SUDATEL TELECOMMUNICATIONS GROUP CO. LTD

Management Report on the Consolidated Financial Statements

for period ending 30 September2026.

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Summary

The STG Group performance continues to be supported by the momentum of recovery in Sudan, although now being hampered by the exchange rate as the SDG depreciates further and at a faster rate than previously expected. The technical and operations teams continue to recover many network sites to enable revenue generation.
The West African entities whilst in the turnaround mode are showing some improvements with additional investment being injected to improve the networks. The Senegal authorities have agreed to renew the licenses for the operations of Expresso Senegal with 2/3/4G technologies. In addition, Expresso Senegal has been awarded the 5G license and associated spectrum.

The STG/Africa Gulf Bank (AGB) fintech venture under the brand name of SAH in Sudan has reached a wallet base of more than 1.2million as at 30 Sep2026. This is a contributor to support the digitalization of the Sudanese economy. The activity rate of transactions is increasing steadily as adoption progresses. More enterprises are now seeing the advantage of dealing with SAH and have injected funds into their wallets.

The Group achieved revenues of $160.6m for Q3/2026, about 8.0% higher than $148.7m in Q2/2026 but representing growth of 27.9% from Q3/2025 revenue of $125.6m. The USD exchange rate affecting the translation from the dynamic growth in SDG revenue in Sudan operations.
For the nine months of 2026 (YTD Sep/2026), the revenue reached $414.6m representing an increase of 26.4% from $327.9m for YTD Sep/2025.

The revaluation of the non-current assets of Sudan operations has impacted the level of depreciation and amortization as from 1 January 2026. This is flowing through to reduce the Net Income. While the government tried to provide some mitigation against the cost of imported fuel by setting a special exchange rate for key sectors such as agriculture and pharmaceutical, but this was only for a short period in July/August. The high cost of fuel leads to increased network operating costs as well as related support costs as local suppliers also increase their prices. The combined effect of the exchange rate on the translation from SDG revenue squeezes the margins.
The Group in Q3/2026 produced operating profit of $21.0m compared with $50.6m in Q3/2025; substantially reducing the margins, despite the increase in revenue of more than $35m in Q3/2026 compared with Q3/2025.

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For YTD Sep/2026 the operating profit reached $62.3m compared with same period last year of $112.7m. Net Income reached $14.2m compared with $71.1m same period of 2025. The EBITDA for YTD Sep2026 was $189.5m compared with $180.8m last year.

The exchange rate and inflation remain the chief economic risks to the business. The exchange rate of SDG against the USD moved from 31Dec 2025 as follows:

	Q4/2025	Q1/2026	Q2/2026	Q3/2026
Average rate:	2996	3595	5828	8189
Closing rate:	3600	3581	3955	4458

Senegal: The government has started some reformative actions within the telecommunication regulatory environment, and it is expected that there will be some intervention in the market pricing behavior of the dominant mobile telecom operator, the interconnect regime and re-implementing national roaming. The local sales teams continue with the acquisition of new customers to improve the revenue generation base. The formal notification of the 5G licence award is expected shortly.

Mauritania: The 5G technology has been implemented and the sales of devices for SME are being sold although take up in Nouakchott is not as fast as expected. The existing network enhancements are underway with swap out of old equipment. These are beginning to show some results with the daily customer acquisitions increasing and the daily revenue follows.

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 46 physical sites in this quarter. The total active sites now represent 92% from 87% at end of June 2026 across all technologies.
- Revenue for Q3 reached $105.9m compared with Q3/2025 of $83.7m – dramatic 80% growth. For the YTD Sep 2026 the revenue was $326.8m compared with last year of $245.3m, an increase of more than 33%.
- Net Income was $6.3m for Q3/2026 compared with $35.9m for Q3/2025. YTD Sep 2026 the Net Income reached $40.2m compared with $87.2m for YTDSep2025.
- Note that the Sudani revenue in local currency more than doubled to SDG 1,456.8 billion from SDG 674.5billion.

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 still limiting the market to grow and as such reducing the tax revenues for the government.

- The network is being enhanced with upgrades to existing sites to improve capacity and to improve coverage especially in the southern part of the country. Both will support the revenue growth.
- Support from local banks has been concluded to provide external financing to support this investment required for the next 2 years.
- The revenue reached $13.5m in Q3, the second consecutive quarterly increase. The total for YTD Sep/2026. This growth is expected to continue into Q4 consistent with seasonality.
- The active customer base has risen to 770,000 with a substantial increase in the additions in this quarter.
- Net Loss of $3.2m for Q3 reflecting the ongoing constraint on pricing limiting the growth in the revenue. For YTD the loss is about $11.7m. However, there are actions in hand with respect various accounting issues including the revision of useful economic lives of the telecommunications assets that will improve the depreciation and amortisation by the end of the year 2026.

Mauritania (**Chinguitel**)

- The turnaround plan includes many actions, and they are beginning to show some results, including the introduction of the 5G technologies.
- 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 active customers exceeded 906,000 at end of September 2026.
- The revenue in Q3 reached $13.4m and for YTD Sep/2026 the revenue reached $38.4m, representing growth of 20.7%, compared with YTD Sep/2025 revenue of $31.8m.
- Net Loss at $4.6m for YTD Sep/2026 showing an improvement from the YTD Sep/2025 of $6.0m.
- The review of prior years' accounting adjustments continues and further impact on NI is expected for the full year outcome.

Group EPS:

The earnings per share for YTD Sep/2026 reached $0.0104 compared with $0.0512 for YTD Sep/2025. It is expected that the performance in Q4 will improve the full year result of 2026.

Group total assets:

The non-current asset revaluation has been undertaken, resulting in a substantial increase in the total non-current assets to $703.6m from $518.3m last year at end Septmebr2025. And a reduction from the 31Dec2025 position of $1209.4m. This reflects the large difference in exchange rate of SDG and USD as at the closing of each period.

Capital expenditure:

The capital expenditure across the group was equivalent to $83.1m, including licenses and additional frequency spectrum as well as telecommunications equipment.

Customers:
The total customer base across the Group has grown to about 11.4m as at 30Sep2026 following the targeted sales campaigns in Senegal and Mauritania. This excludes the customer base of SAH at 1.2m.

Financial results with comparatives:

Balance Sheet extract 30 September 2026

	30 September 2026	31 December 2025
Total Non-Current Assets	703,653,168	1,209,410,769
Total Current Assets	175,756,066	186,996,433
Total Current Liabilities	366,300,006	378,656,383
Total Non-Current Liabilities	240,733,007	251,724,678
Total Shareholders' Equity	272,376,222	766,026,141

Operating Income extract 30 September 2026

	30 September 2026	30 September 2025
Total Operating Revenue	414,608,715	327,921,480
Net Operating Profit	62,260,494	112,730,712
Net Income	14,182,884	71,082,323
Earnings per share	0.0104	0.0512

Balbinder Ranbir Singh
Group CFO

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