Sudatel Telecom Group Limited

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 Sep 2024

بسم الله الرحمن الرحيم

Republic of The Sudan
National Audit Chamber

جمهورية السودان
ديوان المراجعة القومي

Date 13/Feb./2025 التاريخ:
Date 14/Shaaban/1446 الموافق

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Sudatel Telecom Group Limited

Independent Auditor's Review Report to the Board of Directors

On the Interim Condensed Financial Information

For the third quarter ended September 30, 2024

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Sudatel Telecom Group Limited and its subsidiaries (together called "the Group") as at September 30, 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the Nine-month period then ended. Management is responsible for the preparation and presentation of this financial information in accordance with International Accounting Standard -34 "Interim Financial Reporting" (IAS34).Our responsibility is to express a conclusion on this financial information 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 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 enables 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed Financial Information is not prepared, in all material respects, in accordance with International Accounting Standard -34 'Interim Financial Reporting".

Emphasis of matters

Without modifying our conclusion, we draw attention to;

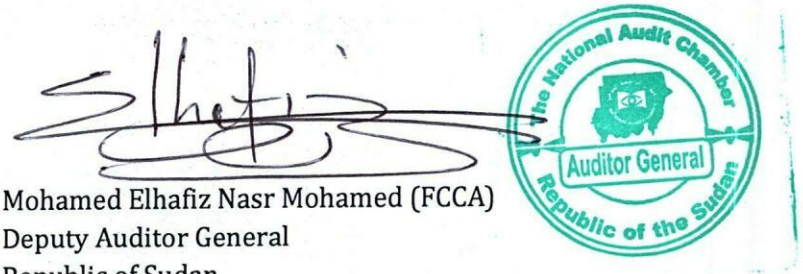
a. Note 2.1.1 of the interim condensed financial information, which indicates that the Group has generated a net loss of USD19.89 million for the quarter, ended September 30, 2024 and as of that date; the Group's current liabilities exceeded its current assets by USD 250.728

million. This condition and other matters indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the interim condensed consolidated financial information has been prepared on going concern basis, and the validity of this assumption depends upon the generation of sufficient cash flow by the Group to meet its liabilities as they fall due.

b. Note 2.1.2 of the interim condensed financial information, which describes that the Group's operation and the carrying amount of its assets in the Republic of Sudan, has been affected due to war in the Republic of Sudan since mid of April 2023. The management of the Group has been constantly monitoring the situation in Sudan, including assessments related to the existence and damages to the Assets until 30 September, 2024.

c. Note 2.2.3 of the interim condensed financial information, in which there is mention that the Republic of Sudan has been economically unstable for several years. In February 2022, the Central Bank of Sudan floated SDG (Local Currency of Sudan) to the open market, which resulted in a devaluation of SDG against USD by 580%. Consequently, in 2022, the economy of the Republic of Sudan experienced hyperinflationary conditions, which is continuing in 2024. The management and the Board of Directors of the Group evaluated the adoption of IAS 29 and concluded that the adoption/ restatement of Interim financial information as per IAS 29 will not represent the true and fair view of the operational results and financial position of the Sudan operation of the Group; therefore, IAS 29 is not adopted for the Republic of Sudan operation, for the third quarter ended September 30,2024, on the basis that:

- The Government of Sudan has not officially declared the economy of the country as Hyper Inflationary;
- No official General Price Index / Consumer Price Index (CPI) has been published for the restatement of Interim financial information as per IAS 29 and
- Official CPI numbers from the Central Bank of Sudan for the year do not reflect the telecommunication sector's actual market conditions/dynamics.



Mohamed Elhafiz Nasr Mohamed (FCCA)
Deputy Auditor General
Republic of Sudan
Date: 13/ February /2025
14/Shaaban /1446

SUDATEL TELECOM GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)

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For the period ended

	Notes	QUARTER ENDED Sep-24 USD	QUARTER ENDED Sep-23 USD	NINE MONTH 30-Sep-24 USD	NINE MONTH 30-Sep-23 USD
Continuing operation					
Operating revenues		**93,178,686**	95,987,794	**282,083,623**	319,777,005
Operating expenses		**(42,694,989)**	(55,831,626)	**(140,320,403)**	(188,597,491)
Gross profit		**50,483,697**	40,156,168	**141,763,220**	131,179,514
Profit from investments and deposits	21	**63,024**	6,482	**73,463**	979,061
Other operating loss	22	**(50,394,863)**	(14,865,337)	**(80,680,838)**	(30,567,108)
Marketing and selling expenses	23	**(2,512,970)**	(1,536,958)	**(5,225,384)**	(6,913,689)
General and administrative expenses	24	**(11,554,702)**	(17,887,199)	**(35,381,651)**	(51,276,018)
Operating Profit		**(13,915,814)**	5,873,156	**20,548,810**	43,401,760
Share of loss of associates and joint ventures	7	**(327,835)**	(284,936)	**(604,645)**	(773,433)
Finance cost	17	**(7,871,518)**	(5,706,978)	**(13,006,231)**	(16,407,693)
Profit/(Loss) before tax from continuing operations		**(22,115,167)**	(118,758)	**6,937,934**	26,220,634
Zakat	18	**147,001**	(1,456,380)	**(2,148,417)**	(4,567,522)
Taxation	19	**(7,650,336)**	(7,945,841)	**(24,675,748)**	(25,021,616)
Profit/(Loss) after tax from continuing operations		**(29,618,502)**	(9,520,979)	**(19,886,231)**	(3,368,504)
Profit after tax for the year from discontinued operations	25	**-**	-	**-**	-
Profit/(Loss) for the period		**(29,618,502)**	(9,520,979)	**(19,886,231)**	(3,368,504)
Attributable to:					
Equity holders of the parent		**(29,499,687)**	(9,523,847)	**(19,613,812)**	(3,371,763)
Non-controlling interests		**(118,815)**	2,868	**(272,419)**	3,259
		(29,618,502)	(9,520,979)	**(19,886,231)**	(3,368,504)
Earnings per share					
Basic and diluted EPS for the period attributable to the ordinary equity holders of the Group		**(0.0224)**	(0.0072)	**(0.0150)**	(0.0025)

