affiliated entities 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%	
Company - 2025						
Trade and affiliated entities receivables - Gross	2,477	7,028	230	6,715	108,203	124,653
Lifetime ECL	(13)	(6)	-	-	(1,229)	(1,248)
Trade and related parties receivables - Net	2,464	7,022	230	6,715	106,974	123,405
Default rate	0.5%	0.1%	0.0%	0.0%	1.1%	
Company - 2024						
Trade and affiliated entities receivables - Gross	12,403	976	3,355	6,026	113,863	136,623
Lifetime ECL	(275)	(12)	(59)	(50)	(2,409)	(2,805)
Trade and related parties receivables - Net	12,128	964	3,296	5,976	111,454	133,818
Default rate	2.2%	1.2%	1.8%	0.8%	2.1%	

The following table shows the movement in lifetime expected credit loss ("ECL") that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Group		Company	
	28/02/25 USD'000	29/02/24 USD'000	28/02/25 USD'000	29/02/24 USD'000
Movement in the expected credit loss provision:				
Opening balance	(39,051)	(42,372)	(2,805)	-
Doubtful debt provision reversed / (raised)	1,719	(5,720)	1,557	(2,805)
Bad debts recovered	102	103	-	-
Write off	3,968	2,001	-	-
Foreign exchange differences	992	4,749	-	-
Adjustments - IAS 29	2,156	2,188	-	-
Closing balance	(30,114)	(39,051)	(1,248)	(2,805)

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21. Cash and cash equivalents, and restricted cash and cash equivalents

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Cash and bank balances	80,913	55,850	11,319	14,582
Money market deposits	4,455	804	-	-
Cash and cash equivalents	<u>85,368</u>	<u>56,654</u>	<u>11,319</u>	<u>14,582</u>
Restricted cash and cash equivalents	425	422	11	12
Total cash and cash equivalents	<u>85,793</u>	<u>57,076</u>	<u>11,330</u>	<u>14,594</u>

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

Cash and cash equivalents include USD 17.6 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 and company have restricted cash for the following purposes:

Guarantees	1	1	11	12
Customer deposits held	424	421	-	-
	<u>425</u>	<u>422</u>	<u>11</u>	<u>12</u>

22. Share capital and share premium

	Group and Company		
	28/02/25	29/02/24	
	USD'000	USD'000	
Issued and paid share capital			
Ordinary shares	<u>3,716</u>	<u>3,716</u>	
Share premium	<u>276,714</u>	<u>276,714</u>	
Movement in capital:	Number of	Share	Share
	ordinary shares	capital	Premium
		USD'000	USD'000
Balance at 28 February 2025 and 29 February 2024	124,857,914	3,716	276,714

Convertible preference shares

The group has issued USD 180 million of convertible preference shares with the same par value, voting and dividend rights as the ordinary shares. The preference shares are exchangeable at the option of the shareholder based on certain conditions applicable only at conversion date.

Share application monies

During the year USD 35 million was received from the immediate holding company and is pending the issue of shares at year end.

22a. Other equity items

	Group	
	28/02/25	29/02/24
	USD'000	USD'000
Investment revaluation reserve	<u>(620)</u>	<u>16</u>

The investment revaluation reserve is the unrealised gain on disposal of investments in equity instruments designated as at FVTOCI and the fair value gain on investments in equity instruments designated as FVTOCI.

Foreign currency translation reserve (FCTR):	<u>(311,626)</u>	<u>(279,242)</u>
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The FCTR value arises on the translation of the Financial Statements of foreign subsidiaries into the presentation currency of the Consolidated Financial Statements.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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23. Short term portion of long term borrowings and long term borrowings

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
23a. Long term borrowings:				
USD 620 million 5.5% Senior Secured Notes (i)	615,632	612,736	-	-
Net settled: Embedded derivatives	1,878	1,878	-	-
USD 220 million equivalent South African Rand term loan (ii)	-	127,315	-	-
Other long-term borrowings	73	323	-	-
	617,583	742,252	-	-
23b. Short term portion of long term borrowings:				
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 credit facility (iii)	1,741	1,058	-	-
USD 60 million revolving credit facility (iv)	25,290	42,665	25,290	42,665
Other Short-term portion of long term borrowings	248	224	-	-
	177,174	80,987	25,290	42,665

(i) The USD 620 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 split between an amortising tranche and two separate bullet repayment tranches, representing one third and two thirds respectively of the 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 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.

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

(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.

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23. Short term portion of long term borrowings and long term borrowings (continued)

(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.

24. Long term intercompany borrowings

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Long term intercompany payable (note 32)	-	-	528,136	529,990
Intercompany equity loan payable (note 32)	-	-	-	3,105
	-	-	528,136	533,095

The company's long term intercompany payable to Liquid Telecommunications Financing Plc is unsecured, denominated in USD, bears interest at the rate of 5.5 % (29 February 2024: 5.5%) and is repayable in September 2026.

25. Trade and other payables

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Trade accounts payable	132,340	119,724	2,336	1,353
Payable balance to affiliated entities (note 32)	27,415	17,809	56,070	14,030
Short-term inter-company payables (note 32)	-	-	5,014	25,510
Accruals	58,135	49,492	3,717	2,554
Staff payables	4,021	4,679	-	-
Transaction taxes due in various jurisdictions	12,489	6,641	21	33
Other short term payables	4,579	1,544	-	-
	238,979	199,889	67,158	43,480

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

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

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

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

26. Long term provisions

	Group	
	28/02/25	29/02/24
	USD'000	USD'000
Onerous contracts	5,208	6,225
Other provision	271	147
	5,479	6,372
		Long term
		portion
		USD'000
<u>Onerous contracts</u>		
At 01 March 2024		6,225
Interest recognised in Data and network related costs		516
Transfer to short term (note 27)		(1,559)
Foreign exchange differences		26
As at 28 February 2025		5,208

See note 27 (iii) for more details.

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27. Short term provisions

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Bonus provision (i)	13,476	534	2,793	-
Licence fee provision (ii)	4,082	2,282	-	-
Short term portion of onerous contracts (iii)	1,041	934	-	-
Leave pay provision (iv)	3,194	3,736	-	-
Other provision (iv)	2,327	6,426	-	-
	24,120	13,912	2,793	-

The provisions recognised as at 28 February 2025 relate to bonuses, licence fees, onerous contracts, leave pay and other provisions. The uncertainties associated with the timing and amount of outflows are not considered material to the financial statements.

- (i) Bonuses are payable to all eligible staff according to the terms of the group's remuneration policy. The individual payout is a percentage of the total cost to the group, taking into account the employee's level, individual performance rating and group performance. The payment is time-apportioned based on the length of time the employee has been employed by the group in the current year. The actual payments are made post financial year end.

	Group	Company
	USD'000	USD'000
At 01 March 2024	534	-
Provision raised during the year	14,593	2,943
Utilisation / payment	(1,523)	(150)
Foreign exchange differences	(128)	-
As at 28 February 2025	13,476	2,793

- (ii) The licence fee provision includes provision for Liquid Telecommunications South Africa (Pty) Limited's (LTSA) corporate social responsibility obligation in respect of the licence held with ICASA, to provide ICT services to 750 public schools over an extended five-year period. The ICT services include the provision of the local area network, the wide area network, the end user devices in schools and training. LTSA has capitalised the obligation through raising a provision at the estimated present value of the total obligation. This is reassessed annually. The capitalised amount is amortised over the remaining licence period. LTSA initially anticipated that the provision would be completely utilised in 28 February 2025. However, ICASA issued an incorrect school list that included schools that have already been completed. This has led to the incomplete utilisation of the provision, resulting in the obligation being carried over to 28 February 2026.

During the financial year, LTSA raised a further provision for the connectivity of 298 public service institutions (PSI) flowing from the 2022 radio frequency spectrum auction. Pursuant to the provision of the ICASA spectrum licence, LTSA is obligated to connect 298 PSIs within the next 5 years from the licence issue date for a period of 12 years starting from the date of issuance of the radio frequency spectrum licence.

	Group
	USD'000
At 01 March 2024	2,282
Provision raised during the year	2,354
Utilisation / payment	(425)
Foreign exchange differences	(129)
As at 28 February 2025	4,082

- (iii) Onerous contracts:

The group purchased Liquid Telecommunications Data International Limited and as part of the IFRS 3 fair value assessment an onerous contract with SEACOM was identified. The contract relates to the indefeasible right of use (IRU) for 28 STM1s. As the IRU's O&M charges' present value exceeds the present value of the O&M charges of a similar IRU purchased at the acquisition date, a liability was raised for the excess O&M charges. The unfavourable contract is amortised over the remaining period of the contract.

The group purchased Liquid Telecommunications South Africa (Pty) Limited and as part of the IFRS 3 fair value assessment an onerous contract with SEACOM was identified. The contract relates to the O&M for an IRU for 19 STM1s. The IRU's O&M charges' present value exceeds the present value of the O&M charges of a similar IRU purchased at the acquisition date. Liabilities were raised for the difference between the committed contract price and for the excess O&M charges as at acquisition.

	Group
	USD'000
At 01 March 2024	934
Charged to Data and network related costs (unwinding of interest)	85
Expense to Data and network related costs	(1,539)
Transfer from long term (note 26)	1,559
Foreign exchange differences	2
As at 28 February 2025	1,041

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27. Short term provisions (continued)

(iv) Below is the movement in leave pay provisions and other provisions during the year ended 28 February 2025:

	Group		Company
	USD'000		USD'000
	Leave pay provision	*Other provisions	*Other provisions
	USD'000	USD'000	USD'000
At 01 March 2024	3,736	6,426	-
Provision raised during the year	783	1,421	-
Reclassification	-	162	-
Payment/utilisation	(584)	(5,741)	-
Foreign exchange differences	(741)	59	-
As at 28 February 2025	3,194	2,327	-

*includes various provisions that do not fall in the other categories already described above. Mainly provision of legal fees.

28. Deferred revenue

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Long term portion of deferred revenue	47,179	56,967	-	-
Short term portion of deferred revenue	47,595	40,443	-	-
	94,774	97,410	-	-

Deferred revenue mainly relates to revenue billed in advance which includes deferred revenue on any Indefeasible-Rights-of-Use (IRU), disclosed through Network and Dataport revenue streams disclosed in note 4.1, 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.

Below is the movement in the above balances:

	Group	
	28/02/25	29/02/24
	USD'000	USD'000
Short term portion of deferred revenue:		
Opening balance	40,443	33,806
Acquisition of subsidiary (note 31)	-	7
Net amount recognised as liability	13,141	14,038
Net amount recognised in statement of profit or loss	(18,510)	(9,900)
Reclassification from long term deferred revenue	12,612	5,691
Adjustments - IAS 29	582	725
Foreign exchange differences	(673)	(3,924)
Closing balance	47,595	40,443
Long term portion of deferred revenue:		
Opening balance	56,967	65,553
Net amount recognised as liability	1,079	735
Reclassification to short term deferred revenue	(12,612)	(5,691)
Foreign exchange differences	1,745	(3,630)
Closing balance	47,179	56,967

29. Long term lease liabilities and short term portion of long term lease liabilities

Long term lease liabilities (discounted)	140,740	116,804
Short term portion of long term lease liabilities (discounted)	36,628	20,441
	177,368	137,245

The table below details the remaining contractual maturity for leases and has been drawn up based on the undiscounted cash flows:

Less than 1 year	66,266	41,795
1 to 2 years	68,221	44,716
2 to 3 years	49,557	39,209
3 to 4 years	43,064	38,395
4 to 5 years	24,691	21,994
More than 5 years	56,130	41,651
	307,929	227,760

The group does not face a significant liquidity risk with regard to its lease liabilities.

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30. Cash generated from / (used in) operations

	Notes	Group		Company	
		28/02/25	29/02/24	28/02/25	29/02/24
		USD'000	USD'000	USD'000	USD'000
Profit / (loss) before tax		44,343	32,870	(50,530)	(9,269)
Adjustments for:					
Depreciation, impairment and amortisation	5	124,666	115,052	30,465	2,164
Dividends received from investments at FVTOCI		(59)	(44)	-	-
Dividend received from related parties	32	-	-	(1,426)	(1,123)
Bad debts (reversal) / provision		(5,694)	3,617	(312)	7,978
Increase / (decrease) in provisions	27	9,940	(9,276)	2,793	(3,890)
Foreign exchange loss / (gain)		288,551	423,960	67	(75)
Hyperinflation monetary gain		(306,722)	(386,603)	-	-
Profit on disposal of fixed assets	5.2	(984)	(253)	-	-
Loss / (profit) on disposal of Right-of-Use assets	5.2	133	(1,554)	-	-
Interest income	6	(24,291)	(24,610)	(23,340)	(23,923)
Finance costs	7	101,847	79,894	34,727	32,012
Gain on bargain purchase	31	-	(272)	-	-
Share of profits of associate	14	(14)	(21)	-	-
		<u>231,716</u>	<u>232,760</u>	<u>(7,556)</u>	<u>3,874</u>
Working capital changes:					
Decrease / (increase) in inventories		19,524	(22,564)	-	-
Increase in trade and other receivables		(64,916)	(39,916)	(1,334)	(28,568)
Increase / (decrease) in trade and other payables		42,032	(19,599)	(5,889)	(24,748)
(Decrease) / increase in deferred revenue		(4,290)	4,873	-	-
Cash generated from / (used in) operations		<u>224,066</u>	<u>155,554</u>	<u>(14,779)</u>	<u>(49,442)</u>

31. Acquisition of subsidiary company

28 February 2025

There was no acquisition/disposal of subsidiary companies for the year ended 28 February 2025.

29 February 2024

In March 2023, the group announced that it has satisfied all agreed conditions for the acquisition of Cysiv MEA, a technology company that was formerly SecureMisr, headquartered in Cairo, for a nominal consideration of USD 43. The business specialises in providing enterprise cloud and cyber security services to some of Egypt's leading companies, particularly in the financial services sector. The acquisition allows the group to bring some of the best global cloud and cyber security products to the Egyptian market. The organisation will rebrand Cysiv MEA to 'Liquid C2' to align it with its global cloud and cybersecurity identity. The group plans to significantly grow the Egyptian business by tapping into the wealth of local technology talent, making Egypt a key hub for the Middle East and North Africa (MENA) region.

The acquisition resulted in a gain on bargain purchase of USD 0.3 million.

	Group 29/02/24 USD'000
Intangible assets	82
Property, plant and equipment	44
Trade receivables and other receivables	72
Cash and cash equivalents	148
Tax asset	76
Deferred tax liabilities	(18)
Trade and other payables	(50)
Provisions	(3)
Tax liabilities	(72)
Deferred revenue	(7)
Fair value of identifiable net assets acquired	<u>272</u>
Consideration transferred (USD 43)	-
Gain on bargain purchase	<u><u>272</u></u>
Net cash inflow on acquisition of subsidiary	
Consideration transferred (USD 43)	-
Cash and cash equivalents of subsidiary on acquisition	148
Net cash inflow arising on acquisition	<u><u>148</u></u>

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32. Related party transactions

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 (Zimbabwe) 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), Marmanet Organization and Projects Management Limited (Israel), Geo Da Lands & Property Management & Information 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 Proprietary Limited (South Africa), Distributed Power Africa (Private) Limited (Zimbabwe), Distributed Power Africa Limited (Mauritius) and Distributed Power Africa Services Proprietary Limited (South Africa) are referred to as "Econet Infraco related group companies";
- Liquid Telecommunications (Jersey) Ltd, Liquid Technologies Infrastructure Finance SARL (Belgium), Liquid Intelligent Technologies Limited (Nigeria), Liquid Delta (Jersey) Limited and Liquid ECG Infraco (Pty) Ltd (South Africa) are referred to as "Liquid (Jersey) other related group of companies";
- Liquid Telecommunications Holdings Limited and subsidiaries are referred to as "Liquid (Holdings) other related group of companies". Refer to note 13 - *Investments in subsidiaries* for more details on the subsidiaries;
- 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 Expected Credit Loss ("ECL") as disclosed in note 20. During the year, the group and company entered into the following trading transactions with related parties:

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Sales of goods and services:				
Econet Global Related Group Companies	65,729	76,751	-	-
Africa Data Centres related group companies	451	324	-	-
Liquid (Jersey) other related group of companies	41,219	26,705	-	-
	107,399	103,780	-	-
Purchase of goods and services:				
Econet Global Related Group Companies	17,464	22,555	-	-
Africa Data Centres related group companies	1,417	3,794	-	-
Liquid (Jersey) other related group of companies	31,760	20,847	-	-
	50,641	47,196	-	-
Management fees expense (note 5.1):				
Econet Global Related Group Companies	600	510	-	-
Liquid (Holdings) other related group of companies	-	-	18,258	24,376
	600	510	18,258	24,376

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32. Related party transactions (continued)

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Management fees income (note 5.2):				
Econet Global Related Group Companies	-	76	-	-
Africa Data Centres related group companies	7	620	-	-
Liquid (Jersey) other related group of companies	1,678	2,990	1,678	2,990
Liquid (Holdings) other related group of companies	-	-	19,182	29,891
	1,685	3,686	20,860	32,881

Dividend income:

Liquid (Holdings) other related group of companies*	-	-	1,426	1,123
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*The dividend income from Worldstream (Pty) Limited of USD 0.3 million, included in the above balance, was receivable as at 29 February 2024 and was subsequently received by the company during the year ended 28 February 2025. The dividend income for the 2025 financial year has all been received. As such, the total amount received during the year ended 28 February 2025 is USD 1.7 million.

Dividend paid:

Other shareholders (net of taxes)	916	496	-	-
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Finance costs:

Liquid (Holdings) other related group of companies	-	-	29,149	29,149
Liquid (Jersey) other related group of companies	350	332	350	332
	350	332	29,499	29,481

Administration fees paid:

DTOS Limited	421	398	121	118
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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.

Interest income:

Econet Global Related Group Companies	734	621	673	560
Liquid (Holdings) other related group of companies	-	-	18,321	20,777
Africa Data Centres related group companies	19,195	17,933	1,438	1,392
Liquid (Jersey) other related group of companies	2,820	1,028	2,820	1,028
	22,749	19,582	23,252	23,757

Long term intercompany payables:

Liquid (Holdings) other related group of companies	-	-	528,136	529,990
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The Liquid (Holdings) other related group of companies balance relates to the amount payable to Liquid Telecommunications Financing Plc and is unsecured, denominated in USD, bears interest at the rate of 5.5% and is repayable in September 2026.

Long term intercompany receivables (note 18):

Liquid (Holdings) other related group of companies	-	-	199,562	185,411
Liquid (Jersey) other related group of companies	3,958	11,838	3,958	3,395
Africa Data Centres related group companies	132,064	128,095	2,478	2,910
	136,022	139,933	205,998	191,716

The long term intercompany receivable from Liquid (Holdings) other related group of companies, are unsecured, denominated in USD, bears interest at the rate of SOFR ranging from plus 3.75% to 6.50% and are repayable in February 2029.

The long term intercompany receivable from Liquid Telecommunications Uganda Limited is unsecured, denominated in USD and bears interest at the rate of SOFR plus 3.75%. Repayment of the loan is pegged to Liquid Telecommunications Uganda Limited generating free cash flows for a period of at least three months during which time the company must also report positive working capital.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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32. Related party transactions (continued)

The long term intercompany receivable from Liquid (Jersey) other related group of companies are unsecured, denominated in USD, bears interest at the rate of SOFR plus 3.75% and is repayable in February 2029.

The long term intercompany receivables from Africa Data Centres related group companies are unsecured, denominated in USD, bear interest at the rate of SOFR plus 3.75% and are repayable in February 2029.

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Short term intercompany payables (note 25):				
Liquid (Holdings) other related group of companies	-	-	-	20,842
Liquid (Jersey) other related group of companies	-	-	5,014	4,668
	<u>-</u>	<u>-</u>	<u>5,014</u>	<u>25,510</u>

The Liquid (Holdings) other related group of companies balance relates to Liquid Telecommunications Financing PLC and represents the interest accrued on the long term intercompany payable.

The Liquid (Jersey) other related group of companies balance relates to Liquid Technologies Infrastructure Finance SARL and represents the current remaining payable balance of the USD 13 million investment.

Short term intercompany and other related party receivables (note 20):

Econet Global Related Group Companies	2,501	1,827	2,501	1,827
Liquid (Jersey) other related group of companies	40,179	25,440	31,985	18,463
Liquid (Holdings) other related group of companies	-	-	619	-
Africa Data Centres related group companies	32,745	21,547	16,824	16,389
Sasai Related Group Companies	2,098	1,480	-	-
Econet Infracore related group companies	804	743	-	-
Strive Masiyiwa	-	461	-	461
	<u>78,327</u>	<u>51,498</u>	<u>51,929</u>	<u>37,140</u>

Short term intercompany receivables bear interest at the rate of SOFR plus 2.5%, are unsecured and are to be repaid within 12 months.

Payable balance to affiliated entities (note 25):

Econet Global Related Group Companies	944	774	-	-
Africa Data Centres related group companies	9,199	7,839	-	-
Telrad Networks Ltd	15	351	-	-
Liquid (Jersey) other related group of companies	17,045	7,891	135	135
Liquid (Holdings) other related group of companies	-	-	55,935	13,895
Sasai Related Group Companies	212	954	-	-
	<u>27,415</u>	<u>17,809</u>	<u>56,070</u>	<u>14,030</u>

Amounts payable to affiliated entities and related company are unsecured, interest free and have no fixed date of repayment.

Equity loans due to:

Liquid (Holdings) other related group of companies	-	-	-	3,105
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,105</u>

The equity loan due to Liquid Telecommunications Botswana (Pty) Limited is unsecured. There are no fixed repayment terms and these amounts are repayable at the discretion of the borrower.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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32. Related party transactions (continued)

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Receivables balances from affiliated entities and other related parties (note 20):				
Econet Global Limited (Mauritius)	4,999	4,999	4,999	4,999
Econet Global Related Group Companies	16,971	20,327	6,258	5,162
Africa Data Centres related group companies	8,506	4,235	8,446	4,101
Liquid (Holdings) other related group of companies	-	-	94,225	114,298
Econet Infracore related group companies	10	7	-	-
Vaya Related Group Companies	657	436	-	-
Liquid (Jersey) other related group of companies	37,524	3,032	10,247	5,447
Strive Masiyiwa*	478	2,616	478	2,616
	69,145	35,652	124,653	136,623

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 typical payment terms. In certain circumstances, payment terms extend beyond this where the group provides financial support to its subsidiaries.

*This receivable balance is unsecured, has no fixed repayment terms and is repayable within one year.

33. Compensation of key management personnel

The remuneration of the directors and other key management personnel during the year is as follows:

Short-term employee benefits	3,439	6,438	350	1,385
Other benefits	127	95	-	-
	3,566	6,533	350	1,385

The key management personnel are the directors who have authority and responsibility for planning, directing and controlling the activities of the group, whether directly or indirectly.

34. Commitments

34.1 Capital commitments

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

Authorised and contracted

Intangible assets	5,673	1,507	-	-
Property, plant and equipment	18,145	24,925	-	-
	23,818	26,432	-	-

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

34.2 Other

The group continues to provide support to its subsidiaries, where appropriate, to ensure they are able to continue their operations and meet their liabilities as and when they fall due.

35. Events after the reporting date

There have been no material events after the reporting date.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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36. Financial instruments

36.1 Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The group's policy is to borrow centrally, principally using Senior Secured Notes and a combination of other borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries. The group monitors its interest cover, net debt to EBITDA ratio, gross debt to EBITDA ratio and debt service cover ratio ("DSCR") to comply with its Senior Secured Notes and other borrowing facilities covenants. The group complied with its maintenance covenants throughout the financial year and the overall strategy remains unchanged from prior years.

The capital structure of the group and company consist of net debt (which includes borrowings offset by cash and cash equivalents) and equity attributable to owners of the group and company, comprising issued share capital, convertible preference shares, reserves and retained earnings. The group and company are not subject to any externally imposed capital requirement. Management reviews the capital structure of the group and company on a periodic basis, including the cost of capital and the risks associated with each class of capital.

36.2 Material accounting policy information

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 28 February 2025

36. Financial instruments (continued)

36.3 Gearing ratio

The group's directors review the capital structure on a periodic basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital.

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Debt (i)	972,125	960,484	553,426	575,760
Cash and cash equivalents (net of restricted cash)	(85,368)	(56,654)	(11,319)	(14,582)
Net debt	886,757	903,830	542,107	561,178
Equity (ii)	143,093	123,674	423,771	441,622
Net debt to equity ratio	6.2:1	7.3:1	1.3:1	1.3:1

(i) Debt is defined as long and short-term borrowings and lease liabilities, as detailed in notes 23, 24 and 29.

(ii) Equity includes all capital and reserves of the group and the company, as detailed in the statement of changes in equity.

36.4 Categories of financial assets and liabilities

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Financial assets				
Amortised cost	510,753	421,070	372,260	372,881
<i>Investments at amortised cost</i>	41	41	-	-
<i>Long-term receivables</i>	136,330	143,074	185,178	186,543
<i>Trade and other receivables (excluding Prepayments and VAT receivable)</i>	288,589	220,879	175,752	171,744
<i>Cash and cash equivalents</i>	85,368	56,654	11,319	14,582
<i>Restricted cash and cash equivalents</i>	425	422	11	12
Fair Value Through Other Comprehensive Income (FVTOCI)				
<i>Investments at Fair Value Through Other Comprehensive Income (FVTOCI)</i>	16,672	15,362	15,310	15,310
Total financial assets	527,425	436,432	387,570	388,191
Financial liabilities				
Amortised cost	1,194,594	1,149,053	620,563	619,207
<i>Long term borrowings</i>	617,583	742,252	-	-
<i>Short term portion of long term borrowings</i>	177,174	80,987	25,290	42,665
<i>Long term lease liabilities</i>	140,740	116,804	-	-
<i>Short term portion of long term lease liabilities</i>	36,628	20,441	-	-
<i>Long term intercompany borrowings</i>	-	-	528,136	533,095
<i>Trade and other payables (excluding Staff payables and Transaction taxes due in various jurisdictions)</i>	222,469	188,569	67,137	43,447
Total financial liabilities	1,194,594	1,149,053	620,563	619,207

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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for the year ended 28 February 2025

36. Financial instruments (continued)

36.5 Financial risk management objectives

Management co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal management reports, which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

36.6 Market risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see notes 36.7 and 36.8) and interest rates (see notes 36.9 and 36.10). The group does enter into derivative financial instruments to manage its exposure to interest rate and foreign currency risk where appropriate.

36.7 Foreign currency risk management

The group undertakes certain transactions denominated in foreign currencies and is therefore exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The group constantly reviews its foreign exchange rate exposures and enters into foreign currency hedging contracts when appropriate.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities as at the reporting date are as follows:

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
Assets				
Currency of the United Kingdom (GBP)	6,075	7,151	-	-
Currency of United States (USD)	229,020	176,207	387,570	388,191
Currency of Zimbabwe (ZWL\$)	38,713	27,060	-	-
Currency of South Africa (ZAR)	176,717	152,139	-	-
Currency of Botswana (BWP)	3,823	2,334	-	-
Currency of Kenya (KES)	51,645	51,061	-	-
Currency of Zambia (ZMK)	10,182	11,729	-	-
Currency of Rwanda (RWF)	3,345	3,876	-	-
Currency of Nigeria (NGN)	37	35	-	-
Currency of Uganda (UGX)	2,045	1,930	-	-
Currency of Egypt (EGP)	2,550	396	-	-
Currency of Tanzania (TZS)	3,273	2,514	-	-
	527,425	436,432	387,570	388,191
Liabilities				
Currency of the United Kingdom (GBP)	10,496	12,002	1,244	289
Currency of United States (USD)	835,178	821,285	616,310	607,660
Currency of Zimbabwe (ZWL\$)	29,755	22,598	-	-
Currency of South Africa (ZAR)	257,243	233,618	3,009	11,258
Currency of Botswana (BWP)	2,964	934	-	-
Currency of Kenya (KES)	37,745	31,646	-	-
Currency of Zambia (ZMK)	9,067	14,451	-	-
Currency of Rwanda (RWF)	4,063	4,136	-	-
Currency of Nigeria (NGN)	1	1	-	-
Currency of Uganda (UGX)	4,735	4,400	-	-
Currency of Egypt (EGP)	133	94	-	-
Currency of Tanzania (TZS)	3,214	3,888	-	-
	1,194,594	1,149,053	620,563	619,207

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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36. Financial instruments (continued)

36.8 Foreign currency sensitivity analysis

The group is mainly exposed to the currencies of United Kingdom (GBP), Zimbabwean dollar (ZWL\$), South Africa (ZAR), Kenyan Shilling (KES), Rwandan Franc (RWF) and Zambian Kwacha (ZMK).

The following table details the group's sensitivity to a 10% increase and decrease in the USD (Reporting Currency of the group) against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where the USD strengthens 10% against the relevant currency. For a 10% weakening of the USD against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be reversed.

	Group		Company	
	28/02/25	29/02/24	28/02/25	29/02/24
	USD'000	USD'000	USD'000	USD'000
GBP Currency impact	(442)	(485)	-	-
ZWL\$ Currency impact	896	446	-	-
ZAR Currency impact	(8,053)	(8,148)	-	-
KES Currency impact	1,390	1,941	-	1
RWF Currency impact	(72)	(26)	-	-
ZMK Currency impact	111	(272)	-	-
	(6,170)	(6,544)	-	1

36.9 Interest rate risk management

The group is exposed to interest rate risk as entities in the group borrow funds at both fixed and floating interest rates. The risk is managed by the group by securing an appropriate mix between fixed and floating rate borrowings on initial signing of borrowing contracts. The group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management table (see note 36.12 below). Interest rates have been disclosed in the respective notes where applicable.

36.10 Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant;

- Profit for the year ended 28 February 2025 for the group and the company respectively would increase by USD 1.2 million (2024: increase by USD 0.3 million) and decrease by USD 3.0 million (2024: decrease of USD 3.6 million). This is mainly attributable to the group's limited exposure to interest rates on its variable rate borrowings as most of the group's borrowings are at fixed rates; and
- There would be no increase or decrease in other equity reserves for the year ended 28 February 2025 (2024: no increase or decrease).

36.11 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The group only transacts with financial institutions which are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the group uses other publicly available financial information. The group's exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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36. Financial instruments (continued)

36.11 Credit risk management (continued)

Note 18 and 20 detail the group's and the company's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.

Other than those disclosed in the notes to the financial statements, the group and company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The group and company defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of expected credit loss, represents the group's maximum exposure to credit risk.

36.12 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below details the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities bases on the earliest date on which they can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective Interest Rate	Less than 1 year USD'000	2 to 5 years USD'000	More than 5 years USD'000	Total USD'000
Group - 2025					
Financial liabilities	6.81%	643,278	791,698	56,130	1,491,106
Group - 2024					
Financial liabilities	7.07%	448,596	884,395	41,651	1,374,642
Company - 2025					
Financial liabilities	5.25%	92,427	528,136	-	620,563
Company - 2024					
Financial liabilities	5.09%	82,049	537,158	-	619,207

36.13 Fair values

The directors consider the financial assets and financial liabilities stated at amortised cost in the financial statements approximate their fair values. They are classified under level 3 of the fair value hierarchy.

36.14 Net settled: Embedded derivatives

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

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

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36. Financial instruments (continued)

36.14 Net settled: Embedded derivatives (continued)

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).

37. 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. 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.

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

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

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

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
28 February 2025				
Investments at FVTOCI (note 15)	1,358	-	15,314	16,672
Total	<u>1,358</u>	<u>-</u>	<u>15,314</u>	<u>16,672</u>
29 February 2024				
Investments at FVTOCI (note 15)	48	-	15,314	15,362
Total	<u>48</u>	<u>-</u>	<u>15,314</u>	<u>15,362</u>

39. Earnings per share

	Group	
	28/02/25	29/02/24
Basic earnings per share (Cents per share)	<u>14.77</u>	<u>4.51</u>

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

	Group	
	28/02/25	29/02/24
	USD'000	USD'000
Earnings attributable to owners of the company	<u>18,443</u>	<u>5,631</u>
	Group	
	28/02/25	29/02/24
Weighted average number of ordinary shares for the purpose of basic profit per share	<u>124,857,914</u>	<u>124,857,914</u>

See note 22 for number of shares.

40. 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.

40. 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.

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 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.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 28 February 2025

41. Non-cash transactions

41.1 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.
- Purchase of property, plant and equipment of the company included a non cash portion of USD 0.1 million.
- Purchase of intangible assets acquisitions of the company included a non cash portion of USD 4.4 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.
- Purchase of property, plant and equipment of the company included a non cash portion of USD 0.1 million.
- Purchase of intangible assets acquisitions of the company included a non cash portion of USD 4.3 million.

41.2 Reconciliation of liabilities arising from financing activities

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the group's consolidated statement of cash flows as cash from financing activities.

28 February 2025: Group	01/03/2024	Non-cash	Cash	28/02/2025
	USD'000	USD'000	USD'000	USD'000
Short term portion of long term borrowings (note 23b)	80,987	133,754	(37,567)	177,174
Long term borrowings (note 23a)	742,252	(124,669)	-	617,583
Lease liabilities (note 29)	137,245	99,370	(59,247)	177,368

29 February 2024: Group	01/03/2023	Non-cash	Cash	29/02/2024
	USD'000	USD'000	USD'000	USD'000
Short term portion of long term borrowings (note 23b)	34,687	18,386	27,914	80,987
Long term borrowings (note 23a)	763,373	(21,810)	689	742,252
Lease liabilities (note 29)	135,003	52,596	(50,354)	137,245

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 28 February 2025

41. Non-cash transactions (continued)

41.2 Reconciliation of liabilities arising from financing activities (continued)

The non-cash portion consists of the following:

	28 February 2025	29 February 2024
Short term portion of long term borrowings and long term borrowings:	Finance arrangement fees, interest accrued and foreign exchange on translation of	Finance arrangement fees, interest accrued and foreign exchange on translation of
Long term lease liabilities and short term portion of long term lease liabilities:	Interest on leases under IFRS 16 and foreign exchange on translation of foreign leases.	Interest on leases under IFRS 16 and foreign exchange on translation of foreign leases.
Increase in long term intercompany loan:	Foreign exchange on translation of foreign long term intercompany loan.	Foreign exchange on translation of foreign long term intercompany loan.

28 February 2025: Company	01/03/2024	Non-cash	Cash	28/02/2025
	USD'000	USD'000	USD'000	USD'000
Short-term portion of long-term borrowings (note 23b)	42,665	290	(17,665)	25,290
Long term intercompany borrowing (note 24)	533,095	-	(4,959)	528,136

29 February 2024: Company	01/03/2023	Non-cash	Cash	29/02/2024
	USD'000	USD'000	USD'000	USD'000
Short-term portion of long-term borrowings (note 23b)	201	23	42,441	42,665
Long term intercompany borrowing (note 24)	533,095	-	-	533,095

42. 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 annual 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 annual 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 annual 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 annual 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 23 - *Short term portion of long term borrowings and long term borrowings* for more details.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 28 February 2025

42. Going concern (continued)

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 1.1 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.

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 annual 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 4 – *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.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 28 February 2025

42. Going concern (continued)

Material uncertainty related to going concern (continued)

However, despite the progress made on the Refinancing Project, it is not yet complete as at the date of signing of the consolidated annual 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.

43. Immediate 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 ultimate holding company is Econet Global Limited, incorporated in Mauritius.

**Audited Annual Financial Statements for the Liquid Group
as of and for the year ended
February 29, 2024**

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
(trading as)



**(Licence Number: GB21100696)
ANNUAL FINANCIAL STATEMENTS
29 February 2024**

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
(Licence Number: GB21100696)
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LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS
29 February 2024

General review

The operating results of Liquid Telecommunications Holdings Limited (the “company”) and its subsidiaries (the “group”) for the year ended 29 February 2024 are fully disclosed in the accompanying audited annual financial statements.

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.

The group, trading as Liquid Intelligent Technologies, is a technology and digital solutions provider with operations in more than 25 countries primarily in Eastern, Southern and Central Africa that serves carrier, enterprise and retail customers with high-speed, reliable connectivity and digital services. The group has built Africa’s largest independent fibre network, which reached 107,844 kilometres for the year ended 29 February 2024.

Total revenue for the year was USD 686.7 million (28 February 2023: USD 622.5 million), an increase of 10.3% year-on-year on a reported basis. These increases are seen across all segments except for voice traffic which is following the global trend away from traditional voice usage.

The group has evolved as a technology solutions provider delivering a broad range of value add products and services to its customers. As such the group manages and reports 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.

Property, Plant and Equipment decreased to USD 483.7 million as a result of the adverse exchange rates in Zimbabwe and South Africa and yearly depreciation (2023: USD 526.0 million). We continued our investment in the expansion of our fibre network, which allows us to provide our customers with a full-service offering of connectivity, hosting and digital services, although the translation of this investment was impacted by weaker exchange rates. More detail on the Zimbabwe currency movement is given in note 1.1 - *Zimbabwean currency and Hyperinflation accounting*.

The construction of a regional fibre network across Southern, Central and Eastern Africa will continue in the coming financial year to further increase our coverage with a specific focus on building out the East to West links.

Major highlights

On 15 November 2023, Liquid Telecommunications (Jersey) Limited "LTJ" (Liquid Telecommunications Holdings Limited's immediate holding company) through Liquid ECG Infracore (Pty) Ltd, a subsidiary of LTJ, collaborated with IFC (International Finance Corporation) and RMB (Rand Merchant Bank) to accelerate the digital transformation in South Africa, more specifically helping to fund the expansion of the fibre backbone in the Eastern Cape. The total investment, through a term loan, of approximately USD 46.8 million (ZAR 900 million) will support universal and affordable access through the Eastern Cape Fibre Project. The project will significantly increase access to high-quality digital connectivity for businesses and other organisations. As high-speed internet infrastructure expands, it will create jobs and stimulate economic growth. Beyond the immediate project, the investment will strengthen the integration of the digital ecosystem in South Africa, facilitating e-government services and connecting underserved areas.

