EMTEL
Feel Free

SHAPING A SMARTER TOMORROW

A CURRIMJEE COMPANY

Integrated Report 2022

Shaping a smarter tomorrow

Emtel Limited ("Emtel") remains at the forefront of innovations by always keeping an eye on the future and humans at the heart of its endeavours. All the innovations it has introduced and developed over the years (from the first mobile telephony system in 1989 to 3G, 4G and now, 5G, to a new technology park) have made lives easier and smarter. It is not about innovating for the sake of innovating: it's about combining purpose and technology to deliver a better quality of life for all.

While the theme will certainly highlight Emtel's technological prowess, it will also showcase how these innovations are aimed at building a smarter future and society. By 'smart', we mean:

- technological advances, super fast speed, the ability to be connected to the world, paying for products or services at the click of a button, network coverage to reach the entire population in Mauritius, Rodrigues and Agalega. We aim to showcase Emtel's many groundbreaking ideas over the years, and how it continues to innovate at an accelerated pace.
- as our daily lives become more seamless and automated, society will be able to dedicate more time to creative pursuits and to social & environmental challenges. Emtel is committed to playing a key role as an incubator of digital innovations as a means to create economic, environmental and societal value.

For Emtel, shaping a smarter tomorrow means using technology to serve the interests of and eases lives of everyone, a future where businesses, society and humanity live and thrive side by side.

About this report

Introducing our Integrated Report

Welcome to Emtel Limited ("Emtel") first Integrated Report. In preparing this report, Emtel aims to demonstrate its commitment to the principles of integrated reporting and how our different activities deliver improved outcomes for all our stakeholders, while contributing to a more sustainable society. Our aim is to enable our stakeholders to make an informed assessment of our ability to create and protect value over the short, medium and long term.

Reporting boundary and scope

This Integrated Report presents material information about Emtel's governance, strategies, business model, operating context, risk management, financial performance and engagement with stakeholders for the financial year ended 31st December 2022.

Reporting principles

The content of this report has been prepared in accordance with the following frameworks:

- The International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework
- The International Financial Reporting Standards (IFRS)
- The Mauritius Companies Act 2001
- The Financial Reporting Act 2004

Materiality

Emtel considers information to be material if it is a matter of interest to our stakeholders and if it can substantively impact our business and our ability to create value over the short, medium and long term. The material themes for this Integrated Report were determined using the input provided by all stakeholders.

Reporting process driven by integrated thinking

Value creation does not happen in isolation. This report is the outcome of an Emtel integrated reporting framework, supported by the collaboration of all stakeholders. Embedding integrated thinking at Emtel shall be a continuous process, one that is integral to our strategies.

Forward-looking statements

This report contains forward-looking statements that reflect Emtel's expectations and judgment at the time of preparing this report. Actual results may differ materially from these expectations as several emerging risks and uncertainties could adversely affect our performance. Accordingly, readers are cautioned not to place undue reliance on them.

We welcome your feedback

We strive to improve our reporting practices and welcome any feedback one may have. We can be reached at emtel@emtel.com.

Who We Are
Governance and Leadership
Strategy Report
Financial Report
Supplementary Information

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Who we are

The value we created in 2022

Economic

MUR 3.2Bn
Turnover

MUR 593Mn
Profit before tax

MUR 532Mn
Dividends paid

MUR 6.75Bn
Total assets

MUR 600Mn
Transactions effected through blink

447TB
Daily average total data consumed on the network

154PB
Data consumed on the network

Social

41%
of our workforce is female, in a male-dominated industry

953hours
Spent on training and upskilling our staff

MUR 10Mn
Invested in social projects

37 NGOs / NPOs
benefitted from our social contribution

98.6%
4G land coverage around the territories

+4000
Merchants

Environmental

91%
Customers adopted e-bills over physical bills

4.4 tonnes
E-waste collected and sent for recycling

30 tonnes
Waste collected and sent for recycling

100%
Paper originating from sustainably managed forests

Our values

The five core values guide us in our day-to-day decisions and activities:

Foresight

The ability to see long-term and to manage the present while building for the future.

We envision a better future for everyone. We make a continuous effort to understand the needs and expectations of our customers and other stakeholders, and to turn them into reality thanks to careful analysis, timely actions and agile decision-making.

Integrity

Consciously aligning our decisions and behaviour with our values and moral principles.

We build honest, long-term relationships with all of our stakeholders by treating them fairly and with respect.

Responsibility

Being mindful of the wellbeing of others and ensuring that our decisions, actions and successes result in long-term, positive outcomes for all stakeholders.

We are deeply convinced that success is not solely defined in financial terms. Our impact on current and future stakeholders and on the environment is an equally important indicator of achievement.

Passion

Constantly striving for excellence, driven by a persistent and contagious enthusiasm for what we do.

We breathe life into our vision by being passionate about everything we do.

Openness

Being willing to offer and receive feedback; being receptive to others' ideas and views; and showing appreciation and respect for these views even when we do not agree with them.

We become stronger by being open and inclusive; by being actively curious about and willing to learn from others; and by always treating different cultures, beliefs and ideas with respect. For us, diversity is a source of strength.

Our purpose

Together building a better tomorrow through a value-driven culture.

Our vision

Shaping a smarter tomorrow through state of the art technological solutions and services.

Our mission

We strive to achieve customer service excellence and bring positive change in the society.

Emtel Today

34 Years
of providing ICT solutions to the region

90 Gbps
in all 3 submarine cables

405
talents who bring our vision to life each day

23
showrooms across Mauritius and Rodrigues

469
network sites

740K
customers

563 Km
of domestic optical fibre

About Emtel

The year was 1989. Emtel Limited, the very first mobile telephony company in the Southern Hemisphere, was born with one vision at heart: to connect Mauritius to the world, a world where mobile and other services are available, accessible and affordable. This historic milestone took place under the aegis of Currimjee Jeewanjee and Company Limited, Emtel's parent company and one of the leading conglomerates in Mauritius. Since then, Emtel has grown from a mobile telecommunications player into one of the most technologically advanced operators in Africa and a one-stop ICT solution provider. Through its telecommunications solutions, Emtel has played a key role in the economic development of the country. It offers a wide range of state-of-the-art solutions to individuals, homes and enterprises, through activities including international connectivity via undersea optical fibre, Tier-3 data centre services, Fintech, mobile and fixed telephony, high-speed Internet, local connectivity and cybersecurity solutions amongst many others.