The annexed notes from 1 to 28 form integral part of these financial statements

Eng. Magdi Mohammed Abdallah Taha — President/CEO

Balbinder Ranbir Singh — Group Chief Financial Officer

The National Audit Chamber — Auditor General — Republic of the Sudan

مجموعة سودانل للإتصالات

SUDATEL TELECOM GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the period ended

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	QUARTER ENDED			NINE MONTH ENDED	
	Sep-24 USD	Sep-23 USD	Notes	30-Sep-24 USD	30-Sep-23 USD
Profit/(Loss) for the period	(29,618,502)	(9,520,979)		(19,886,231)	(3,368,504)
Other comprehensive loss:					
Exchange differences on translation of foreign operations	(13,549,546)	-		(266,569,471)	10,723,036
Net other comprehensive profit/(loss) to be reclassified to profit or loss in subsequent periods	(13,549,546)	-		(266,569,471)	10,723,036
Other comprehensive profit/(loss) for the period, net of tax	(13,549,546)	-		(266,569,471)	10,723,036
Total comprehensive profit/(loss) for the period, net of tax	(43,168,048)	(9,520,979)		(286,455,702)	7,354,532
Attributable to:					
Equity holders of the parent	(13,957,985)	-		(266,798,689)	11,054,476
Non-controlling interests	408,439	-		229,218	(331,440)
Attributable to:					
Equity holders of the parent	(43,189,294)	(9,525,623)		(286,412,501)	7,682,713
Non-controlling interests	21,246	4,644		(43,201)	(328,181)
	(43,168,048)	(9,520,979)		(286,455,702)	7,354,532

The annexed notes from 1 to 28 form integral part of these financial statements

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Balbinder Ranbir Singh — Group Chief Financial Officer

The National Audit Chamber
Auditor General
Republic of the Sudan

مجموعة سوداتل للإتصالات

SUDATEL TELECOM GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
As at

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	Notes	30-Sep-24 USD	31-Dec-23 USD
Asset			
Non-current assets			
Property, plant and equipment	5	420,855,879	648,877,023
Intangible assets	6	137,359,306	184,925,436
Investments in associates and joint ventures	7	7,077,386	9,940,959
Other financial assets	8	20,529	87,088
		565,313,100	843,830,506
Current assets			
Inventories	9	12,756,080	9,091,515
Trade and other receivables	10	150,020,808	151,737,227
Term deposits	11	54,699	96,845
Cash and bank balances	12	37,909,365	89,377,911
Assets classified as held for sale	25	6,679,218	6,757,200
		207,420,170	257,060,698
Total assets		772,733,270	1,100,891,204
Equity and liabilities			
Equity			
Share capital	13.1	1,322,562,930	1,322,562,930
Share premium		9,705,242	9,705,242
General reserve	13.2	74,673,448	74,673,448
Foreign currency translation reserve	13.3	(2,546,467,378)	(2,279,897,907)
Revaluation reserve		1,109,342,011	1,109,342,011
Actuarial loss		(27,851,484)	(27,851,484)
Retained earnings		161,519,352	181,127,684
Other components of equity	8	3,387	3,387
Equity attributable to equity holders of the parent		103,487,508	389,665,311
Non-controlling interests		(20,899,215)	(20,856,014)
Total equity		82,588,293	368,809,297
Non-current liabilities			
Loans and borrowings	14	187,956,206	195,281,065
Employees' end of service benefits	20	2,785,665	4,526,119
Deferred revenue	16	7,554,472	8,000,665
Non-current portion of trade payables and accruals	15	33,699,991	47,655,475
		231,996,334	255,463,324
Current liabilities			
Trade payables and accruals	15	309,759,641	307,671,330
Deferred revenue	16	10,054,436	34,907,985
Employees' end of service benefits	20	255,128	255,128
Zakat payable	18	5,095,632	8,443,881
Taxation payable	19	17,570,699	23,409,305
Finance costs payable	17	82,595,433	70,214,442
Loans and borrowings	14	13,886,317	12,564,126
Liabilities classified as held for sale	25	18,931,357	19,152,386
		458,148,643	476,618,583
Total liabilities		690,144,977	732,081,907
Total equity and liabilities		772,733,270	1,100,891,204

The annexed notes from 1 to 28 form integral part of these financial statements

Eng. Magdi Mohammed Abdallah Taha — President/CEO

Balbinder Ranbir Singh — Group Chief Financial Officer

The National Audit Chamber
Auditor General
Republic of the Sudan

مجموعة سوداتل للإتصالات

SUDATEL TELECOM GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
STATEMENT OF PROFIT OR LOSS (UNAUDITED)

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	Notes	30-Sep-24 USD	30-Sep-23 USD
Operating activities:			
Profit/(Loss) after tax from continuing operations		(19,886,231)	(3,368,504)
Profit after tax for the year from discontinued operations		-	-
Profit/(Loss) for the period		(19,886,231)	(3,368,504)
Adjustments to reconcile net profit to net cash flows:			
Depreciation	5	34,170,575	52,809,476
Amortization	6	13,970,483	22,802,994
Employees' end of service benefits provision	20	26,364	283,213
Provision for wartime damaged/lost assets	22	-	22,930,110
Profit from deposits and investments	21	(73,463)	(979,061)
Share of loss of associates and joint ventures	7	604,645	773,433
Finance cost	17	13,006,231	16,407,693
Provision for zakat	18	2,148,417	4,567,522
Provision for taxation	19	24,675,748	25,021,616
Working capital adjustments:			
(Increase) in inventories		(3,664,565)	(2,783,023)
(Increase) in trade and other receivables		1,716,419	(37,301,652)
Increase in trade payables and accruals		(36,336,655)	136,172,041
End of service benefits paid	20	(16,411)	(884,269)
Finance cost paid	17	(350,324)	(827,039)
Zakat paid	18	1,570,650	-
Tax paid	19	(5,046,493)	(20,679,545)
Net cash flows generated from operating activities		26,515,390	214,945,005
Investing activities			
Purchase of property, plant and equipment	5	(41,205,715)	(40,657,438)
Additions to intangible assets	6	(3,802,686)	(103,261,326)
Movement in investments in associates and joint ventures	7	2,258,928	559,446
Additions of term deposits-net	11	(493)	-
Profit from deposits and investments	21	73,463	979,061
Net cash flows used in investing activities		(42,676,503)	(142,380,257)
Financing activities			
Movement of loans and borrowings-net		46,068,172	(4,387,661)
Dividends & other distributions-net		(5,748,716)	(2,146,832)
Non-controlling interests and disposal-net		229,218	61,034
Net cash flows generated/(used) in financing activities		40,548,674	(6,473,459)
Net increase in cash and cash equivalents		24,387,561	66,091,289
Net foreign exchange difference		(75,856,105)	13,729,847
Cash and cash equivalents at beginning of the period		89,377,911	79,183,394
Cash and cash equivalents at end of the period	12	37,909,367	159,004,530