On 20 March 2023, Liquid Intelligent Technologies acquired Cysiv MEA, a technology company that was formerly SecureMisr, headquartered in Cairo to expand its operations in the Egyptian market. Cysiv MEA has been rebranded to ‘Liquid C2’ to align it with the group’s global cloud and cybersecurity identity. The group plans to significantly grow the Egyptian business by tapping into the wealth of local technology talent, making Egypt a key hub for the Middle East and North Africa (MENA) region. The consideration for this acquisition was nominal at USD 43. Refer to note 31 - *Acquisition of subsidiary company* for more details.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS
29 February 2024

Going concern

The directors have reviewed the consolidated cash flow projections of the group and company for the twelve months from the date of signing of the consolidated financial statements, taking into account the available cash position, 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 twelve months from the date of signing of the consolidated 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, volatility of currency markets, particularly the South African Rand, the economic situation in Zimbabwe (refer to note 35 - *Events after the reporting date* for more details on the new currency), the inability of customers to pay and supply chain shortages on the operations, the achievability of the business plan, the completion of in-flight equity investment and funding projects and the available cashflow for the twelve months from the date of signing of the consolidated financial statements. Based on the base case consolidated cashflow projections of the group and company, and after assessing these factors the directors have assessed that the group and company have sufficient liquidity and headroom on their covenants and have prepared the 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.

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

Funding facilities

The group is currently funded by a combination of equity, USD 620 million Senior Secured Notes (maturity September 2026), a USD 60 million Revolving Credit Facility ("RCF") (maturity March 2026), of which USD 42.7 million was outstanding at 29 February 2024, a USD 220 million equivalent South African Rand term loan (maturity March 2026), of which USD 144.9 million was outstanding at 29 February 2024 and USD 23.3 million of locally provided term loans (maturity in the financial year 2025) in Zambia, of which USD 3.5 million was outstanding at 29 February 2024. Refer to note 23 - *Short term portion of long term borrowings and long term borrowings* for more details.

Cash position

As at 29 February 2024, the group had an unrestricted cash position of USD 56.7 million (28 February 2023: USD 88.4 million). Of this amount, USD 11.2 million (28 February 2023: USD 28.3 million) is held in Zimbabwe. Following the continuing devaluation of the currency in Zimbabwe, the Group has translated the ZWL\$ denominated cash in Zimbabwe at the statement of financial position date at a ZWL\$:USD exchange rate of 14,912.8:1 (28 February 2023: 892.6:1). Cash held in Zimbabwe is mainly used to locally fund operating expenses and capital expenditure.

Operational performance

For the year ended 29 February 2024, the group reported an operating profit of USD 142.2 million (28 February 2023: 73.7 million) and a net cash inflow from operating activities of USD 124.6 million (28 February 2023: USD 216.4 million). This supports the group's ability to generate sufficient cash flow to enable it to support its underlying business operations and invest in new projects, even after taking into account the impact of the currency changes in Zimbabwe and South Africa.

Re-financing

In parallel, the group is in discussions to re-finance the remaining USD 144.9 million of the USD 220 million equivalent South African Rand term loan ("ZAR term loan" - see note 23a and 23b for more details on this facility). Based on current discussions with selected existing lenders, the directors consider the group to be making good progress and is working towards concluding this refinancing in the coming months.

In addition, the group is exploring the opportunity to discount certain material receivable balances in a way that will either provide debt funding on advantageous terms or an absolute cash injection. These funds will be used to reduce gross debt.

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 our customers.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS
29 February 2024

Going concern (continued)

Equity Capital Funding (continued)

As part of the re-organisation, new equity investment that will result in cash inflows of USD 225.0 million in the twelve months from the date of signing of the consolidated financial statements, is being sourced from new and existing investors. All of the group's existing shareholders have signed the documents necessary to give effect to the group reorganisation and these are currently being held in escrow to be released upon signature of a private placement share subscription agreement by one or more of the new investors. The first tranche of equity investment expected under the private placement will result in a cash inflow of approximately USD 90.0 million. The directors understand that all of the first tranche investors have received full approvals as required by their own internal processes. The group and new investors are now in the process of finalising the legal documentation to facilitate the investment. Proceeds from the investment will be deployed in LTH and the other group companies to fund business growth and provide operational liquidity.

Material uncertainty related to going concern

The group and company have prepared business and cashflow forecasts in accordance with their 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 (as defined in note 4.1 - *Segment revenue and results*) growth. Also factored into the base case forecast is the receipt of the first tranche of new equity investment. 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 year. Based on current progress observed, the directors expect that both the equity and re-financing processes 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 significant progress made on the equity investment process, it is not yet complete as at the date of signing of the consolidated financial statements. Whilst the directors expect this to happen in the going concern period nonetheless there remains an uncertainty over the quantum and timing of the investment until such time as the legal documentation is in place.

The directors have considered a downside scenario which factors in the possibility that the funding of the USD 90.0 million from the equity investment, expected within the next two months is not received in that timeframe. Under this downside scenario, should the group miss forecast Adjusted EBITDA targets by 1% then there would be a net leverage covenant breach in Q2 2025 financial year (August 2024) and mitigating actions would need to be taken to address the shortfall. These mitigating actions may include for example, the reduction of operating and capital expenditure and ensuring a greater focus on working capital management, particularly in the collection cycle for receivable balances. These mitigating actions are not currently contemplated in the 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 receipt of the equity investment, including the modelled USD 90.0 million of funding before the next covenant test on the 31 August 2024, and the need to continue to meet its Adjusted EBITDA forecasts in order to allow the group and company to meet tight expected headroom to financial covenants creates a material uncertainty which may cast significant doubt on the group and company'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.

Events after the reporting date

New currency in Zimbabwe

On 5 April 2024, the Reserve Bank of Zimbabwe issued a new structured currency, known as the Zimbabwe Gold (ZiG). This structured currency is pegged to a specific exchange rate or currency basket and backed by a bundle of foreign exchange assets. The ZiG replaced the current hyperinflationary currency, the Zimbabwe Dollar (ZWL). The new currency is envisaged to bring about economic stability and growth. The impact of the new currency structure has been included in our going concern assessment, refer to note 42 for more details.

Corporate credit rating

In June 2024, both the corporate family rating of Liquid Telecommunications Holdings Limited and the instrument rating on the USD 620 million Senior Secured Notes issued by Liquid Telecommunications Financing Plc were downgraded by Moodys to Caa1 from B3. The downgrade was primarily due to the current economic conditions, the impact of foreign currency exchange risks in the various markets the group operates in and the approaching need for a refinancing of the USD 220 million equivalent Rand-denominated term loan and USD 620 million Senior Secured Notes ahead of the 2026 maturity dates.

Events after the reporting date (continued)

Spectrum pooling

Vodacom launched a semi-urgent interdict against MTN, Cell-C and Liquid Telecommunications South Africa (Pty) Limited ("LTSA") (including Rain and Telkom as interested parties) to interdict MTN, Cell-C and LTSA 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. LTSA is opposing the granting of the interdict. MTN and Cell-C have also indicated their intention to oppose.

Cost savings programme

Following the year end, the group initiated the implementation of a new operating model, to one which is business unit and product led. As part of this shift, we undertook an in-depth review of our operating cost base. This led to the launch of a cost savings programme in May 2024 which will result in a group wide reduction in headcount of c130 in FY 2024-25 and an expected annualised cost saving of USD 25 million.

The above events are treated as a non adjusting events after the reporting date in accordance with IAS 10 - *Events after the reporting period*.

Statement of directors' responsibility in respect of the annual financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the group and the company. In preparing those consolidated and separate financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards ("IFRS") have been followed, subject to any material departures disclosed and explained in the consolidated and separate financial statements;
- prepare the consolidated and separate financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business, and
- maintain adequate accounting records and an effective system of internal controls and risk management.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the consolidated and separate financial statements comply with IFRS, laws and regulation. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the consolidated and separate financial statements.

Chairman and CEO's statement

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We continuously review and enforce our systems to counter bribery and corruption.

Incorporation

Liquid Telecommunications Holdings Limited was incorporated on the 26 January 2007 in Mauritius and was granted a Category 2 – Global Business Licence. The company's Global Business Licence (category 2) was converted to a Global Business Company licence on 30 June 2021.

Dividends

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.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS (continued)
29 February 2024

Dividends (continued)

Year ended 28 February 2023:

- Liquid Telecommunications Rwanda Limited, a subsidiary of the group, paid a dividend of USD 1.0 million during the period. USD 0.3 million is attributable to the non-controlling interests of the subsidiary.
- Worldstream (Pty) Limited, a subsidiary of the group, paid a dividend of 0.4 million during the period. USD 0.1 million is attributable to the non-controlling interests of the subsidiary.

Share capital

The share capital of USD 3.7 million represents 124,857,914 ordinary shares (28 February 2023: 124,857,914). Refer to note 22 for details.

Investments

Full details of the group's and company's investments in subsidiaries, investments in associates, investments at Fair Value Through Other Comprehensive Income (FVTOCI) and at amortised cost, and other investments are disclosed in notes 13, 14, 15 and 17 of the financial statements.

Auditor

The auditor, Deloitte, has indicated its willingness to continue in office until the next annual meeting.

Directors and secretary

The directors of the company for the financial year end 2024 and up to the date of this report were as follows:

Name:	Appointed on:	Resigned on:	
Nicholas Trevor Rudnick ²	22-Oct-07	-	¹ <i>Zimbabwean</i>
Eric Venpin ³	26-Jan-07	-	² <i>German</i>
Gaetan Lan Hun Kuen ³	30-Jan-07	27-Jun-23	³ <i>Mauritian</i>
Mike Mootien (as alternate to Gaetan Lan) ³	14-Apr-14	27-Jun-23	⁴ <i>British</i>
Hardwork Pemhiwa Njodzi ¹	04-Nov-16	-	⁵ <i>American</i>
Omobola Olubusola Johnson ⁷	16-Aug-18	-	⁶ <i>Indian</i>
Richard Wilson ⁴	03-Apr-19	31-Aug-23	⁷ <i>Nigerian</i>
Abhinav Sinha (as alternate to Richard Wilson) ⁶	22-Jul-19	31-Aug-23	
Christopher Rajendran Hyman ⁴	29-Jun-22	-	
Eric Ricardo Thompson ⁵	25-Jan-23	30-Apr-24	
Mike Mootien ³	27-Jun-23	-	
Nathalie Wong ³	24-Jul-23	31-Jul-23	
Lorraine Harper ⁴	26-Jun-24	-	
Jake Donovan ⁴	26-Jun-24	-	

Secretary

DTOS Ltd
10th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène, 72201
Republic of Mauritius

Registered office

10th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène, 72201
Republic of Mauritius

Auditor

Deloitte
7th-8th Floor, Standard Chartered Tower,
19-21 Bank Street,
Cybercity,
Ebène, 72201,
Mauritius

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001

We certify to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of Liquid Telecommunications Holdings Limited under Section 166 (d) of the Mauritius Companies Act 2001 for the year ended 29 February 2024.


For DTOS
Secretary

10th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène, 72201
Republic of Mauritius

Date: 28 June 2024

Independent auditor's report to the Shareholders of Liquid Telecommunications Holdings Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **Liquid Telecommunications Holdings Limited** (the "Company") and its subsidiaries (the "Group") set out on pages 10 to 73, which comprise the consolidated and separate statements of financial position as at 29 February 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and Company as at 29 February 2024, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the International Ethics Standards Board of Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 42 in the financial statements, which indicates there is uncertainty around the receipt of the equity investment of USD 90 million before the next covenant test on the 31 August 2024, combined with the need to continue to meet its EBITDA forecasts in order to allow the group and company to meet tight expected headroom to financial covenants. As stated in note 42, these events or conditions, along with the other matters as set forth in note 42, indicate that a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises of Report of the Directors and the Certificate from the secretary but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report to the Shareholders of Liquid Telecommunications Holdings Limited (continued)

Responsibilities of directors for the consolidated and separate financial statements (continued)

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group and the company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group and the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditor's report to the Shareholders of
Liquid Telecommunications Holdings Limited (continued)**

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Group and Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required;
- in our opinion, proper accounting records have been kept by the Group and Company as far as appears from our examination of those records.

Use of this report

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte.

Deloitte

Chartered Accountants

28 June 2024

Agrawal.

Vishal Agrawal, FCA

Licensed by FRC

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 29 February 2024

	Notes	Group		Company	
		29/02/24	28/02/23	29/02/24	28/02/23
		USD'000	USD'000	USD'000	USD'000
Revenue	4.1	686,718	622,506	-	-
Interconnect related costs		(43,905)	(50,023)	-	-
Data and network related costs		(201,845)	(158,614)	-	-
Other income	5.2	12,234	7,762	39,262	38,778
Selling, distribution and marketing costs		(10,764)	(9,513)	(1,016)	(858)
Expected credit loss provision		(7,665)	(9,894)	(7,978)	-
Administrative expenses		(66,898)	(57,089)	(30,130)	(22,675)
Staff costs	5.3	(110,645)	(107,234)	(514)	(1,596)
Depreciation, impairment and amortisation	5.4	(115,052)	(164,204)	(2,164)	(128,773)
Operating profit / (loss)		142,178	73,697	(2,540)	(115,124)
Dividends received from investments at FVTOCI		44	-	-	-
Dividend received from related parties		-	-	1,123	1,046
Acquisition and other investment costs	5.5	(106)	(1,737)	(106)	(1,247)
Fair value loss on derivatives assets	36.14	-	(3,997)	-	-
Gain on bargain purchase	31	272	-	-	-
Interest income	6	24,610	17,233	23,923	20,942
Finance costs	7	(79,894)	(75,328)	(32,012)	(30,486)
Net foreign exchange (loss) / gain	5.6	(440,858)	(257,220)	343	1,255
Hyperinflation monetary gain	1.1	386,603	156,854	-	-
Share of profits of associate	14	21	25	-	-
Profit / (loss) before taxation		32,870	(90,473)	(9,269)	(123,614)
Tax (expense) / credit	8	(27,592)	2,465	(2,752)	(2,801)
Profit / (loss) for the year		5,278	(88,008)	(12,021)	(126,415)
Other comprehensive (expense) / income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation loss on accounting for foreign entities		(8,688)	(224,185)	-	-
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	1.1	(53,200)	19,356	-	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Fair value gain on investments in equity instruments designated as FVTOCI	15	867	-	-	-
Total other comprehensive expense, net of tax		(61,021)	(204,829)	-	-
Total comprehensive expense		(55,743)	(292,837)	(12,021)	(126,415)
Loss attributable to:					
Owners of the company		5,631	(87,565)	(12,021)	(126,415)
Non-controlling interest		(353)	(443)	-	-
		5,278	(88,008)	(12,021)	(126,415)
Total comprehensive expense attributable to:					
Owners of the company		(55,179)	(292,218)	(12,021)	(126,415)
Non-controlling interest		(564)	(619)	-	-
		(55,743)	(292,837)	(12,021)	(126,415)
Earnings / (loss) per share					
Basic (Cents per share)	39	4.51	(70.13)		

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
as at 29 February 2024

	Notes	Group		Company	
		29/02/24	28/02/23	29/02/24	28/02/23
		USD'000	USD'000	USD'000	USD'000
Non-current assets					
Goodwill	9	73,990	76,576	-	-
Intangible assets	10	60,131	64,214	4,280	2,244
Property, plant and equipment	11	483,704	526,043	85	42
Right-of-Use assets	12	216,956	221,319	-	-
Investment in subsidiaries	13	-	-	662,791	674,665
Investment in associate	14	540	543	-	-
Investments at Fair Value Through Other Comprehensive Income (FVTOCI)	15	15,362	15,314	15,310	15,310
Deferred tax assets	16	41,869	48,388	-	-
Investments at amortised cost	17	41	45	-	-
Long-term receivables	18	143,074	133,236	186,543	177,957
Pre-commencement lease payments		9,565	8,464	-	-
Total non-current assets		1,045,232	1,094,142	869,009	870,218
Current assets					
Inventories	19	50,399	27,341	-	-
Trade and other receivables	20	258,944	246,927	177,259	151,796
Taxation	8	5,277	3,098	-	-
Cash and cash equivalents	21	56,654	88,393	14,582	7,525
Restricted cash and cash equivalents	21	422	425	12	115
Total current assets		371,696	366,184	191,853	159,436
Total assets		1,416,928	1,460,326	1,060,862	1,029,654
Equity and liabilities					
Capital and reserves					
Share capital	22	3,716	3,716	3,716	3,716
Share premium	22	276,714	276,714	276,714	276,714
Convertible preference shares	22	180,000	180,000	180,000	180,000
Investment revaluation reserve	22a	16	-	-	-
Accumulated losses		(57,616)	(64,098)	(18,808)	(6,787)
Foreign currency translation reserve	22a	(279,242)	(217,565)	-	-
Total equity attributable to owners of the parent		123,588	178,767	441,622	453,643
Non-controlling interests	13.2	86	1,146	-	-
Total equity		123,674	179,913	441,622	453,643
Non-current liabilities					
Long term borrowings	23a	742,252	763,373	-	-
Long term lease liabilities	29	116,804	103,661	-	-
Long term intercompany borrowings	24	-	-	533,095	533,095
Long term provisions	26	6,372	7,194	-	-
Deferred revenue	28	56,967	65,553	-	-
Deferred tax liabilities	16	4,615	15,986	-	-
Total non-current liabilities		927,010	955,767	533,095	533,095
Current liabilities					
Short term portion of long term borrowings	23b	80,987	34,687	42,665	201
Short term portion of long term lease liabilities	29	20,441	31,342	-	-
Trade and other payables	25	199,889	190,304	43,480	38,825
Short term provisions	27	13,912	23,679	-	3,890
Deferred revenue	28	40,443	33,806	-	-
Taxation	8	10,572	10,828	-	-
Total current liabilities		366,244	324,646	86,145	42,916
Total equity and liabilities		1,416,928	1,460,326	1,060,862	1,029,654

Approved by the Board of Directors and authorised for issue on 28 June 2024.


Eric Venpin
Director


Mike Moutien
Director

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
for the year ended 29 February 2024

Group

Notes	Share Capital USD'000	Share Premium USD'000	Convertible preference shares USD'000	Investment revaluation reserve USD'000	Foreign currency translation reserve USD'000	Retained Earnings / (Accumulated losses) USD'000	Non-controlling interest USD'000	Total Equity USD'000
At 1 March 2022	3,716	276,714	180,000		(12,912)	23,467	2,206	473,191
Dividend	-	-	-	-	-	-	(441)	(441)
Loss and total comprehensive expense for the year	-	-	-	-	(204,653)	(87,565)	(619)	(292,837)
Loss for the year	-	-	-	-	-	(87,565)	(443)	(88,008)
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	-	-	-	-	19,356	-	-	19,356
Translation loss on accounting for foreign entities	-	-	-	-	(224,009)	-	(176)	(224,185)
At 28 February 2023	3,716	276,714	180,000		(217,565)	(64,098)	1,146	179,913
Dividend	-	-	-	-	-	-	(496)	(496)
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI	-	-	-	(851)	-	851	-	-
Profit and total comprehensive expense for the year	-	-	-	867	(61,677)	5,631	(564)	(55,743)
Profit for the year	-	-	-	-	-	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)
At 29 February 2024	3,716	276,714	180,000	16	(279,242)	(57,616)	86	123,674

Company

	Share capital USD'000	Share premium USD'000	Convertible preference shares USD'000	Retained earnings / (accumulated losses) USD'000	Total Equity USD'000
At 1 March 2022	3,716	276,714	180,000	119,628	580,058
Loss for the year	-	-	-	(126,415)	(126,415)
At 28 February 2023	3,716	276,714	180,000	(6,787)	453,643
Loss for the year	-	-	-	(12,021)	(12,021)
At 29 February 2024	3,716	276,714	180,000	(18,808)	441,622

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
for the year ended 29 February 2024

Notes	Group		Company		
	29/02/24	28/02/23	29/02/24	28/02/23	
	USD'000	USD'000	USD'000	USD'000	
Cash flows from operating activities:					
Cash generated from / (used in) operations	30	155,554	240,747	(49,442)	525
Income tax paid	8	(30,987)	(24,313)	(2,752)	(2,801)
<i>Net cash generated from / (used in) operating activities</i>		<u>124,567</u>	<u>216,434</u>	<u>(52,194)</u>	<u>(2,276)</u>
Cash flows from investing activities:					
Interest income		5,028	1,542	166	20,942
Purchase of investment at FVTOCI	15	(953)	-	-	-
Disposal of investment at FVTOCI	15	1,772	-	-	-
Purchase of investments at amortised cost		-	(46)	-	-
Net cash inflow on acquisition of subsidiary	31	148	-	-	-
Dividends received from investments at FVTOCI		44	-	-	-
Dividend received from related parties	32	-	-	840	1,046
Purchase of property, plant and equipment		(61,290)	(87,567)	-	(14)
Proceeds on disposal of property, plant and equipment		23,703	3,518	-	-
Pre-commencement lease payments		(1,101)	(3,105)	-	-
Purchase of intangible assets		(7,938)	(14,134)	-	-
Proceeds on disposal of intangible assets		84	558	-	-
Cash (paid to) / received from long-term receivables from related parties		(8,364)	4,437	18,211	16,987
<i>Net cash (used in) / generated investing activities</i>		<u>(48,867)</u>	<u>(94,797)</u>	<u>19,217</u>	<u>38,961</u>
Cash flows from financing activities:					
Dividend paid		(360)	(441)	-	-
Finance costs paid		(57,504)	(58,726)	(2,510)	(29,619)
Increase / (decrease) in borrowings		28,603	(14,325)	42,441	(865)
Decrease in lease liabilities		(50,354)	(46,738)	-	-
Increase in long term intercompany borrowing		-	407	-	-
<i>Net cash (used in) / generated from financing activities</i>		<u>(79,615)</u>	<u>(119,823)</u>	<u>39,931</u>	<u>(30,484)</u>
Net (decrease) / increase in cash and cash equivalents		(3,915)	1,814	6,954	6,201
Cash and cash equivalents at beginning of the year		88,818	163,643	7,640	1,439
Translation of cash with respect to foreign operations		(27,827)	(76,639)	-	-
Cash and cash equivalents at end of the year		<u>57,076</u>	<u>88,818</u>	<u>14,594</u>	<u>7,640</u>
Represented by:					
Cash and cash equivalents	21	56,654	88,393	14,582	7,525
Restricted cash and cash equivalents	21	422	425	12	115
		<u>57,076</u>	<u>88,818</u>	<u>14,594</u>	<u>7,640</u>

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 29 February 2024

1. General information

Liquid Telecommunications Holdings Limited (trading as Liquid Intelligent Technologies) is a private company incorporated in Mauritius on 26 January 2007 and was granted a Category 2 – Global Business Licence Company as from 29 January 2007. The company's Global Business Licence (category 2) was converted to a Global Business Company licence on 30 June 2021. Its registered office is situated at 10th floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, Mauritius. The company's main activity is to carry on the business of a holding company in respect of subsidiary companies 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 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").

1.1 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 29 February 2024, with effect from 1 October 2018 for its Zimbabwean subsidiaries.

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 and this was the rate on 28 February 2019. The Zimbabwean currency was then renamed the Zimbabwean Dollar (ZWL\$).

During the year ended 29 February 2024, there has been further movement in the ZWL\$:USD rate and the group has used a rate of ZWL\$:USD 14,912.8:1 (28 February 2023: ZWL\$:USD 892.6:1) to translate both the statement of profit or loss and the statement of financial position at 29 February 2024. Of the USD 440.9 million (28 February 2023: USD 257.2 million) net foreign exchange loss in the consolidated statement of profit and loss, Zimbabwe contributed USD 407.4 million (28 February 2023: USD 249.0 million). The net foreign exchange loss arises mainly on the retranslation of USD denominated intra-group debt at the statement of financial position date.

After the reporting date, a new structured currency, known as the Zimbabwe Gold (ZiG) has been issued and is set to replace the current hyperinflationary currency. Refer to note 35 - *Events after the reporting period* for more details.

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 9 November 2023.

Based on these reports, and because Zimbabwe's functional currency is ZWL\$, the group has concluded that hyperinflation accounting is applicable to accounting periods ended on or after 1 July 2019 and until there are indicators that allow the group to discontinue doing so. The group has applied hyperinflation accounting to all periods presented in these financial statements, effective from 1 October 2018. The adjustment for the impact of foreign exchange on opening balance under hyperinflation accounting of the Zimbabwe entities at 1 March 2023 resulted in a foreign exchange loss of USD 53.2 million (28 February 2023: gain of USD 19.4 million) which has been recognised directly in other comprehensive income, in accordance with IAS 21 - *The Effects of Changes in Foreign Exchange Rates*.

The application of hyperinflationary accounting results in certain assets, liabilities, revenues and costs being reported in inflation adjusted terms as at 29 February 2024.

The restatement of balances in accordance with IAS 29 requires the use of a general price index ("GPI") that reflects changes in general purchasing power. Following the introduction of new regulations by the Zimbabwean government in March 2023, the official published Zimbabwe Consumer Price Index ("CPI") as the GPI was discontinued with the last publication in January 2023.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2024

1.1 Zimbabwean currency and hyperinflation accounting (continued)

Hyperinflation accounting (continued)

Since February 2023 and in the current year, we have continued to use the exchange rate movement as a proxy of the GPI. The movement in the year was 1,570.65%, for which the group has applied the movement in GPI for determining the CPI and therefore the closing CPI for February 2024 was 257,098.03 (28 February 2023: 15,389.58)

The gains on the net monetary position of USD 386.6 million (28 February 2023: USD 156.9 million) have been recognised in the consolidated statement of profit or loss through 'Hyperinflation monetary gain' based on the above mentioned CPI for February 2024 (28 February 2023: 15,389.58).

In addition, IAS 29 requires the translation of the results at closing rate rather than average rate. The closing rate of ZWL\$:USD 14,912.8:1 (28 February 2023: ZWL\$:USD 892.6:1) has been used.

The directors continue to monitor the economic conditions in Zimbabwe, including the events after the reporting date as disclosed in note 35.

1.2 Application of New and Revised International Financial Reporting Standards (IFRS)

In the current year, the company and group have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 March 2023.

New and revised IFRSs and IFRICs applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 1	Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies.
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates.
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations.
IAS 12	Income Taxes - Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Impact of the above revised Standards:

IAS 1 - Presentation of Financial Statements:

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

This amendment has only impacted the presentation in regard to disclosure of accounting policies.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2024

1.2 Application of New and Revised International Financial Reporting Standards (IFRS) (continued)

Impact of the above revised Standards (continued):

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was deleted.

This amendment only impacts the presentation in regard to disclosure of accounting estimates, in terms of the new definition.

IAS 12 - Income Taxes:

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

This amendment has been applied by the group.

IAS 12 - Income Taxes:

The group is expected to be within the scope of the OECD Pillar Two model rules from 1 March 2024. Pillar Two legislation is expected to be enacted in Mauritius, the jurisdiction in which Liquid Telecommunications Holdings Ltd is incorporated, although detailed legislation is yet to be released. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposure. The group applies the exception to recognising and disclosing information regarding deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the group is expected to be liable to pay top-up tax for any differences which may arise between its Global Anti-Base Erosion (GloBE) rules effective tax rate per jurisdiction and the 15% minimum rate, subject to the applicability of any safe harbours.

The group is in the process of assessing its exposure to the Pillar Two legislation. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the legislation has not yet been reasonably estimated. The group has engaged its tax advisers to assist it with assessing the likely impact of the rules which will include establishing the availability of any relevant safe harbours per jurisdiction.

New and revised IFRSs and IFRICs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities (effective 1 January 2024).
IAS 1	Presentation of Financial Statements - Amendments to defer the effective date of the January 2020 amendments (effective 1 January 2024).
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of debt with covenants (effective 1 January 2024).
IAS 7	Statement of Cash Flows - Amendments regarding supplier finance arrangements (effective 1 January 2024).
IFRS 7	Financial Instruments: Disclosure - Amendments regarding supplier finance arrangements (effective 1 January 2024).

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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for the year ended 29 February 2024

New and revised IFRSs and IFRICs in issue but not yet effective (continued)

IFRS 7	Financial Instruments: Disclosure - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026).
IFRS 9	Financial Instruments - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026).
IFRS 16	Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (effective 1 January 2024).
IFRS 18	Presentation and Disclosures in Financial Statements – Original issue (effective 1 January 2024).
IFRS 19	Subsidiaries without Public Accountability: Disclosures – Original issue (effective 1 January 2027).
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information (effective 1 January 2024).
IFRS S2	Climate-related Disclosures (effective 1 January 2024).

The directors anticipate that these IFRSs will be applied on their effective dates in the financial statements in future periods. The directors have estimated that the application of these amendments will not have material impacts in the financial statements in future periods.

2. Material accounting policy information

Basis of preparation

The consolidated and separate financial statements have been prepared under the historical cost convention, except for certain financial instruments carried at fair value. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The material accounting policy information adopted in the preparation of these financial statements are set out below:

Historical cost is generally based on the fair value of the consideration given in exchange for the goods or services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the group and the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis except for share-based transactions which fall in the scope of IFRS 2, leasing transactions that are in the scope of IFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Refer to note 42 for more details.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) up to the reporting date each year. Control is achieved when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profits or losses and each component of the other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2. Material accounting policy information (continued)

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the equity interests issued by the group, liabilities incurred by the group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, except that:

- deferred tax or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Non-controlling interests are considered to be insignificant when the closing balance, individually and collectively, is 5% or lower of the combined total equity at year end. See note 13.2 for *Details of non-wholly owned subsidiaries that have material non-controlling interests*.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land is not depreciated.

Depreciation is charged so as to write off the cost to their residual values, over their estimated useful lives, using the straight-line method, on the following basis:

Buildings	20 - 50 years
Furniture and fittings	5 - 10 years
Computer equipment	2 - 10 years
Network equipment	5 years
Motor vehicles	4 - 5 years
Fibre infrastructure	5 - 25 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gains and losses arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying value of the asset and is recognised in profit or loss.

2. Material accounting policy information (continued)

Property, plant and equipment (continued)

Work in progress relates to an asset under construction that has not yet been put into use. The asset is not subject to depreciation while in the construction phase. Once the asset is fully developed and available for use, depreciation will start.

Investment in associate

An associate is an entity over which the group has significant influence through holding, directly or indirectly, of 20 percent or more of the voting power of the associate, but that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately as a 'bargain purchase gain' in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 "Impairment of Assets" are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of the impairment loss is recognised in accordance with IAS 36 "Impairment of Assets" to the extent that the recoverable amount of the investment subsequently increases.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or part of the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter by an increase or decrease in the carrying amount of the investee by the group's share of profit or loss of the investee.

When the group's share of losses of an associate exceeds the group's interest in that associate (which includes any long-term interest that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

Investment in subsidiaries

In the company's financial statements, investments in subsidiaries are measured and valued at cost less impairment.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows has not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2024

2. Material accounting policy information (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses in bringing the items to their present location and condition. The cost of inventory is calculated using the Average Cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value (excluding trade receivables which are recognised at transaction price in terms of IFRS 15). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets are classified into the following specified categories:

- Amortised cost;
- Fair Value Through Other Comprehensive Income (FVTOCI); and
- Fair Value Through Profit or Loss (FVTPL).

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below); and
- the group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the consolidated statement of profit or loss after Operating profit.

All financial assets on the consolidated statement of financial position, with the exception of investments are classified at amortised cost.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

(ii) Equity instruments designated as at FVTOCI (continued)

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, that is dividends are recognised when the entity's right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably. Dividends are recognised in statement of profit or loss unless they clearly represent recovery of a part of the cost of the investment, in which case they are deducted from the cost of investment.

The group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

However, IFRS 9 observes that in limited circumstances, cost may provide an appropriate estimate of fair value. This would be the case if sufficient more recent information is not available to measure fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The directors considered the requirements of IFRS 9 and are of the opinion that cost is the best estimate for fair value for these investments in equity.

(iii) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost, exchange differences are recognised in the statement of profit or loss in the 'Net foreign exchange (loss) / gain' line item;
- for equity instruments measured at FVTOCI, exchange differences are recognised in the statement of other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the receivable, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the receivable's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the receivable;
- significant increases in credit risk on other financial instruments of the same receivable; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the receivable's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group).

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (d) the disappearance of an active market for that financial asset because of financial difficulties.

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iv) Write-off policy

The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed in liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, after the group has exhausted all efforts to recover such trade receivables, which ever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of profit or loss.

(v) Measurement and recognition of expected credit losses (ECL)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information (including for example macroeconomic developments).

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

The group makes provision on the following basis, which falls under stage 3 of the ECL model:

- 100% of all non-intercompany trade debts aged 90 days or older (see exception below),
- 100% of the balance due from a client who has a publicised case of either Curatorship, Judicial Management, Liquidation, Scheme of Arrangement and Insolvency and its operations might have ceased or are being wound up, and
- 100% of any disputed balances

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The following are areas where management considers that the risk of default is minimal to nil and no provision is provided unless management assess that the credit risk has increased:

- Payment plans - A signed acknowledgment of debt with a payment plan and/or a set-off agreement exists and the client is abiding by the terms of these agreements. If the client does not comply with the payment plans, the services are stopped. If they still do not pay, the group will engage legal counsel to pursue recovery from the client. Historically and in most cases, customers do pay when legal letters are issued. When the client is unable to pay due to cash flow issues (hence, increased credit risk), a provision is made.
- Payment history – The customer's payment trend is in intervals, say quarterly, bi-annually or annually and its history is evidenced on their customer statement. This is usually applicable to government bodies and strategic clients.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss. In addition, on derecognition of an investment in equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the statement of profit or loss, but is transferred to retained earnings.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2024

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised when the proceeds are received, net of direct issue costs.

A repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Share capital and share premium are classified as equity.

Financial liabilities

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial liabilities comprise of long and short term borrowings, other long term payables, trade and other payables and lease liabilities.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Net foreign exchange (loss) / gain' line item in the statement of profit or loss.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

Derivatives

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Embedded derivatives are disclosed separately in the consolidated statement of financial position. Embedded derivatives relating to financial assets and financial liabilities are not bifurcated.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2024

2. Material accounting policy information (continued)

Cash or cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Restricted cash comprises cash held in restricted accounts for bank guarantees and customer deposits.

Financing activities include dividends paid. Interest paid is included in financing activities.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities arising from the taxable temporary differences associated with investments in subsidiaries, branches and associates are not recognised if the company has both the ability to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the consolidated statement of profit or loss, except when they relate to items recognised in other comprehensive income, in which case the tax is also recognised in other comprehensive income, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

2. Material accounting policy information (continued)

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it.

Revenue recognition

The group recognises revenue from the following major sources:

- Network - primarily revenue from long haul and metro networks;
- 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.

Revenue is measured based on the consideration to which the group expects to be entitled from a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer. Depending on whether certain criteria are met, revenue is recognised:

- Over time, in a manner that best reflects the delivery of the group's performance obligations; or
- At a point in time, when control of the goods or services is transferred to the customer.

The group accounts for a contract with a customer only when there is evidence of an arrangement, the group can identify each party's rights regarding the goods and services to be transferred, the contract has commercial substance and collectability is reasonably assured.

- Network: The performance obligation relating to these service contracts consists of two parts; firstly the installation of the equipment and/or connection of the service, the Non-Recurring Revenue (NRR), and secondly the provisioning of monthly services, the Monthly Recurring Revenue (MRR).

The majority of these contracts only have one performance obligation even though the different parts of the service contracts are interrelated. Therefore, both the NRR and MRR components of the contract will be recognised over the period of the contract. Transaction prices are determined based on signed contracts, which take into account equipment and data rates determined at market related prices with the client for the NRR and MRR components. Deferred revenue (contract liability) is raised for the NRR payment received upfront. Customers are invoiced once for NRR and on a monthly basis for MRR. A receivable (contract asset) is raised as the service is delivered.

- C2: The majority of these contracts have one performance obligation that is recognised when the service is made available to customers on-demand via remote connection to a cloud computing server. The connection of the service performance obligation is satisfied on completion of connection as ownership is transferred. The provisioning of a service is recognised monthly as this is when the service is delivered. The transaction price is determined by the signed contract, which takes into account the rates determined at market related prices. Customers are invoiced once for NRR and on a monthly basis for MRR. A receivable (contract asset) is raised as the service is

- Dataport: The performance obligation relating to these service contracts consists of two parts; firstly the installation of the equipment and/or connection of the service, the Non-Recurring Revenue (NRR), and secondly the provisioning of monthly services, the Monthly Recurring Revenue (MRR).

The majority of these contracts only have one performance obligation which is the provisioning of a monthly service that is satisfied over time. Therefore, both the NRR and MRR components of the contract will be recognised over the period of the contract. Transaction prices are determined based on signed contracts, which take into account equipment and data rates determined at market related prices with the client for the NRR and MRR components. Deferred revenue is raised for the NRR payment received upfront. Customers are invoiced once for NRR and on a monthly basis for MRR. A receivable (contract asset) is raised as the service is delivered.

- Voice Traffic: The performance obligation relating to wholesale voice traffic is to provide voice minutes for the duration of the call until termination. The transaction price is determined based on agreed upon per minute rates and the duration of the call. Revenue relating to wholesale voice is recognised at the point the call is terminated, as this is the point the service is delivered to the customer. Customers are invoiced monthly based for their voice usage and a receivable (contract asset) is raised as the service has been delivered.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2024

2. Material accounting policy information (continued)

Revenue recognition (continued)

Revenue recognition is applied to individual contracts with customers. However, the International Accounting Standards Board (IASB) recognised that there may be situations in which it may be more practical for an entity to combine contracts for revenue recognition purposes rather than attempt to account for each contract separately.

In addition to revenue recognition for revenue streams mentioned above, based on the nature of the group's business operations, from time to time management enters into contracts with customers that include unique contractual terms and other elements that fall outside of the group's general contract terms and conditions. Such contracts are considered dynamic in nature and encapsulate other performance obligations which are not in line with the group's main business operations. These contracts are entered into on an ad-hoc basis for larger contracts and as a result are accounted for separately.

Management fees

Management fees are recognised when the right to receive payment has been established.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in US Dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in statements of profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in statements of profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (excluding foreign operations which have the currency of a hyperinflationary economy) are expressed in US Dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the year.

Exchange differences arising on translation of foreign operations, if any, are recognised in other comprehensive income and accumulated under the group's translation reserve. Such translation differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate on the closing date.

Leases

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a Right-of-Use asset and a corresponding lease liability with respect to all lease arrangements, including the lease duration (including any extension or termination options), in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, which are short term and low value, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The group does not have leases with variable payments and has an insignificant amount of leases of low value assets.