Emtel is committed to playing a key role in building a smarter future for Mauritius, Rodrigues and Agalega, a future where positive economic, environmental and societal outcomes are powered by technology.

Sub brands

Airbox5G by EMTEL

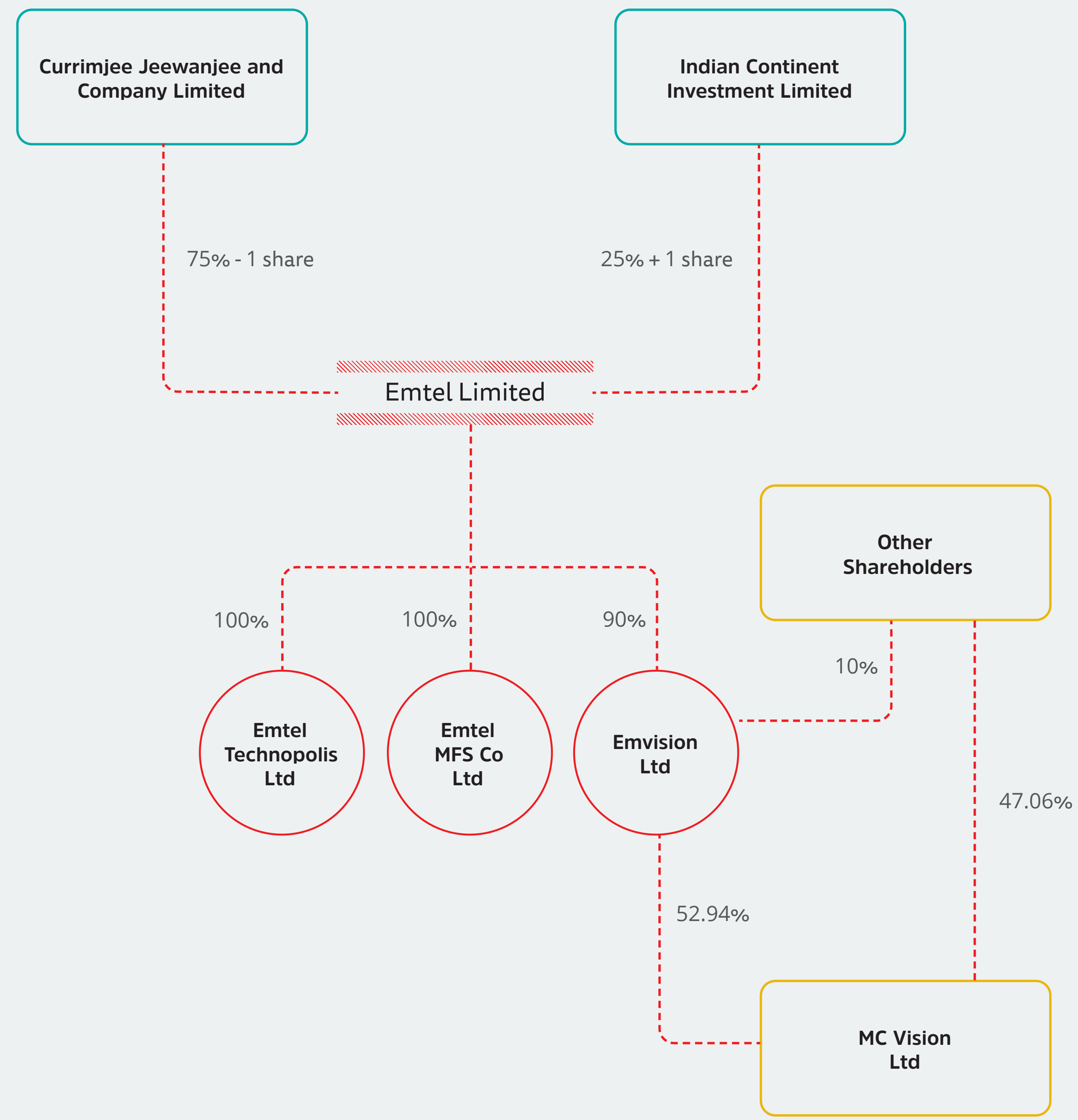
