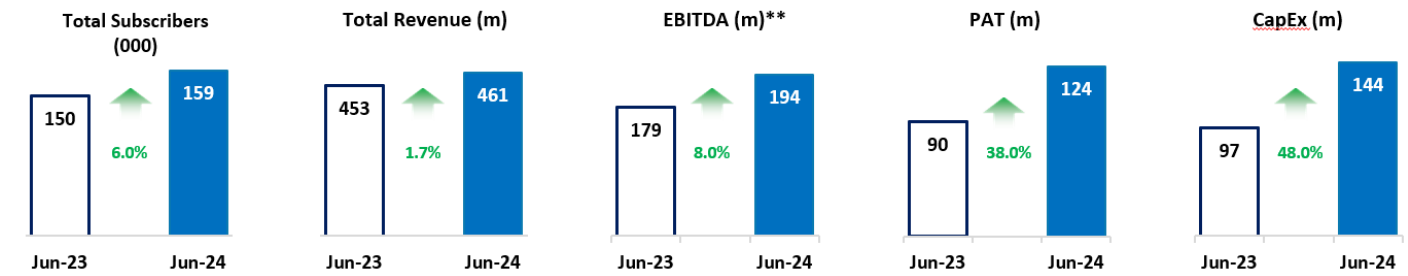


CABLE & WIRELESS (SEYCHELLES) LIMITED

CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS



** EBITDA is profit after tax plus income tax, interest, and depreciation and amortization expenses minus other income (expense) – net.

DIRECTORS STATEMENT ON INTERIM RESULTS

INTRODUCTION

The global telecommunications industry is undergoing a profound transformation due to consumers, businesses, and governments' mass adoption of connected digital technologies and applications. We have continued to evolve our business model to keep pace with such industry trends while enhancing our leadership position in the marketplace. Our innovative products, laser focus on customer experience, strong team, culture of excellence in execution, and robust infrastructure base are the anchors on which this business model has been developed.

Despite the transient nature of the current operating environment, our steadfast focus on delivering sustainable value has allowed us to maintain strong key operating metrics during the first half of the current financial year.

MACROECONOMIC CONDITIONS

With the authorities maintaining a cautious and balanced view in this changeable macro economy, we still expect increasing volatility in global macro and political factors (election jitters remain in many countries and high geopolitical tensions in the Middle East). However, we remain optimistic and confident in our ability to navigate these challenges.

During the review period, the economy continued to demonstrate resilience despite a slow start to the year due to the effects of the December Disasters, which hampered strong growth in the manufacturing sector. Tourism sector performance stagnated year over year as well due to some economic weakness and international sporting events in source markets.

With deflationary trends reversing and inflation standing at 0.6% by mid-year, a marginal increase in prices is expected in the medium term, which will partially affect consumers' disposable income. Notwithstanding these external conditions, the business continues to use its robust investment, innovations, and strong product offerings to stabilise performance. We remain encouraged about the prospects of positive economic growth and abundant opportunities.

OPERATIONS REVIEW

Our commitment remains that of meeting and addressing our customers' communication, connectivity, and entertainment needs using the latest technologies. We are dedicated to ensuring that we remain the preferred quality provider of ICT services, always putting our customers first.

a. Infrastructure Modernisation Program

Our infrastructure modernisation journey continues, underscored by our SCR1.1 billion capital assets expansion program, which focuses on network consolidation, densification, and expansion and ultimately presents growth opportunities for the Company. Our network modernisation program supports further expansion of our existing fibre assets and 2G, 3G, 4G/LTE, and 5G capability while laying a solid foundation for advanced technologies such as cloud services, AI, ML, and the Internet of Things.

During the period under review, we further invested in our radio access network to reduce congestion and improve coverage and call completion rates and quality. Similarly, as part of our digitalisation thrust, the business migrated and updated the CRM and Billing platform to a more reliable and scalable platform, with the updated system handling customers and billing information efficiently.

These new capabilities and platforms are creating a simplified architecture that will reduce capital expenditure and generate operating expenditure efficiencies.

b. Customer Experience Journey

We confidently deliver on our service excellence promise through teams of well-coordinated, talented, and highly motivated individuals. From our technical experts who diligently build and maintain networks to our customer service staff who adeptly interact with our customers, we firmly believe that we have assembled exceptionally strong and capable teams.