2. Material accounting policy information (continued)

Leases (continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related Right-of-Use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Right-of-Use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provisions, contingent liabilities and contingent assets". To the extent that the costs relate to a Right-of-Use asset, the costs are included in the related Right-of-Use asset, unless those costs are incurred to produce inventories.

Right-of-Use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the Right-of-Use asset reflects that the group expects to exercise a purchase option, the related Right-of-Use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Right-of-Use assets are presented as a separate line in the consolidated statement of financial position.

The group applies IAS 36 "Impairment of Assets" to determine whether a Right-of-Use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of tangible and intangible assets excluding goodwill' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the Right-of-Use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Administrative expenses' in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has elected that any existing lease comprising of both components to be treated as a lease. The group has elected not to separate non-lease components from lease components, and instead account for each lease component and associated non-lease component as a single lease component. The practical expedient has been applied to fibre infrastructure, motor vehicles, site leases, land and buildings. The practical expedient will not apply where the costs associated with the above leases are treated and invoiced separately by the lessors and therefore accounted in accordance with other applicable accounting standards.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2024

2. Material accounting policy information (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowing costs are expensed in the year in which they are incurred.

Intangible assets

Intangible assets acquired are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives, on the following basis:

Operating Licence	10 - 25 years
Computer Software	2 - 8 years
Customer relationships	3 - 5 years
Other Intangible Assets*	3 - 10 years

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

Upon acquisition of Liquid Telecommunications South Africa (Pty) Limited, Zanlink Limited and Raha Limited a valuation was assigned to the existing customer base of each entity and is classified as Customer relationships in Intangible assets (note 10).

The estimated useful lives and amortisation method are reviewed at the end of each annual reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statements of profit or loss and other comprehensive income when the asset is derecognised.

Cash flows

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, restricted cash, treasury bills and deposits held, less bank overdrafts all of which are available for use by the company unless otherwise stated.

Equity Loans

Equity loans to subsidiaries arising on acquisition are recognised in investments in subsidiaries on the date of acquisition.

3. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the group's accounting policies (note 2), management has made the following Critical accounting judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements:

Critical accounting judgements

(i) Revenue recognition

As mentioned in Note 2 - *Material accounting policy information*, 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.

For more details on the accounting policy, see 'Revenue recognition' in note 2 - *Material accounting policy information*.

(ii) 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 40 - *Contingent liabilities* for further disclosure.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2024

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

Critical accounting judgements (continued)

(ii) Contingent liabilities (continued)

For more details on the accounting policy, see 'Provisions' in note 2 - *Material accounting policy information*.

Key sources of estimation uncertainty

(i) 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 present value of the recoverable amount.

For more details on the accounting policy, see note 2 - *Material accounting policy information* and for movement in balances including sensitivity analysis, see note 9 - *Goodwill*.

(ii) Impairment of investment

The assessment of whether there is an impairment in the carrying value of an investment requires an estimation of the value in use of the cash generating unit to which the investment relates. 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.

For more details on the accounting policy, see 'Investment in subsidiaries' in note 2 - *Material accounting policy information* and for movement in balances including sensitivity analysis, see note 13 - *Investments in subsidiaries*.

(iii) Hyperinflation accounting

The restatement of balances in accordance with IAS 29 requires the use of a general price index ("GPI") that reflects changes in general purchasing power. Following the introduction of new regulations by the Zimbabwean government in March 2023, the official published Zimbabwe Consumer Price Index ("CPI") as the GPI was discontinued with the last publication in January 2023.

In February 2023 and in the current year, we have continued to use the exchange rate movement as a proxy of the GPI. The movement in the year was 1,570.65%, for which the group has applied the movement in GPI for determining the CPI and therefore the closing CPI for February 2024 was 257,098.03 (28 February 2023: 15,389.58). An increase of 10% in the CPI for February 2024 will result in an increase of USD 31.0 million in hyperinflation monetary gain recognised in the consolidated statement of profit or loss and a decrease by 10% will result in a reduction of USD 28.1 million in the same line item.

For more information on the Zimbabwean currency and hyperinflation accounting, see note 1.1.

(iv) *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 our customers.

As part of the re-organisation, new equity investment that will result in cash inflows of USD 225.0 million in the twelve months from the date of signing of the consolidated financial statements, is being sourced from new and existing investors. All of the group's existing shareholders have signed the documents necessary to give effect to the group reorganisation and these are currently being held in escrow to be released upon signature of a private placement share subscription agreement by one or more of the new investors. The first tranche of equity investment expected under the private placement will result in a cash inflow of approximately USD 90.0 million. The directors understand that all of the first tranche investors have received full approvals as required by their own internal processes. The group and new investors are now in the process of finalising the legal documentation to facilitate the investment. Proceeds from the investment will be deployed in LTH and the other Group companies to fund business growth and provide operational liquidity.

Re-financing

In parallel, the group is in discussions to re-finance the remaining USD 144.9 million of the USD 220 million equivalent South African Rand term loan ("ZAR term loan" - see note 23a and 23b for more details on this facility). Based on current discussions with selected existing lenders, the directors consider the group to be making good progress and is working towards concluding this refinancing in the coming months.

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

Critical accounting judgements (continued)

Key sources of estimation uncertainty (continued)

(iv) *Going concern (continued)*

Re-financing (continued)

In addition, the group is exploring the opportunity to discount certain material receivable balances in a way that will either provide debt funding on advantageous terms or an absolute cash injection. These funds will be used to reduce gross debt.

Material uncertainty related to going concern

The group and company have prepared business and cashflow forecasts in accordance with their 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 4.1 - *Segment revenue and results*). Also factored into the base case forecast is the receipt of the first tranche of new equity investment. 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 year. Based on current progress observed, the directors expect that both the equity and re-financing processes 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 significant progress made on the equity investment process, it is not yet complete as at the date of signing of the consolidated financial statements. Whilst the directors expect this to happen in the going concern period nonetheless there remains an uncertainty over the quantum and timing of the investment until such time as the legal documentation is in place.

The directors have considered a downside scenario which factors in the possibility that the funding of the USD 90.0 million from the equity investment, expected within the next two months is not received in that timeframe. Under this downside scenario, should the group miss forecast Adjusted EBITDA targets by 1% then there would be a net leverage covenant breach in Q2 2025 financial year (August 2024) and mitigating actions would need to be taken to address the shortfall. These mitigating actions may include for example, the reduction of operating and capital expenditure and ensuring a greater focus on working capital management, particularly in the collection cycle for receivable balances. These mitigating actions are not currently contemplated in the 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 receipt of the equity investment, including the modelled USD 90.0 million of funding before the next covenant test on the 31 August 2024, and the need to continue to meet its Adjusted EBITDA forecasts in order to allow the group and company to meet tight expected headroom to financial covenants creates a material uncertainty which may cast significant doubt on the group and company'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.

For more details on the going concern, see note 42.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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4. Revenue and segment information

4.1 Segment revenue and results

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, that also represents the basis on which the Chief Operating Decision Maker reviews segment results, is Adjusted EBITDA.

Adjusted EBITDA is defined as earnings before profit 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
- Fair value loss on derivatives assets
- Net foreign exchange loss (see note 5.6)
- Hyperinflation monetary gain (see note 1.1)
- Share of profits of associate

The following is an analysis of the group's revenue and results by reportable segment for the:

Year ended 29 February 2024

	South		Rest of Africa	Rest of the World	Central Administration		Total
	Africa	Zimbabwe			Costs*	Eliminations	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	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	-
Group External Revenue	241,403	167,601	154,028	123,686	-	-	686,718
Adjusted EBITDA	78,816	85,387	42,157	76,267	(16,484)	(8,869)	257,274
Depreciation, impairment and amortisation							(115,052)
Acquisition and other investment costs							(106)
Gain on bargain purchase							272
Interest income							24,610
Finance costs							(79,894)
Net foreign exchange loss							(440,858)
Hyperinflation monetary gain							386,603
Share of profits of associate							21
Profit before taxation							32,870
Tax expense							(27,592)
Profit for the year							5,278

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

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4. Revenue and segment information (continued)

4.1 Segment revenue and results (continued)

Year ended 28 February 2023

	South		Rest of Africa	Central Administration		Total
	Africa	Zimbabwe		Rest of World	Costs*	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	163,759	114,556	143,224	85,038	-	438,939
C2	43,363	9,703	10,655	17,906	-	69,404
Dataport	8,296	2,499	11,551	35,221	-	43,654
Voice traffic	8,794	72	64	62,993	-	70,509
Inter-segmental revenue	(8,063)	(772)	(13,057)	(73,296)	-	-
Group External Revenue	216,149	126,058	152,437	127,862	-	622,506
Adjusted EBITDA	80,819	65,711	47,315	70,810	(17,598)	237,901
Depreciation, impairment and amortisation						(164,204)
Acquisition and other investment costs						(1,737)
Fair value loss on derivatives assets						(3,997)
Interest income						17,233
Finance costs						(75,328)
Net foreign exchange loss						(257,220)
Hyperinflation monetary gain						156,854
Share of profits of associate						25
Loss before taxation						(90,473)
Tax credit						2,465
Loss for the year						(88,008)

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

The accounting policies of the reportable segments are the same as the group's accounting policies described in note 2.

For the year ended 29 February 2024, there is only 1 major customer** comprising more than 10% of the total group revenue (2023: only 1 major customer). The revenue from this customer is spread across the 4 segments.

** the customer name and revenue have not been disclosed due to confidentiality of information.

The following tables show the timing of revenue recognition:

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Year ended 29 February 2024					
Recognised over the life of the contract as per IFRS 15	198,125	153,520	121,674	95,797	569,116
Recognised immediately on delivery of the service	43,278	14,081	32,354	27,889	117,602
	241,403	167,601	154,028	123,686	686,718
Year ended 28 February 2023					
Recognised over the life of the contract as per IFRS 15	192,099	114,169	119,395	108,943	534,606
Recognised immediately on delivery of the service	24,050	11,889	33,042	18,919	87,900
	216,149	126,058	152,437	127,862	622,506

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4. Revenue and segment information (continued)

4.2 Segment assets and liabilities (continued)

	<u>29/02/24</u>	<u>28/02/23</u>
	USD'000	USD'000
Segment assets		
South Africa	570,616	590,693
Zimbabwe	239,600	282,198
Rest of Africa	336,931	374,971
Rest of the World	269,781	212,464
Consolidated total assets	<u>1,416,928</u>	<u>1,460,326</u>
Segment liabilities		
South Africa	183,684	196,608
Zimbabwe	28,982	45,386
Rest of Africa	162,076	194,323
Rest of the World	99,314	50,921
Total segment liabilities	474,056	487,238
Group Borrowings (USD 620 million 5.5% Senior Secured Notes, embedded derivatives, USD 220 million equivalent South African Rand term loan and USD 60 million revolving credit facility - note 23)	819,198	793,175
Consolidated total liabilities	<u>1,293,254</u>	<u>1,280,413</u>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments.
- all liabilities are allocated to reportable segments other than group borrowings.

4.3 Other segment information

	Depreciation, impairment and amortisation		Additions to property, plant and equipment, Right-of-Use assets and intangible assets	
	<u>29/02/24</u>	<u>28/02/23</u>	<u>29/02/24</u>	<u>28/02/23</u>
	USD'000	USD'000	USD'000	USD'000
South Africa	54,517	94,144	77,469	104,512
Zimbabwe	10,845	15,676	4,468	19,492
Rest of Africa	28,480	35,672	42,323	67,491
Rest of the World	21,210	18,712	21,353	18,282
	<u>115,052</u>	<u>164,204</u>	<u>145,613</u>	<u>209,777</u>

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5. Profit / (loss) before taxation

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000

5.1 Profit / (loss) before taxation is arrived at after taking the following into account:

Auditor's fees	2,335	1,975	220	480
Non-audit services	107	136	-	155
Consultancy fees	7,888	10,146	2,019	2,900
Management fee expense (note 32)	510	240	24,376	16,260

5.2 Other income

Gain on disposal of property, plant and equipment	253	66	-	-
Profit on disposal of Right-of-Use assets	1,554	-	-	-
Management fees income (note 32)	3,686	2,469	32,881	33,096
Sundry income (non-operating income that does not meet the recognition criteria of revenue under IFRS 15)	6,741	5,227	6,381	5,682
	12,234	7,762	39,262	38,778

5.3 Staff costs

Wages and salaries	83,403	73,631	514	1,596
Social security costs	13,906	17,190	-	-
Defined contribution plans expense	8,458	9,604	-	-
Other staff costs	4,878	6,809	-	-
	110,645	107,234	514	1,596

The group operates defined contribution retirement benefit plans for all qualifying employees in accordance with the regulations of each jurisdiction. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the benefits. The only obligation of the group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in statement of profit or loss of USD 8.5 million (28 February 2023: USD 9.6 million) represents contributions paid to these plans by the group at rates specified in the rules of the plans.

5.4 Depreciation, impairment and amortisation

Depreciation (note 11)	56,854	61,368	25	28
Amortisation of intangible assets (note 10)	9,724	10,037	2,139	1,675
Right-of-Use assets depreciation (note 12)	46,973	53,991	-	-
Inventory written off (note 19)	5	21	-	-
Provision for obsolete inventory (note 19)	148	86	-	-
Impairment of investment in subsidiary (note 13.1)	-	-	-	127,070
Write off of property, plant and equipment (note 11)	5	255	-	-
Impairment of property, plant and equipment (note 11)	1,285	2,365	-	-
Impairment of intangible assets (note 10)	58	-	-	-
Impairment of goodwill (note 9)	-	36,081	-	-
	115,052	164,204	2,164	128,773

5.5 Acquisition and other investment costs

Legal fees	-	490	-	-
Professional fees	60	42	60	42
Other investment costs	46	1,205	46	1,205
	106	1,737	106	1,247

5.6 Net foreign exchange (loss) / gain

Exchange losses - unrealised	(447,307)	(267,672)	(42)	(3)
Exchange losses - realised	(19,315)	(26,064)	-	-
Exchange gains - unrealised	23,043	33,589	385	1,252
Exchange gains - realised	2,721	2,927	-	6
	(440,858)	(257,220)	343	1,255

6. Interest income

Interest received - bank / external	5,028	1,542	166	5
Interest received - inter-group (note 32)	19,582	15,691	23,757	20,937
	24,610	17,233	23,923	20,942

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7. Finance costs	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Interest on loans	23,339	25,588	2,531	1,118
Finance cost on Senior Secured Notes	34,100	34,100	-	-
Finance arrangement fees amortised	3,614	3,674	-	-
Interest on lease liabilities	18,509	11,747	-	-
Interest paid - inter-group (note 32)	332	219	29,481	29,368
	79,894	75,328	32,012	30,486

8. Taxation

Current taxation	24,535	23,386	-	-
Deferred taxation credit (note 16)	(5,611)	(34,062)	-	-
Withholding taxation	8,668	8,211	2,752	2,801
Total tax expense / (credit)	27,592	(2,465)	2,752	2,801

The charge / (credit) for the year can be reconciled to profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

Profit / (loss) before taxation	32,870	(90,473)	(9,269)	(123,614)
Taxation at domestic rate for foreign subsidiaries in tax paying jurisdictions	23,820	(24,699)	-	-
Tax effect of non-deductible expenses	4,115	33,061	-	-
Tax effect of non-taxable income	(35,021)	-	-	-
Tax effect of foreign tax credit	(504)	(1,194)	-	-
Effect of tax losses not recognised as deferred tax assets	6,692	912	-	-
Tax effect of utilised unrecognised tax losses	(2,187)	(930)	-	-
Tax effect on IAS 29 adjustments	22,009	(17,826)	-	-
Withholding taxation	8,668	8,211	2,752	2,801
	27,592	(2,465)	2,752	2,801

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

Mauritius (tax allowance of 80%, depending on type of income)	15%	15%
South Africa	27%	28%
Kenya	30%	30%
United Kingdom	24.5%	19%
Tanzania	30%	30%
Zambia	35%	35%
Zimbabwe	25.75%	25.75%

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Taxation asset:				
Opening balance	3,098	3,344	-	-
Acquisition of subsidiary (note 31)	76	-	-	-
Provision / (reversal) for the year	22	(30)	-	-
Payments during the year	575	155	-	-
Net reclassification of deferred tax assets / liabilities	2,138	315	-	-
Foreign exchange differences	(632)	(686)	-	-
Closing balance	5,277	3,098	-	-
Taxation liability:				
Opening balance	(10,828)	(5,256)	-	-
Acquisition of subsidiary (note 31)	(72)	-	-	-
Provision for the year	(33,225)	(31,567)	(2,752)	(2,801)
Payments during the year	30,412	24,158	2,752	2,801
Net reclassification of deferred tax assets / liabilities	(2,138)	(187)	-	-
Foreign exchange differences	5,279	2,024	-	-
Closing balance	(10,572)	(10,828)	-	-

9. Goodwill

Cost	Group	
	29/02/24	28/02/23
	USD'000	USD'000
Opening balance	76,576	129,182
Impairment (see below)	-	(36,081)
Foreign exchange differences	(2,586)	(16,525)
Closing balance	73,990	76,576

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9. Goodwill (continued)

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

	Group	
	<u>29/02/24</u>	<u>28/02/23</u>
	USD'000	USD'000
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
Zimbabwe Online (Private) Limited (see below)	-	-
Liquid Telecommunications Holdings South Africa (Pty) Limited	57,774	60,360
Liquid Telecommunications Zambia Limited	2,201	2,201
Raha Tanzania Holdings Limited	5,584	5,584
	<u>73,990</u>	<u>76,576</u>

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 three to 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 0.5% to 5.8% (FY23: 0.5% to 4.2%).
- Discount rates: The country specific Weighted Average Cost of Capital ("WACC") is used as the discount rate which ranges from 11.5% to 22.0% (post-tax) (FY23: 10.3% to 21.5%). 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 29 February 2024, there was no impairment in LTHSA (FY23: impairment of USD 36.1 million) and the following assumptions were applied:

- A terminal growth rate of 4.3% (FY23: 4.2%) was applied in line with inflation forecasts for South Africa over a comparable period.
- LTHSA's WACC of 16.3% (FY23: 15.5%) was used as the discount rate. On a pre-tax basis, this rate is 17.1% (FY23: 19.8%).

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% in the above terminal growth rate would result in no impairment and a decrease of 10% would result in an impairment of USD 4.5 million (FY23: USD 9.6 million).
- An increase of 10% in the above WACC would result in an impairment of USD 32.6 million (FY23: additional impairment of USD 44.4 million) and a decrease of 10% would result in no impairment, with headroom.
- An increase of 10% in the EBITDA forecasts in each period would result in no impairment (FY23: no impairment), with significant headroom. A reduction of 10% in the EBITDA forecasts in each period would result in full impairment (FY23: full impairment) of the carrying value for the goodwill.

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% in the WACC would result in no impairment (FY23: no impairment), with headroom. A decrease of 10% would still result in no impairment (FY23: no impairment), with significant headroom. The sensitivity analysis is considered reasonably possible based on recent experience and the current underlying economic environment.

- Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe ("LTZ")

During the year ended 28 February 2023, Zimbabwe Online (Private) Limited ("ZOL"), a 100% subsidiary of Data Control and Systems (1996)(Private) Limited t/a Liquid Telecom Zimbabwe ("LTZ") was merged into its parent on 1 March 2022. ZOL's retail business together with the Wholesale and Enterprise business of LTZ are now regarded as a single CGU as they both form part of the LTZ legal entity. This change has resulted in a reallocation of the goodwill from LTZ to Liquid Telecommunications Holdings Limited (LTH).

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10. Intangible assets

Group

	Operating Licence	Computer Software	Fibre Optical - IRU	Customer Relationships	Work in Progress	Other Intangible Assets*	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:							
At 1 March 2022	33,130	42,761	-	34,302	8,758	52,009	170,960
Additions during the year	7,747	5,285	-	-	1,102	-	14,134
Disposals during the year	(887)	(4,931)	-	-	(25)	-	(5,843)
Transfers	-	831	-	-	(831)	-	-
Transfer to pre-commencement lease payments	-	-	-	-	(5,900)	-	(5,900)
Write off	-	(142)	-	-	-	-	(142)
Foreign exchange differences	(10,217)	(8,374)	-	(7,952)	-	(4,887)	(31,430)
Adjustments - IAS 29	2,621	922	-	-	-	-	3,543
At 28 February 2023	32,394	36,352	-	26,350	3,104	47,122	145,322
Acquisition of subsidiary (note 31)	-	-	-	82	-	-	82
Additions during the year	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
At 29 February 2024	31,390	40,872	-	24,713	3,046	45,087	145,108
Accumulated amortisation:							
At 01 March 2022	13,898	34,718	(13)	18,298	-	26,454	93,355
Amortisation	2,259	4,194	-	3,053	-	531	10,037
Disposals during the year	(442)	(4,844)	-	-	-	-	(5,286)
Write off	-	(142)	-	-	-	-	(142)
Foreign exchange differences	(4,781)	(6,390)	13	(2,678)	-	(4,805)	(18,641)
Adjustments - IAS 29	1,190	595	-	-	-	-	1,785
At 28 February 2023	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
At 29 February 2024	12,970	30,222	-	20,691	-	21,094	84,977
Carrying amount:							
At 28 February 2023	20,270	8,221	-	7,677	3,104	24,942	64,214
At 29 February 2024	18,420	10,650	-	4,022	3,046	23,993	60,131

* 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 29 February 2024, USD 0.1 million assets were impaired as they were deemed to be unusable, they relate to the Rest of World segment. (28 February 2023: nil). No further impairment was required following the review of the carrying value of Intangible assets of the group and company by the directors.

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10. Intangible assets (continued)

Company	Software	Work in Progress	Total
	USD'000	USD'000	USD'000
Cost:			
At 1 March 2022	2,942	59	3,001
Additions during the year	1,285	855	2,140
Transfers	759	(759)	-
Disposals during the year	(128)	-	(128)
At 28 February 2023	4,858	155	5,013
Additions during the year	1,987	2,272	4,259
Transfers	2,226	(2,226)	-
Disposals during the year	-	(84)	(84)
At 29 February 2024	9,071	117	9,188
Accumulated amortisation:			
At 1 March 2022	1,094	-	1,094
Amortisation	1,675	-	1,675
At 28 February 2023	2,769	-	2,769
Amortisation	2,139	-	2,139
At 29 February 2024	4,908	-	4,908
Carrying amount:			
At 28 February 2023	2,089	155	2,244
At 29 February 2024	4,163	117	4,280

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11. Property, plant and equipment

Group	Land and buildings	Furniture and fittings	Computer equipment	Network equipment	Motor vehicles	Work in progress	Fibre infrastructure	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost								
At 1 March 2022	21,764	12,084	33,077	108,802	13,151	45,602	1,179,054	1,413,534
Additions during the year	428	487	1,431	3,911	677	38,905	47,472	93,311
Disposals during the year	(944)	(275)	(2,703)	(1,265)	(29)	(2,722)	(29,952)	(37,890)
Impairment	-	-	-	-	-	(165)	(2,200)	(2,365)
Write offs	-	(74)	(117)	(1,132)	-	(11)	(209)	(1,543)
Transfers	-	142	235	2,464	182	(30,959)	27,936	-
Transfer to inventory (note 19)	-	-	-	-	-	(7)	(15)	(22)
Foreign exchange differences	(6,663)	(3,801)	(4,222)	(19,692)	(6,816)	(14,136)	(462,654)	(517,984)
Adjustments - IAS 29	1,442	964	536	571	2,623	3,876	139,507	149,519
At 28 February 2023	16,027	9,527	28,237	93,659	9,788	40,383	898,939	1,096,560
Acquisition of subsidiary (note 31)	-	4	97	-	-	-	-	101
Additions during the year	231	2,159	2,110	3,797	761	14,991	41,436	65,485
Disposals during the year	(1,007)	(2,775)	(2,702)	(30,589)	(197)	(1,282)	(34,818)	(73,370)
Transfer from Right-of-Use assets	-	-	-	515	-	-	-	515
Reclassification	-	-	-	-	-	2,257	-	2,257
Impairment	-	-	-	-	-	-	(1,285)	(1,285)
Transfer to inventory (note 19)	-	-	(5)	-	-	-	(6,688)	(6,693)
Write offs	-	-	-	-	-	(5)	-	(5)
Transfers	-	68	34	27,410	-	(27,927)	415	-
Transfer from inventory (note 19)	-	-	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
At 29 February 2024	14,671	8,767	26,704	83,807	9,913	27,120	863,096	1,034,078
Accumulated depreciation								
At 1 March 2022	7,671	10,061	30,258	96,242	9,890	(2,257)	555,432	707,297
Depreciation charge for the year	298	622	1,409	9,277	622	-	49,140	61,368
Disposals during the year	(944)	(278)	(2,689)	(1,141)	(24)	-	(29,361)	(34,437)
Write offs	-	(63)	(117)	(1,053)	-	-	(55)	(1,288)
Foreign exchange differences	(1,296)	(3,082)	(3,646)	(15,118)	(5,109)	-	(186,891)	(215,142)
Adjustments - IAS 29	-	508	263	78	1,318	-	50,552	52,719
At 28 February 2023	5,729	7,768	25,478	88,285	6,697	(2,257)	438,817	570,517
Acquisition of subsidiary (note 31)	-	3	54	-	-	-	-	57
Depreciation charge for the year	279	666	1,243	7,649	559	-	46,458	56,854
Disposals during the year	(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
At 29 February 2024	4,933	5,258	22,929	60,768	6,766	-	449,720	550,374

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11. Property, plant and equipment (continued)

Group (continued)

	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
Carrying amount:								
At 28 February 2023	10,298	1,759	2,759	5,374	3,091	42,640	460,122	526,043
At 29 February 2024	9,738	3,509	3,775	23,039	3,147	27,120	413,376	483,704

Refer to note 23 for details of security over property, plant and equipment.

The significant foreign exchange difference arising in the year ended 29 February 2024 is primarily due to the deterioration of the ZWL\$:USD exchange rate from 892.6:1 at 28 February 2023 to 14,912.8:1 at 29 February 2024. This is partially offset by the IAS 29 hyperinflation adjustment.

In Property, plant and equipment, during the year ended 29 February 2024, USD 1.3 million assets were impaired as they were deemed to be unusable, they relate to the Rest of Africa segment. (28 February 2023: USD 2.4 million). No further impairment was required following the review of the carrying value of Property, plant and equipment of the group and company by the directors.

Company

	Computer equipment
	USD'000
Cost	
At 01 March 2022	79
Additions	29
At 28 February 2023	108
Additions	68
At 29 February 2024	176
Accumulated depreciation:	
At 01 March 2022	38
Depreciation charge for the year	28
At 28 February 2023	66
Depreciation charge for the year	25
At 29 February 2024	91
Carrying amount:	
At 28 February 2023	42
At 29 February 2024	85

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12. Right-of-Use assets

Group

	Land and buildings	Furniture and fittings	Network equipment	Motor vehicles	Fibre infrastructure	Fibre Optical - IRU	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:							
At 1 March 2022	117,935	16	43,352	2,343	34,959	114,780	313,385
Additions during the year	24,935	-	10,254	240	62,905	3,998	102,332
Disposals during the year*	(2,504)	(16)	(51)	(149)	(3,958)	(466)	(7,144)
Write offs	(2,581)	-	-	-	-	-	(2,581)
Transfer from pre-commencement lease payments**	-	-	-	-	-	33,541	33,541
Foreign exchange differences	(57,240)	-	(1,231)	(353)	(6,659)	(3,568)	(69,051)
Adjustments - IAS 29	20,624	-	-	-	-	-	20,624
At 28 February 2023	101,169	-	52,324	2,081	87,247	148,285	391,106
Additions during the year	8,580	-	11,905	-	45,849	5,856	72,190
Disposals during the year*	(10,086)	-	(20,396)	-	(2,588)	(462)	(33,532)
Write offs	(1,039)	-	-	-	-	-	(1,039)
Transfer from pre-commencement lease payments**	-	-	-	-	-	200	200
Transfer to Property, plant and equipment	-	-	-	-	-	(515)	(515)
Transfers	-	-	-	-	76	(76)	-
Transfer to inventory	-	-	-	-	(449)	-	(449)
Foreign exchange differences	(43,780)	-	(2,505)	(134)	(3,502)	(1,785)	(51,706)
Adjustments - IAS 29	15,447	-	-	-	-	-	15,447
At 29 February 2024	70,291	-	41,328	1,947	126,633	151,503	391,702
Accumulated depreciation:							
At 1 March 2022	38,407	-	18,232	1,584	21,383	65,092	144,698
Write offs	(2,581)	-	-	-	-	-	(2,581)
Depreciation	15,434	-	14,191	512	18,032	5,822	53,991
Disposals during the year*	(1,795)	-	(50)	(149)	(3,448)	(349)	(5,791)
Foreign exchange differences	(12,896)	-	(374)	(272)	(4,392)	(3,100)	(21,034)
Adjustments - IAS 29	504	-	-	-	-	-	504
At 28 February 2023	37,073	-	31,999	1,675	31,575	67,465	169,787
Write offs	(1,039)	-	-	-	-	-	(1,039)
Depreciation	9,153	-	11,523	193	18,046	8,058	46,973
Disposals during the year*	(5,615)	-	(20,370)	-	(2,274)	(13)	(28,272)
Reclassification	-	-	-	-	-	(249)	(249)
Transfers	-	-	-	-	57	(57)	-
Foreign exchange differences	(7,562)	-	(1,453)	(100)	(1,824)	(1,432)	(12,371)
Adjustments - IAS 29	(83)	-	-	-	-	-	(83)
At 29 February 2024	31,927	-	21,699	1,768	45,580	73,772	174,746
Carrying amount:							
At 28 February 2023	64,096	-	20,325	406	55,672	80,820	221,319
At 29 February 2024	38,364	-	19,629	179	81,053	77,731	216,956

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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12. Right-of-Use assets (continued)

Group (continued)

No impairment was required following the review of the carrying value of Right-of-Use assets by the directors for the year ended 29 February 2024 (28 February 2023: Nil).

* relates to lease modifications or cancellations.

** During the year ended 28 February 2023, USD 33.5m was transferred from pre-commencement lease payments to Right-of-Use assets as the assets were brought into use.

The group leases several assets including land and buildings, computer equipment, furniture and fittings, network equipment, motor vehicles and fibre infrastructure. The average lease term is 5 years (28 February 2023: 5 years). For some of the lease contracts, the group has the option to purchase the assets at the end of the lease terms.

The maturity analysis of lease liabilities is presented in note 29.

Amounts recognised in consolidated statement of profit or loss	<u>29/02/2024</u>	<u>28/02/2023</u>
	<u>USD'000</u>	<u>USD'000</u>
Right-of-Use assets depreciation (note 5.4)	<u>46,973</u>	<u>53,991</u>
Interest on lease liabilities (note 7)	<u>18,509</u>	<u>11,747</u>

The group does not have leases with variable payments and has an insignificant amount of leases of low value assets. The total cash outflow for leases amount to USD 50.4 million (28 February 2023: 46.7 million).

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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13. Investments in subsidiaries

13.1 Subsidiaries

Name of Company	Principal business activity	Country of Incorporation/ Principal place of business	Status	Percentage Holding	Company	
					29/02/24	28/02/23
				%	USD'000	USD'000
▪ Liquid Telecommunications Operations Limited	H Telecommunications	Mauritius	Active	100	-	-
▪ Transaction Payment Solutions Indian Ocean Limited	S Transaction Payment Solutions & Technology	Mauritius	Active	100	-	-
▪ Liquid Telecommunications Limited	H Telecommunications & Technology	United Kingdom	Active	100	8,000	8,000
▪ Transaction Payment Solutions International Limited	H Transaction Payment Solutions & Technology	Mauritius	Active	100	-	-
▪ Transaction Payment Solutions Botswana (Pty) Limited	S Transaction Payment Solutions & Technology	Botswana	Active	100	-	-
▪ Transaction Payment Solutions Kenya Limited	S Transaction Payment Solutions & Technology	Kenya	Active	99	-	-
▪ Transaction Payment Solutions Zambia Limited	S Transaction Payment Solutions & Technology	Zambia	Active	99.995	-	-
▪ Transaction Payment Solutions Nigeria Limited	S Transaction Payment Solutions & Technology	Nigeria	Active	100	-	-
▪ Transaction Payment Solutions South Africa (Pty) Limited t/a Paybay	S Transaction Payment Solutions & Technology	South Africa	Active	100	-	-
▪ Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe**	H Telecommunications	Zimbabwe	Active	100	256,749	256,749
▪ Zimbabwe Online (Private) Limited**	S Telecommunications	Zimbabwe	Active	100	-	-
▪ Liquid Telecommunications Zambia Limited	H Telecommunications	Zambia	Active	100	52,197	52,197
▪ HAI Telecommunications Limited	S Telecommunications	Zambia	Dormant	100	-	-
▪ Liquid Telecommunications Kenya Limited*	H Telecommunications	Kenya	Active	79.99	43,052	43,052
▪ Liquid Telecommunications Uganda Limited	H Telecommunications	Uganda	Active	99.99	1,463	1,463
▪ Liquid Telecommunications Rwanda Limited	H Telecommunications	Rwanda	Active	70	5,090	5,090
▪ Liquid Telecom DRC S.A.	H Telecommunications	Democratic Republic of Congo	Active	99	8,940	8,940

* The company continues to have 100% economic interest in Liquid Telecommunications Kenya Limited as at 29 February 2024.

** Zimbabwe Online (Private) Limited was a subsidiary of Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe and was merged into its parent on 1 March 2022 resulting in a reallocation of the goodwill.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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13. Investments in subsidiaries (continued)

13.1 Subsidiaries (continued)

Name of Company	Principal business activity	Country of Incorporation/ Principal place of business	Status	Percentage Holding	Company	
					29/02/24	28/02/23
					USD'000	USD'000
▪ Liquid Telecommunications Operations Mozambique Limitada	H Telecommunications	Mozambique	Dormant	100	2	2
▪ Liquid Vision Media (Pty) Limited	S Telecommunications	South Africa	Dormant	100	-	-
▪ Liquid Telecommunications Tanzania Limited	H Telecommunications	United Republic of Tanzania	Dormant	100	-	-
▪ Africa Digital Networks SASU	H Telecommunications	Democratic Republic of Congo	Active	100	100	100
▪ Liquid Telecommunications International FZE	H Telecommunications	United Arab Emirates	Active	100	545	545
▪ Liquid Telecommunications Botswana (Pty) Limited	H Telecommunications	Botswana	Active	100	10,731	10,731
▪ Liquid Telecommunications Financing PLC	H Financing for group	United Kingdom	Active	100	130	130
▪ Liquid Telecommunications Investments Limited	S Financing for group	United Kingdom	Active	100	-	-
▪ Raha Tanzania Holdings Limited	H Telecommunications	Mauritius	Active	70	12,650	12,650
▪ Raha Limited	S Telecommunications	United Republic of Tanzania	Active	100	-	-
▪ Zanlink Limited	S Telecommunications	United Republic of Tanzania	Active	70	-	-
▪ Liquid Telecommunications Holdings South Africa (Pty) Limited*	H Telecommunications	South Africa	Active	100	254,167	266,041
▪ Liquid Telecommunications Operations South Africa (Pty) Limited	S Telecommunications	South Africa	Dormant	100	-	-
▪ Liquid Telecommunications South Africa (Pty) Limited*	S Telecommunications	South Africa	Active	100	-	-
▪ Liquid Telecommunications Sahara Holdings Limited	H Telecommunications	Mauritius	Active	100	1	1
▪ Liquid Telecommunications Co. Limited	S Telecommunications	Sudan	Dormant	100	-	-
▪ Liquid Telecom West Africa Data Centre Ghana Limited	H Telecommunications	Ghana	Dormant	100	-	-
▪ Worldstream (Pty) Limited	H Telecommunications	South Africa	Active	71	8,974	8,974
▪ Liquid Telecommunications Cote D'Ivoire	H Telecommunications	Ivory Coast	Dormant	100	-	-
▪ Liquid Intelligent Technologies Egypt	H Telecommunications	Egypt	Active	100	-	-
					<u>662,791</u>	<u>674,665</u>

H = This is a direct holding by Liquid Telecommunications Holdings Limited.

S = This is an indirect holding.

*The company has assessed its investments in subsidiaries in accordance with IAS 36 - *Impairment of Assets* and has determined there is no indication of impairment (2023: impairment of USD 127.1 million) in respect of its investment in Liquid Telecommunications Holdings South Africa (Pty) Limited (South Africa segment). This assessment was based on a five-year cash flow financial forecast with a terminal growth rate of 4.3% (2023: 4.2%) and discounted using the weighted average cost of capital rate of 16.3% (pre-tax 17.1%) (FY23: 15.5%, pre-tax 19.8%). These local currency forecasts were converted at a closing rate of ZAR:USD 19.21:1 (2023: ZAR:USD 18.39:1) and compared to an investment value translated at the historical rate of ZAR:USD 13.39:1.

The following sensitivity analysis are considered reasonably possible based on recent experience and the current underlying economic environment:

- If the WACC increases by 10% then there would be an impairment of USD 16.2 million (FY23: 40.2 million) and if the WACC decreases by 10%, it would result in no impairment, with additional headroom (FY23: impairment of 51.1 million).
- If the ZAR:USD exchange rate weakens by 10% then there would be an impairment of USD 6.3 million (FY23: 26.8 million) and if the ZAR:USD exchange rate strengthens by 10%, it would result in no impairment, with additional headroom (FY23: reduction of the impairment of USD 32.8 million).

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13. Investments in subsidiaries (continued)

13.1 Subsidiaries (continued)

See note 41.1 for additional non-cash investment in subsidiaries made during the year ended 29 February 2024.

The directors have reviewed the carrying value of each of the above investments in subsidiaries and have not found any indication of impairment, other than those mentioned above.

13.2 Details of non-wholly owned subsidiaries that have non-controlling interests

Individually immaterial subsidiaries with non-controlling interests

(Loss) / profit allocated to non-controlling interests		Accumulated non-controlling interests	
29/02/24	28/02/23	29/02/24	28/02/23
USD'000	USD'000	USD'000	USD'000
(353)	(443)	86	1,146
(353)	(443)	86	1,146

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14. Investment in associate

Name of associate	Principal activity	Country of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests	
			29/02/24	28/02/23
			%	%
Number Portability Company (Pty) Limited	Telecommunications	South Africa	20	20

Pursuant to the shareholder agreement, Liquid Telecommunications South Africa (Pty) Limited, a subsidiary of LTH, has the right to cast 20% of the vote at shareholder meetings of Number Portability Company (Pty) Limited.