EMTEL business

EMTEL We Care

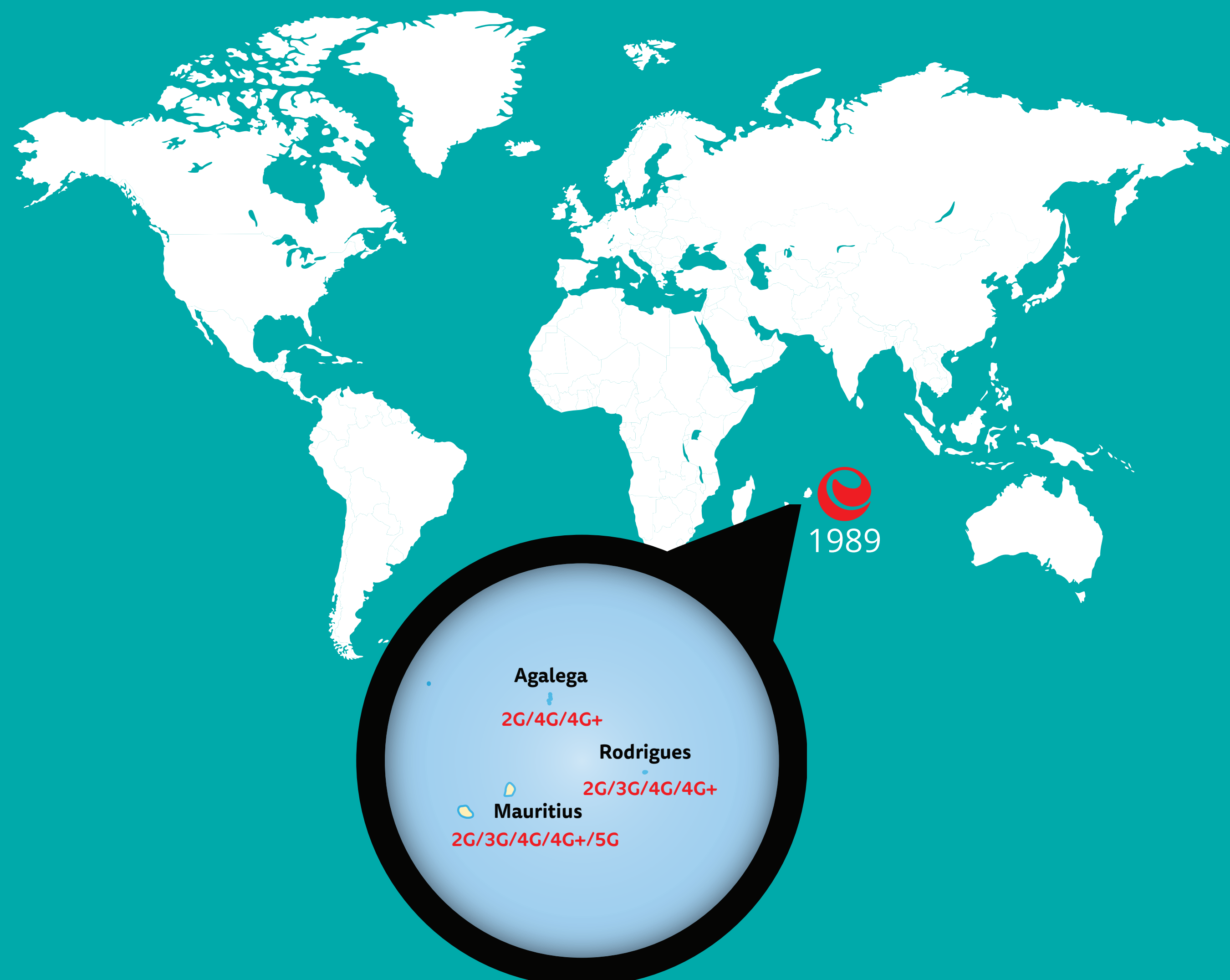
blink by EMTEL

EMTELTECHNOPOLIS

Our operating structure



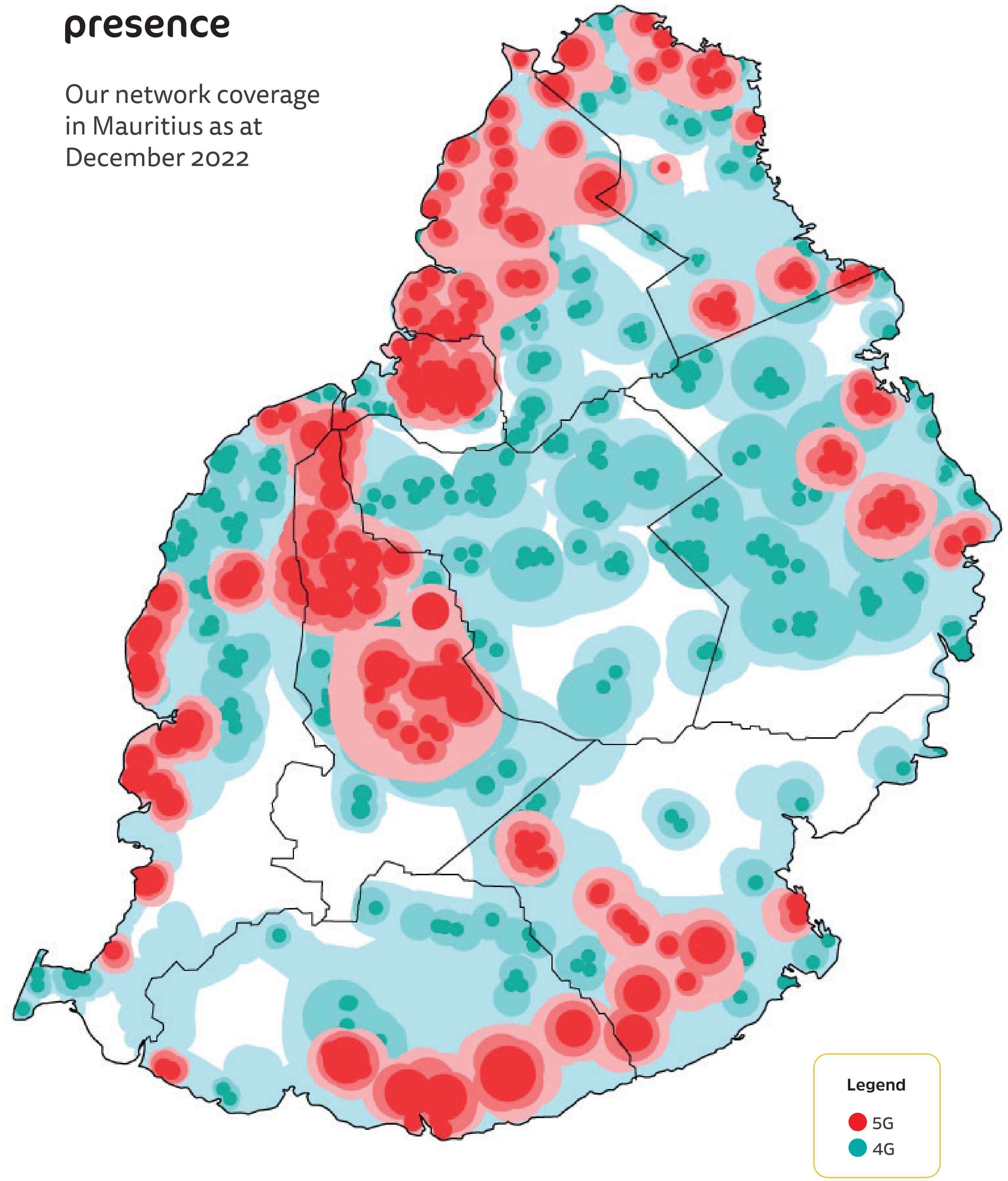
1^{st} country to launch mobile telephony in the southern hemisphere