The annexed notes from 1 to 28 form integral part of these financial statements

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Auditor General
Republic of the Sudan

مجموعة سوداتل للإتصالات

SUDATEL TELECOM GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at

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	Attributable to the equity holders of the Parent										
	Share capital	Share premium	General reserve	Foreign currency translation reserve	Revaluation reserve	Other components of equity	Actuarial loss	Retained earnings	Total	Non-controlling interests	Total equity
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
1 January 2023	1,322,562,930	9,705,242	74,673,448	(2,109,375,481)	1,109,342,011	338	(24,588,290)	180,038,566	562,363,812	(20,386,366)	541,977,447
Profit for the year	-	-	-	-	-	-	-	19,852,326	19,852,326	84,994	19,937,320
Other comprehensive movement	-	-	-	(130,524,426)	-	-	(3,263,194)	-	(133,787,620)	-	(133,787,620)
Other comprehensive income NCI	-	-	-	-	-	-	-	-	-	(564,643)	(564,643)
Appropriation and other distributions	-	-	-	-	-	-	-	(18,764,207)	(18,764,207)	-	(18,764,207)
30 December 2023	1,322,562,930	9,705,242	74,673,448	(2,239,899,907)	1,109,342,011	338	(27,851,484)	181,126,685	380,666,311	(20,866,015)	359,800,296
Profit for the period	-	-	-	-	-	-	-	(19,613,812)	(19,613,812)	(272,419)	(19,886,231)
Other comprehensive movement	-	-	-	(266,569,471)	-	-	-	-	(266,569,471)	-	(266,569,471)
Other comprehensive income NCI	-	-	-	-	-	-	-	-	-	229,218	229,218
Effect of exchange rate changes								5,480	5,480	-	5,480
30 Sep 2024	1,322,562,930	9,705,242	74,673,448	(2,506,469,378)	1,109,342,011	338	(27,851,484)	161,519,352	103,487,508	(20,909,215)	82,588,293

Eng. Magdi Mohammed Abdallah Taha — President/CEO

Balbinder Ranbir Singh — Group Chief Financial Officer

The National Audit Chamber
Auditor General
Republic of the Sudan

مجموعة سودانل للإتصالات

1. CORPORATE INFORMATION

Sudatel Telecom Group Limited ("Sudatel" "the Group" "the Company" or "the Parent"), previously known as Sudan Telecommunication Company Limited, is a public listed company incorporated in the Republic of Sudan in accordance with Sudan Commercial Companies Law (1925) under Commercial Registration (CR) number 7484. The Group has its registered office at Sudatel Tower, Building 9/A, Block No.2, West Khartoum, Republic of Sudan. The Group's shares are listed on the Khartoum Stock Exchange in Sudan and the Abu Dhabi Securities Exchange in United Arab Emirates.

The Group and its subsidiaries (collectively referred to as "the Group") are engaged in installation, maintenance, operation of telecommunication services. The Subsidiaries of the Group are as follows:

1. Expresso Telecom Holding Company of UAE
2. Sudanese Internet Company Limited of Sudan

The following are the **wholly owned subsidiaries of Expresso Telecom Holding Company**:

1. Expresso Senegal of Senegal
2. Chinguitel Telecom Company Limited of Mauritania
3. Intercel Plus Guinee S.A of Guinea Conakry
4. ETSN International Limited of British Virgin Island
5. Expresso Senegal (BVI) Limited of British Virgin Island
6. EMR International Limited of British Virgin Island
7. Intercel Holding SA of Luxemburg
8. Expresso General Trading LLC UAE

Associated Companies of the Group:

1. Arab Submarine Cables Company Limited of Kingdon of Saudi Arabia
2. Electronic Banking Services of Sudan
3. Al Gadida Asima Services Company Limited of Sudan

The **Joint Ventures** in which the Group is one of the Joint Venture Partner are:

1. Sudasat Company of Sudan
2. Dolphin Telecommunications JLT of UAE

The Audit Committee approved the issuance of the interim condensed financial statements as of 30 September 2024 at the meeting held 12th February 2025 based on the delegation of the Board of the Directors on 26 September 2023

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 GOING CONCERN

2.1.1 The Group has generated a loss for the quarter of USD 19.8 million (2023 Q3: profit USD 3.3 million), as of that date, the Group's current liabilities exceeded its current assets by USD 250.728 million (December 31, 2023: USD 219.557 million). The interim condensed consolidated financial statements of the Group have been prepared on a going concern basis which assumes that the Group will continue to exist in the foreseeable future except for the operations of Intercel Plus Guinee S.A Company in Guinea Conakry discontinued in 2018.

2.1.2 The operations of the Group have been affected due to the deterioration in the value of the functional currencies against the United States Dollars. In mid of April 2023 the war started in the Republic of Sudan. The situation is still evolving and the Sudan operations of the Group have been significantly affected. This has resulted in loss of revenue, impairment of property, plant and equipment, limited access to cash and bank balances and scaling down of operations. For almost 8 weeks after the start of the crisis in Sudan the billing system was down due to damge to the related equipment and non-availabilty of electricity. Recognizing the limitations of communication across Sudan, as corporate social responsibility the Group's management and Board of Directors allowed customers in Sudan to use the network whereever possible, free of charge. This event and related impact has affected the financial position and operational results of the of company for the period under review. Management is still confident in its ability to generate sufficient operating cash flows, obtain new financing facilities, and renegotiate its terms of payments favourably with existing creditors and lenders.