During the first half of the year, we continued to emphasise the customer's experience journey and convenience in all we do.

c. Stakeholders Review

In our continued efforts to demonstrate our commitment to the country's economic development and contribution to wealth-creation for all, the business continues to approach policymakers and regulatory bodies for dialogue on interventions that are required to protect and enhance the sector's and Company's contribution to the broader economy. All other things being equal, the sector's capacity to boost economic growth exists, as evidenced by our significant contributions to fiscal revenues in various taxes and levies to the Government and the country's GDP.

FINANCIAL REVIEW

Revenue for the half year ended 30 June 2024 increased by 1.7% from SCR453.1 million to SCR 460.6 million, compared to 30 June 2023. Our broadband and IPTV segments continue to deliver durable and profitable customer growth with increasing revenues. As we execute our 2024 plans and seek to diversify our revenue streams, broadband and IPTV revenues now constitute over 50 % of total revenues.

The business continued to pursue cost containment measures to maintain viability and conserve cash to support investment opportunities and core operations effectively. Other Income (expenses) was extraordinarily high due to the effects of one-off gains on the sale of an investment property. EBITDA for the six months to June 2024 totalled SCR 194.1 million, an increase of 8% year over year.

Depreciation and amortisation costs increased by SCR 9.6 million, or 19%, compared to the same period in prior year, in line with the growth of our asset base, demonstrating our continued commitment to the future. With capital expenditures expected to remain optimally high, the operating profit is expected to be adversely impacted in the short term due to high depreciation and amortisation costs.

OUTLOOK

The Company continues to lead in converged connectivity as customers increasingly seek one provider who can seamlessly connect them in their homes, at work, and on the go. This strategy is proving to be successful so far. Together with a disciplined approach, it has balanced growth and profitability, thus providing us with confidence regarding our 2024 financial targets.

The Company will continue modernising its infrastructure to unlock more opportunities presented by emerging technologies to broaden and diversify our product and service offerings.

APPRECIATION

The Board would like to take this opportunity to thank all our staff, customers, shareholders, regulators and strategic partners for the support given to the Company during the past half year.

By order of the Board of Directors.

Seychelles

Company Secretary

ACM Corporation

30 September 2024

	Group		Company	
	Jun-24 SCR'000	Jun-23 SCR'000	Jun-24 SCR'000	Jun-23 SCR'000
Revenue from contract with customers	460,629	453,122	460,629	453,122
Cost of operations	(239,731)	(234,598)	(239,731)	(234,598)
Gross profit	220,898	218,524	220,898	218,524
Selling and distribution expenses	(9,294)	(10,867)	(9,294)	(10,867)
Net impairment losses on financial assets	(6,909)	(6,690)	(6,909)	(6,690)
Administrative expenses	(71,910)	(73,640)	(71,910)	(73,622)
Other income/(expense) - net	42,959	132	42,959	765
Operating profit	175,744	127,459	175,744	128,110
Finance income	6,279	5,196	6,279	5,196
Finance cost	(19,608)	(23,633)	(19,608)	(23,633)
Finance (cost)/income – net	(13,329)	(18,437)	(13,329)	(18,437)
Share of net profit of associate accounted for using the equity method	588	5,785	-	-
Profit before tax	163,003	114,807	162,415	109,673
Income tax expense	(38,687)	(19,750)	(38,687)	(19,750)
Profit for the period	124,316	95,057	123,728	89,923
Earnings per share for profit attributable to the ordinary equity holders of the company:				
	SCR	SCR	SCR	SCR
Basic earnings per share	20.7	15.8	20.6	15.0
Diluted earnings per share	20.7	15.8	20.6	15.0
Reconciliations of earnings used in calculating earnings per share				
Profit attributable to the ordinary equity holders of the company	124,316	95,057	123,728	89,923
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and diluted earnings per share	6,000,000	6,000,000	6,000,000	6,000,000

	Group		Company	
	Jun-24 SCR'000	Jun-23 SCR'000	Jun-24 SCR'000	Jun-23 SCR'000
Profit for the period	124,316	95,057	123,728	89,923
Other comprehensive income:				
<i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translation of foreign associate	(800)	(6,499)	-	-
Other comprehensive income for the year, net of tax	(800)	(6,499)	-	-
Total comprehensive income for the period	123,516	88,558	123,728	89,923