A footprint across Mauritius, Rodrigues and Agalega

Our presence

Our network coverage in Mauritius as at December 2022



Emtel: a history of FIRST

Since its inception as the FIRST mobile operator in the Southern Hemisphere, Emtel has been pioneering innovations in the telecommunications space in the Indian Ocean region. Today, it continues to build on its 34-year strong legacy of innovation to play a pivotal role in the technological development of Mauritius, Rodrigues and Agalega.

This timeline illustrates the milestones and industry-firsts that Emtel has accomplished over the years as part of its broader mission to bring the best of the technological world to Mauritius.

1989

FIRST mobile operator in the entire Southern Hemisphere.

1998

FIRST to launch prepaid mobile services.

2000

FIRST to introduce SMS.

2003

FIRST to integrate music and mobile telephone through JukeBox 135.

FIRST to offer roaming services to prepaid customers.

2004

Launch of the FIRST 3G (UMTS) network in Africa.

2005

Introduction of Emtel Caller Tunes, enabling customers to personalise their phones and set their favourite song as a welcome for their callers.

2006

Launch of Emtel in Rodrigues, with the same products/services and same tariffs as in Mauritius. The FIRST operator to do so.

2008

Extension of network to Agalega, enabling Agaleans to access mobile services for the FIRST time ever. This earned Emtel the 'Changing Lives' award at AfricaCom.

2010

Launch a FIRST in the country service, enabling both postpaid and prepaid services while keeping the same number.

FIRST operator to launch m-payment services, enabling postpaid customers to pay their Emtel bill via SMS.

2011

FIRST operator to introduce Facebook Mobile.

2012

FIRST of its kind, Tier-3 rated/ TIA-942-B Certified Data Centre in Arsenal

Launch of FIRST 4G services in Mauritius.

2013

Launch of wireless Home & Office Broadband.

2014

FIRST mobile network operator in Mauritius to be IPv6 ready.

2015

Launch of Airbox, FIRST Plug and Play high-speed wireless Internet.

Launch of Emtel Cash.

2016

Launch of unlimited Facebook and WhatsApp for prepaid and postpaid customers.

2017

FIRST to launch of unlimited packs with calls, mobile Internet and SMS.

2019

Acquired a 90% stake in EMVision Ltd in line with Emtel's convergence strategy.

2020

Launch of the my EmtelApp.

2021

Launch of METISS cable as a founding member, making Emtel the FIRST and only operator in Mauritius to have capacity on all three submarine cables in Mauritius - LION, SAFE & METISS.

2022

FIRST company to launch 5G ultra-fast Internet on a large scale, initially for homes and businesses, marking a turning point for Mauritius

Laying the foundations of Emtel Technopolis, hosting the FIRST of its-kind satellite ground station in the region.

Launch of blink, a FIRST of its kind in Mauritius, a mobile payment app that works with any bank and any mobile network.

Shaping a smarter tomorrow

Rodrigues
Key milestones

2020
Emtel launches LTE-Advanced (4G+) across Rodrigues.

2019
Emtel connects to the MARS cable to provide higher data speeds to its subscribers in Rodrigues.

2017
Emtel sets up a high-speed and low latency satellite link in Pointe Venus, Rodrigues, through O3b satellite constellation.

Emtel launches Airbox in Rodrigues.

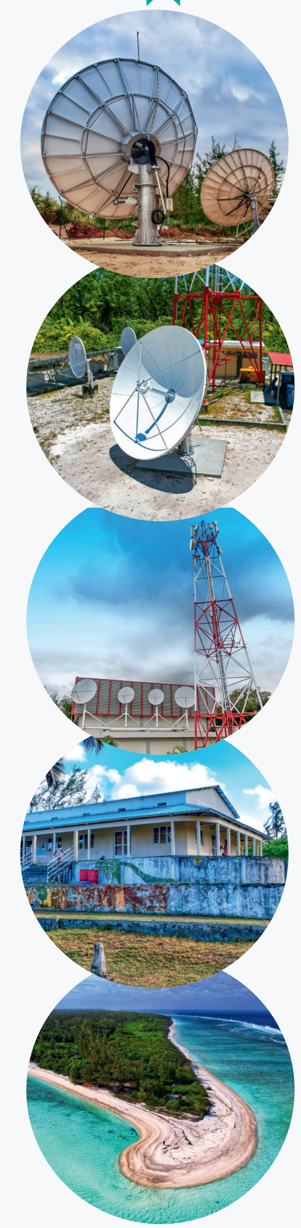
2016
Emtel launches 4G mobile data service in Rodrigues.

2007
Emtel launches 3G mobile data service in Rodrigues.

2006
Set-up of satellite link for Mauritius-Rodrigues connectivity.

Launch of 2G mobile service in Rodrigues.

Agalega
Key milestones



2022
Emtel enhances Internet connectivity for Agalega through mobile-based services between mainland Mauritius and the Island of Agalega.

Emtel upgrades its satellite infrastructure in Agalega and upgrades its satellite bandwidth to 60 Mbps.

2018
Emtel awarded the project to provide Internet connectivity for Agalega through mobile-based services between mainland Mauritius and the Island of Agalega.

Emtel launches LTE-Advanced (4G+) in both Agalega Islands.

Emtel upgrades its satellite bandwidth to 15 Mbps.