The associate has a December year end, however when reporting, the group has adjusted and aligned the year end to February.

Although Liquid Telecommunications South Africa (Pty) Limited holds 20% of the equity shares of Number Portability Company (Pty) Limited, and it has less than 50% of the voting power at shareholder meetings, Liquid Telecommunications South Africa (Pty) Limited exercises significant influence by virtue of its contractual right to appoint directors to the board of directors of that entity.

Summarised is the financial information in respect of the group's associate where it has significant interest.

	29/02/24	28/02/23
	USD'000	USD'000
Number Portability Company (Pty) Limited		
Total assets	2,859	2,886
Total liabilities	(156)	(173)
Net assets	<u>2,703</u>	<u>2,713</u>
Revenue	<u>1,719</u>	<u>1,605</u>
Profit for the year	<u>105</u>	<u>123</u>
Total comprehensive income for the year	<u>105</u>	<u>123</u>
Group's share of net assets of associate	<u>540</u>	<u>543</u>
Carrying amount of the group's interest in Number Portability Company (Pty) Limited:		
Opening balance	543	632
Share of profits of associate	21	25
Foreign exchange	(24)	(114)
Closing balance	<u>540</u>	<u>543</u>

15. Investments at Fair Value Through Other Comprehensive Income (FVTOCI)

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Investments in equity instruments designated as at FVTOCI				
Opening balance	15,314	15,314	15,310	15,310
Additions	953	-	-	-
Fair value gain on investment	867	-	-	-
Disposal	(1,772)	-	-	-
Closing balance	<u>15,362</u>	<u>15,314</u>	<u>15,310</u>	<u>15,310</u>

The above represents investments in shares over which the group and the company does not have any significant influence or control.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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16. Deferred taxation

Deferred tax assets and liabilities are offset where the group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group	
	29/02/24	28/02/23
	USD'000	USD'000
Net deferred tax assets	41,869	48,388
Net deferred tax liabilities	(4,615)	(15,986)
Net deferred tax assets	37,254	32,402
	Group	
	29/02/24	28/02/23
	USD'000	USD'000
Group - Gross deferred tax assets:		
Deferred revenue	172	177
Property, plant and equipment	2,519	2,847
Assessed losses	15,186	13,582
Other*	73,190	72,441
	91,067	89,047
Credit / (charge) to profit for the year	4,834	32,858
Group - Gross deferred tax liabilities:		
Property, plant and equipment	(44,937)	(50,715)
Other*	(8,876)	(5,930)
	(53,813)	(56,645)
Credit / (charge) to profit for the year	777	1,204
Net movement		
Deferred tax assets / (liabilities)	37,254	32,402
Deferred taxation (credit) / charge to profit for the year (note 8)	(5,611)	(34,062)

*Comprising IFRS 16 adjustments, unrealised foreign exchange differences and provisions.

Management have carried out an assessment of the group's ability to utilise its tax losses in the relevant territories, based on five year business plans. The deferred tax asset recognised on tax losses in the group is USD 15.2 million (2023: USD 13.6 million), of which the most material balance is in respect of Liquid Telecommunication South Africa (Pty) Limited ("LTSA"), of USD 12.0 million. The tax losses for LTSA, which can be carried forward indefinitely, are USD 187.2 million (2023: USD 249.9 million) and a deferred tax asset has been recognised in respect of USD 44.3 million (2023: USD 50.2) of these. The tax losses for Liquid Telecommunications Kenya Limited, which can also be carried forward indefinitely, are USD 23.8 million (2023: USD 39.9 million) for which no deferred tax asset has been recognised (2023: Nil).

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17. Investments at amortised cost

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Treasury bonds	41	45	-	-

The investment in treasury bonds was made by Zanlink Limited, a subsidiary of the group, with a face value of TZS 100 million in October 2022 and matures in 2047 at an interest rate of 12.56% per annum. The investment is measured at amortised cost.

18. Long term receivables

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Long term intercompany receivables (note 32)	139,933	133,236	191,716	177,957
Expected credit loss provision	-	-	(5,173)	-
Other receivables	3,141	-	-	-
	143,074	133,236	186,543	177,957

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. An ECL of USD 5.2 million was recognised in the company after an assessment was performed.

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 3.2 million was recognised in the current year.

19. Inventories

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Goods for resale	43,677	27,426	-	-
Provision for obsolete inventory for the year (note 5.4)	(148)	(86)	-	-
Inventory written off (note 5.4)	(5)	(21)	-	-
Transfer from Property, plant and equipment (note 11)	6,426	22	-	-
Transfer from Right-of-Use assets (note 12)	449	-	-	-
	50,399	27,341	-	-
Cost of inventories expensed	14,474	16,000	-	-

The directors are of the opinion that the inventory amounts are recorded at values not in excess of their net realisable value.

20. Trade and other receivables

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Trade receivables	130,824	128,959	-	-
Receivables balances from affiliated entities and other related parties (note 32)	35,652	36,576	136,623	82,201
Expected credit loss provision	(39,051)	(42,372)	(2,805)	-
Total trade and affiliated entities receivables, net of expected credit loss provision	127,425	123,163	133,818	82,201
Short term inter-company and other related party receivables (note 32)	51,498	21,813	37,140	64,351
Sundry debtors	45,149	60,595	786	841
Deposits paid	3,781	5,051	-	-
Prepayments	31,091	36,305	5,232	4,403
Dividend receivable (note 32)	-	-	283	-
	258,944	246,927	177,259	151,796

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

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20. Trade and other receivables (continued)

Before accepting any new customer, where possible 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 completed by any new customer. The creditworthiness of customers is reviewed continuously throughout the year.

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.

Sundry debtors mainly include VAT receivable and non-operating receivable.

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

	Current USD'000	Past due				Total USD'000
		31 - 60 USD'000	61 - 90 USD'000	91 - 120 USD'000	> 120 USD'000	
Group - 2024						
Trade and affiliated entities 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%	
Group - 2023						
Trade and affiliated entities receivables - Gross	51,277	28,936	14,994	12,588	57,740	165,535
Lifetime ECL	(3,868)	(2,259)	(1,088)	(750)	(34,407)	(42,372)
Trade and related parties receivables - Net	47,409	26,677	13,906	11,838	23,333	123,163
Default rate	7.5%	7.8%	7.3%	6.0%	59.6%	
Company - 2024						
Trade and affiliated entities receivables - Gross	12,403	976	3,355	6,026	113,863	136,623
Lifetime ECL	(275)	(12)	(59)	(50)	(2,409)	(2,805)
Trade and related parties receivables - Net	12,128	964	3,296	5,976	111,454	133,818
Default rate	2.2%	1.2%	1.8%	0.8%	2.1%	
Company - 2023						
Trade and affiliated entities receivables - Gross	8,748	4,989	5,142	7,134	56,188	82,201
Lifetime ECL	-	-	-	-	-	-
Trade and related parties receivables - Net	8,748	4,989	5,142	7,134	56,188	82,201
Default rate	0.0%	0.0%	0.0%	0.0%	0.0%	

The following table shows the movement in lifetime expected credit loss ("ECL") that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Group		Company	
	29/02/24 USD'000	28/02/23 USD'000	29/02/24 USD'000	28/02/23 USD'000
Movement in the expected credit loss provision:				
Opening balance	(42,372)	(44,874)	-	-
Doubtful debt provision raised	(5,720)	(9,014)	(2,805)	-
Bad debts recovered	103	439	-	-
Write off	2,001	2,613	-	-
Foreign exchange differences	4,749	7,081	-	-
Adjustments - IAS 29	2,188	1,383	-	-
Closing balance	(39,051)	(42,372)	(2,805)	-

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21. Cash and cash equivalents, and restricted cash and cash equivalents

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Cash and bank balances	55,850	88,393	14,582	7,525
Money market deposits	804	-	-	-
Cash and cash equivalents	56,654	88,393	14,582	7,525
Restricted cash and cash equivalents	422	425	12	115
Total cash and cash equivalents	57,076	88,818	14,594	7,640

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

Cash and cash equivalents include USD 11.2 million (28 February 2023: USD 28.3 million) in Zimbabwe held in cash, short term deposits and similar instruments. These amounts have been translated at the rate of ZWL\$:USD of 14,912.8:1 (28 February 2023: ZWL\$:USD 892.6:1). See note 1.1 - *Zimbabwean currency and Hyperinflation accounting* for more detailed disclosure.

The group and company have restricted cash for the following purposes:

Guarantees	1	1	12	115
Customer deposits held	421	424	-	-
	422	425	12	115

22. Share capital and share premium

	Group and Company		
	29/02/24	28/02/23	
	USD'000	USD'000	
Issued and paid share capital			
Ordinary shares	3,716	3,716	
Share premium	276,714	276,714	
Movement in capital:	Number of ordinary shares	Share capital	Share Premium
		USD'000	USD'000
Issued and paid share capital	124,857,914	3,716	276,714
Balance at 29 February 2024 and 28 February 2023	124,857,914	3,716	276,714

Convertible preference shares

The group has issued USD 180 million of convertible preference shares with the same par value, voting and dividend rights as the ordinary shares. The preference shares are exchangeable at the option of the shareholder based on certain conditions applicable only at conversion date.

22a. Other equity items

	Group	
	29/02/24	28/02/23
	USD'000	USD'000
Investment revaluation reserve	16	-

The investment revaluation reserve is the unrealised gain on disposal of investments in equity instruments designated as at FVTOCI and the fair value gain on investments in equity instruments designated as FVTOCI.

Foreign currency translation reserve (FCTR): **(279,242)** **(217,565)**

The FCTR value arises on the translation of the Financial Statements of foreign subsidiaries into the presentation currency of the Consolidated Financial Statements.

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23. Short term portion of long term borrowings and long term borrowings

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
23a. Long term borrowings:				
USD 620 million 5.5% Senior Secured Notes (i)	612,736	609,840	-	-
Net settled: Embedded derivatives	1,878	1,878	-	-
USD 220 million equivalent South African Rand term loan (ii)	127,315	150,406	-	-
Stanbic Bank of Zambia Limited Term loan (iii)	-	1,249	-	-
Other long-term borrowings	323	-	-	-
	742,252	763,373	-	-
23b. Short term portion of long term borrowings:				
USD 620 million 5.5% Senior Secured Notes (i)	17,050	17,050	-	-
USD 220 million equivalent South African Rand term loan (ii)	17,554	13,800	-	-
Stanbic Bank of Zambia Limited Term loan (iii)	2,436	3,636	-	-
Stanbic Bank of Zambia Limited revolving credit facility (iii)	1,058	-	-	-
USD 60 million revolving credit facility (iv)	42,665	201	42,665	201
Other Short-term portion of long term borrowings	224	-	-	-
	80,987	34,687	42,665	201

(i) The USD 620 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 debt to EBITDA, Interest cover and Debt Service Cover Ratio.

On 26 April 2023 our lending partners (in relation to the USD 220 million equivalent South African Rand term loan) approved our pre-emptive request for a deferral of the net debt to adjusted EBITDA ratio due to the prospect of further exchange rate volatility in certain markets. As a result, the step down from 4.0x to 3.5x that was due to take place at the end of May 2023 occurred in February 2024 and a second step down from 3.5x to 3.0x that was due to take place in May 2024 will now occur in August 2024. All other terms remain unchanged.

(iii) Stanbic Bank of Zambia Limited Term loan

Liquid Telecommunications Zambia Limited has USD 23.3 million (maturity 30 June 2024) of term loans denominated in local currency (Zambian Kwacha). As at 29 February 2024, the outstanding balance on all term loans is USD 2.4 million. Liquid Telecommunications Holdings Limited guaranteed up to USD 13.0 million in aggregate of these facilities. The facility agreement also included a first ranking charge over certain assets including bank accounts and receivables of Liquid Telecommunications Zambia Limited. The facility bears interest at the rate of 23.5%. Capital and interest are repaid on a quarterly basis. The financial covenants for this facility are Total debt to EBITDA and Debt Service Ratio.

Stanbic Bank of Zambia Limited revolving credit facility

During the year ended 29 February 2024, Liquid Telecommunications Zambia Limited acquired a revolving credit facility of USD 1.6 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.

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23. Short term portion of long term borrowings and long term borrowings (continued)

- (iv) In addition to the USD 620 million 5.5% Senior Secured Notes and the USD 220 million equivalent South African Rand term loan, the group has a USD 60 million Revolving Credit Facility agreement between the company, JP Morgan Chase Bank N.A., London branch, Standard Finance (Isle of Man), Standard Chartered Bank (Mauritius) Limited and the Mauritius Commercial Bank Limited. The Revolving Credit Facility is secured and is guaranteed on a senior secured basis by, Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Financing Plc, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Holdings South Africa (Pty) Limited, Liquid Telecommunications South Africa (Pty) Limited, 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 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 term loan referenced above. This facility was drawn down during the year and USD 42.7 million is outstanding at 29 February 2024.

24. Long term intercompany borrowings

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Long term intercompany payable (note 32)	-	-	529,990	529,990
Intercompany equity loan payable (note 32)	-	-	3,105	3,105
	-	-	533,095	533,095

The company's long term intercompany payable to Liquid Telecommunications Financing Plc is unsecured, denominated in USD, bears interest at the rate of 5.5 % (28 February 2023: 5.5%) and is repayable in September 2026.

25. Trade and other payables

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Trade accounts payable	119,724	103,202	1,353	383
Payable balance to affiliated entities (note 32)	17,809	15,779	14,030	3,011
Short-term inter-company payables (note 32)	-	-	25,510	30,173
Accruals	49,492	45,920	2,554	5,258
Staff payables	4,679	4,745	-	-
Transaction taxes due in various jurisdictions	6,641	4,456	33	-
Other short term payables	1,544	16,202	-	-
	199,889	190,304	43,480	38,825

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

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

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

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

26. Long term provisions

	Group	
	29/02/24	28/02/23
	USD'000	USD'000
Onerous contracts	6,225	7,194
Other provision	147	-
	6,372	7,194
		Long term
<u>Onerous contracts</u>		<u>portion</u>
		USD'000
At 01 March 2023		7,194
Interest recognised in Data and network related costs		601
Transfer to short term (note 27)		(1,539)
Foreign exchange differences		(31)
At 29 February 2024		6,225

See note 27 (iii) for more details.

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27. Short term provisions

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Bonus provision (i)	534	11,888	-	2,415
Licence fee provision (ii)	2,282	2,377	-	-
Short term portion of onerous contracts (iii)	934	847	-	-
Leave pay provision (iv)	3,736	2,429	-	-
Other provision (iv)	6,426	6,138	-	1,475
	13,912	23,679	-	3,890

- (i) Bonuses are payable to all eligible staff according to the terms of the group's remuneration policy. The individual payout is a percentage of the total cost to the group, taking into account the employee's level, individual performance rating and group performance. The payment is time-apportioned based on the length of time the employee has been employed by the group in the current year. The actual payments are made post financial year end.

	Group	Company
	USD'000	USD'000
At 01 March 2023	11,888	2,415
Provision raised during the year	1,304	682
Utilisation / payment	(11,413)	(3,097)
Foreign exchange differences	(1,245)	-
At 29 February 2024	534	-

- (ii) The licence fee provision includes provision for Liquid Telecommunications South Africa (Pty) Limited's corporate social responsibility obligation in respect of the licence held with ICASA, to provide ICT services to 750 public schools over an extended five-year period. The ICT services include the provision of the local area network, the wide area network, the end user devices in schools and training. Liquid Telecommunications South Africa (Pty) Ltd has capitalised the obligation through raising a provision at the estimated present value of the total obligation. This is reassessed annually. The capitalised amount is amortised over the remaining licence period. The provision will be fully utilised in the financial year 2025.

	Group
	USD'000
At 01 March 2023	2,377
Provision raised during the year	915
Utilisation / payment	(746)
Foreign exchange differences	(264)
At 29 February 2024	2,282

- (iii) Onerous contracts:

The group purchased Liquid Telecommunications Data International Limited and as part of the IFRS 3 fair value assessment an onerous contract with SEACOM was identified. The contract relates to the indefeasible right of use (IRU) for 28 STM1s. As the IRU's O&M charges' present value exceeds the present value of the O&M charges of a similar IRU purchased at the acquisition date, a liability was raised for the excess O&M charges. The unfavourable contract is amortised over the remaining period of the contract.

The group purchased Liquid Telecommunications South Africa (Pty) Limited and as part of the IFRS 3 fair value assessment an onerous contract with SEACOM was identified. The contract relates to the O&M for an IRU for 19 STM1s. The IRU's O&M charges' present value exceeds the present value of the O&M charges of a similar IRU purchased at the acquisition date. Liabilities were raised for the difference between the committed contract price and for the excess O&M charges as at acquisition.

	Group
	USD'000
At 01 March 2023	847
Charged to Data and network related costs (unwinding of interest)	77
Expense to Data and network related costs	(1,520)
Transfer from long term (note 26)	1,539
Foreign exchange differences	(9)
At 29 February 2024	934

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27. Short term provisions (continued)

(iv) Below is the movement in leave pay provisions and other provisions during the year ended 29 February 2024:

	Group		Company
	USD'000		USD'000
	Leave pay provision	*Other provisions	*Other provisions
	USD'000	USD'000	USD'000
At 01 March 2023	2,429	6,138	1,475
Provision raised during the year	1,613	1,846	-
Acquisition of subsidiary (note 31)	-	3	-
Reclassification	-	461	-
Payment/utilisation	(108)	(1,990)	(1,475)
Foreign exchange differences	(198)	(32)	-
At 29 February 2024	3,736	6,426	-

*includes various provisions that do not fall in the other categories already described above. Mainly provision of legal fees.

28. Deferred revenue

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Long term portion of deferred revenue	56,967	65,553	-	-
Short term portion of deferred revenue	40,443	33,806	-	-
	97,410	99,359	-	-

Deferred revenue mainly relates to revenue billed in advance which includes deferred revenue on any Indefeasible-Rights-of-Use (IRU), disclosed through Network and Dataport revenue streams disclosed in note 4.1, 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.

Below is the movement in the above balances:

	Group	
	29/02/24	28/02/23
	USD'000	USD'000
Short term portion of deferred revenue:		
Opening balance	33,806	24,433
Acquisition of subsidiary (note 31)	7	-
Net amount recognised as liability	14,038	14,961
Net amount recognised in statement of profit or loss	(9,900)	(5,922)
Reclassification from long term deferred revenue	5,691	4,996
Adjustments - IAS 29	725	1,335
Foreign exchange differences	(3,924)	(5,997)
Closing balance	40,443	33,806
Long term portion of deferred revenue:		
Opening balance	65,553	68,565
Net amount recognised as liability	735	10,423
Reclassification to short term deferred revenue	(5,691)	(4,996)
Foreign exchange differences	(3,630)	(8,439)
Closing balance	56,967	65,553

29. Long term lease liabilities and short term portion of long term lease liabilities

Long term lease liabilities (discounted)	116,804	103,661
Short term portion of long term lease liabilities (discounted)	20,441	31,342
	137,245	135,003

The table below details the remaining contractual maturity for leases and has been drawn up based on the undiscounted cash flows:

Less than 1 year	41,795	46,937
1 to 2 years	44,716	28,563
2 to 3 years	39,209	21,735
3 to 4 years	38,395	18,059
4 to 5 years	21,994	16,823
More than 5 years	41,651	65,572
	227,760	197,689

The group does not face a significant liquidity risk with regard to its lease liabilities.

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30. Cash generated from / (used in) operations

	Notes	Group		Company	
		29/02/24	28/02/23	29/02/24	28/02/23
		USD'000	USD'000	USD'000	USD'000
Profit / (loss) before tax		32,870	(90,473)	(9,269)	(123,614)
Adjustments for:					
Depreciation, impairment and amortisation	5	115,052	164,204	2,164	128,773
Fair value loss on derivatives assets	36.14	-	3,997	-	-
Dividends received from investments at FVTOCI		(44)	-	-	-
Dividend received from related parties	32	-	-	(1,123)	(1,046)
Bad debts provision		3,617	5,961	7,978	-
Decrease in provisions	27	(9,276)	(6,048)	(3,890)	(2,660)
Foreign exchange loss / (gain)		423,960	233,831	(75)	-
Hyperinflation monetary gain		(386,603)	(156,854)	-	-
Profit on disposal of fixed assets	5.2	(253)	(66)	-	-
Profit on disposal of Right-of-Use assets	5.2	(1,554)	-	-	-
Interest income	6	(24,610)	(17,233)	(23,923)	(20,942)
Finance costs	7	79,894	75,328	32,012	30,486
Gain on bargain purchase	31	(272)	-	-	-
Share of profits of associate	14	(21)	(25)	-	-
		<u>232,760</u>	<u>212,622</u>	<u>3,874</u>	<u>10,997</u>
Working capital changes:					
Increase in inventories		(22,564)	(10,569)	-	-
Increase in trade and other receivables		(39,916)	(141,462)	(28,568)	(20,036)
(Decrease) / increase in trade and other payables		(19,599)	160,695	(24,748)	9,564
Increase in deferred revenue		4,873	19,461	-	-
Cash generated from / (used in) operations		<u>155,554</u>	<u>240,747</u>	<u>(49,442)</u>	<u>525</u>

31. Acquisition of subsidiary company

29 February 2024

In March 2023, the group announced that it has satisfied all agreed conditions for the acquisition of Cysiv MEA, a technology company that was formerly SecureMisr, headquartered in Cairo, for a nominal consideration of USD 43. The business specialises in providing enterprise cloud and cyber security services to some of Egypt's leading companies, particularly in the financial services sector. The acquisition allows the group to bring some of the best global cloud and cyber security products to the Egyptian market. The organisation will rebrand Cysiv MEA to 'Liquid C2' to align it with its global cloud and cybersecurity identity. The group plans to significantly grow the Egyptian business by tapping into the wealth of local technology talent, making Egypt a key hub for the Middle East and North Africa (MENA) region.

The acquisition resulted in a gain on bargain purchase of USD 0.3 million.

	Group 29/02/24 USD'000
Intangible assets	82
Property, plant and equipment	44
Trade receivables and other receivables	72
Long term intercompany receivables	-
Cash and cash equivalents	148
Tax asset	76
Deferred tax liabilities	(18)
Trade and other payables	(50)
Provisions	(3)
Tax liabilities	(72)
Deferred revenue	(7)
Fair value of identifiable net assets acquired	<u>272</u>
Consideration transferred (USD 43)	-
Gain on bargain purchase	<u>272</u>
Net cash inflow on acquisition of subsidiary	
Consideration transferred (USD 43)	-
Cash and cash equivalents of subsidiary on acquisition	148
Net cash inflow arising on acquisition	<u>148</u>

28 February 2023

There was no acquisition/disposal of subsidiary companies for the year ended 28 February 2023.

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32. Related party transactions

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 (Zimbabwe) and Econet Wireless Zimbabwe Limited and are referred to as "Econet Global related group companies";
- Africa Data Centres Holdings Limited (UK), African Data Centres (Pty) Limited (South Africa), Africa Data Centres SA Development (Pty) Limited (South Africa), ADC (Jersey) Limited, Africa Data Centres Lagos FZE (Nigeria) and East Africa Data Centre Limited (Kenya) and are referred to as "Africa Data Centres related group companies";
- Telrad Networks Limited (Israel), Marmanet Organization and Projects Management Limited (Israel), Geo Da Lands & Property Management & Information Limited (Israel), Oasis Communication Technologies Limited (Israel) and Magalcom Limited (Israel) and are referred to as "Telrad related group companies";
- Sasai Fintech Limited (Mauritius) and Sasai Fintech (PTY) Ltd (South Africa) and are referred to as "Sasai related group companies";
- VAYA Africa Mauritius Ltd (Mauritius) is referred to as "Vaya related group companies";
- Distributed Power Africa Proprietary Limited (South Africa), Distributed Power Africa (Private) Limited (Zimbabwe), Distributed Power Africa Limited (Mauritius) and Distributed Power Africa Services Proprietary Limited (South Africa) and are referred to as "Econet Infraco related group companies";
- Liquid Telecommunications (Jersey) Ltd, Liquid Technologies Infrastructure Finance SARL (Belgium), Liquid Intelligent Technologies Limited (Nigeria), Liquid Delta (Jersey) Limited and Liquid ECG Infraco (Pty) Ltd (South Africa) and are referred to as "Liquid (Jersey) other related group of companies"; 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. During the year, the group and company entered into the following trading transactions with related parties:

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Sales of goods and services:				
Econet Global Related Group Companies	76,751	80,887	-	-
Africa Data Centres related group companies	324	173	-	-
Liquid (Jersey) other related group of companies	26,705	307	-	-
	103,780	81,367	-	-
Purchase of goods and services:				
Econet Global Related Group Companies	22,555	22,826	-	-
Africa Data Centres related group companies	3,794	541	-	-
Liquid (Jersey) other related group of companies	20,847	3,544	-	-
	47,196	26,911	-	-
Management fees expense (note 5.1):				
Econet Global Related Group Companies	510	240	-	-
Liquid Telecommunications Limited	-	-	23,012	13,432
Liquid Telecommunications Botswana (Pty) Limited	-	-	-	1,463
Liquid Telecommunications Uganda Limited	-	-	-	107
Raha Limited	-	-	46	9
Liquid Telecommunications International FZE	-	-	1,318	1,249
	510	240	24,376	16,260

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32. Related party transactions (continued)

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Management fees income (note 5.2):				
Econet Global Related Group Companies	76	177	-	-
Africa Data Centres related group companies	620	397	-	397
Liquid (Jersey) other related group of companies	2,990	1,895	2,990	1,895
Liquid Telecommunications Operations Limited	-	-	8,526	8,962
Data Control Systems (1996) (Private) t/a Liquid Telecom Zimbabwe	-	-	5,766	5,511
Liquid Telecommunications Kenya Limited	-	-	2,589	2,205
Liquid Telecommunications South Africa (Pty) Limited	-	-	7,912	8,690
Transaction Payment Solutions International Limited	-	-	1,475	675
Liquid Telecommunications Botswana (Pty) Limited	-	-	210	-
Liquid Telecommunications Sahara Holdings Limited	-	-	268	358
Liquid Telecommunications Uganda Limited	-	-	-	592
Liquid Telecommunications Rwanda Limited	-	-	197	212
Liquid Telecom DRC S.A.	-	-	2,938	3,589
Zanlink Limited	-	-	10	10
	3,686	2,469	32,881	33,096
Dividend income:				
Liquid Telecommunications Rwanda Limited	-	-	840	700
Worldstream (Pty) Limited	-	-	283	346
	-	-	1,123	1,046
Dividend paid:				
Other shareholders (net of taxes)	496	441	-	-
	496	441	-	-
Finance costs:				
Liquid Telecommunications Financing Plc	-	-	29,149	29,149
Liquid (Jersey) other related group of companies	332	219	332	219
	332	219	29,481	29,368
Administration fees paid:				
DTOS Limited	398	321	118	88
Interest income:				
Econet Global Related Group Companies	621	419	560	407
Liquid Telecommunications Zambia Limited	-	-	640	488
Liquid Telecom DRC S.A.	-	-	5,796	4,426
Liquid Telecommunications Operations Limited	-	-	1,826	3,488
Africa Digital Networks S.A.S	-	-	1,274	947
Liquid Telecommunications Uganda Limited	-	-	1,395	1,046
Liquid Telecommunications International FZE	-	-	614	793
Liquid Telecommunications Kenya Limited	-	-	7,692	7,725
Liquid Telecommunications Sahara Holdings Limited	-	-	359	271
Liquid Telecommunications Rwanda Limited	-	-	262	195
Raha Tanzania Holdings Limited	-	-	594	450
Kenya Employee Benefit Trust	-	-	224	168
Africa Data Centres related group companies	17,933	15,110	1,392	371
Liquid Intelligent Technologies Egypt	-	-	101	-
Liquid (Jersey) other related group of companies	1,028	162	1,028	162
	19,582	15,691	23,757	20,937
Long term intercompany payables:				
Liquid Telecommunications Financing Plc	-	-	529,990	529,990

The long term intercompany payable to Liquid Telecommunications Financing Plc is unsecured, denominated in USD, bears interest at the rate of 5.5% and is repayable in September 2026.

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32. Related party transactions (continued)

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Long term intercompany receivables (note 18):				
Liquid Telecommunications Sahara Holdings Limited	-	-	4,096	4,365
Liquid Telecommunications Kenya Limited	-	-	66,730	60,096
Africa Digital Networks S.A.S	-	-	15,029	13,755
Liquid Telecommunications Rwanda Limited	-	-	3,220	2,958
Liquid Telecommunications Uganda Limited	-	-	17,624	16,436
Liquid Telecommunications International FZE	-	-	4,689	9,184
Raha Tanzania Holdings Limited	-	-	6,213	5,572
Liquid Telecom DRC S.A.	-	-	55,381	49,584
Liquid Telecommunications Zambia Limited	-	-	7,752	7,411
Liquid Intelligent Technologies Egypt	-	-	1,956	-
Kenya Employee Benefit Trust	-	-	2,721	2,528
Liquid (Jersey) other related group of companies	11,838	2,794	3,395	2,794
Africa Data Centres related group companies	128,095	129,771	2,910	3,274
Econet Global Related Group Companies	-	671	-	-
	139,933	133,236	191,716	177,957

The long term intercompany receivable from Liquid Telecommunications Sahara Holdings Limited is unsecured, denominated in USD, bears interest at the rate of SOFR plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Liquid Telecommunications Kenya Limited is unsecured, denominated in USD and bears interest at the rate of SOFR plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Africa Digital Networks S.A.S Limited is unsecured, denominated in USD, bears interest at the rate of SOFR plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Liquid Telecommunications Rwanda Limited is unsecured, denominated in USD, bears interest at the rate of SOFR plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Liquid Telecommunications Uganda Limited is unsecured, denominated in USD and bears interest at the rate of SOFR plus 3.75%. Repayment of the loan is pegged to Liquid Telecommunications Uganda Limited generating free cash flows for a period of at least three months during which time the company must also report positive working capital.

The long term intercompany receivable from Liquid Telecommunications International FZE is unsecured, denominated in USD, bears interest at the rate of SOFR plus 5.5% and is repayable in February 2026.

The long term intercompany receivable from Raha Tanzania Holdings Limited is unsecured, denominated in USD, bears interest at the rate of SOFR plus 5.5% and is repayable in 36 equal monthly instalments commencing from the first day falling after the relevant grace period.

The long term intercompany receivable from Liquid Telecom DRC S.A. (previously known as Liquid Telecommunications DRC S.A.R.L) is unsecured, denominated in USD, bears interest at the rate of SOFR plus 6.5% and is repayable in February 2026.

The long term intercompany receivable from Liquid Telecommunications Zambia Limited is unsecured, denominated in USD, bears interest at the rate of SOFR plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Liquid Intelligent Technologies Egypt is unsecured, denominated in USD, bears interest at the rate of SOFR plus 3.75% and is repayable in February 2026.

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32. Related party transactions (continued)

The long term intercompany receivable from Liquid Intelligent Technologies Limited (Nigeria) is unsecured, denominated in USD, bears interest at the rate of SOFR plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Kenya Employee Benefit Trust is unsecured, denominated in USD, bears interest at the rate of SOFR plus 3.75% and is repayable in February 2026.

The long term intercompany receivables from Africa Data Centres related group companies are unsecured, denominated in USD, bear interest at the rate of SOFR plus 3.75% and are repayable in February 2026.

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Short term intercompany payables (note 25):				
Liquid Telecommunications Mozambique Limitada	-	-	1	1
Liquid (Jersey) other related group of companies	-	-	4,668	4,336
Liquid Telecommunications Financing PLC	-	-	20,841	25,836
	-	-	25,510	30,173

The short term intercompany payable to Liquid Telecommunications Financing PLC represents the interest accrued on the long term intercompany payable.

The short term intercompany payable to Liquid Technologies Infrastructure Finance SARL is the current remaining payable balance of the USD 13 million investment.

Short term intercompany and other related party receivables (note 20):

Econet Global Related Group Companies	1,827	1,327	1,827	1,327
Liquid (Jersey) other related group of companies	25,440	3,355	18,463	-
Liquid Telecommunications Operations Limited	-	-	-	48,691
Africa Data Centres related group companies	21,547	17,119	16,389	14,333
Sasai Related Group Companies	1,480	-	-	-
Econet Infracore related group companies	743	12	-	-
Strive Masiyiwa*	461	-	461	-
	51,498	21,813	37,140	64,351

Short term intercompany receivables bear interest at the rate of SOFR plus 2.5%, are unsecured and are to be repaid within 12 months.

*The facility amount is USD 0.9 million. The loan is unsecured, has no fixed repayment terms is repayable within one year. The balance outstanding as at 29 February 2024 has been repaid subsequent to year end.

Payable balance to affiliated entities (note 25):

Econet Global Related Group Companies	774	1,045	-	-
Africa Data Centres related group companies	7,839	10,313	-	-
Telrad Networks Ltd	351	-	-	-
Liquid (Jersey) other related group of companies	7,891	4,421	135	-
Liquid Intelligent Technologies Egypt	-	-	155	-
Liquid Telecommunications South Africa (Pty) Limited	-	-	13,740	3,011
Sasai Related Group Companies	954	-	-	-
	17,809	15,779	14,030	3,011

Amounts payable to affiliated entities and related company are unsecured, interest free and have no fixed date of repayment.

Equity loans due to:

Liquid Telecommunications Botswana (Pty) Limited	-	-	3,105	3,105
	-	-	3,105	3,105

The equity loan is unsecured. There are no fixed repayment terms and these amounts are repayable at the discretion of the borrower.

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32. Related party transactions (continued)

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Receivables balances from affiliated entities and other related parties (note 20):				
Econet Global Limited (Mauritius)	4,999	4,999	4,999	4,999
Econet Global Related Group Companies	20,327	27,072	5,162	3,659
Africa Data Centres related group companies	4,235	-	4,101	-
Telrad Networks Ltd	-	2,697	-	-
Data Control Systems (1996) (Private) t/a Liquid Telecom Zimbabwe	-	-	31,550	21,487
Liquid Telecommunications Zambia Limited	-	-	1,027	1,027
Liquid Telecommunications Rwanda Limited	-	-	2,102	1,792
Econet Infracore related group companies	7	12	-	-
Vaya Related Group Companies	436	338	-	-
Liquid Telecom DRC S.A.	-	-	9,934	5,942
Liquid Telecommunications South Africa (Pty) Limited	-	-	29,686	10,238
Raha Limited	-	-	1,608	1,495
Liquid (Jersey) other related group of companies	3,032	318	5,447	303
Liquid Intelligent Technologies Egypt	-	-	13	-
Liquid Telecommunications Operations Limited	-	-	26,053	22,290
Liquid Telecommunications Kenya Limited	-	-	7,685	4,282
Africa Digital Networks S.A.S	-	-	401	401
Liquid Telecommunications Uganda Limited	-	-	1,105	1,977
Transaction Payment Solutions International Limited	-	-	1,183	69
Liquid Telecommunications Sahara Holdings Limited	-	-	1,418	845
Liquid Telecommunications International FZE	-	-	-	73
Zanlink Limited	-	-	81	137
Worldstream (Pty) Limited	-	-	1	-
Liquid Telecommunications Botswana (Pty) Limited	-	-	389	-
Transaction Payment Solutions South Africa Limited t/a Paybay	-	-	62	45
Strive Masiyiwa*	2,616	1,140	2,616	1,140
	35,652	36,576	136,623	82,201

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 typical payment terms. In certain circumstances, payment terms extend beyond this where the group provides financial support to its subsidiaries.

*This receivable balance is unsecured, has no fixed repayment terms and is repayable within one year.

33. Compensation of key management personnel

The remuneration of the directors and other key management personnel during the year is as follows:

Short-term employee benefits	6,533	4,160	1,385	536
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The key management personnel are the directors who have authority and responsibility for planning, directing and controlling the activities of the group, whether directly or indirectly.

34. Commitments

34.1 Capital commitments

At 29 February 2024, the group committed to the following capital commitments:

Authorised and contracted

Intangible assets	1,507	1,542	-	-
Property, plant and equipment	24,925	31,459	-	-
	26,432	33,001	-	-

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

34.2 Other

The group continues to provide support to its subsidiaries, where appropriate, to ensure they are able to continue their operations and meet their liabilities as and when they fall due.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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35. Events after the reporting date

New currency in Zimbabwe

On 5 April 2024, the Reserve Bank of Zimbabwe issued a new structured currency, known as the Zimbabwe Gold (ZiG). This structured currency is pegged to a specific exchange rate or currency basket and backed by a bundle of foreign exchange assets. The ZiG replaced the current hyperinflationary currency, the Zimbabwe Dollar (ZWL). The new currency is envisaged to bring about economic stability and growth. The impact of the new currency structure has been included in our going concern assessment, refer to note 42 for more details.

Corporate credit rating

In June 2024, both the corporate family rating of Liquid Telecommunications Holdings Limited and the instrument rating on the USD 620 million Senior Secured Notes issued by Liquid Telecommunications Financing Plc were downgraded by Moodys to Caa1 from B3. The downgrade was primarily due to the current economic conditions, the impact of foreign currency exchange risks in the various markets the group operates in and the approaching need for a refinancing of the USD 220 million equivalent Rand-denominated term loan and USD 620 million Senior Secured Notes ahead of the 2026 maturity dates.

Spectrum pooling

Vodacom launched a semi-urgent interdict against MTN, Cell-C and Liquid Telecommunications South Africa (Pty) Limited ("LTSA") (including Rain and Telkom as interested parties) to interdict MTN, Cell-C and LTSA 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. LTSA is opposing the granting of the interdict. MTN and Cell-C have also indicated their intention to oppose.

Cost savings programme

Following the year end, the group initiated the implementation of a new operating model, to one which is business unit and product led. As part of this shift, we undertook an in-depth review of our operating cost base. This led to the launch of a cost savings programme in May 2024 which will result in a group wide reduction in headcount of c130 in FY 2024-25 and an expected annualised cost saving of USD 25 million.