2.2 BASIS OF PREPARATION

2.2.1 The interim condensed consolidated financial statements for the nine months period ended 30 September 2024 have been prepared in accordance with IAS 34 *"Interim Financial Reporting"*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The management has formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting quarter. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements as at 31 December 2024. In addition, results for the nine months period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

2.2.2 The interim condensed consolidated financial statements are presented in US dollars (USD). The functional currency of the Parent is the Sudanese Pounds (SDG). As set out in Note 2.1, these interim condensed consolidated financial statements have been prepared under the going concern basis except for the operations of Intercel Plus Guinee S.A in Guinea-Conakry which have been prepared on a breakup value basis. Operations of Intercel Plus Guinee S.A. were discontinued, following the withdrawal of its operation license by the Ministry of Communication of Guinea-Conakry in October 2018. In February 2019, the local court appointed an administrator to liquidate the Intercel Plus Guinee S.A.

2.2.3 The economy of the Republic of Sudan has been economically unstable for several years; in February 2022, the Central Bank of Sudan floated SDG (Local Currency of Sudan) to open market, which resulted in the devaluation of SDG against USD by 580%. Consequently, in 2022 the economy of the Republic of Sudan experienced hyperinflationary conditions. The management and the Board of Directors of the Group evaluated the adoption of IAS 29 and concluded that the adoption/restatement of financial statements as per IAS 29 will not represent the true and fair view of the operational results and financial position of the Sudan operations of the Group; hence, IAS 29 is not adopted for Sudan operations, for the nine months period ended September 30, 2024. on the basis that:

i. The Government of Sudan has not officially declared the economy of the country as Hyper Inflationary;
ii. No official General Price Index / Consumer Price Index (CPI) has been published for a restatement of financial statements as per IAS 29; and
iii. Official CPI numbers from the Central Bank of Sudan for the year do not reflect actual market conditions/dynamics related to the telecommunication sector.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty. The Group assesses their revenue arrangements against specific criteria in order to determine if they are acting as principal or agent. The Group have concluded that they are acting as a principal in all their revenue arrangements.

b) *Foreign currencies*

The Group's consolidated financial statements are presented in USD. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation, and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

c) *Property, plant and equipment/Depreciation*

Property and equipment are initially recorded at cost and subsequently are stated at cost less accumulated depreciation and any impairment in value, except for the freehold land which is recorded at the market value. Freehold land and capital work in progress are not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings	Over 15 to 40 years
• Network equipment and cables	Over 5 to 25 years
• Communication equipment	Over 5 to 25 years
• Furniture and computers	Over 5 to 10 years
• Motor vehicles	5 years
• Earth station	25 years
• Submarine cable	25 years

d) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial quarter of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Qualifying assets are those assets that take a substantial quarter to get ready for their intended use. The borrowing costs eligible for capitalization are the actual borrowing costs incurred on the borrowing during the year, less any investment income on the temporary investment of those borrowings.

e) *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development cost, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

The useful lives estimated by the management for the amortisation of intangible assets are as follows:

	Number of years
Licenses	Over 15 to 20 years
Software	Over 5 to 20 years

f) *Investments*

Investments are initially recognized at cost being the fair value of the consideration paid, including the transaction charges associated with the investment. The Group determine the classification of its investments on initial recognition.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes expenditure incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. These are carried in the statement of financial position at fair value, with net changes in fair value recognised in the statement of profit or loss.

i) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

j) *Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised in the consolidated statement of profit or loss as a finance cost.

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

During the period there were no changes in the accounting policies; also the Group has no material impact on the adoption of any new standard, interpretation or amendment that has been issued but is not yet effective.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities; at the reporting date. However, uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future quarters.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date; that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Impairment of inventories
- Impairment of non-financial assets
- Useful lives of property, plant and equipment and intangible assets
- Business combinations
- Classification of investments
- Contingent liabilities
- Fair values - unquoted equity investments and business combinations
- Zakat & Taxes
- Impairment of financial assets
-

4. NEW AND REVISED ACCOUNTING STANDARDS

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts, the amendments had no impact on the Group's interim condensed consolidated financial statements.

Definition of Accounting Estimates – Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's interim condensed consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had no impact on the Group's interim condensed consolidated financial statements; but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception; so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial statements.

5 PROPERTY, PLANT AND EQUIPMENT

2024	Freehold Land	Buildings	Network equipment and cables	Communication equipment	Computers & equipment	Motor vehicles	Office furniture	Earth station	Submarine cable	Capital work-in-progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost											
As at 1 Jan 2024	114,360,241	53,356,683	419,707,257	195,668,314	3,057,407	4,066,024	9,963,691	2,972,221	10,412,031	196,857,590	1,010,421,459
Additions	-	-	-	-	-	-	-	-	-	41,205,715	41,205,715
Transfers	-	289	29,050	539,789	123,519	-	61,631	-	-	(754,278)	0
Disposals at cost	-	-	-	-	-	(293,887)	-	-	-	-	(293,887)
Currency translation adjustment	(66,356,454)	(24,970,958)	(39,667,940)	(74,750,778)	(1,164,536)	(832,504)	(439,059)	(1,724,603)	(6,041,483)	(87,663,129)	(303,611,443)
Discontinued operations	-	1,827,264	27,451,820	-	-	311,854	817,304	-	-	3,593,238	34,001,480
As at 30 Sep 2024	48,003,787	30,213,278	407,520,187	121,457,325	2,016,390	3,251,487	10,403,567	1,247,618	4,370,548	153,239,136	781,723,323
Accumulated Depreciation											
As at 1 Jan 2024	-	(7,597,611)	(271,266,165)	(50,515,764)	(787,114)	(2,724,322)	(9,028,561)	(1,188,889)	(1,444,444)	-	(344,552,870)
Disposals	-	-	-	-	-	82,791	-	-	-	-	82,791
Depreciation	-	(984,637)	(19,987,204)	(12,186,041)	(304,363)	(88,138)	(46,103)	(259,188)	(314,901)	-	(34,170,575)
Currency translation adjustment	-	2,696,346	9,800,908	32,698,586	541,317	134,525	(78,162)	761,887	925,657	-	47,481,064
Discontinued operations	-	(818,435)	(27,443,247)	-	-	(294,471)	(671,175)	-	-	-	(29,227,328)
As at 30 Sep 2024	-	(6,704,337)	(308,895,708)	(30,003,219)	(550,160)	(2,889,615)	(9,824,001)	(686,190)	(833,688)	-	(360,386,918)
Fixed assets impaired due to warin Sudan (note 5.1)											(480,526)
Net book value											
As at 30 Sep 2024	48,003,787	23,508,941	98,624,479	91,454,106	1,466,230	361,872	579,566	561,428	3,536,860	153,239,136	420,855,879