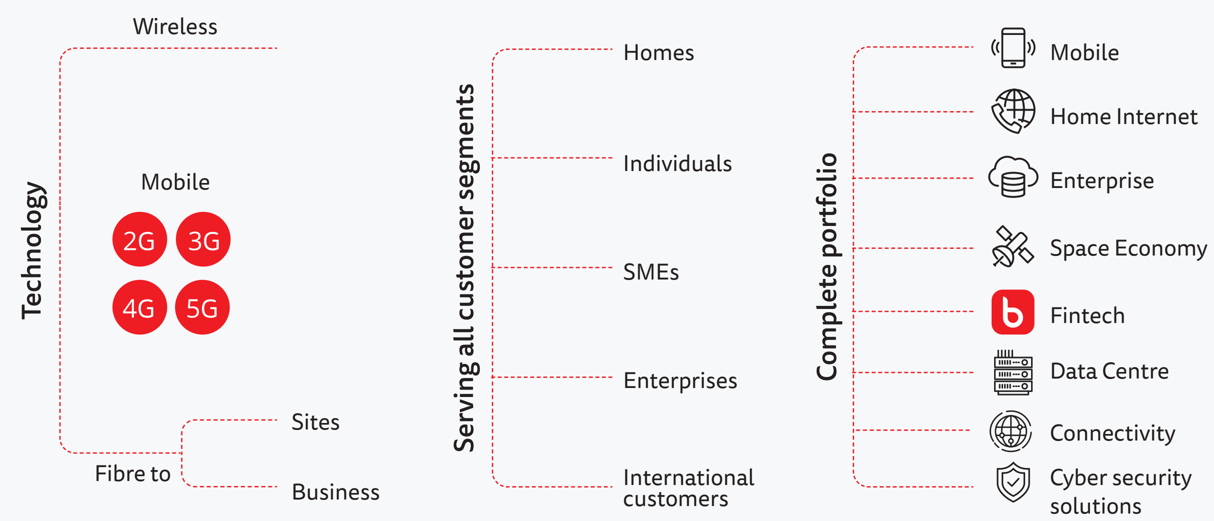
2012
Emtel upgrades its satellite link to Agalega.

2009
Emtel wins the "Changing Lives" AfricaCom Award in Cape Town for having launched the **FIRST** mobile network in Agalega, giving Agalaeans access to the same services and at the same tariffs as in Mauritius and Rodrigues.

2008
Set-up of satellite link for Mauritius-Agalega connectivity.

Launch of the **FIRST** mobile service (2G) in Agalega.

Our activities, products and services



Mobile

- Voice
- SMS
- Value Added Services (VAS)
- Mobile Internet (4G| 4G+| 5G)
- International Long Distance (ILD)
- Roaming

Home internet

- Airbox - Plug and Play high-speed unlimited Home Internet (4G|4G+|5G)

Enterprise

- Local and international private links
- Enterprise Internet
- Data Centre
- Managed LAN & WiFi
- Cybersecurity
- Cloud PABX
- Work Area Recovery (WAR) seats
- Fixed voice services
- Cloud services
- 5G for Business

Space economy

- A Satellite Park built, operated and managed by Emtel for a leading Low Earth Orbit (LEO) satellite provider to meet its vision of granting affordable Internet access to everyone, even in the most remote and disconnected areas using LEO technology. The Park will host 21 satellite dishes, a data centre and eventually innovation labs, a solar park, WAR seats, other satellite projects and a landing station for international submarine cables, amongst many other tech infrastructure.

Fintech

- In line with its vision, Emtel launched blink, a first of its kind in Mauritius, an online payment app enabling users of any mobile operator to connect to multiple bank accounts and perform all their transactions on one single universal app, anytime, anywhere, in a secured manner.

Data centre

- Strategically located Tier-3 rated/TIA-942-B Certified data centre in Arsenal far from busy commercial zones and a Tier-1 data centre site at Rose Hill.
- State-of-the-art data centre caters to the needs of businesses for data security and data recovery which are critical for business continuity. The Emtel Data Centre is also the cable landing station for the METISS cable.
- 99.99% uptime since inception in 2012.

Connectivity

- Capacity on submarine cables:
  - METISS
  - LION | LION 2
  - SAFE
  - MARS cable to Rodrigues

Emtel is the only operator with capacity on all the aforementioned submarine cables.

Cyber security solutions

- Firewall
- SD WAN
- Web Application Firewall
- Firewall Analytics
- Endpoint Protection
- DDoS Protection
- Secure Access Service Edge (SASE)

Governance and leadership

Bashirali A Currimjee, G.O.S.K.
Chairman & Managing Director

Chairman's report

Dear Esteemed Stakeholders

It gives me great pleasure to present Emtel first Integrated Report, which offers a more holistic and complete story of how Emtel creates value for its stakeholders. As Emtel embarks on a new era of transformation, the release of our first Integrated Report underscores more than ever our conviction that ICT is at the heart of creating a smarter and more resilient society.

A challenging economic context

The world suffered yet another setback over the past year, compromising our prospects of a post-pandemic recovery and our aspirations for a better world. Russia's invasion of Ukraine has triggered one of the biggest human tragedies, the loss of lives and livelihoods, and the destruction of entire cities and infrastructure. Given Europe's strong dependence on energy and food imports from Russia and Ukraine respectively, the war has exacerbated an already fragile global economy, with one of the largest cost-of-living crises seen in decades. Unprecedented spikes in food and energy prices caused inflation to reach historic highs in the eurozone, before eventually cascading down to the rest of the world, including in Mauritius, where headline inflation hit the double digits.

Times like these lead to questions about the purpose of a business and what it should aspire to be. I am immensely proud of how Emtel continues to use technology as a force for good, with a clear focus on delivering positive economic, environmental and societal value. Given our ability to deliver on strategic milestones during the year, there is no doubt in my mind that remaining uncompromising on our purpose of making our services affordable, accessible and available to all, is the path to driving digital inclusion and opening up new doors to financial inclusion.

A strong performance

Set against this challenging context, I am pleased to report that Emtel achieved an excellent performance in 2022. This is especially encouraging given the two challenging years we have had to navigate, and the current environment, which is still restrictive in many ways. Profit after tax grew by 26% over the previous year, enabling us to declare a dividend payout of Rs 532Mn for the financial year ending 31 December 2022, compared to Rs 516Mn in 2021.