The above events are treated as a non adjusting events after the reporting date in accordance with IAS 10 - *Events after the reporting period*.

36. Financial instruments

36.1 Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The group's policy is to borrow centrally, principally using Senior Secured Notes and a combination of other borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries. The group monitors its interest cover, net debt to EBITDA ratio, gross debt to EBITDA ratio and debt service cover ratio ("DSCR") to comply with its Senior Secured Notes and other borrowing facilities covenants. The group complied with its maintenance covenants throughout the financial year and the overall strategy remains unchanged from prior years.

The capital structure of the group and company consist of net debt (which includes borrowings offset by cash and cash equivalents) and equity attributable to owners of the group and company, comprising issued share capital, convertible preference shares, reserves and retained earnings. The group and company are not subject to any externally imposed capital requirement. Management reviews the capital structure of the group and company on a periodic basis, including the cost of capital and the risks associated with each class of capital.

36.2 Material accounting policy information

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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for the year ended 29 February 2024

36. Financial instruments (continued)

36.3 Gearing ratio

The group's directors review the capital structure on a periodic basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital.

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Debt (i)	960,484	933,063	575,760	533,296
Cash and cash equivalents (net of restricted cash)	(56,654)	(88,393)	(14,582)	(7,525)
Net debt	903,830	844,670	561,178	525,771
Equity (ii)	123,674	179,913	441,622	453,643
Net debt to equity ratio	7.3:1	4.7:1	1.3:1	1.2:1

(i) Debt is defined as long and short-term borrowings and lease liabilities, as detailed in notes 23, 24 and 29.

(ii) Equity includes all capital and reserves of the group and the company, as detailed in the statement of changes in equity.

36.4 Categories of financial assets and liabilities

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Financial assets				
Amortised cost	421,070	424,248	372,881	332,990
<i>Investments at amortised cost</i>	41	45	-	-
<i>Long-term receivables</i>	143,074	133,236	186,543	177,957
<i>Trade and other receivables (excluding Prepayments and VAT receivable)</i>	220,879	202,149	171,744	147,393
<i>Cash and cash equivalents</i>	56,654	88,393	14,582	7,525
<i>Restricted cash and cash equivalents</i>	422	425	12	115
Fair Value Through Other Comprehensive Income (FVTOCI)				
<i>Investments at Fair Value Through Other Comprehensive Income (FVTOCI)</i>	15,362	15,314	15,310	15,310
Total financial assets	436,432	439,562	388,191	348,300
Financial liabilities				
Amortised cost	1,149,053	1,114,166	619,207	572,121
<i>Long term borrowings</i>	742,252	763,373	-	-
<i>Short term portion of long term borrowings</i>	80,987	34,687	42,665	201
<i>Long term lease liabilities</i>	116,804	103,661	-	-
<i>Short term portion of long term lease liabilities</i>	20,441	31,342	-	-
<i>Long term intercompany borrowings</i>	-	-	533,095	533,095
<i>Trade and other payables (excluding Staff payables and Transaction taxes due in various jurisdictions)</i>	188,569	181,103	43,447	38,825
Total financial liabilities	1,149,053	1,114,166	619,207	572,121

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36. Financial instruments (continued)

36.5 Financial risk management objectives

Management co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal management reports, which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

36.6 Market risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see notes 36.7 and 36.8) and interest rates (see notes 36.9 and 36.10). The group does enter into derivative financial instruments to manage its exposure to interest rate and foreign currency risk where appropriate.

36.7 Foreign currency risk management

The group undertakes certain transactions denominated in foreign currencies and is therefore exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The group constantly reviews its foreign exchange rate exposures and enters into foreign currency hedging contracts when appropriate.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities as at the reporting date are as follows:

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
Assets				
Currency of the United Kingdom (GBP)	7,151	8,822	-	-
Currency of United States (USD)	176,207	119,365	388,191	348,300
Currency of Zimbabwe (ZWL\$)	27,060	52,093	-	-
Currency of South Africa (ZAR)	152,139	183,173	-	-
Currency of Botswana (BWP)	2,334	1,741	-	-
Currency of Kenya (KES)	51,061	51,475	-	-
Currency of Zambia (ZMK)	11,729	13,293	-	-
Currency of Rwanda (RWF)	3,876	5,068	-	-
Currency of Nigeria (NGN)	35	88	-	-
Currency of Uganda (UGX)	1,930	2,199	-	-
Currency of Egypt (EGP)	396	-	-	-
Currency of Tanzania (TZS)	2,514	2,245	-	-
	436,432	439,562	388,191	348,300
Liabilities				
Currency of the United Kingdom (GBP)	12,002	5,457	289	40
Currency of United States (USD)	821,285	716,335	607,660	572,081
Currency of Zimbabwe (ZWL\$)	22,598	31,741	-	-
Currency of South Africa (ZAR)	233,618	303,555	11,258	-
Currency of Botswana (BWP)	934	748	-	-
Currency of Kenya (KES)	31,646	24,343	-	-
Currency of Zambia (ZMK)	14,451	20,098	-	-
Currency of Rwanda (RWF)	4,136	3,521	-	-
Currency of Nigeria (NGN)	1	2	-	-
Currency of Uganda (UGX)	4,400	3,161	-	-
Currency of Egypt (EGP)	94	-	-	-
Currency of Tanzania (TZS)	3,888	5,205	-	-
	1,149,053	1,114,166	619,207	572,121

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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36. Financial instruments (continued)

36.8 Foreign currency sensitivity analysis

The group is mainly exposed to the currencies of United Kingdom (GBP), Zimbabwean dollar (ZWL\$), South Africa (ZAR), Kenyan Shilling (KES), Rwandan Franc (RWF) and Zambian Kwacha (ZMK).

The following table details the group's sensitivity to a 10% increase and decrease in the USD (Reporting Currency of the group) against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where the USD strengthens 10% against the relevant currency. For a 10% weakening of the USD against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be reversed.

	Group		Company	
	29/02/24	28/02/23	29/02/24	28/02/23
	USD'000	USD'000	USD'000	USD'000
GBP Currency impact	(485)	336	-	-
ZWL\$ Currency impact	446	2,035	-	-
ZAR Currency impact	(8,148)	(12,038)	-	-
KES Currency impact	1,941	2,713	1	-
RWF Currency impact	(26)	155	-	-
ZMK Currency impact	(272)	(680)	-	-
	(6,544)	(7,479)	1	-

36.9 Interest rate risk management

The group is exposed to interest rate risk as entities in the group borrow funds at both fixed and floating interest rates. The risk is managed by the group by securing an appropriate mix between fixed and floating rate borrowings on initial signing of borrowing contracts. The group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management table (see note 36.12 below). Interest rates have been disclosed in the respective notes where applicable.

36.10 Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant;

- Profit for the year ended 29 February 2024 for the group and the company respectively would increase by USD 0.3 million (2023: increase by USD 0.3 million) and decrease by USD 3.6 million (2023: decrease of USD 3.1 million). This is mainly attributable to the group's limited exposure to interest rates on its variable rate borrowings as most of the group's borrowings are at fixed rates; and
- There would be no increase or decrease in other equity reserves for the year ended 29 February 2024 (2023: no increase or decrease).

36.11 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The group only transacts with financial institutions which are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the group uses other publicly available financial information. The group's exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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36. Financial instruments (continued)

36.11 Credit risk management (continued)

Note 18 and 20 detail the group's and the company's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.

Other than those disclosed in the notes to the financial statements, the group and company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The group and company defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of expected credit loss, represents the group's maximum exposure to credit risk.

36.12 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below details the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities bases on the earliest date on which they can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective Interest Rate	Less	2 to 5	More than	Total
		than 1 year	years	5 years	
		USD'000	USD'000	USD'000	USD'000
Group - 2024					
Financial liabilities	7.07%	448,596	884,395	41,651	1,374,642
Group - 2023					
Financial liabilities	6.96%	397,730	851,397	65,572	1,314,699
Company - 2024					
Financial liabilities	5.09%	82,049	537,158	-	619,207
Company - 2023					
Financial liabilities	5.50%	34,908	537,213	-	572,121

36.13 Fair values

The directors consider the financial assets and financial liabilities stated at amortised cost in the financial statements approximate their fair values. They are classified under level 3 of the fair value hierarchy.

36.14 Net settled: Embedded derivatives

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

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

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 29 February 2024

36. Financial instruments (continued)

36.14 Net settled: Embedded derivatives (continued)

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).

	Within 1 year USD'000	1 to 2 years USD'000	2 to 5 years USD'000	More than 5 years USD'000	Total USD'000
Group - 2024					
Net settled: Embedded derivatives	-	-	-	-	-
Group - 2023					
Net settled: Embedded derivatives	-	-	-	-	-

	29/02/2024 USD'000	28/02/2023 USD'000
Opening balance	-	3,997
Fair value loss recognised in statement of profit or loss	-	(3,997)
Closing balance	-	-

37. Dividend

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.

Year ended 28 February 2023:

- Liquid Telecommunications Rwanda Limited, a subsidiary of the group, paid a dividend of USD 1.0 million during the period. USD 0.3 million is attributable to the non-controlling interests of the subsidiary.
- Worldstream (Pty) Limited, a subsidiary of the group, paid a dividend of 0.4 million during the period. USD 0.1 million is attributable to the non-controlling interests of the subsidiary.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 29 February 2024

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

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

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

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
29 February 2024				
Investments at FVTOCI (note 15)	-	-	15,362	15,362
Total	-	-	15,362	15,362
28 February 2023				
Investments at FVTOCI (note 15)	-	-	15,314	15,314
Total	-	-	15,314	15,314

39. Earnings per share

	Group	
	29/02/24	28/02/23
Basic earnings / (loss) per share (Cents per share)	4.51	(70.13)

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

	Group	
	29/02/24	28/02/23
	USD'000	USD'000
Earnings / (loss) attributable to owners of the company	5,631	(87,565)

	Group	
	29/02/24	28/02/23
Weighted average number of ordinary shares for the purpose of basic profit per share	124,857,914	124,857,914

See note 22 for number of shares.

40. 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 \$5.8m and \$9.3m, the exact timing and value of which is unknown and cannot be measured with any reliability.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 29 February 2024

41. Non-cash transactions

41.1 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 29 February 2024:

- Purchase of property, plant and equipment of the group included a non cash portion of USD 4.2 million.
- Purchase of property, plant and equipment of the company included a non cash portion of USD 0.1 million.
- Purchase of intangible assets acquisitions of the company included a non cash portion of USD 4.3 million.

During the year ended 28 February 2023:

- The long term intercompany receivable from Data & Control System (Private) Limited (as disclosed in note 32) has been capitalised as an equity loan. The equity loan is unsecured and is repayable at the discretion of each respective borrower.
- Purchase of property, plant and equipment of the group included a non cash portion of USD 5.7 million.
- Purchase of intangible assets acquisitions of the company included a non cash portion of USD 2.1 million.

41.2 Reconciliation of liabilities arising from financing activities

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the group's consolidated statement of cash flows as cash from financing activities.

29 February 2024: Group	01/03/2023	Non-cash	Cash	29/02/2024
	USD'000	USD'000	USD'000	USD'000
Short term portion of long term borrowings (note 23b)	34,687	18,386	27,914	80,987
Long term borrowings (note 23a)	763,373	(21,809)	688	742,252
Lease liabilities (note 29)	135,003	54,151	(51,909)	137,245

28 February 2023: Group	01/03/2022	Non-cash	Cash	28/02/2023
	USD'000	USD'000	USD'000	USD'000
Short term portion of long term borrowings (note 23b)	33,093	15,919	(14,325)	34,687
Long term borrowings (note 23a)	809,516	(46,143)	-	763,373
Lease liabilities (note 29)	97,429	84,312	(46,738)	135,003
Long term intercompany borrowings (note 32)	428	(835)	407	-

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 29 February 2024

41. Non-cash transactions (continued)

41.2 Reconciliation of liabilities arising from financing activities (continued)

The non-cash portion consists of the following:

	<u>29 February 2024</u>	<u>28 February 2023</u>
Short term portion of long term borrowings and long term borrowings:	Finance arrangement fees, interest accrued and foreign exchange on translation of	Finance arrangement fees, interest accrued and foreign exchange on translation of
Long term lease liabilities and short term portion of long term lease liabilities:	Interest on leases under IFRS 16 and foreign exchange on translation of foreign leases.	Interest on leases under IFRS 16 and foreign exchange on translation of foreign leases.
Increase in long term intercompany loan:	Foreign exchange on translation of foreign long term intercompany loan.	Foreign exchange on translation of foreign long term intercompany loan.

29 February 2024: Company	<u>01/03/2023</u>	<u>Non-cash</u>	<u>Cash</u>	<u>29/02/2024</u>
	USD'000	USD'000	USD'000	USD'000
Short-term portion of long-term borrowings (note 23b)	201	23	42,441	42,665
Long term intercompany borrowing (note 24)	533,095	-	-	533,095

28 February 2023: Company	<u>01/03/2022</u>	<u>Non-cash</u>	<u>Cash</u>	<u>28/02/2023</u>
	USD'000	USD'000	USD'000	USD'000
Short-term portion of long-term borrowings (note 23b)	198	868	(865)	201
Long term intercompany borrowing (note 24)	532,852	243	-	533,095

42. Going concern

The directors have reviewed the consolidated cash flow projections of the group and company for the twelve months from the date of signing of the consolidated financial statements, taking into account the available cash position, 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 twelve months from the date of signing of the consolidated 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, volatility of currency markets, particularly the South African Rand, the economic situation in Zimbabwe (refer to note 35 - *Events after the reporting date* for more details on the new currency), the inability of customers to pay and supply chain shortages on the operations, the achievability of the business plan, the completion of in-flight equity investment and funding projects and the available cashflow for the twelve months from the date of signing of the consolidated financial statements. Based on the base case consolidated cashflow projections of the group and company, and after assessing these factors the directors have assessed that the group and company have sufficient liquidity and headroom on their covenants and have prepared the 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.

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

Funding facilities

The group is currently funded by a combination of equity, USD 620 million Senior Secured Notes (maturity September 2026), a USD 60 million Revolving Credit Facility ("RCF") (maturity March 2026), of which USD 42.7 million was outstanding at 29 February 2024, a USD 220 million equivalent South African Rand term loan (maturity March 2026), of which USD 144.9 million was outstanding at 29 February 2024 and USD 23.3 million of locally provided term loans (maturity in the financial year 2025) in Zambia, of which USD 3.5 million was outstanding at 29 February 2024. Refer to note 23 - *Short term portion of long term borrowings and long term borrowings* for more details.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 29 February 2024

42. Going concern (continued)

Cash position

As at 29 February 2024, the group had an unrestricted cash position of USD 56.7 million (28 February 2023: USD 88.4 million). Of this amount, USD 11.2 million (28 February 2023: USD 28.3 million) is held in Zimbabwe. Following the continuing devaluation of the currency in Zimbabwe, the Group has translated the ZWL\$ denominated cash in Zimbabwe at the statement of financial position date at a ZWL\$:USD exchange rate of 14,912.8:1 (28 February 2023: 892.6:1). Cash held in Zimbabwe is mainly used to locally fund operating expenses and capital expenditure.

Operational performance

For the year ended 29 February 2024, the group reported an operating profit of USD 142.2 million (28 February 2023: 73.7 million) and a net cash inflow from operating activities of USD 124.6 million (28 February 2023: USD 216.4 million). This supports the group's ability to generate sufficient cash flow to enable it to support its underlying business operations and invest in new projects, even after taking into account the impact of the currency changes in Zimbabwe and South Africa.

Re-financing

In parallel, the group is in discussions to re-finance the remaining USD 144.9 million of the USD 220 million equivalent South African Rand term loan ("ZAR term loan" - see note 23a and 23b for more details on this facility). Based on current discussions with selected existing lenders, the directors consider the group to be making good progress and is working towards concluding this refinancing in the coming months.

In addition, the group is exploring the opportunity to discount certain material receivable balances in a way that will either provide debt funding on advantageous terms or an absolute cash injection. These funds will be used to reduce gross debt.

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 our customers.

As part of the re-organisation, new equity investment that will result in cash inflows of USD 225.0 million in the twelve months from the date of signing of the consolidated financial statements, is being sourced from new and existing investors. All of the group's existing shareholders have signed the documents necessary to give effect to the group reorganisation and these are currently being held in escrow to be released upon signature of a private placement share subscription agreement by one or more of the new investors. The first tranche of equity investment expected under the private placement will result in a cash inflow of approximately USD 90.0 million. The directors understand that all of the first tranche investors have received full approvals as required by their own internal processes. The group and new investors are now in the process of finalising the legal documentation to facilitate the investment. Proceeds from the investment will be deployed in LTH and the other Group companies to fund business growth and provide operational liquidity.

Material uncertainty related to going concern

The group and company have prepared business and cashflow forecasts in accordance with their 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 (as defined in note 4.1 - *Segment revenue and results*) growth. Also factored into the base case forecast is the receipt of the first tranche of new equity investment. 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 year. Based on current progress observed, the directors expect that both the equity and re-financing processes 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 significant progress made on the equity investment process, it is not yet complete as at the date of signing of the consolidated financial statements. Whilst the directors expect this to happen in the going concern period nonetheless there remains an uncertainty over the quantum and timing of the investment until such time as the legal documentation is in place.

The directors have considered a downside scenario which factors in the possibility that the funding of the USD 90.0 million from the equity investment, expected within the next two months is not received in that timeframe. Under this downside scenario, should the group miss forecast Adjusted EBITDA targets by 1% then there would be a net leverage covenant breach in Q2 2025 financial year (August 2024) and mitigating actions would need to be taken to address the shortfall. These mitigating actions may include for example, the reduction of operating and capital expenditure and ensuring a greater focus on working capital management, particularly in the collection cycle for receivable balances. These mitigating actions are not currently contemplated in the 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.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 29 February 2024

42. Going concern (continued)

Material uncertainty related to going concern (continued)

The uncertainty around the receipt of the equity investment, including the modelled USD 90.0 million of funding before the next covenant test on the 31 August 2024, and the need to continue to meet its Adjusted EBITDA forecasts in order to allow the group and company to meet tight expected headroom to financial covenants creates a material uncertainty which may cast significant doubt on the group and company'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.

43. Immediate and ultimate holding companies

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

**Audited Annual Financial Statements for the Liquid Group
as of and for the year ended
February 28, 2023**

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
(trading as)



(Licence Number: GB21100696)
ANNUAL FINANCIAL STATEMENTS
28 February 2023

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS
28 February 2023

General review

The operating results of Liquid Telecommunications Holdings Limited (the “company”) and its subsidiaries (the “group”) for the year ended 28 February 2023 are fully disclosed in the accompanying audited annual financial statements.

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.

The group, trading as Liquid Intelligent Technologies, is a technology and digital solutions provider across 20 countries primarily in Eastern, Southern and South Africa that serves carrier, enterprise and retail customers with high-speed, reliable connectivity and digital services. The group has built Africa’s largest independent fibre network, which reached 104,353 kilometres for the year ended 28 February 2023.

Total revenue for the year was USD 622.5 million (28 February 2022: USD 711.7 million), a decline of 12.5% year-on-year on a reported basis, which is predominantly as a result of the adverse exchange rates in Zimbabwe and South Africa as well as the general decline in Voice revenue, which is following the global trend away from traditional voice traffic.

The group has repositioned and restructured the business as a technology solutions provider to deliver a broader range of products and services to its customers and a more efficient value driven operating model. As such 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.

For comparison, the previous revenue streams were:

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

Property, Plant and Equipment decreased to USD 526.0 million as a result of the adverse exchange rates in Zimbabwe and South Africa (2022: USD 706.2 million). We continued our investment in the expansion of our fibre network, which allows us to provide our customers with a full-service offering of connectivity, hosting and digital services, although the translation of this investment was impacted by weaker exchange rates. More detail on the currency movement is given in note 1.1 - *Zimbabwean currency and Hyperinflation accounting*.

The construction of a regional fibre network across Southern, Central and Eastern Africa will continue in the coming financial year to further increase our coverage with a specific focus on building out the East to West links. Where acquisitions make commercial sense, these will be considered as an alternative way of expanding our network and customer reach.

In carrying out the annual impairment testing as required by IAS 36, an impairment of USD 36.1 million was recorded against the goodwill that arose on the acquisition of Liquid Telecommunications South Africa (Pty) Limited by Liquid Telecommunications Holdings South Africa (Pty) Limited (LTHSA). The impairment has resulted primarily from the global inflationary pressures, leading to higher interest rates and WACC for LTHSA, which have eroded the prior year headroom. Refer to note 9 - *Goodwill* for more details.

Impact of global events

On 24 February 2022, Russia invaded Ukraine in an internationally condemned act of aggression. This conflict is ongoing with a devastating impact on human life in the region. Globally, along with the widening sanctions against Russia, the conflict has had a direct impact on the energy sector, with increasing fuel prices and a general instability in the financial markets. This has led to higher costs for energy suppliers, product manufacturers and transportation services. The group has also been monitoring the impact of global inflationary pressures, interest rate increases, load shedding and other power challenges and has incorporated these effects into its forward looking plans, where possible.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS
28 February 2023

Major highlights

On 1 March 2022, Liquid Intelligent Technologies announced a strategic cooperation agreement to bring Telesat Lightspeed Low Earth Orbit (LEO) satellite services to Africa. Moving forward, Telesat and Liquid Intelligent Technologies will work together to determine how each company's industry-leading technologies can integrate with the other to better serve the African continent.

On 29 March 2022, the group announced it has acquired a fibre pair on the Equiano subsea cable, allowing Liquid to transport traffic up to 12 terabits, bringing a much-needed increase in international connectivity in Western and Southern Africa. This will address the growing need for internet capacity supporting cloud services in both coastal and landlocked countries on the continent.

On 11 May 2022, Liquid Intelligent Technologies announced a partnership with PEACE Cable Company to introduce 800Gbps of additional subsea capacity in Mombasa, Kenya on the highly-anticipated global submarine cable. This will increase the availability of high-performance and reliable internet connectivity access across Africa, leveraging Liquid's 100,000km of terrestrial fibre across 12 countries. While acting as a new global internet route between Asia, Europe and the USA, the additional capacity will help increase the proliferation of faster and more affordable internet, Cloud and cyber security services to the African people and businesses.

On 24 November 2022, the group announced the opening of its Cyber Security Fusion Centre in Kenya, making this the second centre of its kind in Africa, adding to the first one in Johannesburg, South Africa which opened earlier this year. The centre will provide real-time intelligence-driven alerts and advisory services to customers to mitigate potential cyber threats.

On 2 February 2023, Liquid Intelligent Technologies announced a partnership with Nokia for the deployment of Nokia's innovative transport network technology in the new terrestrial fibre route connecting Mombasa, Kenya to Johannesburg, South Africa. The technology used has allowed Liquid to build its first terrestrial route that will provide 12 terabits of capacity for carriers and service providers in South Africa, Kenya, Uganda, Rwanda, Zambia, Zimbabwe, and the DRC. The route, which measures 16,576 km, has been designed to cater to the demand for more capacity from Liquid's hyperscale customers.

Going concern

The directors have reviewed the consolidated cash flow projections of the group and company for the twelve months from the date of signing of the consolidated financial statements. Taking into account the available cash position as of 28 February 2023, including the impact of the currency changes in Zimbabwe and South Africa, the cash flow projections for the period (which include discretionary capital expenditure), the repayment of existing obligations and undrawn committed loan funding, and the provision of financial support to subsidiaries where necessary, the directors are satisfied that the group has access to adequate cash resources to settle obligations as they fall due. They also consider that the operations provide sufficient financial sustainability to enable the business to continue in existence for the foreseeable future.

In making their assessment, the directors have considered the potential impact of the instability of financial markets, volatility of currency markets particularly the South African Rand, the economic situation in Zimbabwe, inability of customers to pay and supply chain shortages on the operations, business plan and cashflow for the twelve months from the date of signing of the consolidated financial statements. Furthermore, in light of global interest rate rises, the directors note this has had a negative impact on the group's Weighted Average Cost of Capital used for certain impairment and evaluation exercises. In particular, this, together with a more challenging trading environment, has resulted in a USD 36.1 million impairment of goodwill in South Africa (refer to note 9 - *Goodwill*). Even after assessing these factors, the directors consider the group has sufficient liquidity and headroom on its covenants.

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

Funding facilities

The group is currently funded by a combination of equity, USD 620 million Senior Secured Notes (maturity September 2026), an undrawn USD 60 million Revolving Credit Facility ("RCF") (maturity March 2026), a USD 220 million equivalent South African Rand term loan (maturity March 2026), of which USD 164.2 million is outstanding at 28 February 2023 and USD 23.3 million of locally provided term loans (maturity in the financial year 2025) in Zambia, of which USD 4.9 million is outstanding at 28 February 2023. Taking this into account, alongside the other reviews conducted as set out in this section and the USD 60.0 million undrawn RCF, the directors consider the group has sufficient liquidity to meet its obligations as and when they fall due and forecast this position to continue. Refer to note 23 - *Short term portion of long term borrowings and long term borrowings* for more details.

Cash position

As at 28 February 2023, the group has an unrestricted cash position of USD 88.4 million (28 February 2022: USD 154.6 million). Of this amount, USD 28.3 million (28 February 2022: USD 80.3 million) is held in Zimbabwe. Following the continuing devaluation of the currency in Zimbabwe, the group has translated the ZWL\$ denominated cash in Zimbabwe at the statement of financial position date at a ZWL\$:USD exchange rate of 892.6:1 (28 February 2022: 124.0:1). Cash held in Zimbabwe is mainly used to locally fund operational expenses and capital expenditure.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS (continued)
28 February 2023

Going concern (continued)

Operational performance

For the year ended 28 February 2023, the group reported an operating profit of USD 73.7 million (28 February 2022: 163.8 million) and a net cash inflow from operating activities of USD 216.4 million (28 February 2022: USD 212.5 million). This demonstrates the group's ability to generate sufficient cash flow to enable it to support its underlying business operations and invest in new projects, even after taking into account the impact of the currency changes in Zimbabwe and South Africa.

Based on the assessment made and for the reasons set out above, the directors are of the opinion that the adoption of the going concern assumption in the preparation of the financial statements for the year ended 28 February 2023 is appropriate.

Events after the reporting date

- In final confirmation of a process which was substantially completed as at the balance sheet date and reflected in the goodwill impairment assessment, ICASA has confirmed that LTSA will migrate the spectrum allocated in the 850Mhz band to a more suitable band. ICASA has confirmed that LTSA will migrate from the 850Mhz and receive 2x5Mhz in the 900Mhz band from 1 March 2024. On 13 April 2023, ICASA granted final approval to ratify the migration agreement reached before the end of the financial year between the two parties. This represents the culmination of engagement with ICASA over several years to migrate the spectrum allocated in the 850Hz band to a more suitable band.
- In March 2023, Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared and paid a dividend of USD 1.0 million. USD 300,000 is attributable to the non-controlling interests of the subsidiary.
- On 26 April 2023 our lending partners (in relation to the USD 220 million equivalent South African Rand term loan as described in note 23) approved our pre-emptive request for a deferral of the net debt to adjusted EBITDA ratio due to the prospect of further exchange rate volatility in certain markets. As a result, the step down from 4.0x to 3.5x that was due to take place at the end of May 2023 will now occur in February 2024 and a second step down from 3.5x to 3.0x that was due to take place in May 2024 will now occur in August 2024. All other terms remain unchanged.

Statement of directors' responsibility in respect of the annual financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the group and the company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards ("IFRS") have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business, and
- maintain adequate accounting records and an effective system of internal controls and risk management.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements comply with IFRS, laws and regulation. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

Chairman and CEO's statement

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We are implementing and enforcing effective systems to counter bribery and corruption.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS (continued)
28 February 2023

Incorporation

Liquid Telecommunications Holdings Limited was incorporated on the 26 January 2007 in Mauritius and was granted a Category 2 – Global Business Licence. The company's Global Business Licence (category 2) was converted to a Global Business Company licence on 30 June 2021.

Dividends

Year ended 28 February 2023:

- Liquid Telecommunications Rwanda Limited, a subsidiary of the group, paid a dividend during the period. USD 300,000 is attributable to the non-controlling interests of the subsidiary.
- Worldstream (Pty) Limited, a subsidiary of the group, paid a dividend during the period. USD 141,456 is attributable to the non-controlling interests of the subsidiary.

Year ended 28 February 2022:

- Zanlink Limited, a subsidiary of the group, declared a dividend during the year. USD 16,000 is attributable to the non-controlling interests of the subsidiary out of which USD 10,000 has been paid.
- Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared a dividend during the year. USD 300,000 is attributable to the non-controlling interests of the subsidiary.

Share capital

The share capital of USD 3.7 million represents 124,857,914 ordinary shares (28 February 2022: 124,857,914). Refer to note 22 for details.

Investments

Full details of the group's and company's investments in subsidiaries, investments in associates, investments at Fair Value Through Other Comprehensive Income (FVTOCI) and at amortised cost, and other investments are disclosed in notes 13, 14, 15 and 17 of the financial statements.

Auditor

The auditor, Deloitte, has indicated its willingness to continue in office until the next annual meeting.

Directors and secretary

The directors of the company for the financial year end 2023 and up to the date of this report were as follows:

Name:	Appointed on:	Resigned on:	
Strive Masiyiwa ¹	13-May-08	29-Jun-22	¹ <i>Zimbabwean</i>
Nicholas Trevor Rudnick ²	22-Oct-07	-	² <i>German</i>
Eric Venpin ³	26-Jan-07	-	³ <i>Mauritian</i>
Gaetan Lan Hun Kuen ³	30-Jan-07	-	⁴ <i>British</i>
Mike Mootien (as alternate to Gaetan Lan) ³	14-Apr-14	-	⁵ <i>South African</i>
Hardwork Pemhiwa Njodzi ¹	04-Nov-16	-	⁶ <i>American</i>
Anil Dua ⁴	01-Jan-17	29-Jun-22	⁷ <i>Nigerian</i>
Rahul Goswamy (as alternate to Anil Dua) ⁹	01-Jan-17	29-Jun-22	⁸ <i>Rwandan</i>
Donald Henry Gips ⁶	20-Jun-17	29-Jun-22	⁹ <i>Singaporean</i>
Omobola Olubusola Johnson ⁷	16-Aug-18	-	¹⁰ <i>Indian</i>
Donald Kaberuka ⁸	16-Aug-18	29-Jun-22	
Richard Wilson ⁴	03-Apr-19	-	
Abhinav Sinha (as alternate to Richard Wilson) ¹⁰	22-Jul-19	-	
Udo Hermann Lucht ⁵	25-Feb-20	29-Jun-22	
Kate Eleanor Maria Hennessy ⁴	04-Oct-19	29-Sep-22	
Katlego Kobue (as alternate to Udo Hermann Lucht) ⁵	25-Feb-20	29-Jun-22	
Christopher Rajendran Hyman ⁴	29-Jun-22	-	
Eric Ricardo Thompson ⁶	27-Jun-23		

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
REPORT OF THE DIRECTORS (continued)
28 February 2023

Secretary

DTOS Ltd
10th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène, 72201
Republic of Mauritius

Registered office

10th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène, 72201
Republic of Mauritius

Auditor

Deloitte
7th-8th Floor, Standard Chartered Tower,
19-21 Bank Street,
Cybercity,
Ebene, 72201,
Mauritius

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001

We certify to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of Liquid Telecommunications Holdings Limited under Section 166 (d) of the Mauritius Companies Act 2001 for the year ended 28 February 2023.



For DTOS
Secretary

10th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène, 72201
Republic of Mauritius

Date: 27 June 2023

Independent auditor's report to the Shareholders of Liquid Telecommunications Holdings Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **Liquid Telecommunications Holdings Limited** (the "Company") and its subsidiaries (the "Group") set out on pages 9 to 71, which comprise the consolidated and separate statements of financial position as at 28 February 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and Company as at 28 February 2023, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the International Ethics Standards Board of Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises of Report of the Directors and the Certificate from the secretary but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

Independent auditor's report to the Shareholders of Liquid Telecommunications Holdings Limited (Cont'd)

Auditor's responsibilities for the audit of the consolidated and separate financial statements (Cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group and the company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group and the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Group and Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required;
- in our opinion, proper accounting records have been kept by the Group and Company as far as appears from our examination of those records.

Use of this report

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte.

Deloitte

Chartered Accountants

27 June 2023

Vishal Agrawal.

Vishal Agrawal, FCA

Licensed by FRC

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 28 February 2023

	Notes	Group		Company	
		28/02/23 USD'000	28/02/22 USD'000	28/02/23 USD'000	28/02/22 USD'000
Revenue	4.1	622,506	711,724	-	-
Interconnect related costs		(50,023)	(70,553)	-	-
Data and network related costs		(158,614)	(144,941)	-	-
Other income	5.2	7,762	11,118	38,778	13,470
Selling, distribution and marketing costs		(9,513)	(9,869)	(858)	(478)
Expected credit loss provision		(9,894)	(10,477)	-	-
Administrative expenses		(57,089)	(65,043)	(22,675)	(22,287)
Staff costs	5.3	(107,234)	(122,461)	(1,596)	(7,366)
Depreciation, impairment and amortisation	5.4	(164,204)	(135,724)	(128,773)	(1,849)
Operating profit / (loss)		73,697	163,774	(115,124)	(18,510)
Dividend received		-	-	1,046	30,700
Restructuring costs		-	(20)	-	-
Acquisition and other investment costs	5.5	(1,737)	(40)	(1,247)	(40)
Fair value (loss) / gain on derivatives assets	36.14	(3,997)	2,119	-	-
Gain on disposal of investments at Fair Value Through Other Comprehensive Income	15	-	1,090	-	1,090
Interest income	6	17,233	18,320	20,942	15,750
Finance costs	7	(75,328)	(72,784)	(30,486)	(29,564)
Net foreign exchange (loss) / gain	5.6	(257,220)	(114,103)	1,255	(524)
Hyperinflation monetary gain	1.1	156,854	121,541	-	-
Share of profits of associate	14	25	20	-	-
(Loss) / profit before taxation		(90,473)	119,917	(123,614)	(1,098)
Tax credit / (expense)	8	2,465	(61,693)	(2,801)	(2,794)
(Loss) / profit for the year		(88,008)	58,224	(126,415)	(3,892)
Other comprehensive loss					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation loss on accounting for foreign entities		(224,185)	(15,465)	-	-
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	1.1	19,356	8,484	-	-
		(204,829)	(6,981)	-	-
(Loss) / profit and other comprehensive (loss) / income for the year		(292,837)	51,243	(126,415)	(3,892)
(Loss) / profit attributable to:					
Owners of the company		(87,565)	57,618	(126,415)	(3,892)
Non-controlling interest		(443)	606	-	-
		(88,008)	58,224	(126,415)	(3,892)
(Loss) / profit and other comprehensive (loss) / income attributable to:					
Owners of the company		(292,218)	50,722	(126,415)	(3,892)
Non-controlling interest		(619)	521	-	-
		(292,837)	51,243	(126,415)	(3,892)
(Loss) / profit per share					
Basic (Cents per share)	39	(70.13)	46.15		

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
as at 28 February 2023

	Notes	Group		Company	
		28/02/23	28/02/22	28/02/23	28/02/22
		USD'000	USD'000	USD'000	USD'000
Non-current assets					
Goodwill	9	76,576	129,182	-	-
Intangible assets	10	64,214	77,605	2,244	1,907
Property, plant and equipment	11	526,043	706,237	42	41
Right-of-Use assets	12	221,319	168,687	-	-
Investment in subsidiaries	13	-	-	674,665	712,222
Investment in associate	14	543	632	-	-
Investments at Fair Value Through Other Comprehensive Income (FVTOCI)	15	15,314	15,314	15,310	15,310
Deferred tax assets	16	48,388	31,471	-	-
Investments at amortised cost	17	45	35	-	-
Long-term receivables	18	133,236	155,742	177,957	235,882
Net derivative assets	36.14	-	2,119	-	-
Pre-commencement lease payments		8,464	33,000	-	-
Total non-current assets		1,094,142	1,320,024	870,218	965,362
Current assets					
Inventories	19	27,341	24,572	-	-
Trade and other receivables	20	246,927	237,944	151,796	182,116
Taxation	8	3,098	3,344	-	-
Cash and cash equivalents	21	88,393	154,553	7,525	1,327
Restricted cash and cash equivalents	21	425	9,090	115	112
Total current assets		366,184	429,503	159,436	183,555
Total assets		1,460,326	1,749,527	1,029,654	1,148,917
Equity and liabilities					
Capital and reserves					
Share capital	22	3,716	3,716	3,716	3,716
Share premium	22	276,714	276,714	276,714	276,714
Convertible preference shares	22	180,000	180,000	180,000	180,000
(Accumulated losses) / retained earnings		(64,098)	23,467	(6,787)	119,628
Foreign currency translation reserve		(217,565)	(12,912)	-	-
Total equity attributable to owners of the parent		178,767	470,985	453,643	580,058
Non-controlling interests	13.2	1,146	2,206	-	-
Total equity		179,913	473,191	453,643	580,058
Non-current liabilities					
Long term borrowings	23a	763,373	809,516	-	-
Long term lease liabilities	29	103,661	66,420	-	-
Long term intercompany borrowings	24	-	428	533,095	532,852
Long term provisions	26	7,194	8,239	-	-
Deferred revenue	28	65,553	68,565	-	-
Deferred tax liabilities	16	15,986	47,763	-	-
Total non-current liabilities		955,767	1,000,931	533,095	532,852
Current liabilities					
Short term portion of long term borrowings	23b	34,687	33,093	201	198
Short term portion of long term lease liabilities	29	31,342	31,009	-	-
Trade and other payables	25	190,304	148,206	38,825	29,259
Short term provisions	27	23,679	33,408	3,890	6,550
Deferred revenue	28	33,806	24,433	-	-
Taxation	8	10,828	5,256	-	-
Total current liabilities		324,646	275,405	42,916	36,007
Total equity and liabilities		1,460,326	1,749,527	1,029,654	1,148,917

Approved by the Board of Directors and authorised for issue on 27 June 2023.