	Group		Company	
	Jun-24 SCR'000	Dec-23 SCR'000	Jun-24 SCR'000	Dec-23 SCR'000
ASSETS				
Non current assets				
Property, plant and equipment	410,533	393,552	410,533	393,552
Intangible assets	871,458	849,591	871,458	849,591
Right-of-use assets	24,507	16,249	24,507	16,249
Investment properties	41,750	41,750	41,750	41,750
Investment in subsidiary	-	-	16,010	16,010
Investment in associate	92,483	92,695	72,816	72,816
	1,440,731	1,393,837	1,437,074	1,389,968
Current assets				
Inventories	28,523	37,519	28,523	37,519
Trade and other receivables	143,262	120,053	143,262	120,053
Amount receivable from related parties	131,177	133,885	103,284	105,992
Restricted cash	18,059	17,542	18,059	17,542
Cash at bank and in hand	98,127	189,318	98,034	189,225
	419,148	498,317	391,162	470,331
Asset held for sale	-	1,873	-	1,873
	419,148	500,190	391,162	472,204
Total assets	1,859,879	1,894,027	1,828,236	1,862,172
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	150,000	150,000	150,000	150,000
Share Premium	307,318	307,318	307,318	307,318
Other reserves	(12,460)	(11,660)	-	-
Amalgamation reserves	(1,208,810)	(1,208,810)	(1,208,810)	(1,208,810)
Retained earnings	1,646,700	1,652,404	1,602,716	1,609,008
	882,748	889,252	851,224	857,516
LIABILITIES				
Non current liabilities				
Lease liabilities	20,802	16,098	20,802	16,098
Deferred tax liabilities	123,136	114,085	123,136	114,085
Post-employment benefits obligations	12,320	12,843	12,320	12,843
Provision (Non-current)	5,935	5,748	5,935	5,748
Interest bearing borrowings	356,411	363,933	356,411	363,933
	518,604	512,707	518,604	512,707
Current liabilities				
Trade and other payables	269,038	265,062	268,919	264,943
Contract liability	14,830	14,602	14,830	14,602
Provision	35,383	46,924	35,383	46,924
Current tax liabilities	10,090	15,478	10,090	15,478
Lease liabilities	6,607	2,963	6,607	2,963
Interest bearing borrowings	122,579	147,039	122,579	147,039
	458,527	492,068	458,408	491,949
Total liabilities	977,131	1,004,775	977,012	1,004,656
Total equity and liabilities	1,859,879	1,894,027	1,828,236	1,862,172

CABLE & WIRELESS (SEYCHELLES) LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR
FOR THE HALF YEAR ENDED 30 JUNE 2024

Group

	Share Capital SCR'000	Share Premium SCR'000	Amalgamation reserves SCR'000	Other reserves SCR'000	Retained earnings SCR'000	Total equity SCR'000
Balance as at 01 January 2023	150,000	307,318	(1,208,810)	-	1,598,672	847,180
Comprehensive income						
Profit for the year	-	-	-	-	171,239	171,239
Other comprehensive income	-	-	-	(3,062)	1,395	(1,667)
Transfer between reserves	-	-	-	(8,598)	8,598	-
Total comprehensive income	-	-	-	(11,660)	181,232	169,572
Transactions with owners:						
Dividend paid	-	-	-	-	(127,500)	(127,500)
Total transactions with owners	-	-	-	-	(127,500)	(127,500)
At 31 December 2023	150,000	307,318	(1,208,810)	(11,660)	1,652,404	889,252
Comprehensive income						
Profit for the period	-	-	-	-	124,316	124,316
Other comprehensive income	-	-	-	(800)	-	(800)
Total comprehensive income	-	-	-	(800)	124,316	123,516
Transactions with owners:						
Dividend paid	-	-	-	-	(130,020)	(130,020)
Total transactions with owners	-	-	-	-	(130,020)	(130,020)
Balance as at 30 June 2024	150,000	307,318	(1,208,810)	(12,460)	1,646,700	882,748

CABLE & WIRELESS (SEYCHELLES) LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR
FOR THE HALF YEAR ENDED 30 JUNE 2024 (CONTINUED)