Building a smarter tomorrow

The world is at a point where doing well and doing good are no longer mutually exclusive pursuits. In fact, the past two years have shown that network providers such as Emtel are in a unique position to spur the socioeconomic progress. Today, governments, businesses and consumers are all dependent on the use of high-speed Internet and the many services and applications that rely on broadband. The telecommunications industry plays a central role as an enabler of innovation and convenience across all dimensions of life, whether in the business world, as a facilitator of remote work, virtual collaboration, e-commerce activities or for disaster recovery and backup solutions; as a disseminator of critical and life-saving information; or as a provider of digital payments to disburse financial assistance instantaneously, even to the most remote areas.

All of these, however, consume data at a staggering rate and rely on fast, efficient and resilient network infrastructure, with adequate storage and processing capacity. Emtel's investments over the past years in additional submarine cables, data centres, a bank-and network-agnostic mobile payment app, 5G coverage and soon, a full-fledged technology park, speaks to Emtel's unwavering commitment to combine purpose and technology to deliver a better quality of life for all.

This imperative has also been bolstered by the government's ICT vision, which aims to set up the right policies and agendas to help us shape a tech-driven future in Mauritius. The realisation of this vision will necessitate the continued collaboration of various stakeholders along the digital value chain to collectively seek out solutions that will propel Mauritius, Rodrigues and Agalega into a new era of growth.

Our first step on the Integrated Reporting journey is an equally important affirmation of how seriously we take our role as a responsible service provider and how we view value creation as a long-term endeavour that goes beyond just our financials. Through this report, we aim to be transparent about our financial, social, environmental and governance performance, even in areas where improvements can be made. We also commit to aligning ourselves with the best international standards and practices and holding ourselves accountable to them.

Chairman's report (continued)

Good Governance

In a world that is continuously experiencing tumultuous changes and presenting new risks, any business that wishes to succeed over the long term must have strong unshakable foundations. At Emtel, these foundations are rooted in responsible, ethical and transparent business practices that not only ensure the stability of our business, but also safeguard the interests of all our stakeholders.

In 2022, we continued to reinforce our strong culture of ethics, compliance and good governance. Foremost among our governance priorities in 2022 were the strengthening of our data protection policies, internal control systems and structures of certain Board committees. Our governance structure and Board composition also demonstrate that we have the balance of skills and experience necessary to drive Emtel's growth as one of the most advanced ICT solution providers in Africa. More details can be found in our Corporate Governance report on pages 40 to 61.

To set a vision for the future, we must take stock of where we come from. Over the past three decades, we have been guided by Foresight, Integrity, Responsibility, Passion and Openness – strong values that inspire our employees to outperform themselves in every way, from their generous participation in giving back to our underserved communities, to their embodiment of veritable 'eco-warriors' as they carry out Emtel's environmental initiatives to reduce our carbon footprint. This is a testament that Emtel's values are as strong today as they were when Emtel was first founded in 1989.

Prospects for 2023 and acknowledgements

Looking ahead, the global economy remains uncertain and volatile. We expect monetary policies, interest rates and the exchange rates to remain a challenge as the war in Ukraine continues to unfold. That said, it is my deep belief that Emtel has extraordinary growth prospects not only in our established markets, where we have a strong presence, but also in Fintech and the Space Economy, two markets that hold great promise for equitable and sustainable growth.

I am deeply grateful to our Group CEO, Kresh, our Group CFO, Sahoud and the entire management team for advancing the execution of Emtel's ambitious strategies and leading the organisation through another challenging year.

I would also like to extend my appreciation to Emtel's employees, customers, partners and suppliers, for their continued support and trust in our shared goal to bring Mauritius to new heights through technology.

Bashir Currimjee

Bashirali A Currimjee, G.O.S.K.
Chairman and Managing Director

Board of directors

* **Mr Sarvjit Singh Dhillon**: not present in the above group board of directors photo.

Board of directors (continued)

Bashirali A Currimjee, G.O.S.K.
Chairman & Managing Director

Mauritian Citizen and Resident
Committee Membership:
Chairman of HR Committee and Emtel Corporate Council

Qualifications
- B.A. Arts, Major in Economics and Government, Tufts University, USA.
- OPM, Harvard Business School, USA.

Experience
- Former President of Mauritius Chamber of Commerce and Industry, Association of Mauritian Manufacturers and Joint Economic Council (now Business Mauritius).
- Former Director of Bank of Mauritius and SBM Bank (Mauritius) Ltd.
- Held key executive positions within the Currimjee Group.
- Honorary Consul General for the Republic of Turkey in Mauritius from 1985 to 2016.
- Currently Chairman of a number of companies within the Currimjee Group.

Directorship in listed and public companies: None

Anil C Currimjee
Non-Executive Director

Mauritian Citizen and Resident
Committee Membership:
HR Committee and Emtel Corporate Council

Qualifications
- B.A. Liberal Arts, Williams College, Massachusetts, USA.
- MBA, London Business School, UK.

Experience
- Council Member and Vice President of Business Mauritius.
- Former President of the Mauritius Chamber of Commerce & Industry.
- Former Director of the Mauritius Commercial Bank Ltd.
- Honorary Consul General of Japan in Mauritius from 2004 to 2016.
- Director of a number of companies within the Currimjee Group.

Directorship in listed and public companies: African Rainbow Capital Investments Limited, Compagnie Immobilière Limitée, Island Life Assurance Co Ltd and Sanlam Africa Core Real Estate Investments Limited.

Azim F Currimjee
Non-Executive Director

Mauritian Citizen and Resident
Committee Membership:
HR Committee

Qualifications
- B.A. Mathematics, Williams College, Massachusetts, USA.
- MBA, Trinity College, Dublin, Ireland.