Eric Venpin
Director

Mike Mootien
Alternate Director to Gaetan Lan

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
for the year ended 28 February 2023

Group

Notes	Share	Share	Convertible	Foreign	(Accumulated	Non-	Total
	Capital	Premium	preference	currency	losses) /	controlling	Equity
	USD'000	USD'000	shares	translation	retained	interest	USD'000
	USD'000	USD'000	USD'000	reserve	earnings	USD'000	USD'000
At 1 March 2021	3,716	276,714	180,000	(6,016)	(121,379)	2,001	335,036
Profit on disposal of businesses under common control	-	-	-	-	86,626	-	86,626
Disposal of subsidiary under common control	-	-	-	-	602	-	602
Dividend	-	-	-	-	-	(316)	(316)
(Loss) / profit and total comprehensive (loss) / income for the year	-	-	-	(6,896)	57,618	521	51,243
Profit for the year	-	-	-	-	57,618	606	58,224
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	-	-	-	8,484	-	-	8,484
Translation loss on accounting for foreign entities	-	-	-	(15,380)	-	(85)	(15,465)
At 28 February 2022	3,716	276,714	180,000	(12,912)	23,467	2,206	473,191
Dividend	-	-	-	-	-	(441)	(441)
Loss and total comprehensive loss for the year	-	-	-	(204,653)	(87,565)	(619)	(292,837)
Loss for the year	-	-	-	-	(87,565)	(443)	(88,008)
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	-	-	-	19,356	-	-	19,356
Translation loss on accounting for foreign entities	-	-	-	(224,009)	-	(176)	(224,185)
At 28 February 2023	3,716	276,714	180,000	(217,565)	(64,098)	1,146	179,913

Company

	Share	Share	Convertible	Retained	Total
	capital	premium	preference	earnings /	Equity
	USD'000	USD'000	shares	(accumulated	USD'000
	USD'000	USD'000	USD'000	losses)	USD'000
At 1 March 2021	3,716	276,714	180,000	123,520	583,950
Loss for the year	-	-	-	(3,892)	(3,892)
At 28 February 2022	3,716	276,714	180,000	119,628	580,058
Loss for the year	-	-	-	(126,415)	(126,415)
At 28 February 2023	3,716	276,714	180,000	(6,787)	453,643

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
for the year ended 28 February 2023

Notes	Group		Company		
	28/02/23	28/02/22	28/02/23	28/02/22	
	USD'000	USD'000	USD'000	USD'000	
Cash flows from operating activities:					
Cash generated from / (used in) operations	30	240,747	258,492	525	(58,268)
Income tax paid	8	(24,313)	(45,993)	(2,801)	(2,794)
<i>Net cash generated from / (used in) operating activities</i>		<u>216,434</u>	<u>212,499</u>	<u>(2,276)</u>	<u>(61,062)</u>
Cash flows from investing activities:					
Interest income		1,542	18,320	20,942	6,191
Proceeds from sale of investments	15	-	9,590	-	9,590
Purchase of investments at amortised cost		(46)	-	-	-
Dividend received		-	-	1,046	30,700
Disposal of subsidiary company	31	-	(357)	-	-
Purchase of property, plant and equipment		(87,567)	(80,380)	(14)	(32)
Proceeds on disposal of property, plant and equipment		3,518	3,483	-	-
Pre-commencement lease payments		(3,105)	(33,000)	-	-
Purchase of intangible assets		(14,134)	(14,135)	-	(2,004)
Proceeds on disposal of intangible assets		558	2,918	-	-
Decrease / (increase) in long-term receivables from related parties		4,437	(5,063)	16,987	(16,548)
Decrease in long term receivables		-	9	-	-
<i>Net cash (used in) / generated investing activities</i>		<u>(94,797)</u>	<u>(98,615)</u>	<u>38,961</u>	<u>27,897</u>
Cash flows from financing activities:					
Dividend paid		(441)	(310)	-	-
Finance costs paid		(58,726)	(38,431)	(29,619)	(28,387)
Decrease in borrowings		(14,325)	(6,326)	(865)	(670)
Decrease in lease liabilities		(46,738)	(58,576)	-	-
Decrease in intercompany equity loans		-	-	-	(146)
Increase in long term intercompany borrowing		407	441	-	31,000
<i>Net cash (used in) / generated from financing activities</i>		<u>(119,823)</u>	<u>(103,202)</u>	<u>(30,484)</u>	<u>1,797</u>
Net increase / (decrease) in cash and cash equivalents		1,814	10,682	6,201	(31,368)
Cash and cash equivalents at beginning of the year		163,643	172,638	1,439	32,807
Translation of cash with respect to foreign operations		(76,639)	(19,677)	-	-
Cash and cash equivalents at end of the year		<u>88,818</u>	<u>163,643</u>	<u>7,640</u>	<u>1,439</u>
Represented by:					
Cash and cash equivalents	21	88,393	154,553	7,525	1,327
Restricted cash and cash equivalents	21	425	9,090	115	112
		<u>88,818</u>	<u>163,643</u>	<u>7,640</u>	<u>1,439</u>

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the year ended 28 February 2023

1. General information

Liquid Telecommunications Holdings Limited (trading as Liquid Intelligent Technologies) is a private company incorporated in Mauritius on 26 January 2007 and was granted a Category 2 – Global Business Licence Company as from 29 January 2007. The company's Global Business Licence (category 2) was converted to a Global Business Company licence on 30 June 2021. Its registered office is situated at 10th floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, Mauritius. The company's main activity is to carry on the business of a holding company in respect of subsidiary companies 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 financial statements are presented in United States Dollars (USD) as this is the currency in which the majority of the group's transactions are denominated. The functional currencies of the subsidiaries are: United States Dollars, Mauritian Rupee, South African Rand, Pound Sterling, Zambian Kwacha, Kenyan Shilling, Ugandan Shilling, Rwandan Franc, Botswana Pula, Nigerian Naira, Tanzanian Shilling, United Arab Emirates Dirham and Zimbabwean Dollar (ZWL\$, equivalent to the Real Time Gross Settlement - "RTGS").

1.1 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 2023, with effect from 1 October 2018 for its Zimbabwean subsidiaries.

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 and this was the rate on 28 February 2019. The Zimbabwean currency is now denominated as the Zimbabwean Dollar (ZWL\$).

During the year ended 28 February 2023, there has been further movement in the ZWL\$:USD rate and the group has used a rate of ZWL\$:USD 892.6:1 (28 February 2022: ZWL\$:USD 124.0:1) to translate both the statement of profit or loss and the statement of financial position at 28 February 2023. Of the USD 257.2 million (28 February 2022: USD 114.1 million) of net foreign exchange loss in the consolidated statement of profit and loss, Zimbabwe contributed USD 249.0 million (28 February 2022: USD 115.8 million). The net foreign exchange loss arises mainly on the retranslation of USD denominated intra-group debt at the statement of financial position date.

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 9 November 2022.

Based on these reports, and because Zimbabwe's functional currency is ZWL\$, the group has concluded that hyperinflation accounting is applicable to accounting periods ended on or after 1 July 2019 and until there are indicators that allow the group to discontinue doing so. The group has applied hyperinflation accounting to all periods presented in these financial statements, effective from 1 October 2018. The adjustment for the impact of foreign exchange on opening balance under hyperinflation accounting of the Zimbabwe entities at 1 March 2022 resulted in a foreign exchange gain of USD 19.4 million (28 February 2022: USD 8.5 million) has been recognised directly in other comprehensive income, in accordance to IAS 21 - *The Effects of Changes in Foreign Exchange Rates*.

The application of hyperinflationary accounting results in certain assets, liabilities, revenues and costs being reported in inflation adjusted terms as at 28 February 2023.

The restatement of balances in accordance with IAS 29 requires the use of a general price index ("GPI") that reflects changes in general purchasing power. Following the introduction of new regulations by the Zimbabwean government in March 2023, the official published Zimbabwe Consumer Price Index ("CPI") as the GPI was discontinued with the last publication in January 2023.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2023

1.1 Zimbabwean currency and hyperinflation accounting (continued)

Hyperinflation accounting (continued)

IAS 29 allows for an entity to estimate a general price index for use in its financial statements in the absence of an official GPI and suggests the use of the movement in the exchange rates between the local functional currency (ZWL\$) and a more stable currency (USD). In calculating the GPI, the group has used the official published Zimbabwe CPI upto 31 January 2023 and then used the movement in the ZWL\$:USD exchange rate as described below for the month of February 2023, as an estimation of GPI. The ZWL\$:USD exchange rate moved by 11.36% between January 2023 and February 2023 to close at 892.6. Accordingly, the group applied a 11.36% growth on the January 2023 CPI of 13,819.67 to determine the February 2023 closing CPI. Therefore, the closing CPI for February 2023 is 15,389.58. The group also looked at an alternative method of calculating CPI, based on an average of the CPI for the three month period prior to the CPI change. This methodology was not supported by local accounting bodies, but had it been implemented, the monetary gain would have been USD 29.5 million lower.

The gains on the net monetary position of USD 156.9 million (28 February 2022: USD 121.5 million) have been recognised in the consolidated statement of profit or loss through 'Hyperinflation monetary gain' based on the above mentioned CPI for February 2023 (28 February 2022: 4,483.06 – as officially published).

In addition, IAS 29 requires the translation of the results at closing rate rather than average rate. The closing rate of ZWL\$:USD 892.6:1 (28 February 2022: ZWL\$:USD 124.0:1) has been used.

The directors continue to monitor the economic conditions in Zimbabwe.

1.2 Application of New and Revised International Financial Reporting Standards (IFRS)

In the current year, the company and group have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 March 2022.

New and revised IFRSs and IFRICs applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 16	Property, plant and equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous.
IFRS 3	Business combinations - Amendments updating a reference to the Conceptual Framework.
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities).

Impact of the above revised Standards

IAS 16 - Property, plant and equipment:

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

This amendment has no impact as the group does not have any items produced that are not an output of the normal business activity.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2023

1.2 Application of New and Revised International Financial Reporting Standards (IFRS) (continued)

Impact of the above revised Standards (continued):

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets:

The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The principles of this amendment are already applied.

IFRS 3 - Business combinations:

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

This amendment has no impact on the group as there was no business combination during the year.

IFRS 9 - Financial Instruments:

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

This amendment has no impact because there were no borrowings which were extinguished or refinanced during the year.

New and revised IFRSs and IFRICs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective 1 January 2023).
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities (effective 1 January 2024).
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of debt with covenants (effective 1 January 2024).
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective 1 January 2023).
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective 1 January 2023).
IAS 12	Income Taxes - Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes (effective 1 May 2023).
IFRS 16	Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (effective 1 January 2024).

2. Summary of significant accounting policies

Basis of accounting

The consolidated and separate financial statements have been prepared under the historical cost convention, except for certain financial instruments carried at fair value. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted in the preparation of these financial statements are set out below:

Historical cost is generally based on the fair value of the consideration given in exchange for the goods or services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the group and the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis except for share-based transactions which fall in the scope of IFRS 2, leasing transactions that are in the scope of IFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

2. Summary of significant accounting policies (continued)

Basis of accounting (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Refer to note 42 for more details.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) up to the reporting date each year. Control is achieved when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profits or losses and each component of the other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the equity interests issued by the group, liabilities incurred by the group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, except that:

- deferred tax or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Non-controlling interests are considered to be insignificant when the closing balance, individually and collectively, is 5% or lower of the combined total equity at year end. See note 13.2 for *Details of non-wholly owned subsidiaries that have material non-controlling interests*.

2. Summary of significant accounting policies (continued)

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land is not depreciated.

Depreciation is charged so as to write off the cost to their residual values, over their estimated useful lives, using the straight-line method, on the following basis:

Buildings	20 - 50 years
Furniture and fittings	5 - 10 years
Computer equipment	2 - 10 years
Network equipment	5 years
Motor vehicles	4 - 5 years
Fibre infrastructure	5 - 25 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gains and losses arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying value of the asset and is recognised in the consolidated statements of profit or loss and other comprehensive income.

Work in progress relates to an asset under construction that has not yet been put into use. The asset is not subject to depreciation while in the construction phase. Once the asset is fully developed and available for use, depreciation will start.

Investment in associate

An associate is an entity over which the group has significant influence through holding, directly or indirectly, of 20 per cent or more of the voting power of the associate, but that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately as a 'bargain purchase gain' in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 "Impairment of Assets" are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of the impairment loss is recognised in accordance with IAS 36 "Impairment of Assets" to the extent that the recoverable amount of the investment subsequently increases.

2. Summary of significant accounting policies (continued)

Investment in associate (continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or part of the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter by an increase or decrease in the carrying amount of the investee by the group's share of profit or loss of the investee.

When the group's share of losses of an associate exceeds the group's interest in that associate (which includes any long-term interest that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

Investment in subsidiaries

In the company's financial statements, investments in subsidiaries are measured and valued at cost less impairment.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows has not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses in bringing the items to their present location and condition. The cost of inventory is calculated using the Average Cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value (excluding trade receivables which are recognised at transaction price in terms of IFRS 15). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets are classified into the following specified categories:

- Amortised cost.
- Fair Value Through Other Comprehensive Income (FVTOCI).
- Fair Value Through Profit or Loss (FVTPL).

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below); and
- the group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(i) Amortised cost and effective interest method (continued)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the consolidated statement of profit or loss after Operating profit.

All financial assets on the consolidated statement of financial position, with the exception of investments are classified at amortised cost.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, that is dividends are recognised when the entity's right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably. Dividends are recognised in statement of profit or loss unless they clearly represent recovery of a part of the cost of the investment, in which case they are deducted from the cost of investment.

The group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

However, IFRS 9 observes that in limited circumstances, cost may provide an appropriate estimate of fair value. This would be the case if sufficient more recent information is not available to measure fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The directors considered the requirements of IFRS 9 and are of the opinion that cost is the best estimate for fair value for these investments in equity.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(iii) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost, exchange differences are recognised in the statement of profit or loss in the 'Net foreign exchange (loss) / gain' line item (note 5);
- for equity instruments measured at FVTOCI, exchange differences are recognised in the statement of other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the receivable, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the receivable's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the receivable;
- significant increases in credit risk on other financial instruments of the same receivable; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the receivable's ability to meet its debt obligations.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group).

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (d) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed in liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, after the group has exhausted all efforts to recover such trade receivables, which ever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of profit or loss.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses (ECL)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information (including for example macroeconomic developments).

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

The group makes provision on the following basis, which falls under stage 3 of the ECL model:

- 100% of all non-intercompany trade debts aged 90 days or older (see exception below),
- 100% of the balance due from a client who has a publicised case of either Curatorship, Judicial Management, Liquidation, Scheme of Arrangement and Insolvency and its operations might have ceased or are being wound up, and
- 100% of any disputed balances

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The following are areas where management considers that the risk of default is minimal to nil and no provision is provided unless management assess that the credit risk has increased:

- Payment plans - A signed acknowledgment of debt with a payment plan and/or a set-off agreement exists and the client is abiding by the terms of these agreements. If the client does not comply with the payment plans, the services are stopped. If they still do not pay, the group will engage legal counsel to pursue recovery from the client. Historically and in most cases, customers do pay when legal letters are issued. When the client is unable to pay due to cash flow issues (hence, increased credit risk), a provision is made.
- Payment history – The customer's payment trend is in intervals, say quarterly, bi-annually or annually and its history is evidenced on their customer statement. This is usually applicable to government bodies and strategic clients.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss. In addition, on derecognition of an investment in equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the statement of profit or loss, but is transferred to retained earnings.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised when the proceeds are received, net of direct issue costs.

A repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Share capital and share premium are classified as equity.

Financial liabilities

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial liabilities comprise of long and short term borrowings, other long term payables and trade and other payables.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Net foreign exchange (loss) / gain' line item (note 5) in the statement of profit or loss.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

Derivatives

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Embedded derivatives are disclosed separately in the consolidated statement of financial position. Embedded derivatives relating to financial assets and financial liabilities are not bifurcated.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2023

2. Summary of significant accounting policies (continued)

Cash or cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Restricted cash comprises cash held in restricted accounts for bank guarantees and customer deposits.

Financing activities include dividends paid. Interest paid is included in financing activities.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities arising from the taxable temporary differences associated with investments in subsidiaries, branches and associates are not recognised if the company has both the ability to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the consolidated statement of profit or loss, except when they relate to items recognised in other comprehensive income, in which case the tax is also recognised in other comprehensive income, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

2. Summary of significant accounting policies (continued)

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it.

Revenue recognition

The group recognises revenue from the following major sources:

- Network - primarily revenue from long haul and metro networks;
- 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.

Revenue is measured based on the consideration to which the group expects to be entitled from a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer. Depending on whether certain criteria are met, revenue is recognised:

- Over time, in a manner that best reflects the delivery of the group's performance obligations; or
- At a point in time, when control of the goods or services is transferred to the customer.

The group accounts for a contract with a customer only when there is evidence of an arrangement, the group can identify each party's rights regarding the goods and services to be transferred, the contract has commercial substance and collectability is reasonably assured.

- Network: The performance obligation relating to these service contracts consists of two parts; firstly the installation of the equipment and/or connection of the service, the Non-Recurring Revenue (NRR), and secondly the provisioning of monthly services, the Monthly Recurring Revenue (MRR).

Generally, these contracts only have one performance obligation as the different parts of the service contracts are interrelated. Therefore, both the NRR and MRR components of the contract will be recognised over the period of the contract. Transaction prices are determined based on signed contracts, which take into account equipment and data rates determined at market related prices with the client for the NRR and MRR components. Deferred revenue (contract liability) is raised for the NRR payment received upfront. Customers are invoiced once for NRR and on a monthly basis for MRR. A receivable (contract asset) is raised as the service is delivered.

- C2: the performance obligation is recognised when the service is made available to customers on-demand via remote connection to a cloud computing server. The connection of the service performance obligation is satisfied on completion of connection as ownership is transferred. The provisioning of a service is recognised monthly as this is when the service is delivered. The transaction price is determined by the signed contract, which takes into account the rates determined at market related prices. Customers are invoiced once for NRR and on a monthly basis for MRR. A receivable (contract asset) is raised as the service is delivered.

- Dataport: The performance obligation relating to these service contracts consists of two parts; firstly the installation of the equipment and/or connection of the service, the Non-Recurring Revenue (NRR), and secondly the provisioning of monthly services, the Monthly Recurring Revenue (MRR).

Generally, these contracts only have one performance obligation, the provisioning of a monthly service that is satisfied over time. Therefore, both the NRR and MRR components of the contract will be recognised over the period of the contract. Transaction prices are determined based on signed contracts, which take into account equipment and data rates determined at market related prices with the client for the NRR and MRR components. Deferred revenue is raised for the NRR payment received upfront. Customers are invoiced once for NRR and on a monthly basis for MRR. A receivable (contract asset) is raised as the service is delivered.

- Voice Traffic: The performance obligation relating to wholesale voice traffic is to provide voice minutes for the duration of the call until termination. The transaction price is determined based on agreed upon per minute rates and the duration of the call. Revenue relating to wholesale voice is recognised at the point the call is terminated, as this is the point the service is delivered to the customer. Customers are invoiced monthly based for their voice usage and a receivable (contract asset) is raised as the service has been delivered.

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Revenue recognition is applied to individual contracts with customers. However, the International Accounting Standards Board (IASB) recognised that there may be situations in which it may be more practical for an entity to combine contracts for revenue recognition purposes rather than attempt to account for each contract separately.

In addition to revenue recognition for revenue streams mentioned above, based on the nature of the group's business operations, from time to time management enters into contracts with customers that include unique contractual terms and other elements that fall outside of the group's general contract terms and conditions. Such contracts are considered dynamic in nature and encapsulate other performance obligations which are not in line with the group's main business operations. These contracts are entered into on an ad-hoc basis for larger contracts and as a result are accounted for separately.

Management fees

Management fees are recognised when the right to receive payment has been established.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in US Dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in statements of profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in statements of profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in US Dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the year.

Exchange differences arising on translation of foreign operations, if any, are recognised in other comprehensive income and accumulated under the group's translation reserve. Such translation differences are recognised in statements of profit or loss in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate on the closing date.

Leases

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a Right-of-Use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, which are short term and low value, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

2. Summary of significant accounting policies (continued)

Leases (continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related Right-of-Use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Right-of-Use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provisions, contingent liabilities and contingent assets". To the extent that the costs relate to a Right-of-Use asset, the costs are included in the related Right-of-Use asset, unless those costs are incurred to produce inventories.

Right-of-Use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the Right-of-Use asset reflects that the group expects to exercise a purchase option, the related Right-of-Use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Right-of-Use assets are presented as a separate line in the consolidated statement of financial position.

The group applies IAS 36 "Impairment of Assets" to determine whether a Right-of-Use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of tangible and intangible assets excluding goodwill' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the Right-of-Use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Administrative expenses' in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has elected that any existing lease comprising of both components to be treated as a lease. The group has elected not to separate non-lease components from lease components, and instead account for each lease component and associated non-lease component as a single lease component. The practical expedient has been applied to fibre infrastructure, motor vehicles, site leases, land and buildings. The practical expedient will not apply where the costs associated with the above leases are treated and invoiced separately by the lessors and therefore accounted in accordance with other applicable accounting standards.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
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2. Summary of significant accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowing costs are expensed in the year in which they are incurred.

Intangible assets

Intangible assets acquired are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives, on the following basis:

Operating Licence	10 - 25 years
Computer Software	2 - 8 years
Customer relationships	3 - 5 years
Other Intangible Assets (This mainly comprises the brand and spectrum assets arising on the acquisition of Liquid Telecommunications South Africa (Pty) Limited).	3 - 10 years

Upon acquisition of Liquid Telecommunications South Africa (Pty) Limited, Zanlink Limited and Raha Limited a valuation was assigned to the existing customer base of each entity and is classified as Customer relationships in Intangible assets (note 10).

The estimated useful lives and amortisation method are reviewed at the end of each annual reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statements of profit or loss and other comprehensive income when the asset is derecognised.

Cash flows

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, restricted cash, treasury bills and deposits held, less bank overdrafts all of which are available for use by the company unless otherwise stated.

Comparatives

Comparatives have been regrouped or reclassified to conform with current year's presentation.

Equity Loans

Equity loans to subsidiaries arising on acquisition are recognised in investments in subsidiaries on the date of acquisition.

3. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the group's accounting policies (note 2), management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the financial statements:

Key judgements

(i) Revenue recognition

As mentioned in Note 2 - *Summary of significant accounting policies*, 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. A key judgement is 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 directors considered the detailed criteria for the recognition of revenue, and are satisfied that the accounting treatment is appropriate in the current year.

For more details on the accounting policy, see 'Revenue recognition' in note 2 - *Summary of significant accounting policies*.

(ii) 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 40 - *Contingent liabilities* for further disclosure.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)
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3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key judgements (continued)

(ii) Contingent liabilities (continued)

For more details on the accounting policy, see 'Provisions' in note 2 - *Summary of significant accounting policies*.

Key estimates

(i) 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 present value of the recoverable amount.

For more details on the accounting policy, see 'Goodwill' in note 2 - *Summary of significant accounting policies* and note 9 - *Goodwill*.

(ii) Impairment of investment

The assessment of whether there is an impairment in the carrying value of an investment requires an estimation of the value in use of the cash generating unit to which the investment relates. 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.

For more details on the accounting policy, see 'Investment in subsidiaries' in note 2 - *Summary of significant accounting policies* and note 13 - *Investments in subsidiaries*.

(iii) Hyperinflation accounting

The restatement of balances in accordance with IAS 29 - *Financial Reporting in Hyperinflationary Economies* requires the use of a general price index ("GPI") that reflects changes in general purchasing power. Following the introduction of new regulations by the Zimbabwean government in March 2023, the official published Zimbabwe Consumer Price Index ("CPI") as the GPI was discontinued with the last publication in January 2023.

IAS 29 allows for an entity to estimate a general price index for use in its financial statements in the absence of an official GPI and suggests the use of the movement in the exchange rates between the local functional currency (ZWL\$) and a more stable currency (USD). In calculating the GPI, the group has used the official published Zimbabwe CPI upto 31 January 2023 and then used the movement in the ZWL\$:USD exchange rate for the month of February 2023. The ZWL\$:USD exchange rate moved by 11.36% between January 2023 and February 2023 to close at 892.6. Accordingly, the group applied a 11.36% growth on the January 2023 CPI of 13,819.67 to determine the February 2023 closing CPI. Therefore, the closing CPI for February 2023 is 15,389.58. The group also looked at an alternative method of calculating CPI, based on an average of the CPI for the three month period prior to the CPI change. This methodology was not supported by local accounting bodies, but had it been implemented, the monetary gain would have been USD 29.5 million lower.

For more information on the Zimbabwean currency and hyperinflation accounting, see note 1.1.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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4. Revenue and segment information

4.1 Segment revenue and results

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.

For comparison, the previous revenue streams were:

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

Following the changes to the presentation of the revenue streams in the current financial year, the comparative revenue streams have been adjusted to align with the revised presentation. As a result, under the new presentation, the revenue for the year ended 28 February 2022 for Network has increased from USD 478 million to USD 521 million and for Dataport decreased from USD 75 million to USD 34 million. These changes are due to the reclassification of roaming services and satellite/VSAT services from Dataport to Network.

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

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

- Restructuring costs
- Acquisition and other investment costs
- Fair value (loss) / gain on derivatives assets
- Gain on disposal of investments at Fair Value Through Other Comprehensive Income
- Net foreign exchange loss (see note 5)
- Hyperinflation monetary gain (see note 1.1)
- Share of profits of associate

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4. Revenue and segment information (continued)

4.1 Segment revenue and results (continued)

The following is an analysis of the group's revenue and results by reportable segment for the:

Year ended 28 February 2023

	South		Rest of Africa	Rest of the World	Central Administration		Total
	Africa	Zimbabwe			Costs	Eliminations	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	163,759	114,556	143,224	85,038	-	(67,638)	438,939
C2	43,363	9,703	10,655	17,906	-	(12,223)	69,404
Dataport	8,296	2,499	11,551	35,221	-	(13,913)	43,654
Voice traffic	8,794	72	64	62,993	-	(1,414)	70,509
Inter-segmental revenue	(8,063)	(772)	(13,057)	(73,296)	-	95,188	-
Group External Revenue	216,149	126,058	152,437	127,862	-	-	622,506
Adjusted EBITDA	80,819	65,711	47,315	70,810	(17,598)	(9,156)	237,901
Depreciation, impairment and amortisation							(164,204)
Acquisition and other investment costs							(1,737)
Fair value loss on derivatives assets							(3,997)
Interest income							17,233
Finance costs							(75,328)
Net foreign exchange loss							(257,220)
Hyperinflation monetary gain							156,854
Share of profits of associate							25
Loss before taxation							(90,473)
Tax credit							2,465
Loss after taxation							(88,008)

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

Year ended 28 February 2022

	South		Rest of Africa	Rest of the World	Central Administration		Total
	Africa	Zimbabwe			Costs	Eliminations	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	186,993	198,969	118,215	93,925	-	(77,492)	520,610
C2	34,822	15,924	6,609	9,613	-	(7,778)	59,190
Dataport	8,616	3,419	12,804	21,745	-	(12,694)	33,890
Voice traffic	9,670	164	15	89,541	-	(1,356)	98,034
Inter-segmental revenue	(7,268)	(1,109)	(13,705)	(77,238)	-	99,320	-
Group External Revenue	232,833	217,367	123,938	137,586	-	-	711,724
Adjusted EBITDA	85,144	126,266	37,524	72,569	(16,663)	(5,342)	299,498
Depreciation, impairment and amortisation							(135,724)
Restructuring costs							(20)
Acquisition and other investment costs							(40)
Fair value gain on derivatives assets							2,119
Gain on disposal of investments at Fair Value Through Other Comprehensive Income							1,090
Interest income							18,320
Finance costs							(72,784)
Net foreign exchange loss							(114,103)
Hyperinflation monetary gain							121,541
Share of profits of associate							20
Profit before taxation							119,917
Tax expense							(61,693)
Profit after taxation							58,224

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4. Revenue and segment information (continued)

4.1 Segment revenue and results (continued)

The accounting policies of the reportable segments are the same as the group's accounting policies described in note 2.

For the year ended 28 February 2023, there is only 1 major customer* comprising more than 10% of the total group revenue (2022: only 1 major customer). The revenue from this customer is spread across the 4 segments.

* the customer name and revenue have not been disclosed due to confidentiality of information.

The following tables show the timing of revenue recognition:

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
<u>Year ended 28 February 2023</u>					
Recognised over the life of the contract as per IFRS 15	192,099	114,169	119,395	108,943	534,606
Recognised immediately on delivery of the service	24,050	11,889	33,042	18,919	87,900
	<u>216,149</u>	<u>126,058</u>	<u>152,437</u>	<u>127,862</u>	<u>622,506</u>
<u>Year ended 28 February 2022</u>					
Recognised over the life of the contract as per IFRS 15	202,739	197,834	108,713	126,200	635,486
Recognised immediately on delivery of the service	30,094	19,533	15,225	11,386	76,238
	<u>232,833</u>	<u>217,367</u>	<u>123,938</u>	<u>137,586</u>	<u>711,724</u>
				<u>28/02/23</u>	<u>28/02/22</u>
				USD'000	USD'000
Segment assets					
South Africa				590,693	759,609
Zimbabwe				282,198	472,564
Rest of Africa				374,971	312,741
Rest of the World				212,464	204,613
Consolidated total assets				<u>1,460,326</u>	<u>1,749,527</u>
Segment liabilities					
South Africa				196,608	157,395
Zimbabwe				84,838	116,212
Rest of Africa				194,323	141,401
Rest of the World				11,469	25,707
Total segment liabilities				487,238	440,715
Group Borrowings (USD 620 million 5.5% Senior Secured Notes and USD 220 million equivalent South African Rand term loan - note 23)				793,175	835,621
Consolidated total liabilities				<u>1,280,413</u>	<u>1,276,336</u>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments.
- all liabilities are allocated to reportable segments other than group borrowings.

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4. Revenue and segment information (continued)

4.1 Segment revenue and results (continued)

4.3 Other segment information

	Depreciation, impairment and amortisation		Additions to property, plant and equipment, Right-of-Use assets and intangible assets	
	28/02/23 USD'000	28/02/22 USD'000	28/02/23 USD'000	28/02/22 USD'000
South Africa	94,144	55,226	104,512	37,920
Zimbabwe	15,676	33,801	19,492	28,645
Rest of Africa	35,672	28,794	67,491	62,243
Rest of the World	18,712	17,903	18,282	18,957
	164,204	135,724	209,777	147,765

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5. (Loss) / profit before taxation

	Group		Company	
	28/02/23 USD'000	28/02/22 USD'000	28/02/23 USD'000	28/02/22 USD'000
5.1 (Loss) / profit before taxation is arrived at after taking the following into account:				
Auditor's fees	1,975	2,113	480	373
Non-audit services	136	147	155	87
Consultancy fees	10,146	5,545	2,900	283
Management fee expense	240	240	16,260	15,445
5.2 Other income				
Gain / (loss) on disposal of property, plant and equipment	66	(609)	-	-
Management fees income (note 32)	2,469	1,481	33,096	10,243
Sundry income (non-operating income that does not meet the recognition criteria of revenue under IFRS 15)	5,227	10,246	5,682	3,227
	7,762	11,118	38,778	13,470
5.3 Staff costs				
Wages and salaries	73,631	90,481	1,596	7,366
Social security costs	17,190	14,289	-	-
Defined contribution plans expense	9,604	10,437	-	-
Other staff costs	6,809	7,254	-	-
	107,234	122,461	1,596	7,366
The group operates defined contribution retirement benefit plans for all qualifying employees in accordance with the regulations of each jurisdiction. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the benefits. The only obligation of the group with respect to the retirement benefit plan is to make the specified contributions.				
The total expense recognised in statement of profit or loss of USD 9.6 million (28 February 2022: USD 10.4 million) represents contributions paid to these plans by the group at rates specified in the rules of the plans.				
5.4 Depreciation, impairment and amortisation				
Depreciation (note 11)	61,368	81,428	28	29
Amortisation of intangible assets (note 10)	10,037	16,928	1,675	1,814
Right-of-Use assets depreciation (note 12)	53,991	35,868	-	-
Inventory written off (note 19)	21	337	-	-
Provision for obsolete inventory (note 19)	86	596	-	-
Impairment of investment in subsidiary (note 13)	-	-	127,070	-
Write off of property, plant and equipment (note 11)	255	-	-	-
Impairment of property, plant and equipment (note 11)	2,365	322	-	-
Impairment of goodwill (note 9)	36,081	245	-	-
Impairment loss on intercompany loans	-	-	-	6
	164,204	135,724	128,773	1,849
5.5 Acquisition and other investment costs				
Legal fees	490	2	-	2
Professional fees	42	38	42	38
Other investment costs	1,205	-	1,205	-
	1,737	40	1,247	40
5.6 Net foreign exchange (loss) / gain				
Exchange losses - unrealised	(267,672)	(132,911)	(3)	(520)
Exchange losses - realised	(26,064)	(3,763)	-	(4)
Exchange gains - unrealised	33,589	17,167	1,252	-
Exchange gains - realised	2,927	5,404	6	-
	(257,220)	(114,103)	1,255	(524)
6. Interest income				
Interest received - bank / external	1,542	2,864	5	88
Interest received - inter-group (note 32)	15,691	15,456	20,937	15,662
	17,233	18,320	20,942	15,750

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	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
7. Finance costs				
Interest on loans	25,588	21,737	1,118	1,054
Finance cost on Senior Secured Notes	34,100	34,100	-	-
Finance arrangement fees amortised	3,674	4,269	-	-
Interest on lease liabilities	11,747	12,555	-	-
Interest paid - inter-group (note 32)	219	123	29,368	28,510
	75,328	72,784	30,486	29,564

8. Tax

Current taxation	23,386	34,395	-	-
Deferred taxation (credit) /charge (note 16)	(34,062)	17,602	-	-
Withholding taxation	8,211	9,696	2,801	2,794
Total tax (credit) / expense	(2,465)	61,693	2,801	2,794

The (credit) / charge for the year can be reconciled to profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

(Loss) / profit before taxation	(90,473)	119,917	(123,614)	(1,098)
Taxation at domestic rate for foreign subsidiaries in tax paying jurisdictions	(24,699)	26,332	-	-
Tax effect of non-deductible expenses	33,061	69,794	-	-
Tax effect of non-taxable income	-	(5,713)	-	-
Tax effect of foreign tax credit	(1,194)	(2,581)	-	-
Effect of tax losses not recognised as deferred tax assets	912	9,053	-	-
Tax effect of utilised unrecognised tax losses	(930)	(14,444)	-	-
Tax effect on IAS 29 adjustments	(17,826)	(30,444)	-	-
Withholding taxation	8,211	9,696	2,801	2,794
	(2,465)	61,693	2,801	2,794

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

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

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Taxation asset:				
Opening balance	3,344	2,798	-	-
(Reversal) / provision for the year	(30)	23	-	-
Payments during the year	155	23	-	-
Net reclassification of deferred tax assets / liabilities	315	555	-	-
Foreign exchange differences	(686)	(55)	-	-
Closing balance	3,098	3,344	-	-
Taxation liability:				
Opening balance	(5,256)	(8,796)	-	-
Provision for the year	(31,567)	(44,114)	(2,801)	(2,794)
Payments during the year	24,158	45,970	2,801	2,794
Net reclassification of deferred tax assets / liabilities	(187)	(277)	-	-
Foreign exchange differences	2,024	1,961	-	-
Closing balance	(10,828)	(5,256)	-	-

9. Goodwill

	Group	
	28/02/23	28/02/22
	USD'000	USD'000
Cost		
Opening balance	129,182	129,364
Impairment (see below)	(36,081)	(245)
Foreign exchange differences	(16,525)	(1,596)
Adjustments - IAS 29	-	1,659
Closing balance	76,576	129,182

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9. Goodwill (continued)

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

	Group	
	28/02/23	28/02/22
	USD'000	USD'000
Liquid Telecommunications Limited	2,850	2,850
Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe (see below)	5,581	1,441
Zimbabwe Online (Private) Limited (see below)	-	4,140
Liquid Telecommunications Holdings South Africa (Pty) Limited	60,360	112,966
Liquid Telecommunications Zambia Limited	2,201	2,201
Raha Tanzania Holdings Limited	5,584	5,584
	<u>76,576</u>	<u>129,182</u>

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 three to 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.
 - Assessment is performed on a value in use basis, using a 5-year discounted cash flow method.
 - Growth rates: the group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The average growth rates used ranged from 0.5% to 4.2%.
 - Discount rates: The country specific Weighted Average Cost of Capital ("WACC") is used as the discount rate which ranges from 10.3% to 21.5% (post-tax). The discount rates used reflect both time value of money and other specific risks relating to the relevant CGU and operating country.
- Liquid Telecommunications Holdings South Africa (Pty) Limited ("LTHSA")

In carrying out the annual impairment testing as required by IAS 36 - *Impairment of assets*, a pre-tax impairment of USD 36.1 million was recorded against the goodwill that arose on the acquisition of Liquid Telecommunications South Africa (Pty) Limited by LTHSA. The impairment has resulted primarily from global inflationary pressures, leading to higher interest rates and WACC for LTHSA, which, together with other operational cost pressures have eroded the prior year headroom.

Specifically in relation to LTHSA, the following assumptions were applied:

- A terminal growth rate of 4.2% (28 February 2022: 3.0%) was applied in line with inflation forecasts for South Africa over a comparable period
- LTHSA's WACC of 15.5% (28 February 2022: 14.6%) was used as the discount rate. On a pre-tax basis, this rate is 19.8% (28 February 2022: 15.5%)

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% in the above terminal growth rate would result in no impairment and a decrease of 10% would result in a further impairment of USD 9.6 million.
- An increase of 10% in the above WACC would result in an additional impairment of USD 44.4 million and a decrease of 10% would result in no impairment, with headroom.
- An increase of 10% in the EBITDA forecasts in each period would result in no impairment, with significant headroom. A reduction of 10% in the EBITDA forecasts in each period would result in full impairment of the carrying value for the goodwill.

Other CGUs

- Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe and Zimbabwe Online (Private) Limited

During the year ended 28 February 2023, Zimbabwe Online (Private) Limited ("ZOL"), a 100% subsidiary of Data Control and Systems (1996)(Private) Limited t/a Liquid Telecom Zimbabwe ("LTZ") was merged into its parent on 1 March 2022. ZOL's retail business together with the Wholesale and Enterprise business of LTZ are now regarded as a single CGU as they both form part of the LTZ legal entity. This change has resulted in a reallocation of the goodwill from LTZ to LTH.