5.1 The management of the Group has been constantly monitoring the war situation in Sudan, including assessment related to existence and damages to the assets of the Group in Sudan. By the end of Q1 2024 financial year, with respect to property, plant and equipment, the management estimates the damages to the extent of USD 12.088. These damages are not currently classified in the Property, Plant and Equipment. These estimates may increase or decrease in subsequent periods as more detailed and accurate evaluation and assessment is done

2022	Freehold Land	Buildings	Network equipment and cables	Communication equipment	Computers & equipment	Motor vehicles	Office furniture	Earth station	Submarine cable	Capital work-in-progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost											
As at 1 Jan 2023	164,600,453	72,107,571	427,048,617	237,663,217	2,373,733	3,583,795	9,195,494	4,277,964	14,986,196	146,304,104	1,082,141,144
Additions	-	-	-	-	-	-	-	-	-	110,417,469	110,417,469
Transfers	-	-	1,415,505	30,545,906	1,408,197	822,014	377,120	-	-	(34,568,742)	-
Disposals at cost	-	-	(5,002)	-	-	(8,949)	-	-	-	-	(13,951)
Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
Currency translation adjustment	(50,240,212)	(20,564,663)	(36,001,028)	(72,540,809)	(724,523)	(640,388)	(420,193)	(1,305,743)	(4,574,165)	(28,861,953)	(215,873,677)
Discontinued operations	-	1,813,775	27,249,165	-	-	309,552	811,270	-	-	3,566,712	33,750,474
As at 31 Dec 2023	114,360,241	53,356,683	419,707,257	195,668,314	3,057,407	4,066,024	9,963,691	2,972,221	10,412,031	196,857,590	1,010,421,459
Accumulated Depreciation											
As at 1 Jan 2023	-	(6,160,121)	(230,749,542)	(38,237,221)	(547,931)	(2,159,663)	(8,096,793)	(855,593)	(1,039,505)	-	(287,846,369)
Disposals	-	-	76	-	-	8,949	-	-	-	-	9,025
Depreciation for the year	-	(3,173,705)	(32,114,925)	(31,425,325)	(533,291)	(701,584)	(546,400)	(780,000)	(947,663)	-	(70,222,893)
Reclassification	-	-	(391,281)	-	-	6,794	90,492	-	-	-	(293,995)
Currency translation adjustment	-	2,548,608	19,230,163	19,146,782	294,108	413,479	190,360	446,704	542,724	-	42,812,928
Discontinued operations	-	(812,393)	(27,240,656)	-	-	(292,297)	(666,220)	-	-	-	(29,011,566)
As at 31 Dec 2023	-	(7,597,611)	(271,266,165)	(50,515,764)	(787,114)	(2,724,322)	(9,028,561)	(1,188,889)	(1,444,444)	-	(344,552,870)
Fixed assets impaired due to warin Sudan (note 5.1)											(16,991,566)
Net book value											
As at 31 Dec 2023	114,360,241	45,759,072	148,441,092	145,152,550	2,270,293	1,341,702	935,130	1,783,332	8,967,587	196,857,590	648,877,023

5 PROPERTY AND EQUIPMENT (continued)

The Group's freehold land, buildings, communication and network equipment and software and licenses are stated at their revalued amounts, being the fair value at the date of revaluation, less any depreciation and impairment losses. The fair value measurements of the Group's freehold land, buildings, communication and network equipment and software and licenses at 31 December 2021 was performed by an independent valuer.

The fair value of the freehold land was determined based on fair value basis, comparable and residual method and the fair value of buildings, communication and network equipment and software and licenses was determined using replacement cost and fair value method, in accordance with IFRS. The Group intends to carry out revaluation exercise in 3 to 5 years intervals.

Details of the Group's freehold land, buildings, communication and network equipment, software and licenses and information about the fair values are as follows:

	FV as at 30-Sep-24 USD	FV as at 31-Dec-23 USD
- Freehold land	**48,003,787**	114,360,241
- Buildings	**23,508,941**	45,759,072
- Communication equipment	**91,454,106**	145,152,550
- Network equipment and cables	**98,624,479**	148,441,092
- Earth station	**561,428**	1,783,332
- Submarine cable	**3,536,860**	8,967,587
	265,689,601	464,463,874

Depreciation has been allocated in the consolidated statement of profit or loss as follows:

	30-Sep-24 USD	30-Sep-23 USD
Operating expenses	**32,747,334**	48,875,808
General and administration expenses	**1,423,241**	3,933,668
	34,170,575	52,809,476

6 INTANGIBLE ASSETS

2024	Software	License	Total
	USD	USD	USD
Cost			
As at 1 Jan 2024	**4,257,474**	**326,110,783**	**330,368,257**
Additions		**3,802,686**	**3,802,686**
Exchange adjustments	**(2,470,359)**	**(69,124,606)**	**(71,594,965)**
Discontinued operations	**-**	**23,446,062**	**23,446,062**
As at 30 Sep 2024	**1,787,115**	**284,234,925**	**286,022,040**
Accumulated Amortization			
As at 1 Jan 2024	**(3,276,399)**	**(142,166,422)**	**(145,442,821)**
Amortisation	**(235,631)**	**(13,734,852)**	**(13,970,483)**
Exchange adjustments	**1,966,597**	**32,228,778**	**34,195,375**
Discontinued operations	**-**	**(23,444,805)**	**(23,444,805)**
As at 30 Sep 2024	**(1,545,433)**	**(147,117,301)**	**(148,662,734)**
Net book value:			
As at 30 Sep 2024	**241,682**	**137,117,624**	**137,359,306**
2022			
Cost			
As at 1 Jan 2023	6,127,848	357,080,650	363,208,498
Additions		158,172,233	158,172,233
Disposal		(206,485,477)	(206,485,477)
Exchange adjustments	(1,870,374)	(5,929,601)	(7,799,975)
Discontinued operations	-	23,272,978	23,272,978
As at 31 Dec 2023	4,257,474	326,110,783	330,368,257
Accumulation Amortization			
As at 1 Jan 2023	(3,118,665)	(247,360,035)	(250,478,700)
Amortisation for the year	(1,455,998)	(25,396,426)	(26,852,424)
Disposal		139,299,382	139,299,382
Reclassification		293,995	293,995
Exchange adjustments	1,298,264	14,268,392	15,566,656
Discontinued operations	-	(23,271,730)	(23,271,730)
As at 31 Dec 2023	(3,276,399)	(142,166,422)	(145,442,821)
Net book value:			
As at 31 Dec 2023	981,075	183,944,361	184,925,436
	-	-	-

The Group's software and licenses are stated at their revalued amounts, being the fair value at the date of revaluation, less any amortization and impairment losses. The fair value measurements considered as of March 31, 2023 are the one performed by an

The fair value of the software and licenses was determined using fair value method, in accordance with IFRS. The Group intends to carry out revaluation exercise in 3 to 5 years interval.