Experience
- Over 10 years of experience in the textile industry.
- Has held key executive positions in the Food and Beverages Cluster of the Currimjee Group for the last 20 years and is currently the Managing Director of Quality Beverages Limited, a company listed on the Stock Exchange of Mauritius.
- Director of a number of companies within the Currimjee Group.
- Director of Air Mauritius Ltd.
- Chairman of the Business Regulatory Review Council, set up under the aegis of the Ministry of Finance, Economic Planning and Development of Mauritius.
- Chairman of Joint Business Council Mauritius-India.
- President of the Mauritius Chamber of Commerce and Industry ('MCCI') from 2016 to 2018 and from 2007 to 2008.
- Former Manufacturing Director of Bonair Group of Companies.
- Former Vice-President of COMESA Business Council.
- Former Vice-President of the Economic Development Board of Mauritius.
- Former Director of SBM Holdings, SBM Mauritius and SBM Kenya.
- Former Chairman of SBM India.

Directorship in listed and public companies: Quality Beverages Limited, Soap & Allied Industries Limited and Air Mauritius Ltd.

Mazahir F E Adamjee
Non-Executive Director

Mauritian Citizen and Resident
Committee Membership:
Audit & Risk Committee

Qualifications
- Fellow Member of the Institute of Chartered Accountants in England and Wales.

Experience
- Former Deputy Managing Director and Director of Currimjee Jeewanjee and Company Limited.
- Former Chairman of Mauritius Export Processing Zone Association.
- Former Director of Bramer Banking Corporation Ltd.
- Former Managing Director of Bonair Group of companies.
- Former Managing Director of Quality Beverages Limited, a company listed on the Stock Exchange of Mauritius Ltd.
- Former Director of National Investment Trust Ltd.
- Held key executive positions within the Currimjee Group.
- Non-Executive Director of a number of companies within the Currimjee Group.

Directorship in listed and public companies: None

Board of directors (continued)

M Iqbal Oozeer
Non-Executive Director

Mauritian Citizen and Resident
Committee Membership:
Chairman of Audit & Risk Committee

Qualifications
- Fellow Member of the Association of Chartered Certified Accountants, UK.
- Attended a number of professional courses at Alliance Manchester Business School, Euromoney and INSEAD.

Experience
- Audit Assistant at Kemp Chatteris Deloitte from 1982 to 1986.
- Accountant at Elf Antargaz (Maurice) Ltée from 1987 to 1988.
- Has held key executive positions in Currimjee Jeewanjee and Company Limited for over thirty years.
- Currently Chief Finance Officer and Director of Currimjee Jeewanjee and Company Limited.
- Director of a number of companies within the Currimjee Group.

Directorship in listed and public companies: Compagnie Immobilière Limitée and Island Life Assurance Co. Ltd.

Mukesh H Bhavnani
Non-Executive Director

Indian Citizen and Mauritian Resident
Committee Membership:
Audit & Risk Committee

Qualifications
- Bachelor in Commerce (Hons), LLB; ACS

Experience
- 40 years of work experience, including at the Corporate Management level, covering advice, implementation and monitoring strategic decisions on Legal and commercial matters in India, Africa, Middle East, Europe and North Africa.
- Former employee of P&G, Coca-Cola, Sony, Essar and Bharti Airtel.
- Director of Bharti Airtel companies based in Mauritius, Airtel Tanzania PLC, Airtel Africa Mauritius Limited, Indian Continent Investment Limited and Network i2i Limited.

Directorship in listed and public companies: None

Sarvjit Singh Dhillon
Non-Executive Director

British Citizen and Non-Resident
Committee Membership:
Emtel Corporate Council

Qualifications
- B.A. Hons. in Accounting and Finance, Middlesex University, UK.
- Chartered Management Accountant, Chartered Institute of Management Accountants, UK.
- MBA with a specialisation in Human Resource Management & Advanced Marketing, University of Birmingham, UK.
- Stanford Executive Program, Stanford Graduate School of Business, USA.

Experience
- Over 30 years of experience of general and financial management in multinational and Indian corporations, of which 20 years have been with the Bharti Group.
- Former Executive at Pitney Bowes Corporation (USA) and British Telecom Plc (UK).
- Former Group CFO of Bharti Enterprises.
- Advisor to Bharti Global and other companies.

Directorship in listed and public companies: None

Leadership team

Leadership team (continued)

Krishnaduth (Kresh) Goomany
Group Chief Executive Officer

Skills and Experience
Kresh has over 30 years of extensive local and international experience, of which 23 years at Senior Management level. Since beginning his career in 1992, Kresh has held the positions of Executive Director at Mauritius Telecom and Cellplus Mobile Communications Ltd - Vice President Sales, Chief Operating Officer (Africa) at Comviva Technologies Ltd, and Managing Partner at Anglo African Ltd. He played an important role in the success stories of the companies he worked at. Kresh joined Emtel in 2014 and held the positions of Chief Operating Officer and Deputy CEO, before moving into his current role as Chief Executive Officer in January 2021. His background and expertise in Telecommunications Networks, Cellular Communications, General Management, Business Development and Sales have enabled him to play an instrumental role in Emtel's strategy, innovation, new products & services, and growth journey in recent years.

Qualifications
- MBA - Heriot-Watt University
- MSc Telematics - University of Surrey, UK (under the ODASS scholarship)
- BEng (Hons) Electronic and Electrical Engineering - University of Birmingham, UK (under the British Commonwealth scholarship)
- Fintech, Innovation & Transformation in Financial Services - National University of Singapore
- CEng (Chartered Engineer of the Engineering Council, UK)
- MIET (Member of the Institution of Engineering & Technology, UK)
- RPEM (Registered Professional Engineer with the Council of Registered Professional Engineers, Mauritius)

Sahoud Edoo
Group Chief Financial Officer

Skills and Experience
Sahoud first joined Emtel in 1995 before joining Millicom International Cellular Group in 2010 as CFO in three different countries in Africa. He came back to Emtel in November 2015 as Chief Financial Officer, heading the Finance, Supply Chain and Revenue Assurance functions. He brings to his role his added experience and excellent understanding of telecommunications processes, combined with his proven ability to drive financial strategies for improved company performances. Sahoud was also appointed Chief Financial Officer of MC Vision Ltd in September 2020.