- 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") 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 5% in the WACC would result in no impairment, with headroom. A decrease of 5% would still result in no impairment, with significant headroom.

For the year ended 28 February 2022:

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

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10. Intangible assets

Group

	Operating Licence	Computer Software	Fibre Optical - IRU	Customer Relationships	Work in Progress	Other Intangible Assets*	Total
Cost:	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 March 2021	31,465	44,926	116,260	34,465	2,975	50,215	280,306
Disposal of subsidiary (note 31)	(62)	-	-	-	-	-	(62)
Additions during the year	988	3,113	488	-	6,827	2,719	14,135
Disposals during the year	-	(2,799)	(2,658)	-	(198)	-	(5,655)
Reclassification	-	-	-	-	-	(372)	(372)
Transfers	-	846	121	-	(846)	(121)	-
Transfer to Right-of-Use assets (note 12)	-	-	(114,951)	-	-	-	(114,951)
Transfer from Property, plant and equipment (note 11)	-	1,050	-	-	-	-	1,050
Write off	-	(4,633)	-	-	-	-	(4,633)
Foreign exchange differences	(2,347)	(878)	740	(163)	-	(432)	(3,080)
Adjustments - IAS 29	3,086	1,136	-	-	-	-	4,222
At 28 February 2022	33,130	42,761	-	34,302	8,758	52,009	170,960
Additions during the year	7,747	5,285	-	-	1,102	-	14,134
Disposals during the year	(887)	(4,931)	-	-	(25)	-	(5,843)
Transfers	-	831	-	-	(831)	-	-
Transfer to pre-commencement lease payments	-	-	-	-	(5,900)	-	(5,900)
Write off	-	(142)	-	-	-	-	(142)
Foreign exchange differences	(10,217)	(8,374)	-	(7,952)	-	(4,887)	(31,430)
Adjustments - IAS 29	2,621	922	-	-	-	-	3,543
At 28 February 2023	32,394	36,352	-	26,350	3,104	47,122	145,322
Accumulated amortisation:							
At 1 March 2021	11,347	37,329	58,847	15,044	-	26,145	148,712
Amortisation	2,283	4,702	6,012	3,352	-	579	16,928
Disposals during the year	-	(2,737)	-	-	-	-	(2,737)
Transfer to Right-of-Use assets (note 12)	-	-	(65,312)	-	-	-	(65,312)
Transfer to Property, plant and equipment (note 11)	-	-	(46)	-	-	-	(46)
Write off	-	(4,633)	-	-	-	-	(4,633)
Foreign exchange differences	(1,022)	(438)	486	(98)	-	(270)	(1,342)
Adjustments - IAS 29	1,290	495	-	-	-	-	1,785
At 28 February 2022	13,898	34,718	(13)	18,298	-	26,454	93,355
Amortisation	2,259	4,194	-	3,053	-	531	10,037
Disposals during the year	(442)	(4,844)	-	-	-	-	(5,286)
Write off	-	(142)	-	-	-	-	(142)
Foreign exchange differences	(4,781)	(6,390)	13	(2,678)	-	(4,805)	(18,641)
Adjustments - IAS 29	1,190	595	-	-	-	-	1,785
At 28 February 2023	12,124	28,131	-	18,673	-	22,180	81,108

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10. Intangible assets (continued)

Group (continued)

	Operating Licence	Computer Software	Fibre Optical - IRU	Customer Relationships	Work in Progress	Other Intangible Assets*	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Carrying amount:							
At 28 February 2022	19,232	8,043	13	16,004	8,758	25,555	77,605
At 28 February 2023	20,270	8,221	-	7,677	3,104	24,942	64,214

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

Company

	Software	Work in Progress	Total
	USD'000	USD'000	USD'000
Cost:			
At 1 March 2021	3,511	250	3,761
Additions during the year	1,151	853	2,004
Transfers	846	(846)	-
Reclassification to prepayments	-	(198)	(198)
Write off	(2,566)	-	(2,566)
At 28 February 2022	2,942	59	3,001
Additions during the year	1,285	855	2,140
Transfers	759	(759)	-
Disposals during the year	(128)	-	(128)
At 28 February 2023	4,858	155	5,013
Accumulated amortisation:			
At 1 March 2021	1,846	-	1,846
Amortisation	1,814	-	1,814
Disposals	(2,566)	-	(2,566)
At 28 February 2022	1,094	-	1,094
Amortisation	1,675	-	1,675
At 28 February 2023	2,769	-	2,769
Carrying amount:			
At 28 February 2022	1,848	59	1,907
At 28 February 2023	2,089	155	2,244

No impairment was required following the review of the carrying value of intangible assets of the group and company by the directors for the year ended 28 February 2023 (28 February 2022: Nil).

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11. Property, plant and equipment

Group	Land and buildings	Furniture and fittings	Computer equipment	Network equipment	Motor vehicles	Work in progress	Fibre infrastructure	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost								
At 1 March 2021	21,540	12,252	33,812	95,560	11,399	57,933	1,087,506	1,320,002
Disposal of subsidiaries (note 31)	-	-	-	-	-	1,043	-	1,043
Additions during the year	3	705	1,678	3,340	1,685	33,261	39,708	80,380
Disposals during the year	(196)	(81)	(220)	(291)	(96)	(562)	(15,718)	(17,164)
Impairment	-	-	-	-	-	(322)	-	(322)
Transfers	3	8	318	11,441	-	(45,259)	33,489	-
Transfer to intangible assets (note 10)	-	-	-	-	-	(1,050)	-	(1,050)
Transfer (to)/from inventory (note 19)	-	-	(13)	(598)	-	122	(86)	(575)
Foreign exchange differences	(1,284)	(1,306)	(951)	(3,938)	(2,074)	(3,819)	(116,809)	(130,181)
Adjustments - IAS 29	1,698	506	(1,547)	3,288	2,237	4,255	150,964	161,401
At 28 February 2022	21,764	12,084	33,077	108,802	13,151	45,602	1,179,054	1,413,534
Additions during the year	428	487	1,431	3,911	677	38,905	47,472	93,311
Disposals during the year	(944)	(275)	(2,703)	(1,265)	(29)	(2,722)	(29,952)	(37,890)
Impairment	-	-	-	-	-	(165)	(2,200)	(2,365)
Write offs	-	(74)	(117)	(1,132)	-	(11)	(209)	(1,543)
Transfers	-	142	235	2,464	182	(30,959)	27,936	-
Transfer to inventory (note 19)	-	-	-	-	-	(7)	(15)	(22)
Foreign exchange differences	(6,663)	(3,801)	(4,222)	(19,692)	(6,816)	(14,136)	(462,654)	(517,984)
Adjustments - IAS 29	1,442	964	536	571	2,623	3,876	139,507	149,519
At 28 February 2023	16,027	9,527	28,237	93,659	9,788	40,383	898,939	1,096,560
Accumulated depreciation								
At 1 March 2021	7,342	9,675	28,646	88,170	8,575	(2,257)	500,225	640,376
Depreciation charge for the year	377	1,226	4,175	8,818	1,562	-	65,270	81,428
Disposals during the year	(11)	(62)	(165)	(263)	(34)	-	(12,538)	(13,073)
Transfers	-	2	(2)	-	-	-	-	-
Transfer from intangible assets (note 10)	-	-	-	-	-	-	46	46
Foreign exchange differences	(37)	(910)	(709)	(3,433)	(1,556)	-	(40,742)	(47,387)
Adjustments - IAS 29	-	130	(1,687)	2,950	1,343	-	43,171	45,907
At 28 February 2022	7,671	10,061	30,258	96,242	9,890	(2,257)	555,432	707,297
Depreciation charge for the year	298	622	1,409	9,277	622	-	49,140	61,368
Disposals during the year	(944)	(278)	(2,689)	(1,141)	(24)	-	(29,361)	(34,437)
Write offs	-	(63)	(117)	(1,053)	-	-	(55)	(1,288)
Foreign exchange differences	(1,296)	(3,082)	(3,646)	(15,118)	(5,109)	-	(186,891)	(215,142)
Adjustments - IAS 29	-	508	263	78	1,318	-	50,552	52,719
At 28 February 2023	5,729	7,768	25,478	88,285	6,697	(2,257)	438,817	570,517

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11. Property, plant and equipment (continued)

Group (continued)

	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
Carrying amount:								
At 28 February 2022	14,093	2,023	2,819	12,560	3,261	47,859	623,622	706,237
At 28 February 2023	10,298	1,759	2,759	5,374	3,091	42,640	460,122	526,043

Refer to note 23 for details of security over property, plant and equipment.

The significant foreign exchange difference arising in the year ended 28 February 2023 is primarily due to the deterioration of the ZWL\$:USD exchange rate from 124.0:1 at 28 February 2022 to 892.6:1 at 28 February 2023. This is partially offset by the IAS 29 hyperinflation adjustment.

In Property, plant and equipment, during the year ended 28 February 2023, USD 2.4 million assets were impaired as they were deemed to be unusable. (28 February 2022: USD 0.3 million assets were impaired as they were deemed to be unusable). No further impairment was required following the review of the carrying value of Property, plant and equipment of the group and company by the directors.

Company

	Furniture & Fittings	Computer equipment	Work in progress	Total
	USD'000	USD'000	USD'000	USD'000
Cost				
At 1 March 2021	12	79	-	91
Additions	-	10	22	32
Write off	(12)	(32)	-	(44)
Transfer	-	22	(22)	-
At 28 February 2022	-	79	-	79
Additions	-	29	-	29
At 28 February 2023	-	108	-	108
Accumulated depreciation:				
At 1 March 2021	9	44	-	53
Depreciation charge for the year	3	26	-	29
Disposals	(12)	(32)	-	(44)
At 28 February 2022	-	38	-	38
Depreciation charge for the year	-	28	-	28
At 28 February 2023	-	66	-	66
Carrying amount:				
At 28 February 2022	-	41	-	41
At 28 February 2023	-	42	-	42

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12. Right-of-Use assets

Group

	Land and buildings	Furniture and fittings	Network equipment	Motor vehicles	Fibre infrastructure	Fibre Optical - IRU	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:							
At 1 March 2021	76,250	16	46,695	1,772	23,380	-	148,113
Additions during the year	25,489	-	11,584	534	15,643	-	53,250
Disposals during the year*	(1,572)	-	(17,565)	-	(4,145)	-	(23,282)
Transfer from Intangible assets (note 10)	-	-	-	-	-	114,951	114,951
Foreign exchange differences	(6,682)	-	2,638	37	81	(171)	(4,097)
Adjustments - IAS 29	24,450	-	-	-	-	-	24,450
At 28 February 2022	117,935	16	43,352	2,343	34,959	114,780	313,385
Additions during the year	24,935	-	10,254	240	62,905	3,998	102,332
Disposals during the year*	(2,504)	(16)	(51)	(149)	(3,958)	(466)	(7,144)
Write offs	(2,581)	-	-	-	-	-	(2,581)
Transfer from pre-commencement lease payments**	-	-	-	-	-	33,541	33,541
Foreign exchange differences	(57,240)	-	(1,231)	(353)	(6,659)	(3,568)	(69,051)
Adjustments - IAS 29	20,624	-	-	-	-	-	20,624
At 28 February 2023	101,169	-	52,324	2,081	87,247	148,285	391,106
Accumulated depreciation:							
At 1 March 2021	20,313	-	24,661	1,118	15,254	-	61,346
Depreciation	17,738	-	7,566	455	10,109	-	35,868
Disposals during the year*	(1,332)	-	(14,765)	-	(4,130)	-	(20,227)
Foreign exchange differences	(614)	-	770	11	150	(220)	97
Adjustments - IAS 29	2,302	-	-	-	-	-	2,302
Transfer from Intangible assets (note 10)	-	-	-	-	-	65,312	65,312
At 28 February 2022	38,407	-	18,232	1,584	21,383	65,092	144,698
Write offs	(2,581)	-	-	-	-	-	(2,581)
Depreciation	15,434	-	14,191	512	18,032	5,822	53,991
Disposals during the year*	(1,795)	-	(50)	(149)	(3,448)	(349)	(5,791)
Foreign exchange differences	(12,896)	-	(374)	(272)	(4,392)	(3,100)	(21,034)
Adjustments - IAS 29	504	-	-	-	-	-	504
At 28 February 2023	37,073	-	31,999	1,675	31,575	67,465	169,787
Carrying amount:							
At 28 February 2022	79,528	16	25,120	759	13,576	49,688	168,687
At 28 February 2023	64,096	-	20,325	406	55,672	80,820	221,319

No impairment was required following the review of the carrying value of Right-of-Use assets by the directors for the year ended 28 February 2023 (28 February 2022: Nil).

* relate to lease modifications or cancellations.

** During the year ended 28 February 2023, USD 33.5m was transferred from pre-commencement lease payments to Right-of-Use assets as the assets were brought into use.

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12. Right-of-Use assets (continued)

Group (continued)

The group leases several assets including land and buildings, computer equipment, furniture and fittings, network equipment, motor vehicles and fibre infrastructure. The average lease term is 5 years (28 February 2022: 5 years). For some of the lease contracts, the group has the option to purchase the assets at the end of the lease terms.

The maturity analysis of lease liabilities is presented in note 29.

Amounts recognised in consolidated statement of profit or loss	<u>28/02/2023</u>	<u>28/02/2022</u>
	USD'000	USD'000
Right-of-Use assets depreciation (note 5.4)	<u>53,991</u>	<u>35,868</u>
Interest on lease liabilities (note 7)	<u>11,747</u>	<u>12,555</u>

The group does not have leases with variable payments and has an insignificant amount of leases of low value assets. The total cash outflow for leases amount to USD 46.7 million (28 February 2022: 58.6 million).

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13. Investments in subsidiaries

13.1 Subsidiaries

Name of Company	Principal business activity	Country of Incorporation/ Principal place of business	Status	Percentage Holding	Company	
					28/02/23 USD'000	28/02/22 USD'000
▪ Liquid Telecommunications Operations Limited	H Telecommunications	Mauritius	Active	100	-	-
▪ Transaction Payment Solutions Indian Ocean Limited	S Transaction Payment Solutions & Technology	Mauritius	Active	100	-	-
▪ Liquid Telecommunications Limited	H Telecommunications & Technology	United Kingdom	Active	100	8,000	8,000
▪ Transaction Payment Solutions International Limited	H Transaction Payment Solutions & Technology	Mauritius	Active	100	-	-
▪ Transaction Payment Solutions Botswana (Pty) Limited	S Transaction Payment Solutions & Technology	Botswana	Active	100	-	-
▪ Transaction Payment Solutions Kenya Limited	S Transaction Payment Solutions & Technology	Kenya	Active	99	-	-
▪ Transaction Payment Solutions Zambia Limited	S Transaction Payment Solutions & Technology	Zambia	Active	99.995	-	-
▪ Transaction Payment Solutions Nigeria Limited	S Transaction Payment Solutions & Technology	Nigeria	Active	100	-	-
▪ Transaction Payment Solutions South Africa (Pty) Limited t/a Paybay	S Transaction Payment Solutions & Technology	South Africa	Active	100	-	-
▪ Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe**	H Telecommunications	Zimbabwe	Active	100	256,749	140,903
▪ Zimbabwe Online (Private) Limited**	S Telecommunications	Zimbabwe	Active	100	-	-
▪ Liquid Telecommunications Zambia Limited	H Telecommunications	Zambia	Active	100	52,197	52,197
▪ HAI Telecommunications Limited	S Telecommunications	Zambia	Dormant	100	-	-
▪ Liquid Telecommunications Kenya Limited*	H Telecommunications	Kenya	Active	79.99	43,052	43,052
▪ Liquid Telecommunications Uganda Limited	H Telecommunications	Uganda	Active	99.99	1,463	1,463
▪ Liquid Telecommunications Rwanda Limited	H Telecommunications	Rwanda	Active	70	5,090	5,090
▪ Liquid Telecom DRC S.A.	H Telecommunications	Democratic Republic of Congo	Active	99	8,940	8,940

* The company continues to have 100% economic interest in Liquid Telecommunications Kenya Limited as at 28 February 2023.

** Zimbabwe Online (Private) Limited is a 100% subsidiary of Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe and was merged into its parent on 1 March 2022 resulting in a reallocation of the goodwill.

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13. Investments in subsidiaries (continued)

13.1 Subsidiaries (continued)

Name of Company	Principal business activity	Country of Incorporation/ Principal place of business	Status	Percentage Holding	Company	
					28/02/23	28/02/22
				%	USD'000	USD'000
▪ Liquid Telecommunications Operations Mozambique Limitada	H Telecommunications	Mozambique	Dormant	100	2	2
▪ Liquid Vision Media (Pty) Limited	S Telecommunications	South Africa	Dormant	100	-	-
▪ Liquid Telecommunications Tanzania Limited	H Telecommunications	United Republic of Tanzania	Dormant	100	-	-
▪ Africa Digital Networks SASU	H Telecommunications	Democratic Republic of Congo	Active	100	100	100
▪ Liquid Telecommunications International FZE	H Telecommunications	United Arab Emirates	Active	100	545	545
▪ Liquid Telecommunications Botswana (Pty) Limited	H Telecommunications	Botswana	Active	100	10,731	10,731
▪ Liquid Telecommunications Financing PLC	H Financing for group	United Kingdom	Active	100	130	130
▪ Liquid Telecommunications Investments Limited	S Financing for group	United Kingdom	Active	100	-	-
▪ Raha Tanzania Holdings Limited	H Telecommunications	Mauritius	Active	70	12,650	12,650
▪ Raha Limited	S Telecommunications	United Republic of Tanzania	Active	100	-	-
▪ Zanlink Limited	S Telecommunications	United Republic of Tanzania	Active	70	-	-
▪ Liquid Telecommunications Holdings South Africa (Pty) Limited*	H Telecommunications	South Africa	Active	100	266,041	419,444
▪ Liquid Telecommunications Operations South Africa (Pty) Limited	S Telecommunications	South Africa	Dormant	100	-	-
▪ Liquid Telecommunications South Africa (Pty) Limited*	S Telecommunications	South Africa	Active	100	-	-
▪ Liquid Telecommunications Sahara Holdings Limited	H Telecommunications	Mauritius	Active	100	1	1
▪ Liquid Telecommunications Co. Limited	S Telecommunications	Sudan	Dormant	100	-	-
▪ Liquid Telecom West Africa Data Centre Ghana Limited	H Telecommunications	Ghana	Dormant	100	-	-
▪ Liquid Intelligent Technologies Limited (previously known as Liquid Telecom West Africa Data Centre Nigeria Limited)	H Telecommunications	Nigeria	Disposed	-	-	-
▪ Worldstream (Pty) Limited	H Telecommunications	South Africa	Active	71	8,974	8,974
▪ Liquid Telecommunications Cote D'Ivoire	H Telecommunications	Ivory Coast	Dormant	100	-	-
					<u>674,665</u>	<u>712,222</u>

H = This is a direct holding by Liquid Telecommunications Holdings Limited.

S = This is an indirect holding.

*The company has assessed its investments in subsidiaries in accordance with IAS 36 - *Impairment of Assets* and has recorded an impairment of USD 127.1 million in respect of its investment in Liquid Telecommunications Holdings South Africa (Pty) Limited. This assessment was based on a five-year cash flow financial forecast with a terminal growth rate of 4.2% (2022: 3.0%) and discounted using the weighted average cost of capital rate of 15.5% (pre-tax 19.8%). These local currency forecasts were converted at a closing rate of ZAR:USD 18.39:1 and compared to an investment value translated at the historical rate of ZAR:USD 13.39:1.

Sensitivities:

- If the WACC increases by 10% then there would be an additional impairment of USD 40.2 million and if the WACC decreases by 10%, there would be a reduction in the impairment of USD 51.1 million.
- If the ZAR:USD exchange rate weakens by 10% then there would be an additional impairment of USD 26.8 million and if the ZAR:USD exchange rate strengthens by 10%, there would be a reduction in the impairment of USD 32.8 million.

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13. Investments in subsidiaries (continued)

13.1 Subsidiaries (continued)

See note 41.1 for additional non-cash investment in subsidiaries made during the year ended 28 February 2023.

On 1 November 2021, Liquid Intelligent Technologies Limited (previously known as Liquid Telecom West Africa Data Centre Nigeria Limited) was disposed of to Liquid Delta (Jersey) Limited, a subsidiary of Liquid Telecommunications (Jersey) Limited, the parent company of LTH, for a nominal value.

The directors have reviewed the carrying value of each of the above investments in subsidiaries and have not found any indication of impairment, other than those mentioned above.

13.2 Details of non-wholly owned subsidiaries that have non-controlling interests

Individually immaterial subsidiaries with non-controlling interests

(Loss) / profit allocated to non-controlling interests		Accumulated non-controlling interests	
28/02/23	28/02/22	28/02/23	28/02/22
USD'000	USD'000	USD'000	USD'000
(443)	606	1,146	2,206
(443)	606	1,146	2,206

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14. Investment in associate

Name of associate	Principal activity	Country of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests	
			28/02/23	28/02/22
Number Portability Company (Pty) Limited	Telecommunications	South Africa	20	20

Pursuant to the shareholder agreement, Liquid Telecommunications South Africa (Pty) Limited, a subsidiary of LTH, has the right to cast 20% of the vote at shareholder meetings of Number Portability Company (Pty) Limited.

The associate has a December year end and has been adjusted (taking the 2 months financial information upto February, of the associate) to reflect the February year end of the group.

Although Liquid Telecommunications South Africa (Pty) Limited holds 20% of the equity shares of Number Portability Company (Pty) Limited, and it has less than 50% of the voting power at shareholder meetings, Liquid Telecommunications South Africa (Pty) Limited exercises significant influence by virtue of its contractual right to appoint directors to the board of directors of that entity.

Summarised is the financial information in respect of the group's associate where it has significant interest.

	28/02/23	28/02/22
	USD'000	USD'000
Number Portability Company (Pty) Limited		
Total assets	2,886	3,636
Total liabilities	(173)	(474)
Net assets	2,713	3,162
Revenue	1,605	1,984
Profit for the period	123	102
Total comprehensive income for the year	123	102
Group's share of net assets of associate	543	632
Carrying amount of the group's interest in Number Portability Company (Pty) Limited:		
Opening balance	632	615
Share of profits of associate	25	20
Foreign exchange	(114)	(3)
Closing balance	543	632

15. Investments at Fair Value Through Other Comprehensive Income (FVTOCI)

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Investments in equity instruments designated as at FVTOCI				
Opening balance	15,314	23,814	15,310	23,810
Disposal	-	(8,500)	-	(8,500)
Closing balance	15,314	15,314	15,310	15,310

The above represents investments in shares over which the company does not have any significant influence or control.

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

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16. Deferred taxation

Deferred tax assets and liabilities are offset where the group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group	
	28/02/23	28/02/22
	USD'000	USD'000
Net deferred tax assets	48,388	31,471
Net deferred tax liabilities	(15,986)	(47,763)
Net deferred tax assets / (liabilities)	<u>32,402</u>	<u>(16,292)</u>
	Group	
	28/02/23	28/02/22
	USD'000	USD'000
Group - Gross deferred tax assets:		
Deferred revenue	177	13,780
Property, plant and equipment	2,847	42,347
Assessed losses	13,582	9,693
Other*	72,441	6,889
	<u>89,047</u>	<u>72,709</u>
Credit / (charge) to profit for the year	<u>32,858</u>	<u>(404)</u>
Group - Gross deferred tax liabilities:		
Property, plant and equipment	(50,715)	(77,002)
Other*	(5,930)	(11,999)
	<u>(56,645)</u>	<u>(89,001)</u>
Credit / (charge) to profit for the year	<u>1,204</u>	<u>(17,198)</u>
Net movement		
Deferred tax assets / (liabilities)	<u>32,402</u>	<u>(16,292)</u>
Deferred taxation (credit) / charge to profit for the year (note 8)	<u>(34,062)</u>	<u>17,602</u>

*Comprising IFRS 16 adjustments, unrealised foreign exchange differences and provisions.

Management have carried out an assessment of the group's ability to utilise its tax losses in the relevant territories, based on the business plans over a five year time term as the most appropriate recognition period. The deferred tax asset recognised on tax losses in the group is USD 13.6 million (2022: USD 21.9 million), of which the most material balance is in South Africa (USD 12.5 million). The tax losses for Liquid Telecommunication South Africa (Pty) Limited (which can be carried forward indefinitely) are USD 249.9 million (2022: USD 282.5 million) of which USD 50.2 million (2022: USD 74.8) has been utilised to raise the deferred tax asset that has been recognised, and the tax losses for Liquid Telecommunications Kenya Limited (which can also be carried forward indefinitely) are USD 39.9 million (2022: USD 50.7 million) on which no deferred tax asset (2022: Nil) has been recognised.

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17. Investments at amortised cost

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Treasury bonds	45	-	-	-
CABS housing scheme	-	35	-	-
	<u>45</u>	<u>35</u>	<u>-</u>	<u>-</u>

The investment in treasury bonds was made by Zanlink Limited, a subsidiary of the group, with a face value of TZS 100 million in October 2022 and matures in 2047 at an interest rate of 12.56% per annum. The investment is measured at amortised cost.

The CABS balance is an investment initially placed in March 2011 that backs the Data Control Systems (1996) (Private) t/a Liquid Telecom Zimbabwe Staff Housing Scheme which matured in the year ended 28 February 2023.

18. Long term receivables

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Long term intercompany receivables (note 32)	133,236	155,742	177,957	235,882

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

19. Inventories

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Goods for resale	27,426	24,930	-	-
Provision for obsolete inventory for the year (note 5.4)	(86)	(596)	-	-
Inventory written off (note 5.4)	(21)	(337)	-	-
Transfer from Property, plant and equipment (note 11)	22	575	-	-
	<u>27,341</u>	<u>24,572</u>	<u>-</u>	<u>-</u>
Cost of inventories expensed	<u>16,000</u>	<u>17,332</u>	<u>-</u>	<u>-</u>

The directors are of the opinion that the inventory amounts are recorded at values not in excess of their net realisable value.

20. Trade and other receivables

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Trade receivables	128,959	129,411	-	-
Affiliated entities (note 32)	35,436	29,423	81,061	50,263
Expected credit loss provision	(42,372)	(44,874)	-	-
Total trade and affiliated entities receivables, net of expected credit loss provision	122,023	113,960	81,061	50,263
Short-term inter-company receivables (note 32)	21,813	46,307	64,351	127,818
Sundry debtors	61,735	41,834	1,981	669
Deposits paid	5,051	4,832	-	-
Prepayments	36,305	31,011	4,403	3,366
	<u>246,927</u>	<u>237,944</u>	<u>151,796</u>	<u>182,116</u>

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

Before accepting any new customer, where possible 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 completed by any new customer. The creditworthiness of customers is reviewed continuously throughout the year.

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.

Sundry debtors mainly include VAT receivable and non-operating receivable.

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20. Trade and other receivables (continued)

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

	Current USD'000	Past due				Total USD'000
		31 - 60 USD'000	61 - 90 USD'000	91 - 120 USD'000	> 120 USD'000	
Group - 2023						
Trade and affiliated entities receivables - Gross	51,277	28,936	14,994	12,588	56,600	164,395
Lifetime ECL	(3,868)	(2,259)	(1,088)	(750)	(34,407)	(42,372)
Trade and related parties receivables - Net	47,409	26,677	13,906	11,838	22,193	122,023
Default rate	7.5%	7.8%	7.3%	6.0%	60.8%	
Group - 2022						
Trade and affiliated entities receivables - Gross	75,725	21,964	9,810	7,336	43,999	158,834
Lifetime ECL	(2,787)	(3,005)	(919)	(1,604)	(36,559)	(44,874)
Trade and related parties receivables - Net	72,938	18,959	8,891	5,732	7,440	113,960
Default rate	3.7%	13.7%	9.4%	21.9%	83.1%	
Company - 2023						
Trade and affiliated entities receivables - Gross	8,748	4,989	5,142	7,134	55,048	81,061
Lifetime ECL	-	-	-	-	-	-
Trade and related parties receivables - Net	8,748	4,989	5,142	7,134	55,048	81,061
Default rate	0.0%	0.0%	0.0%	0.0%	0.0%	
Company - 2022						
Trade and affiliated entities receivables - Gross	2,752	2,468	2,477	2,421	40,145	50,263
Lifetime ECL	-	-	-	-	-	-
Trade and related parties receivables - Net	2,752	2,468	2,477	2,421	40,145	50,263
Default rate	0.0%	0.0%	0.0%	0.0%	0.0%	

The following table shows the movement in lifetime expected credit loss ("ECL") that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Group	
	28/02/23 USD'000	28/02/22 USD'000
Movement in the expected credit loss provision:		
Opening balance	(44,874)	(46,950)
Doubtful debt provision (raised) / released	(9,014)	1,906
Bad debts recovered	439	42
Write off	2,613	73
Foreign exchange differences	7,081	(340)
Adjustments - IAS 29	1,383	395
Closing balance	(42,372)	(44,874)

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21. Cash and cash equivalents, and restricted cash and cash equivalents

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Cash and bank balances	88,393	154,121	7,525	1,327
Money market deposits	-	432	-	-
Cash and cash equivalents	<u>88,393</u>	<u>154,553</u>	<u>7,525</u>	<u>1,327</u>
Restricted cash and cash equivalents	<u>425</u>	<u>9,090</u>	<u>115</u>	<u>112</u>
Total cash and cash equivalents	<u>88,818</u>	<u>163,643</u>	<u>7,640</u>	<u>1,439</u>

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

Cash and cash equivalents include USD 28.3 million (28 February 2022: USD 80.3 million) in Zimbabwe held in cash, short term deposits and similar instruments. These amounts have been translated at the rate of ZWL\$:USD of 892.6:1 (28 February 2022: ZWL\$:USD 124.0:1). See note 1.1 - *Zimbabwean currency and Hyperinflation accounting* for more detailed disclosure.

The group and company have restricted cash for the following purposes:

Guarantees	1	7,501	115	112
Customer deposits held	424	1,589	-	-
	<u>425</u>	<u>9,090</u>	<u>115</u>	<u>112</u>

22. Share capital and share premium

	Group and Company	
	28/02/23	28/02/22
	USD'000	USD'000
Issued and paid share capital		
Ordinary shares	<u>3,716</u>	<u>3,716</u>
Share premium	<u>276,714</u>	<u>276,714</u>
Movement in capital:	Number of	Share
	ordinary shares	capital
		Share
		Premium
		USD'000
Issued and paid share capital	124,857,914	3,716
Balance at 28 February 2023 and 28 February 2022	<u>124,857,914</u>	<u>3,716</u>

Convertible preference shares

The group has issued USD 180 million of convertible preference shares with the same par value, voting and dividend rights as the ordinary shares. The preference shares are exchangeable at the option of the shareholder based on certain conditions applicable only at conversion date.

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23. Short term portion of long term borrowings and long term borrowings

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
23a. Long term borrowings:				
USD 620 million 5.5% Senior Secured Notes (i)	609,840	606,973	-	-
Net settled: Embedded derivatives (note 36.14)	1,878	-	-	-
USD 220 million equivalent South African Rand term loan (ii)	150,406	198,350	-	-
Stanbic Bank of Zambia Limited (iii)	1,249	4,193	-	-
	763,373	809,516	-	-
23b. Short term portion of long term borrowings:				
USD 620 million 5.5% Senior Secured Notes (i)	17,050	17,050	-	-
USD 220 million equivalent South African Rand term loan (ii)	13,800	13,050	-	-
Stanbic Bank of Zambia Limited (iii)	3,636	2,795	-	-
USD 60 million revolving credit facility (iv)	201	198	201	198
	34,687	33,093	201	198

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

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

- (ii) On 25 February 2021, Liquid Telecommunications South Africa (Pty) Limited entered into a 5 year ZAR 3.3 billion term loan with the Standard Bank of South Africa Limited (acting through its corporate and investment banking division) and Standard Chartered Bank – Johannesburg branch. The term loan 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 debt to EBITDA, Interest cover and Debt Service Cover Ratio.

On 26 April 2023 our lending partners (in relation to the USD 220 million equivalent South African Rand term loan) approved our pre-emptive request for a deferral of the net debt to adjusted EBITDA ratio due to the prospect of further exchange rate volatility in certain markets. As a result, the step down from 4.0x to 3.5x that was due to take place at the end of May 2023 will now occur in February 2024 and a second step down from 3.5x to 3.0x that was due to take place in May 2024 will now occur in August 2024. All other terms remain unchanged.

- (iii) Liquid Telecommunications Zambia Limited has USD 23.3 million (maturity in the financial year 2025) of term loans denominated in local currency (Zambian Kwacha). As at 28 February 2023, the outstanding balance on all term loans is USD 4.9 million. Liquid Telecommunications Holdings Limited guaranteed up to USD 13.0 million in aggregate of these facilities. The facility agreement also included a first ranking charge over certain assets including bank accounts and receivables of Liquid Telecommunications Zambia Limited. The facility bears interest at the rate of 23.5%. Capital and interest are repaid on a quarterly basis. The financial covenants for this facility are Total debt to EBITDA and Debt Service Ratio.

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23. Short term portion of long term borrowings and long term borrowings (continued)

(iv) In addition to the USD 620 million 5.5% Senior Secured Notes and the USD 220 million equivalent South African Rand term loan, the group has a USD 60 million Revolving Credit Facility agreement between the company, JP Morgan Chase Bank N.A., London branch, Standard Finance (Isle of Man), Standard Chartered Bank (Mauritius) Limited and the Mauritius Commercial Bank Limited. The Revolving Credit Facility is secured and is guaranteed on a senior secured basis by, Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Financing Plc, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Holdings South Africa (Pty) Limited, Liquid Telecommunications South Africa (Pty) Limited and Liquid Telecommunications Zambia Limited. The obligations under the Revolving Credit Facility are secured equally and ratably with the Senior Secured Notes by first priority liens over the security. The Revolving Credit Facility facility is denominated in USD, bears interest at the rate of SOFR plus 4.25%, subject to certain adjustments for the net leverage ratio and is to be utilised for general corporate purposes. The Revolving Credit Facility remains undrawn at 28 February 2023. The facility holds the same covenant obligations as the South African term loan referenced above.

24. Long term intercompany borrowings

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Long term intercompany payable (note 32)	-	428	529,990	529,990
Intercompany equity loan payable (note 32)	-	-	3,105	2,862
	-	428	533,095	532,852

The company's long term intercompany payable to Liquid Telecommunications Financing Plc is unsecured, denominated in USD, bears interest at the rate of 5.5 % (28 February 2022: 5.5%) and is repayable in September 2026.

25. Trade and other payables

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Trade accounts payable	103,202	61,786	383	196
Payable balance to affiliated entities (note 32)	15,779	7,661	3,011	4,601
Short-term inter-company payables (note 32)	-	9,586	30,173	20,787
Accruals	45,920	51,833	5,258	3,675
Staff payables	4,745	3,813	-	-
Transaction taxes due in various jurisdictions	4,456	8,875	-	-
Other short term payables	16,202	4,652	-	-
	190,304	148,206	38,825	29,259

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

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

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

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

26. Long term provisions

	Group	
	28/02/23	28/02/22
	USD'000	USD'000
Onerous contracts	7,194	8,239
	7,194	8,239
		Long term portion
		USD'000
At 01 March 2022		8,239
Interest recognised in Data and network related costs		678
Transfer to short term (note 27)		(1,536)
Foreign exchange differences		(187)
At 28 February 2023		7,194

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27. Short term provisions

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Bonus provision (i)	11,888	17,131	2,415	5,075
Licence fee provision (ii)	2,377	4,682	-	-
Short term portion of onerous contracts (iii)	847	783	-	-
Leave pay provision (iv)	2,429	2,737	-	-
Other provision (iv)	6,138	8,075	1,475	1,475
	23,679	33,408	3,890	6,550

- (i) Bonuses are payable to all eligible staff according to the terms of the group's remuneration policy. The individual payout is a percentage of the total cost to the group, taking into account the employee's level, individual performance rating and group performance. The payment is time-apportioned based on the length of time the employee has been employed by the group in the current year. The actual payments are made post financial year end.

	Group	Company
	USD'000	USD'000
At 01 March 2022	17,131	5,075
Provision raised during the year	6,252	914
Utilisation / payment	(6,413)	(1,574)
Reversal	(2,000)	(2,000)
Foreign exchange differences	(3,082)	-
At 28 February 2023	11,888	2,415

- (ii) The licence fee provision includes provision for Liquid Telecommunications South Africa (Pty) Limited's corporate social responsibility obligation in respect of the licence held with ICASA, to provide ICT services to 750 public schools over an extended five-year period. The ICT services include the provision of the local area network, the wide area network, the end user devices in schools and training. Liquid Telecommunications South Africa (Pty) Ltd has capitalised the obligation (refer note 10) through raising a provision at the estimated present value of the total obligation. This is reassessed annually. The capitalised amount is amortised over the remaining licence period. The provision will be fully utilised in the financial year 2024.

	Group
	USD'000
At 01 March 2022	4,682
Provision raised during the year	941
Utilisation / payment	(2,866)
Foreign exchange differences	(380)
At 28 February 2023	2,377

- (iii) Onerous contracts:

The group purchased Liquid Telecommunications Data International Limited and as part of the IFRS 3 fair value assessment an onerous contract with SEACOM was identified. The contract relates to the indefeasible right of use (IRU) for 28 STM1s. As the IRU's O&M charges' present value exceeds the present value of the O&M charges of a similar IRU purchased at the acquisition date, a liability was raised for the excess O&M charges. The unfavourable contract is amortised over the remaining period of the contract.

The group purchased Liquid Telecommunications South Africa (Pty) Limited and as part of the IFRS 3 fair value assessment an onerous contract with SEACOM was identified. The contract relates to the O&M for an IRU for 19 STM1s. The IRU's O&M charges' present value exceeds the present value of the O&M charges of a similar IRU purchased at the acquisition date. Liabilities were raised for the difference between the committed contract price and for the excess O&M charges as at acquisition.