Company

	Share Capital SCR'000	Share Premium SCR'000	Amalgamation reserves SCR'000	Other reserves SCR'000	Retained earnings SCR'000	Total equity SCR'000
Balance as at 01 January 2023	150,000	307,318	(1,208,810)	-	1,566,115	814,623
Comprehensive income						
Profit for the year	-	-	-	-	168,998	168,998
Other comprehensive income	-	-	-	-	1,395	1,395
Total comprehensive income	-	-	-	-	170,393	170,393
Transactions with owners:						
Dividend paid	-	-	-	-	(127,500)	(127,500)
Total transactions with owners	-	-	-	-	(127,500)	(127,500)
At 31 December 2023	150,000	307,318	(1,208,810)	-	1,609,008	857,516
Comprehensive income						
Profit for the period	-	-	-	-	123,728	123,728
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	123,728	123,728
Transactions with owners:						
Dividend paid	-	-	-	-	(130,020)	(130,020)
Total transactions with owners	-	-	-	-	(130,020)	(130,020)
Balance as at 30 June 2024	150,000	307,318	(1,208,810)	-	1,602,716	851,224

	Group		Company	
	Jun-24 SCR'000	Jun-23 SCR'000	Jun-24 SCR'000	Jun-23 SCR'000
<i>Cash flows from operating activities</i>				
Profit before taxation	163,003	114,807	162,415	109,673
<i>Adjustments for:</i>				
Depreciation	35,609	25,107	35,609	25,107
Amortisation	25,719	26,588	25,719	26,588
Interest and finance charges for lease liabilities	1,064	876	1,064	876
Interest and finance charges for borrowing	16,924	22,539	16,924	22,539
Interest and finance charges on asset retirement obligation	187	-	187	-
Share of loss / (profit) of associate	(588)	(5,785)	-	-
Profit on disposal of investment property	44,488	(2,055)	44,488	(2,055)
Profit on disposal of Property, plant and equipment	150	-	150	-
Increase/(decrease) in post-employment benefits expense	(710)	999	(710)	999
Provision for Inventory	500	(1,500)	500	(1,500)
Provision for doubtful debts	6,909	6,690	6,909	6,690
Unrealised foreign exchange (gain)/loss	246	(34,168)	246	(34,168)
Taxation paid	(35,024)	(27,449)	(35,024)	(27,449)
Finance cost paid	(16,935)	(27,988)	(16,935)	(27,988)
Cash generated from operations before changes in working capital	241,542	98,661	241,542	99,312
Changes in working capital:				
(Increase)/decrease in inventories	8,496	(14,976)	8,496	(14,976)
Decrease/(increase) in trade and other receivables	(51,579)	40,707	(51,579)	40,018
Decrease in trade and other payables	9,754	27,855	9,754	27,893
Decrease in amount receivable from related party	7,000	-	7,000	-
Decrease in contract liability	228	(1,962)	228	(1,962)
Decrease in provision	(11,354)	(6,895)	(11,354)	(6,895)
Decrease in restricted cash	(517)	403	(517)	403
Net cash generated from operating activities	203,570	143,793	203,570	143,793
<i>Cash flows from investing activities</i>				
Payments for property, plant and equipment	(99,544)	(65,230)	(99,544)	(65,230)
Payment for the purchase of intangible assets	(44,443)	(32,157)	(44,443)	(32,157)
Proceeds from disposal of property, plant and equipment	150	-	150	-
Proceeds from sales of investment property	25,200	13,549	25,200	13,549
Investment in associate	(4,000)	(5,000)	(4,000)	(5,000)
Net cash used in investing activities	(122,637)	(88,838)	(122,637)	(88,838)
<i>Cash flows from financing activities</i>				
Dividends paid to company's shareholders	(130,020)	(127,500)	(130,020)	(127,500)
Loan repaid during the year	(33,906)	(63,533)	(33,906)	(63,533)
Lease payments	(4,117)	(3,362)	(4,117)	(3,362)
Interest paid	-	-	-	-
Net cash used in financing activities	(168,043)	(194,395)	(168,043)	(194,395)
Net decrease in cash and cash equivalents	(87,110)	(139,440)	(87,110)	(139,440)
Effects of exchange rate changes	(4,081)	2,037	(4,081)	2,037
Cash and cash equivalents at beginning of period	189,318	317,616	189,225	317,523
Cash and cash equivalents at end of period	98,127	180,213	98,034	180,120