Amortisation has been allocated in the consolidated statement of profit or loss as follows:

	30-Sep-24	30-Sep-23
	USD	USD
Operating expenses		
General and administration expenses (note 24)	**13,734,852**	21,628,389
	235,631	1,174,605
	13,970,483	22,802,994

Details of the licenses as at 31 Mar 2024 are as follow:

	Type	Date granted/ renewed	Term
Republic of the Sudan	800 MHz	2023	10 years
Republic of the Sudan	850, 900, 1800 MHz	2007	20 years
Republic of Senegal	800, 900, 1800, 2100 MHz	2007	20 years
Islamic Republic of Mauritania	800, 900,1800, 2100 MHz	2006	15 years

Guinea Conakry	900 MHz	2006	13 years

7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group's interest in associates and joint ventures is accounted for using the equity method in the consolidated financial statements. The following table illustrates the changes in the Group's investments in associates and joint ventures:

	Associated Companies			Joint Ventures		
	Arab Submarine Cables Company Limited	Electronic Banking Services	Al Gadida Asima Services Company Limited	Sudasat Company	Dolphin Telecommunications JLT	Total
	USD			USD		
As at 1 Jan 2023	5,227,963	709,532	151,755	-	7,941,202	14,030,452
Other equity movements	(1,222,099)	(216,567)	(46,320)	-	269,419	(1,215,567)
Share of profit / (loss)	939,420	-	-	-	(3,813,346)	(2,873,926)
As at 31 Dec 2023	4,945,284	492,965	105,435	-	4,397,275	9,940,959
2022 Shareholding %	*50%*	*30%*	*60%*	*60%*	*60%*	
Other equity movements	**(2,869,455)**	**(286,038)**	**(61,177)**	-	**957,742**	(2,258,928)
Share of (loss)	-	-	-	-	**(604,645)**	(604,645)
As at 30 Sep 2024	**2,075,829**	**206,927**	**44,258**	-	**4,750,372**	**7,077,386**
2023 Shareholding %	*50%*	*30%*	*60%*	*60%*	*60%*	

8 OTHER FINANCIAL ASSETS

	Financial assets at Fair value through profit or loss / Other Comprehensive Income				
	Shama	Shahama	Quoted	Other Investments	Total
	USD	USD	USD	USD	USD
As at 1 Jan 2023	10,327	6,170	53,806	39,548	109,851
Addition net	-	-	-	-	-
Disposal	-	-		-	-
Exchange adjustments	(3,152)	(1,883)	(16,423)	(1,305)	(22,763)
As at 31 Dec 2023	7,175	4,287	37,383	38,243	87,088
Addition net	-	-			-
Exchange adjustments	**(4,163)**	**(2,487)**	**(21,691)**	**(38,218)**	**(66,559)**
As at 30 Sep 2024	**3,012**	**1,800**	**15,692**	**25**	**20,529**

Shama and Shahama certificates which will mature at less than twelve months of the statement of financial position date and earn an average profit of 13.30% (2024: 13.30%) Shahama & 17.00 % (2023: 17.00 %) for Shama and all will mature in next year.

Other investments are carried at cost because the fair value cannot be determined with sufficient reliability due to the unpredictable nature of future cash flows and the absence of other reliable methods of valuation.

9 INVENTORIES	Notes	30-Sep-24 USD	31-Dec-23 USD
Modem, handsets and accessories		6,330,511	7,152,830
SIM & scratch cards and others		1,099,766	712,980
Spare parts and other materials		5,323,569	2,203,722
Transmission cables and materials		300,431	2,410,231
		13,054,277	12,479,763
Provision for slow moving and obsolete inventories		(298,197)	(423,320)
Provision for wartime lost inventory	9.1	-	(2,964,928)
		12,756,080	9,091,515

9.1 The management of the Group has been constantly monitoring the war situation in Sudan, including assessment related to existence and damages to the inventory of the Group in Sudan. Till the close of the year with respect to inventory, the management estimates the damages to the extent of USD 2.104 million. These damages are not currently classified in class of inventory since they are initial estimates. These estimates may increase or decrease in subsequent periods as more detailed and accurate evaluation and assessment is done

10 TRADE AND OTHER RECEIVABLES			
Trade debtors		136,328,507	140,273,073
Loss allowance		(28,100,075)	(25,156,527)
		108,228,432	115,116,546
Advances paid to suppliers		30,354,821	22,118,787
Prepaid Rent		93,077	317,361
Advances to staff under vehicle ownership scheme	10.1	902,263	3,786,322
Advances paid to staff loans and others		5,734,257	5,953,519
Security deposits		9,703	9,874
Related party receivables		4,698,255	4,434,818
		150,020,808	151,737,227

10.1 This represents advances given to qualifying employees of the Group under vehicle ownership scheme. The employees are given advance to procure vehicles which could be transferred in their name after successful completion of two years of qualifying service. 40% cost of the vehicle is borne by the Company and 60% by employee which is deducted from monthly pay of the employee over 2 years period.

11 TERM DEPOSITS

These represent deposits placed with Sudanese Banks according to commercial rates. These deposits are subject to collateral against a guarantee given to a vendor.

	30-Sep-24 USD	31-Dec-23 USD
Opening balance	96,845	33,133
Addition	493	73,825
Exchange adjustment	(42,639)	(10,113)
Closing balance	54,699	96,845

12 CASH AND BANK BALANCES			
Cash on hand		397,439	514,079
Local current account	12.1	22,164,145	54,719,122
Foreign current account	12.2	15,347,781	34,144,710
		37,909,365	89,377,911

12.1 Subsequent to the quarter end due to civil unrest in Republic of Sudan, the access to funds in Sudani banks is limited, except for balances in Bank of Khartoum.

