

21 JUNE 2026

Management Report on the Consolidated Financial Statements for period ending 31 MAR 2026.

Summary

The STG Group performance continues to be supported by the strong recovery in Sudan. The West African entities are in turnaround mode with direct management intervention and additional investment to improve the network. There is some stability in Sudan despite having the regions of Darfur and most of Kordofan out of service. The Group achieved revenues of \$140.3m representing growth of 42.7% from Q1/2025 revenue of \$98.3m.

The Group has carried out a revaluation of the non-current assets of Sudan operations in view of the high inflation economy. The previous revaluation was done in 2022. This has therefore impacted the cost of depreciation and amortization as from 1 January 2026 and will continue to put a burden on Net Income. The pressure on other local costs, including imported fuel and recovery of damaged assets, has increased the operating expenses. This is reflected in lower operating profit of \$24.2m, compared with \$35.8m in Q1/2025, and Net Income at \$5.7m compared with \$22.3m in Q1/2025.

While some recovery of damaged sites and buildings continues in the Khartoum area, the rise in the exchange rate and inflation remains the chief economic risk to the business.

The operations in Senegal and Mauritania are still challenging driven by complex factors ranging from regulatory shortcomings and competitive intensity. Management has been strengthened and additional targeted investment has been directed towards these entities to improve performance. These are beginning to show some results with the daily revenue and daily customer acquisitions increasing in the last weeks of the quarter.

Operations review by region:

Sudan (Sudani):

- **Sudani** continues in its emergency mode operations. The recovery of damaged sites go hand in hand with network expansions and other infrastructure projects in secured regions including Khartoum.
- The operations team has recovered and installed another 239 sites in this quarter.
- The exchange rate at the close of the year was 3,600 SDG/USD by the end of this quarter dropped slightly to 3581SDG/USD. The average rate was 3595SDG/USD.
- Revenue grew by 52% to reach \$111.2m compared with revenue of \$72.5m in the previous year.
- Net Income reached \$16.8m compared with \$29.5m last year with the increase in depreciation and amortisation reducing the NI.

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Senegal (Expresso Senegal)

- The management is pressing the government and the regulator to review the highly distorted environment that is still restricting the market to grow effectively and allowing one mobile network operator to exercise significant market power. This is destroying market value and reducing the tax revenues for the government.
- As a result, the revenues at \$13.0m have declined about 10% compared with \$14.3m in Q1/2025.
- Net Loss of \$4.1m worsened from \$2.4m in Q1/2025.

Mauritania (Chinguitel)

- Various actions have been undertaken as part of the turnaround plan that are now beginning to show some results.
- Additional direct investment has been provided for site upgrades for both quality of service (QoS) and long-term maintenance, as well as improving financial performance.
- The government continues to push for infrastructure investment (including introduction of 5G technology) as well as QoS improvements. [Chinguitel has been awarded the first 5G licence].
- The revenue this quarter was \$12.6m, growth by 12% compared with prior year's revenue of \$10.2m.
- Net Loss remains at \$3.8m, worse than \$1.9m in Q1/2025. The continuous review of prior year accounting adjustments has impacted NI based on auditor recommendations.

Group EPS:

The earnings per share for Q1/2026 reached \$0.0043 compared with \$0.0162 for the year Q1/2025.

Group total assets:

The non-current asset revaluation has been undertaken, resulting in a substantial increase in the total non-current assets to \$1,208.9m as at 31Mar2026 from the previous value of \$522.7m at 31Mar2025.

Capital expenditure:

The capital expenditure across the group was \$40.2m, including licenses and additional frequency spectrum as well as telecommunications equipment.

Customers:

The total customer base across the Group was about 10.3 million as at 31Mar2026

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Financial results with comparatives:

Balance Sheet extract-31-MAR-2026

	31 MAR 2026	31 December 2025
Total Non-Current Assets	1,208,922,793	1,209,410,769
Total Current Assets	225,633,285	186,996,433
Total Current Liabilities	395,744,411	378,656,383
Total Non-Current Liabilities	260,075,562	251,724,678
Total Shareholders' Equity	778,736,105	766,026,141

Income Statement

	31 MAR 2026	31 MAR 2025
Total Operating Revenue	140,336,478	98,283,061
Net Operating Profit	24,235,233	35,824,321
Net Income	5,733,928	22,347,766
Earnings per share	0.0043	0.0162

Note: The Group has entered into a joint venture with Africa Gulf Bank for fintech business in Sudan under the brand SAH in compliance with the Central Bank of Sudan guidelines. This was launched officially in April 2026 and a full update will be provided in the Q2 report.



Balbinder Ranbir Singh
Group Chief Financial Officer (CFO)