	Group
	USD'000
At 01 March 2022	783
Charged to Data and network related costs (unwinding of interest)	70
Expense to Data and network related costs	(1,512)
Transfer from long term (note 26)	1,536
Foreign exchange differences	(30)
At 28 February 2023	847

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27. Short term provisions (continued)

(iv) Below is the movement in leave pay provisions and other provisions during the year ended 28 February 2023:

	Group USD'000		Company USD'000
	Leave pay provision	*Other provisions	*Other provisions
	USD'000	USD'000	USD'000
At 01 March 2022	2,737	8,075	1,475
Provision raised during the year	716	339	-
Payment/utilisation	(116)	(2,139)	-
Foreign exchange differences	(908)	(137)	-
At 28 February 2023	2,429	6,138	1,475

*includes various provisions that do not fall in the other categories already described above. Mainly provision of legal fees.

28. Deferred revenue

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Long term portion of deferred revenue	65,553	68,565	-	-
Short term portion of deferred revenue	33,806	24,433	-	-
	99,359	92,998	-	-

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

Below is the movement in the above balances:

	Group	
	28/02/23	28/02/22
	USD'000	USD'000
Short term portion of deferred revenue:		
Opening balance	24,433	44,219
Net amount recognised as liability	14,961	8,216
Net amount recognised in statement of profit or loss	(5,922)	(37,209)
Reclassification from long term deferred revenue	4,996	9,337
Adjustments - IAS 29	1,335	291
Foreign exchange differences	(5,997)	(421)
Closing balance	33,806	24,433
Long term portion of deferred revenue:		
Opening balance	68,565	48,295
Net amount recognised as liability	10,423	29,522
Reclassification to short term deferred revenue	(4,996)	(9,337)
Foreign exchange differences	(8,439)	85
Closing balance	65,553	68,565

29. Long term lease liabilities and short term portion of long term lease liabilities

	Group	
	28/02/23	28/02/22
	USD'000	USD'000
Long term lease liabilities (discounted)	103,661	66,420
Short term portion of long term lease liabilities (discounted)	31,342	31,009
	135,003	97,429

The table below details the remaining contractual maturity for leases and has been drawn up based on the undiscounted cash flows:

	28/02/23	28/02/22
	USD'000	USD'000
Less than 1 year	46,937	38,461
1 to 2 years	28,563	33,790
2 to 3 years	21,735	22,629
3 to 4 years	18,059	12,059
4 to 5 years	16,823	9,996
More than 5 years	65,572	23,390
	197,689	140,325

The group does not face a significant liquidity risk with regard to its lease liabilities.

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30. Cash generated from operations

	Notes	Group		Company	
		28/02/23	28/02/22	28/02/23	28/02/22
		USD'000	USD'000	USD'000	USD'000
(Loss) / profit before tax		(90,473)	119,917	(123,614)	(1,098)
Adjustments for:					
Depreciation, impairment and amortisation	5	164,204	135,724	128,773	1,849
Fair value loss / (gain) on derivatives assets	36.14	3,997	(2,119)	-	-
Gain on disposal of investments at FVTOCI	15	-	(1,090)	-	(1,090)
Dividend received		-	-	(1,046)	(30,700)
Bad debts provision / (reversal)		5,961	(1,240)	-	-
(Decrease) / increase in provisions	27	(6,048)	9,553	(2,660)	5,075
Foreign exchange loss		233,831	116,061	-	-
Hyperinflation monetary gain		(156,854)	(121,541)	-	-
(Profit) / loss on disposal of fixed assets		(66)	609	-	-
Interest income	6	(17,233)	(18,320)	(20,942)	(15,750)
Finance costs	7	75,328	72,784	30,486	29,564
Share of profits of associate	14	(25)	(20)	-	-
		<u>212,622</u>	<u>310,318</u>	<u>10,997</u>	<u>(12,150)</u>
Working capital changes:					
Increase in inventories		(10,569)	(3,474)	-	-
Increase in trade and other receivables*		(141,462)	(39,492)	(20,036)	(46,349)
Increase / (decrease) in trade and other payables**		160,695	(9,389)	9,564	231
Increase in deferred revenue		19,461	529	-	-
Cash generated from / (used in) operations		<u>240,747</u>	<u>258,492</u>	<u>525</u>	<u>(58,268)</u>

*Included in the trade and other receivables working capital changes are unrealised foreign exchange losses of USD 85.1m (28 February 2022: USD 39.5m) out of which Zimbabwe contributed USD 76.7m (28 February 2022: USD 32.8m).

**Included in the trade and other payables working capital changes are unrealised foreign exchange gains of USD 18.6m (28 February 2022: USD 13.6m) out of which Zimbabwe contributed USD 7.1m (28 February 2022: USD 6.5m).

31. Acquisition / disposal of subsidiary company

28 February 2023

There was no acquisition/disposal of subsidiary company for the year ended 28 February 2023.

28 February 2022

On 1 November 2021, Liquid Intelligent Technologies Limited (Nigeria) (previously known as Liquid Telecom West Africa Data Centre Nigeria Limited) was disposed of to Liquid Delta (Jersey) Limited, a subsidiary of Liquid Telecommunications (Jersey) Limited, the parent company of LTH, for a nominal value. The acquisition was made through a common control transaction and recorded at cost.

	<u>28/02/22</u>
	<u>Cost</u>
	<u>USD'000</u>
Intangible assets	62
Property, plant and equipment	1,043
Trade receivables and other receivables	226
Cash and cash equivalents	357
Trade payables	(285)
Inter-company payables short-term	(7)
Accruals	(63)
Deferred revenue short-term	(1)
Long-term intercompany loans	(1,894)
Net assets value (100%)	<u>(562)</u>
Non-controlling interest	-
FCTR realised	(12)
Consideration	(28)
Profit on disposal	<u><u>(602)</u></u>
Net cash inflow on disposal of subsidiary	
Total consideration	28
Loan receivable	(28)
Total cash consideration	<u><u>-</u></u>
Bank balances and cash equivalents	357
Net cash outflow arising on disposal	<u><u>357</u></u>

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32. Related party transactions

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, Econet Wireless Zimbabwe Limited, Cassava FinTech (Pty) Ltd, Distributed Power Africa Proprietary Limited, VAYA Africa Mauritius Ltd, Distributed Power Africa (Private) Limited, Cassava Technologies Limited and Distributed Power Africa Limited and are referred to as "Econet Global related group companies";
- Africa Data Centres Holdings Limited (UK), African Data Centres (Pty) Limited (South Africa), Africa Data Centres SA Development (Pty) Limited (South Africa), ADC (Jersey) Limited and East Africa Data Centre Limited (Kenya) and are referred to as "Africa Data Centres related group companies";
- Liquid Technologies Infrastructure Finance SARL;
- Liquid Intelligent Technologies Limited;
- Liquid Delta (Jersey) Limited;
- Telrad Networks Ltd; and
- Liquid Telecommunications (Jersey) Ltd.

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

Transactions between the group and its subsidiaries, which are related parties of the group, have been eliminated on consolidation and are not disclosed in the group note. The amounts outstanding are unsecured. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. During the year, the group and company entered into the following trading transactions with related parties:

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Sales of goods and services:				
Econet Global Related Group Companies	81,367	127,006	-	-
	81,367	127,006	-	-
Purchase of goods and services:				
Econet Global Related Group Companies	26,911	27,315	-	-
	26,911	27,315	-	-
Management fees expense:				
Econet Global Related Group Companies	240	240	-	-
Liquid Telecommunications Limited	-	-	13,432	13,674
Liquid Telecommunications Botswana (Pty) Limited	-	-	1,463	-
Liquid Telecommunications Uganda Limited	-	-	107	-
Liquid Telecommunications Kenya Limited	-	-	-	866
Raha Limited	-	-	9	-
Liquid Telecommunications International FZE	-	-	1,249	905
	240	240	16,260	15,445
Management fees income:				
Econet Global Related Group Companies	177	414	-	-
Africa Data Centres related group companies	397	1,007	397	958
Liquid Intelligent Technologies Limited	122	-	122	-
Liquid Telecommunications (Jersey) Ltd	1,773	60	1,773	60
Liquid Telecommunications Operations Limited	-	-	8,962	4,736
Data Control Systems (1996) (Private) t/a Liquid Telecom Zimbabwe	-	-	5,511	428
Liquid Telecommunications Kenya Limited	-	-	2,205	-
Liquid Telecommunications South Africa (Pty) Limited	-	-	8,690	1,014
Transaction Payment Solutions International Limited	-	-	675	1,054
Liquid Telecommunications Botswana (Pty) Limited	-	-	-	70
Zimbabwe On Line Private Limited	-	-	-	1,079
Liquid Telecommunications Sahara Holdings Limited	-	-	358	7
Liquid Telecommunications Uganda Limited	-	-	592	275
Liquid Telecommunications Rwanda Limited	-	-	212	286
Liquid Telecom DRC S.A. (previously known as Liquid Telecommunications DRC S.A.R.L)	-	-	3,589	256
Zanlink Limited	-	-	10	10
Raha Limited	-	-	-	10
	2,469	1,481	33,096	10,243

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32. Related party transactions (continued)

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Dividend income:				
Liquid Telecommunications Rwanda Limited	-	-	700	700
Worldstream (Pty) Limited	-	-	346	-
Liquid Telecommunications Operations Limited	-	-	-	30,000
	<u>-</u>	<u>-</u>	<u>1,046</u>	<u>30,700</u>
Dividend paid:				
Other shareholders (net of taxes)	441	316	-	-
	<u>441</u>	<u>316</u>	<u>-</u>	<u>-</u>
Finance costs:				
Liquid Telecommunications Financing Plc	-	-	29,149	28,387
Liquid Technologies Infrastructure Finance SARL	219	123	219	123
	<u>219</u>	<u>123</u>	<u>29,368</u>	<u>28,510</u>
Administration fees paid:				
DTOS Limited	321	292	88	92
	<u>321</u>	<u>292</u>	<u>88</u>	<u>92</u>
Interest income:				
Econet Global Related Group Companies	419	216	407	216
Liquid Telecommunications Zambia Limited	-	-	488	258
Data Control Systems (1996) (Private) t/a Liquid Telecom Zimbabwe	-	-	-	6,492
Liquid Telecom DRC S.A. (previously known as Liquid Telecommunications DRC S.A.R.L)	-	-	4,426	2,402
Liquid Telecommunications Operations Limited	-	-	3,488	642
Africa Digital Networks S.A.S	-	-	947	510
Liquid Telecommunications Uganda Limited	-	-	1,046	566
Liquid Telecommunications International FZE	-	-	793	396
Liquid Telecommunications Kenya Limited	-	-	7,725	3,219
Liquid Telecommunications Sahara Holdings Limited	-	-	271	144
Liquid Telecommunications Rwanda Limited	-	-	195	105
Raha Tanzania Holdings Limited	-	-	450	322
Liquid Telecommunications Botswana (Pty) Limited	-	-	-	55
Kenya Employee Benefit Trust	-	-	168	91
Africa Data Centres related group companies	15,110	15,214	371	190
Liquid Intelligent Technologies Limited (Nigeria)	162	26	162	54
	<u>15,691</u>	<u>15,456</u>	<u>20,937</u>	<u>15,662</u>
Long term intercompany payables:				
Liquid Telecommunications Financing Plc	-	-	529,990	529,990
Africa Data Centres related group companies	-	428	-	-
	<u>-</u>	<u>428</u>	<u>529,990</u>	<u>529,990</u>

The long term intercompany payable to Liquid Telecommunications Financing Plc is unsecured, denominated in USD, bears interest at the rate of 5.5% and is repayable in September 2026.

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32. Related party transactions (continued)

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Long term intercompany receivables:				
Liquid Telecommunications Sahara Holdings Limited	-	-	4,365	3,663
Data Control Systems (1996) (Private) t/a Liquid Telecom Zimbabwe	-	-	-	71,631
Liquid Telecommunications Kenya Limited	-	-	60,096	53,530
Africa Digital Networks S.A.S	-	-	13,755	12,808
Liquid Telecommunications Rwanda Limited	-	-	2,958	2,763
Liquid Telecommunications Uganda Limited	-	-	16,436	15,531
Liquid Telecommunications International FZE	-	-	9,184	8,877
Raha Tanzania Holdings Limited	-	-	5,572	5,162
Liquid Telecom DRC S.A. (previously known as Liquid Telecommunications DRC S.A.R.L)	-	-	49,584	46,957
Liquid Telecommunications Zambia Limited	-	-	7,411	6,923
Kenya Employee Benefit Trust	-	-	2,528	2,385
Liquid Intelligent Technologies Limited (Nigeria)	2,794	2,005	2,794	2,005
Africa Data Centres related group companies	129,771	153,737	3,274	3,647
Econet Global Related Group Companies	671	-	-	-
	133,236	155,742	177,957	235,882

The long term intercompany receivable from Liquid Telecommunications Sahara Holdings Limited is unsecured, denominated in USD, bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Data & Control System (Private) Limited has been capitalised as an equity loan. The equity loan is unsecured and is repayable at the discretion of each respective borrower.

The long term intercompany receivable from Liquid Telecommunications Kenya Limited is unsecured, denominated in USD and bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Africa Digital Networks S.A.S Limited is unsecured, denominated in USD, bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Liquid Telecommunications Rwanda Limited is unsecured, denominated in USD, bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Liquid Telecommunications Uganda Limited is unsecured, denominated in USD and bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 3.75%. Repayment of the loan is pegged to Liquid Telecommunications Uganda Limited generating free cash flows for a period of at least three months during which time the company must also report positive working capital.

The long term intercompany receivable from Liquid Telecommunications International FZE is unsecured, denominated in USD, bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 5.5% and is repayable in February 2026.

The long term intercompany receivable from Raha Tanzania Holdings Limited is unsecured, denominated in USD, bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 5.5% and is repayable in 36 equal monthly instalments commencing from the first day falling after the relevant grace period.

The long term intercompany receivable from Liquid Telecom DRC S.A. (previously known as Liquid Telecommunications DRC S.A.R.L) is unsecured, denominated in USD, bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 6.5% and is repayable in January 2025.

The long term intercompany receivable from Liquid Telecommunications Zambia Limited is unsecured, denominated in USD, bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 3.75% and is repayable in February 2026.

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32. Related party transactions (continued)

The long term intercompany receivable from Liquid Intelligent Technologies Limited (Nigeria) is unsecured, denominated in USD, bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 3.75% and is repayable in February 2026.

The long term intercompany receivable from Kenya Employee Benefit Trust is unsecured, denominated in USD, bears interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 3.75% and is repayable in February 2026.

The long term intercompany receivables from Africa Data Centres related group companies are unsecured, denominated in USD, bear interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 3.75% and are repayable in February 2026.

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Short term intercompany payables:				
Liquid Telecommunications (Jersey) Ltd	-	2,882	-	2,882
Liquid Telecommunications Mozambique Limitada	-	-	1	1
Liquid Technologies Infrastructure Finance SARL	-	6,704	4,336	4,117
Liquid Telecommunications Financing PLC	-	-	25,836	13,787
	<u>-</u>	<u>9,586</u>	<u>30,173</u>	<u>20,787</u>

The short term intercompany payable to Liquid Telecommunications Financing PLC represents the interest accrued on the long term intercompany payable.

The short term intercompany payable to Liquid Technologies Infrastructure Finance SARL is the current remaining payable balance of the USD 13 million investment.

Short term intercompany receivables:				
Econet Global Related Group Companies	1,339	731	1,327	731
Liquid Intelligent Technologies Limited (Nigeria)	7	7	-	-
Liquid Technologies Infrastructure Finance SARL	3,348	-	-	-
Data Control Systems (1996) (Private) t/a Liquid Telecom Zimbabwe	-	-	-	48,570
Liquid Telecommunications Operations Limited	-	-	48,691	76,675
Africa Data Centres related group companies	17,119	45,569	14,333	1,842
	<u>21,813</u>	<u>46,307</u>	<u>64,351</u>	<u>127,818</u>

Short term intercompany receivables bear interest at the rate of Libor (changing to SOFR as from 1 March 2023) plus 2.5%, are unsecured and are to be repaid within 12 months.

Payable balance to affiliated entities:				
Econet Global Related Group Companies	1,045	4,429	-	-
Africa Data Centres related group companies	10,313	1,702	-	-
Zanlink Limited	-	-	-	2
Worldstream (Pty) Limited	-	-	-	25
Liquid Technologies Infrastructure Finance SARL	4,421	1,530	-	-
Liquid Telecommunications South Africa (Pty) Limited	-	-	3,011	4,574
	<u>15,779</u>	<u>7,661</u>	<u>3,011</u>	<u>4,601</u>

Amount payable to affiliated entities and related company are unsecured, interest free and with no fixed date of repayment.

Equity loans due to:				
Liquid Telecommunications Botswana (Pty) Limited	-	-	3,105	2,862
	<u>-</u>	<u>-</u>	<u>3,105</u>	<u>2,862</u>

The equity loan is unsecured. There are no fixed repayment terms and these amounts are repayable at the discretion of the borrower.

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32. Related party transactions (continued)

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Receivables balances from affiliated entities and other related parties:				
Econet Global Limited (Mauritius)	4,999	4,999	4,999	4,999
Econet Global Related Group Companies	27,422	19,063	3,659	-
Africa Data Centres related group companies	-	4,540	-	1,283
Liquid Technologies Infrastructure Finance SARL	-	613	-	-
Telrad Networks Ltd	2,697	-	-	-
Data Control Systems (1996) (Private) t/a Liquid Telecom Zimbabwe	-	-	21,487	13,047
Liquid Telecommunications Zambia Limited	-	-	1,027	1,027
Liquid Telecommunications Rwanda Limited	-	-	1,792	1,421
Liquid Telecom DRC S.A. (previously known as Liquid Telecommunications DRC S.A.R.L)	-	-	5,942	1,166
Liquid Telecommunications South Africa (Pty) Limited	-	-	10,238	9,765
Raha Limited	-	-	1,495	997
Liquid Telecommunications Operations Limited	-	-	22,290	11,045
ZOL Zimbabwe (Private) Limited	-	-	-	1,986
Liquid Telecommunications Kenya Limited	-	-	4,282	1,336
Africa Digital Networks S.A.S	-	-	401	401
Liquid Telecommunications Uganda Limited	-	-	1,977	1,263
Transaction Payment Solutions International Limited	-	-	69	109
Liquid Telecommunications Sahara Holdings Limited	-	-	845	160
Liquid Telecommunications International FZE	-	-	73	71
Zanlink Limited	-	-	137	-
Liquid Telecommunications Botswana (Pty) Limited	-	-	-	78
Liquid Delta (Jersey) Limited	28	28	28	28
Liquid Intelligent Technologies Limited (Nigeria)	290	180	275	4
Transaction Payment Solutions South Africa Limited t/a Paybay	-	-	45	77
	35,436	29,423	81,061	50,263

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 typical payment terms. In certain circumstances, payment terms extend beyond this where the group provides financial support to its subsidiaries.

33. Compensation of key management personnel

The remuneration of the directors and other key management personnel during the year is as follows:

Short-term employee benefits	4,160	8,275	536	2,620
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The key management personnel are the directors who have authority and responsibility for planning, directing and controlling the activities of the group, whether directly or indirectly.

34. Commitments

34.1 Capital commitments

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000

At 28 February 2023, the group committed to the following capital commitments:

Authorised and contracted	34,684	33,001	-	-
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The capital expenditure is to be financed from internal cash generation and existing funding facilities.

34.2 Other

The group continues to provide support to its subsidiaries, where appropriate, to ensure they are able to continue their operations and meet their liabilities as and when they fall due.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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35. Profit on disposal of subsidiaries under common control

During the year ended 28 February 2021, the group transferred the assets and liabilities of the Data centre line of business from the Liquid Group, the holding company of the group, to the Africa Data Centres (ADC) group. The group entered into a sale agreement with Africa Data Centres Holdings Limited (owned by Liquid Telecommunications (Jersey) Limited), which was completed on 4 March 2021, for the disposal of the ADC line of business carried out by the South African and Kenyan subsidiaries of the group for a consideration of USD 193.0 million.

A profit of USD 86.6 million arose on the disposal of the ADC assets, being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets and attributable goodwill upon the completion of the transaction in the subsequent reporting period. The profit has been disclosed in the consolidated statement of changes in equity, for the previous year ended 28 February 2022.

36. Financial instruments

36.1 Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The group's policy is to borrow centrally, principally using Senior Secured Notes and a combination of other borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries. The group monitors its interest cover, net debt to EBITDA ratio, gross debt to EBITDA ratio and debt service cover ratio ("DSCR") to comply with its Senior Secured Notes and other borrowing facilities covenants. The group complied with its maintenance covenants throughout the financial year and the overall strategy remains unchanged from prior years.

The capital structure of the group and company consist of net debt (which includes borrowings offset by cash and cash equivalents) and equity attributable to owners of the group and company, comprising issued share capital, convertible preference shares, reserves and retained earnings. The group and company are not subject to any externally imposed capital requirement. Management reviews the capital structure of the group and company on a periodic basis, including the cost of capital and the risks associated with each class of capital.

36.2 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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36. Financial instruments (continued)

36.3 Gearing ratio

The group's directors review the capital structure on a periodic basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital.

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Debt (i)	933,063	940,466	533,296	533,050
Cash and cash equivalents (net of restricted cash)	(88,393)	(154,553)	(7,525)	(1,327)
Net debt	844,670	785,913	525,771	531,723
Equity (ii)	179,913	473,191	453,643	580,058
Net debt to equity ratio	4.7:1	1.7:1	1.2:1	0.9:1

(i) Debt is defined as long and short-term borrowings and lease liabilities, as detailed in notes 23, 24 and 29.

(ii) Equity includes all capital and reserves of the group and the company, as detailed in the statement of changes in equity.

36.4 Categories of financial assets and liabilities

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Financial assets				
Amortised cost	424,248	518,577	332,990	416,071
<i>Investments at amortised cost</i>	45	35	-	-
<i>Long-term receivables</i>	133,236	155,742	177,957	235,882
<i>Trade and other receivables (excluding Prepayments and VAT receivable)</i>	202,149	199,157	147,393	178,750
<i>Cash and cash equivalents</i>	88,393	154,553	7,525	1,327
<i>Restricted cash and cash equivalents</i>	425	9,090	115	112
Fair Value Through Other Comprehensive Income (FVTOCI)				
<i>Investments at Fair Value Through Other Comprehensive Income (FVTOCI)</i>	15,314	15,314	15,310	15,310
Fair Value Through Profit and Loss (FVTPL)				
<i>Net derivative assets</i>	-	2,119	-	-
Total financial assets	439,562	536,010	348,300	431,381
Financial liabilities				
Amortised cost	1,114,166	1,075,984	572,121	562,309
<i>Long term borrowings</i>	763,373	809,516	-	-
<i>Short term portion of long term borrowings</i>	34,687	33,093	201	198
<i>Long term lease liabilities</i>	103,661	66,420	-	-
<i>Short term portion of long term lease liabilities</i>	31,342	31,009	-	-
<i>Long term intercompany borrowings</i>	-	428	533,095	532,852
<i>Trade and other payables (excluding Staff payables and Transaction taxes due in various jurisdictions)</i>	181,103	135,518	38,825	29,259
Total financial liabilities	1,114,166	1,075,984	572,121	562,309

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
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36. Financial instruments (continued)

36.5 Financial risk management objectives

Management co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal management reports, which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

36.6 Market risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see notes 36.7 and 36.8) and interest rates (see notes 36.9 and 36.10). The group does enter into derivative financial instruments to manage its exposure to interest rate and foreign currency risk where appropriate.

36.7 Foreign currency risk management

The group undertakes certain transactions denominated in foreign currencies and is therefore exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The group constantly reviews its foreign exchange rate exposures and enters into foreign currency hedging contracts when appropriate.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities as at the reporting date are as follows:

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
Assets				
Currency of the United Kingdom (GBP)	8,822	15,487	-	-
Currency of United States (USD)	119,365	112,694	348,300	431,381
Currency of Zimbabwe (ZWL\$)	52,093	97,602	-	-
Currency of South Africa (ZAR)	183,173	239,288	-	-
Currency of Botswana (BWP)	1,741	1,834	-	-
Currency of Kenya (KES)	51,475	51,781	-	-
Currency of Zambia (ZMK)	13,293	8,078	-	-
Currency of Rwanda (RWF)	5,068	4,586	-	-
Currency of Nigeria (NGN)	88	103	-	-
Currency of Uganda (UGX)	2,199	2,570	-	-
Currency of Tanzania (TZS)	2,245	1,987	-	-
	439,562	536,010	348,300	431,381
Liabilities				
Currency of the United Kingdom (GBP)	5,457	9,093	40	40
Currency of United States (USD)	716,335	641,227	572,081	562,269
Currency of Zimbabwe (ZWL\$)	31,741	28,681	-	-
Currency of South Africa (ZAR)	303,555	338,924	-	-
Currency of Botswana (BWP)	748	542	-	-
Currency of Kenya (KES)	24,343	20,674	-	-
Currency of Zambia (ZMK)	20,098	26,754	-	-
Currency of Rwanda (RWF)	3,521	3,856	-	-
Currency of Nigeria (NGN)	2	8	-	-
Currency of Uganda (UGX)	3,161	1,786	-	-
Currency of Tanzania (TZS)	5,205	4,439	-	-
	1,114,166	1,075,984	572,121	562,309

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36. Financial instruments (continued)

36.8 Foreign currency sensitivity analysis

The group is mainly exposed to the currencies of United Kingdom (GBP), Zimbabwean dollar (ZWL\$), South Africa (ZAR), Kenyan Shilling (KES), Rwandan Franc (RWF) and Zambian Kwacha (ZMK).

The following table details the group's sensitivity to a 10% increase and decrease in the USD (Reporting Currency of the group) against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where the USD strengthens 10% against the relevant currency. For a 10% weakening of the USD against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be reversed.

	Group		Company	
	28/02/23	28/02/22	28/02/23	28/02/22
	USD'000	USD'000	USD'000	USD'000
GBP Currency impact	336	639	-	-
ZWL\$ Currency impact	2,035	6,892	-	-
ZAR Currency impact	(12,038)	(9,964)	-	-
KES Currency impact	2,713	3,111	-	-
RWF Currency impact	155	73	-	-
ZMK Currency impact	(680)	(1,868)	-	-
	(7,479)	(1,117)	-	-

36.9 Interest rate risk management

The group is exposed to interest rate risk as entities in the group borrow funds at both fixed and floating interest rates. The risk is managed by the group by securing an appropriate mix between fixed and floating rate borrowings on initial signing of borrowing contracts. The group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management table (see note 36.12 below). Interest rates have been disclosed in the respective notes where applicable.

36.10 Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant;

- Profit for the year ended 28 February 2023 for the group and the company respectively would increase by USD 0.3 million (2022: decrease of USD 1.2 million) and decrease by USD 3.1 million (2022: decrease of USD 1.9 million). This is mainly attributable to the group's limited exposure to interest rates on its variable rate borrowings as most of the group's borrowings are at fixed rates; and
- There would be no increase or decrease in other equity reserves for the year ended 28 February 2023 (2022: no increase or decrease).

36.11 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The group only transacts with financial institutions which are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the group uses other publicly available financial information. The group's exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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36. Financial instruments (continued)

36.11 Credit risk management (continued)

Note 18 and 20 detail the group's and the company's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.

Other than those disclosed in the notes to the financial statements, the company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The company defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of expected credit loss, represents the group's maximum exposure to credit risk.

36.12 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below details the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities bases on the earliest date on which they can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective Interest Rate	Less than 1 year USD'000	2 to 5 years USD'000	More than 5 years USD'000	Total USD'000
Group - 2023					
Financial liabilities	6.96%	<u>397,730</u>	<u>851,397</u>	<u>65,572</u>	<u>1,314,699</u>
Group - 2022					
Financial liabilities	5.66%	<u>304,500</u>	<u>892,301</u>	<u>23,390</u>	<u>1,220,191</u>
Company - 2023					
Financial liabilities	5.50%	<u>34,908</u>	<u>537,212</u>	<u>-</u>	<u>572,120</u>
Company - 2022					
Financial liabilities	5.50%	<u>29,457</u>	<u>532,852</u>	<u>-</u>	<u>562,309</u>

36.13 Fair values

The directors consider the financial assets and financial liabilities stated at amortised cost in the financial statements approximate their fair values. They are classified under level 3 of the fair value hierarchy.

36.14 Net settled: Embedded derivatives

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

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

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36. Financial instruments (continued)

36.14 Derivative assets (continued)

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).

	<u>Within 1 year</u> USD'000	<u>1 to 2 years</u> USD'000	<u>2 to 5 years</u> USD'000	<u>More than 5 years</u> USD'000	<u>Total</u> USD'000
Group - 2023					
Net settled: Embedded derivatives	-	-	-	-	-
Group - 2022					
Net settled: Embedded derivatives	-	-	2,119	-	2,119
				<u>28/02/2023</u> USD'000	<u>28/02/2022</u> USD'000
Opening balance				2,119	-
Fair value (loss) / gain recognised in statement of profit or loss				(3,997)	2,119
Closing balance				<u>(1,878)</u>	<u>2,119</u>

37. Dividend

Year ended 28 February 2023:

- Liquid Telecommunications Rwanda Limited, a subsidiary of the group, paid a dividend during the period. USD 300,000 is attributable to the non-controlling interests of the subsidiary.
- Worldstream (Pty) Limited, a subsidiary of the group, paid a dividend during the period. USD 141,456 is attributable to the non-controlling interests of the subsidiary.

Year ended 28 February 2022:

- Zanlink Limited, a subsidiary of the group, declared a dividend during the year. USD 16,000 is attributable to the non-controlling interests of the subsidiary out of which USD 10,000 has been paid.
- Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared a dividend during the year. USD 0.3 million is attributable to the non-controlling interests of the subsidiary.

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

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

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

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
28 February 2023				
Investments at FVTOCI (note 15)	-	-	15,314	15,314
Total	-	-	15,314	15,314
28 February 2022				
Investments at FVTOCI (note 15)	-	-	15,314	15,314
Net settled: Embedded derivatives (note 36.14)	-	2,119	-	2,119
Total	-	2,119	15,314	17,433

The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
Investments at FVTOCI (note 15)	Fair value was determined to not be materially different to the cost previously recognised.		
Net settled: Embedded derivatives	See note 36.14 for details		

There has been no gain or loss on fair value changes for investment at FVTOCI. For fair value changes for the Net settled: Embedded derivatives see note 36.14.

There has been no transfer between the different levels of the fair value hierarchy during the current and prior financial years.

39. (Loss) / profit per share

	Group	
	28/02/23	28/02/22
Basic (loss) / profit per share (Cents per share)	(70.13)	46.15

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

	Group	
	28/02/23	28/02/22
	USD'000	USD'000
(Loss) / profit attributable to owners of the company	(87,565)	57,618

	Group	
	28/02/23	28/02/22
Weighted average number of ordinary shares for the purpose of basic profit per share	124,857,914	124,857,914

See note 22 for number of shares.

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40. 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, no tax provision is made, however, these positions are kept under review as the audit process progresses and in some or all cases, the outcome of the audit and discussions with the tax authorities may be different to that anticipated by the group. Although the group currently has potential Uncertain Tax Provisions across a number of jurisdictions (principally the DRC, Kenya, Tanzania, Zambia and Zimbabwe), it does not believe that these Uncertain Tax Provisions 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, this settlement rate has been in the region of 18% - 20%.

41. Non-cash transactions

41.1 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 2023:

- The long term intercompany receivable from Data & Control System (Private) Limited (as disclosed in note 32) has been capitalised as an equity loan. The equity loan is unsecured and is repayable at the discretion of each respective borrower.
- Purchase of property, plant and equipment of the group included a non cash portion of USD 5.7 million.
- Purchase of intangible assets acquisitions of the company included a non cash portion of USD 2.1 million.

During the year ended 28 February 2022:

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

41.2 Reconciliation of liabilities arising from financing activities

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the group's consolidated statement of cash flows as cash from financing activities.

28 February 2023: Group	01/03/2022	Non-cash	Cash	28/02/2023
	USD'000	USD'000	USD'000	USD'000
Short term portion of long term borrowings (note 23b)	33,093	15,919	(14,325)	34,687
Long term borrowings (note 23a)	809,516	(46,143)	-	763,373
Lease liabilities (note 29)	97,429	84,312	(46,738)	135,003
Long term intercompany borrowings (note 32)	428	(835)	407	-
28 February 2022: Group	01/03/2021	Non-cash	Cash	28/02/2022
	USD'000	USD'000	USD'000	USD'000
Short term portion of long term borrowings (note 23b)	2,859	34,807	(4,573)	33,093
Long term borrowings (note 23a)	823,246	(11,977)	(1,753)	809,516
Lease liabilities (note 29)	96,659	59,346	(58,576)	97,429
Long term intercompany borrowings (note 32)	-	(13)	441	428

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41. Non-cash transactions (continued)

41.2 Reconciliation of liabilities arising from financing activities (continued)

The non-cash portion consists of the following:

	28 February 2023	28 February 2022
Short term portion of long term borrowings and long term borrowings:	Finance arrangement fees, interest accrued and foreign exchange on translation of	Finance arrangement fees and interest accrued.
Long term lease liabilities and short term portion of long term lease liabilities:	Interest on leases under IFRS 16 and foreign exchange on translation of foreign leases.	Interest on leases under IFRS 16 and foreign exchange on translation of foreign leases.
Increase in long term intercompany loan:	Foreign exchange on translation of foreign long term intercompany loan.	Foreign exchange on translation of foreign long term intercompany loan.

28 February 2023: Company	01/03/2022	Non-cash	Cash	28/02/2023
	USD'000	USD'000	USD'000	USD'000
Short-term portion of long-term borrowings (note 23b)	198	868	(865)	201
Long term intercompany borrowing (note 24)	532,852	243	-	533,095

28 February 2022: Company	01/03/2021	Non-cash	Cash	28/02/2022
	USD'000	USD'000	USD'000	USD'000
Short-term portion of long-term borrowings (note 23b)	-	868	(670)	198
Long term intercompany borrowing (note 24)	506,308	(4,310)	30,854	532,852

42. Going concern

The directors have reviewed the consolidated cash flow projections of the group and company for the twelve months from the date of signing of the consolidated financial statements. Taking into account the available cash position as of 28 February 2023, including the impact of the currency changes in Zimbabwe and South Africa, the cash flow projections for the period (which include discretionary capital expenditure), the repayment of existing obligations and undrawn committed loan funding, and the provision of financial support to subsidiaries where necessary, the directors are satisfied that the group has access to adequate cash resources to settle obligations as they fall due. They also consider that the operations provide sufficient financial sustainability to enable the business to continue in existence for the foreseeable future.

In making their assessment, the directors have considered the potential impact of the instability of financial markets, volatility of currency markets particularly the South African Rand, the economic situation in Zimbabwe, inability of customers to pay and supply chain shortages on the operations, business plan and cashflow for the twelve months from the date of signing of the consolidated financial statements. Furthermore, in light of global interest rate rises, the directors note this has had a negative impact on the group's Weighted Average Cost of Capital used for certain impairment and evaluation exercises. In particular, this, together with a more challenging trading environment, has resulted in a USD 36.1 million impairment of goodwill in South Africa (refer to note 9 - *Goodwill*). Even after assessing these factors, the directors consider the group has sufficient liquidity and headroom on its covenants.

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

Funding facilities

The group is currently funded by a combination of equity, USD 620 million Senior Secured Notes (maturity September 2026), an undrawn USD 60 million Revolving Credit Facility ("RCF") (maturity March 2026), a USD 220 million equivalent South African Rand term loan (maturity March 2026), of which USD 164.2 million is outstanding at 28 February 2023 and USD 23.3 million of locally provided term loans (maturity in the financial year 2025) in Zambia, of which USD 4.9 million is outstanding at 28 February 2023. Taking this into account, alongside the other reviews conducted as set out in this section and the USD 60.0 million undrawn RCF, the directors consider the group has sufficient liquidity to meet its obligations as and when they fall due and forecast this position to continue. Refer to note 23 - *Short term portion of long term borrowings and long term borrowings* for more details.

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42. Going concern (continued)

Cash position

As at 28 February 2023, the group has an unrestricted cash position of USD 88.4 million (28 February 2022: USD 154.6 million). Of this amount, USD 28.3 million (28 February 2022: USD 80.3 million) is held in Zimbabwe. Following the continuing devaluation of the currency in Zimbabwe, the group has translated the ZWL\$ denominated cash in Zimbabwe at the statement of financial position date at a ZWL\$:USD exchange rate of 892.6:1 (28 February 2022: 124.0:1). Cash held in Zimbabwe is mainly used to locally fund operational expenses and capital expenditure.

Operational performance

For the year ended 28 February 2023, the group reported an operating profit of USD 73.7 million (28 February 2022: 163.8 million) and a net cash inflow from operating activities of USD 216.4 million (28 February 2022: USD 212.5 million). This demonstrates the group's ability to generate sufficient cash flow to enable it to support its underlying business operations and invest in new projects, even after taking into account the impact of the currency changes in Zimbabwe and South Africa.

Based on the assessment made and for the reasons set out above, the directors are of the opinion that the adoption of the going concern assumption in the preparation of the financial statements for the year ended 28 February 2023 is appropriate.

43. Events after the reporting date

- In final confirmation of a process which was substantially completed as at the balance sheet date and reflected in the goodwill impairment assessment, ICASA has confirmed that LTSA will migrate the spectrum allocated in the 850Mhz band to a more suitable band. ICASA has confirmed that LTSA will migrate from the 850Mhz and receive 2x5Mhz in the 900Mhz band from 1 March 2024. On 13 April 2023, ICASA granted final approval to ratify the migration agreement reached before the end of the financial year between the two parties. This represents the culmination of engagement with ICASA over several years to migrate the spectrum allocated in the 850Hz band to a more suitable band.
- In March 2023, Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared and paid a dividend of USD 1.0 million. USD 300,000 is attributable to the non-controlling interests of the subsidiary.
- On 26 April 2023 our lending partners (in relation to the USD 220 million equivalent South African Rand term loan as described in note 23) approved our pre-emptive request for a deferral of the net debt to adjusted EBITDA ratio due to the prospect of further exchange rate volatility in certain markets. As a result, the step down from 4.0x to 3.5x that was due to take place at the end of May 2023 will now occur in February 2024 and a second step down from 3.5x to 3.0x that was due to take place in May 2024 will now occur in August 2024. All other terms remain unchanged.

44. Immediate and ultimate holding companies

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

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