12.2 These are non-interest bearing, maintained with different banks that are denominated in foreign currency.

13 SHARE CAPITAL AND RESERVES	Notes	30-Sep-24 USD	31-Dec-23 USD
13.1 *Share Capital*			
Number of authorised (Ordinary shares of USD 1 each)	QTY	**2,500,000,000**	2,500,000,000
Issued and fully paid up (Ordinary shares of USD 1 each)		**1,322,562,930**	1,322,562,930

During the annual general meeting held in 2021 it was resolved to issue 1 ordinary shares for every 100 shares held as bonus (2020: 4 ordinary shares for every 100 shares held as bonus)

13.2 ***General reserve***

In accordance with Article 82 of the memorandum of incorporation of the Group, the Board of Directors are authorized to appropriate an amount from the Group's profit to the general reserve as deemed adequate which can be utilized to fulfil any of the Group's needs or to finance its investments.

13.3 ***Foreign currency translation reserve***

The foreign currency translation reserve is principally used to record exchange differences arising from the translation of the Parent and its subsidaries financial statements under their functional currency into the presentation currency "US Dollars", in addition to the exchange differences arising from the retranslation of balances relating to foreign operations.

Revaluation reserve

The properties revaluation reserve arises on the revaluation of land & buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the properties revaluation reserve will not be reclassified subsequently to profit or loss.

Investment revaluation reserve

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

14 LOANS AND BORROWINGS		30-Sep-24 USD	31-Dec-23 USD
Vendor finance		**7,219,696**	8,281,976
Bank finance	14.1	**194,622,827**	199,563,215
		201,842,523	207,845,191
Current			
Current portion of loans and borrowings		**13,886,317**	12,564,126
Non-current			
Non-current portion of loans and borrowings		**187,956,206**	195,281,065
		201,842,523	207,845,191

Loans are secured against charge on Company's network equipment, land & buildings and letter of guarantees. During the year 2017 the

15 TRADE PAYABLES AND ACCRUALS			
Trade creditors		**111,892,344**	142,398,560
Accrued expenses	15.1	**11,573,141**	8,379,522
Spectrum license fees payable		**57,845,854**	87,750,000
Provision for regulatory fees		**37,288,700**	33,570,260
Unclaimed dividends		**55,388,942**	61,137,658
Dealer commission payable		**2,736,635**	3,953,014
Postpaid subscriber security deposit		**1,932,228**	3,780,475
VAT payable		**10,356,732**	1,440,476
Provision for employee bonus		**4,156,887**	4,279,331
Related party payables		**408**	972
Other liabilities		**50,287,761**	8,636,537
		343,459,632	355,326,805
Less: Non current portion		**(33,699,991)**	(47,655,475)
		309,759,641	307,671,330

15.1 This relates to cost of acquisition of additional spectruct by the Group's Sudan operations. The $97.5m cost of the spectrum is to be paid over a period of 7 years. The amounts represents 90% of the cost due to be paid in subsequent years

16 DEFERRED REVENUE	Notes	30-Sep-24 USD	31-Dec-23 USD
Deferred revenue - leased capacity	16.1	8,841,454	16,673,307
Deferred revenue - subscribers		8,767,454	26,235,343
		17,608,908	42,908,650
Less: Non current portion - leased capacity		(7,554,472)	(8,000,665)
		10,054,436	34,907,985

16.1 This represent broadband capacity leased to a local telecom operator. Full consideration has been received in advance. The terms of the agreement range from 2 years to 15 years.

17 FINANCE COSTS PAYABLE	30-Sep-24 USD	31-Dec-23 USD
Opening balance	70,214,442	53,925,437
Charge for the period	13,006,231	13,115,557
Paid during the period	(350,324)	(1,228,517)
Exchange adjustment	(274,916)	4,401,965
Closing balance	82,595,433	70,214,442

18 ZAKAT PAYABLE		
Opening balance	8,443,881	7,599,689
Charge for the period	2,148,417	6,821,425
Payments/Adjustment	1,570,650	(2,670,036)
Exchange adjustment	(7,067,316)	(3,307,197)
Closing balance	5,095,632	8,443,881

19 TAXATION PAYABLE		
Opening balance	23,409,305	23,860,193
Charge for the period	24,675,748	30,147,457
Payments	(5,046,493)	(20,770,849)
Exchange adjustment	(25,467,861)	(9,827,496)
Closing balance	17,570,699	23,409,305

Status of tax assessments

Tax returns are duly filed by each of the operational entity of the Group after completion of each year's audit. Tax assessments are performed by related tax authorities in each operational entity, based assessments if any adjustments are required these are recorded in the year adjustments are identified.

20 EMPLOYEES' END OF SERVICE BENEFITS	Unaudited Sep-24 USD	Audited Dec-23 USD
Opening balance	4,781,247	2,580,627
Employee end of service charge for the period	26,364	310,206
Payments	(16,411)	(105,950)
Exchange adjustment	(1,750,407)	1,996,364
Closing balance	3,040,793	4,781,247
Current portion	255,128	255,128
Non-current portion	2,785,665	4,526,119
	3,040,793	4,781,247

21 PROFIT FROM INVESTMENTS AND DEPOSITS	Notes	30-Sep-24 USD	30-Sep-23 USD
Fixed deposits		72,729	176,385
Investment funds		734	1,774
Related party dividend income		-	800,902
		73,463	979,061

22 OTHER OPERATING LOSS		
Exchange gain/(loss)	(74,715,775)	(8,087,977)
Training fee income	-	142,747
Miscellaneous income	(123,079)	308,232
	(80,680,837)	(30,567,108)

OPERATING EXPENSES	30-Sep-24 USD	30-Sep-23 USD
Cost of interconnection	12,320,551	15,722,332
Cost of traffic transmission	1,951	78,742
Network operating cost	38,838,905	42,883,258
Commission expense	13,117,199	24,185,853
Depreciation	32,747,334	48,875,808
Amortization	13,734,852	21,628,389
Regulatory and other fees	13,252,692	18,180,239
Bandwidth rentals	7,582,033	8,339,320
Cost of devices and accessories	3,503,958	3,810,201
Network security expense	2,570,730	1,930,330
Cell site rentals	2,595,796	2,950,913
Misc. operating expenses	54,402	12,106
	140,320,403	188,597,491

		30-Sep-24 USD	30-Sep-23 USD
23	**MARKETING AND SELLING EXPENSES**		
	Marketing & advertisement	**3,828,735**	3,696,197
	Business promotion	**1,282,886**	2,283,463
	Sales & distribution	**113,763**	934,029
		5,225,384	6,913,689
24	**GENERAL AND ADMINISTRATIVE EXPENSES**		
	Salaries & wages	**24,804,766**	37,966,764
	Depreciation of property, plant and equipment	**1,423,241**	3,933,668
5	Amortization	**235,631**	1,174,605
6	Repairs, maintenance & utilities	**649,006**	851,515
	Corporate social responsibility	**389,925**	267,530
	Traveling and transport	**1,526,683**	1,323,079
	Rental expense	**1,090,303**	537,999
	Consumables & stationary	**274,722**	755,770
	Legal and other consultancy charges	**1,560,741**	1,526,815
	Audit expense	**356,870**	372,355
	Business premises security	**504,076**	465,613
	Entertainment expenses	**684,007**	219,905
	Insurance fee	**197,592**	222,868
	Training expenses	**141,674**	193,537
	Bank charges	**205,787**	218,090
	Other administrative expenses	**1,336,627**	1,245,905
		35,381,651	51,276,018

25 DISCONTINUED OPERATIONS

The operations of Intercel Plus Guinee S.A in Guinea-Conakry which have been prepared on breakup value basis. During 2018, the operations of Intercel Plus Guinee S.A. were discontinued as per instructions of Ministry of Communication of Guinea-Conakry dated October 19, 2018. Further, during February 2019, the local court also appointed administrator for the liquidation of the Intercel Plus Guinee S.A.. The liquidation is still on-going until the end of the current financial year

25.1 The major classes of assets and liabilities of Operation in Guinea at the date of disposal are as follow:

	Sep-24	Dec-23
ASSETS	**USD**	USD
Property, plant and equipment	**4,684,219**	4,738,909
Intangible assets	**1,234**	1,248
Other financial assets	**388,353**	392,887
Trade and other receivables	**1,585,133**	1,603,640
Cash and bank balances	**20,280**	20,517
Assets classified as held for sale	**6,679,219**	6,757,201
Liabilities		
Loans and borrowings	**33,609**	34,001
Accounts payable and accruals	**18,897,748**	19,118,385
Liabilities directly associated with assets classified as held for sale	**18,931,357**	19,152,386
Net assets directly associated with disposal group	**(12,252,138)**	(12,395,185)
Non-controlling interests	**(22,542,893)**	(22,806,088)
Share of equity attributable to Parent	**10,290,755**	10,410,903
Included in other comprehensive income to be classfied as profit or loss on disposal		
Foreign exchange translation reserve	**10,577,855**	(9,700,138)

During the year there has been no change in the status, assets and liabilities of the discontinued operation, except for impact related to exchange difference.

26 SEGMENT INFORMATION *(Continued)*

According to geographical location:

The Group has divided its main operations into domestic and international operations.

The following table shows the information according to Group operations for :

2024	Domestic	Foreign					
	Sudan	Senegal	Mauritania	Guinea Conakry	UAE	Foreign Sub Total	STG Group Total
Operating revenue 30 Sep 2024	**USD 194,001,888**	**USD 48,714,385**	**USD 30,779,860**	**USD -**	**USD 8,587,490**	**88,081,735**	**USD 282,083,623**
Profit / (loss) after zakat and tax 30 Sep 2024	**(8,985,694)**	**(3,024,333)**	**(6,053,755)**	**-**	**(1,822,449)**	**(10,900,537)**	**(19,886,231)**
Total assets 30 Sep 2024	**394,150,501**	**200,793,308**	**139,396,902**	**6,679,218**	**31,713,340**	**378,582,769**	**772,733,270**

The following table shows the information according to Group operations for :

2023	Domestic	Foreign					
	Sudan	Senegal	Mauritania	Guinea Conakry	UAE	Foreign Sub Total	STG Group Total
Operating revenue 30 Sep 2023	USD 222,643,225	USD 47,699,436	USD 41,858,972	USD	USD 7,575,373	97,133,780	USD 319,777,005
Profit / (loss) after zakat and tax 30 Sep 2023	6,020,841	(6,511,425)	72,418		(2,950,337)	(9,389,345)	(3,368,504)
Total assets 31 Dec 2023	699,115,960	227,724,797	138,576,306	6,757,200	28,716,941	401,775,244	1,100,891,204

27 COMMITMENTS AND CONTINGENCIES

Commitments:

Capital expenditure
Estimated capital expenditure contracted at the balance sheet date amounted to USD 84.88million (2023: USD 134.99 million).

Letters of credit
The commitments on outstanding letters of credit are USD 22.25 million (2023: USD 58.6 million)

Letters of guarantee
The commitments on outstanding letters of guarantee were USD 0 million (2023: 0.01 million)

Contingencies:
The Group has committed to provide the necessary financial support to its joint ventures and subsidiaries to enable them to continue their operations and to meet their obligations as they fall due. Further, the Group has committed not to demand any payment on its loan to the subsidiaries within the next 12 months.

There were no other significant contingencies or commitments to report as at 30 Sep 2024

28 RELATED PARTY TRANSACTIONS / BALANCES

Related parties represent major shareholders, directors, associates and key management personal of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's Board of Directors.

The related party balances included in the consolidated statement of financial position are as follows:

	Relationship with the Group	30-Sep-24 USD	31-Dec-23 USD
Related party receivable			
Ahmed Baba EMR	Minority interest	**3,995,055**	3,995,055
Sudasat Company	Joint Venture	**184,595**	439,763
		4,693,916	4,434,818
Related party payable			
Al Gadida Asima Services Company Limited	Associated Company	**(408)**	(972)
		(408)	(972)

In the normal course of business, the Group provides telecom services to certain Government organizations at the normal commercial terms. Similarly, the Group receives services such as electricity and other infrastructure support from certain Government organizations at normal commercial terms. However, in the management's view, these services are not material in the overall context of these consolidated financial statements.

The expenses incurred by the Group in respect of key management personnel are set out below:

	30-Sep-24 USD	30-Sep-23 USD
Short term employee benefits	**996,582**	1,336,502
Post-employment benefits	**331,863**	445,170
	1,328,445	1,781,672