Qualifications
- Chartered Certified Accountant
- Postgraduate Diploma in Leadership - Emeritus Institute of Management, USA
- FCCA (Fellow Member of the Association of Chartered Certified Accountants)
- MIPA (Member of the Mauritius Institute of Professional Accountants)

Vikas Khanna
Chief Information Officer

Skills and Experience
Vikas has been the Chief Information Officer of Emtel since November 2016, a role in which he leads and formulates the IT operational plans in alignment with the organisation's business strategy. He is a certified project management professional with 25 years of experience in Telecommunications and Service Delivery, having worked with IBM and Hutchison Telecom, and served as the General Manager for IT at Airtel India, a company that has over 350 million mobile, fixed line broadband, enterprise, and direct-to-home customers. Since January 2023, he has been entrusted with new responsibilities to drive strategic projects, such as the digitalisation processes across Emtel, MC Vision and the Currimjee Group, the convergence of media and entertainment, as well as the development of a strategy for Data Science and Analytics.

Qualifications
- MBA, IT with a specialisation in Telecommunication - All India Association, India

Veekash Aukhojee
Chief Information Officer - Telecom

Skills and Experience
Veekash brings 22 years of extensive experience in the telecommunications industry to his role as Chief Information Officer - Telecom of Emtel. Veekash's background in IT, Network and Programming, coupled with Computational Science, enable him to establish and execute the technical direction of the organisation encompassing IT, Billing & CRM, and Fintech products and services, amongst others. Prior to being appointed CIO - Telecom in January 2021, he began his journey at Emtel as Operations Executive in 2007, before being successively promoted to Head of IT & Billing Projects, IT Manager and finally, Deputy CIO - Telecom in 2019. Before joining Emtel, Veekash worked for 7 years at Mauritius Telecom and Cellplus Mobile Communications Ltd.

Qualifications
- MSc Computational Science - University of Mauritius
- BA Mathematics - University of Delhi
- Diploma in Information Technology, NIIT, Delhi, India
- Management Development Program, Wharton Business School - University of Pennsylvania, USA

Leadership team (continued)

Mohummad Ally (Mamad) Aumjaud
Chief Sales Officer

Skills and Experience

Mamad has 18 years of experience in the telecommunications industry, prior to which he spent 12 years in the FMCG distribution sector. He joined Emtel in February 2005 as Retail Sales Manager before occupying the roles of Distribution Manager and Territory Manager, where he was responsible for developing the Prepaid market and the network of Emtel shops in Mauritius and Rodrigues. Promoted to his current role as Chief Sales Officer in April 2022, his experience in Retail Management, Distribution, Sales Management, Relationship Development, combined with his understanding of different customer segments, enable him to play an important role in Emtel's growth strategy. Mamad was appointed as Non-Executive Director of Batimex Ltd in July 2021.

Qualifications
- BSc in Physics and Mathematics - University of Newcastle upon Tyne, UK
- Post Graduate Certificate in Physics, Chelsea College - University of London, UK

Dhunshalini (Brinda) Baboolall-Boodhun
Chief Customer Care Officer - Telecom

Skills and Experience

Brinda counts more than 28 years of experience in Customer Service and operations at Emtel, leading to her appointment as Chief Customer Care Officer - Telecom in January 2021. She joined Emtel as Assistant Customer Service Manager in August 1995 and was subsequently appointed as Operations Manager and Deputy Chief Customer Care Officer, lending her the perspectives and skills required to drive Emtel's customer-centric journey, which is a crucial business imperative for the organisation. Prior to joining Emtel, Brinda worked at Mauritius Telecom and the Bank of Mauritius.

Qualifications
- MBA with Distinction - University of Mauritius
- BSc (Hons) Accounting - University of Mauritius
- Certificate in Alternative Dispute Resolution by ADR Group and Commonwealth Telecommunication Organisation

Atul Bhatia
Chief Fintech Officer

Skills and Experience

Atul is a Telecommunications and Fintech executive with over 24 years of experience in Sales & Marketing Operations & Strategy, Customer Experience and Supply Chain. He worked for Airtel in a variety of markets, including South Asia and Africa, and has amassed a wealth of knowledge and expertise. Atul joined Emtel in June 2017 as Chief Customer Care Officer and was assigned additional responsibilities as Head of Project Management Office in January 2021. In January 2023, he was appointed as Chief Fintech Officer and has been entrusted with the responsibility to drive the new business initiative for the company.

Qualifications
- Fintech, Innovation & Transformation in Financial Services - National University of Singapore
- PG Diploma in Digital Business - MIT Executive Education from Emeritus Institute of Management
- PG Diploma in Innovation & Design Thinking - MIT Executive Education from Emeritus Institute of Management
- Post Graduate in Mass Communication - YMCA Delhi
- BA Degree - Delhi University

Pooroosotum (Prakash) Bheekhoo
Chief Enterprise Solutions Officer

Skills and Experience

Prakash has been serving in C-level leadership positions since 2004, across Oceania and Africa. Over the years, he applied his expertise in Business Development, Change Management and Stakeholder Management to successfully grow the operations of businesses engaged in Telecommunications activities. He joined Emtel in 2018 and is currently responsible for the Enterprise Market as the Chief Enterprise Solutions Officer. He leads the team to provide state-of-the-art solutions to enterprises in the Mauritian market.

Qualifications
- Higher Executive Education, Organisational Design for Digital Transformation - Massachusetts Institute of Technology (MIT), USA
- Executive MBA - Telecom Academy, UK
- MBA Marketing - Leicester University, UK
- BEng, First Class (Electronics & Communications Engineering) - National Institute of Technology (NIT), Durgapur, India
- RPEM (Registered Professional Engineer with the Council of Registered Professional Engineers, Mauritius)

Leadership team (continued)

Avinash Chettiar
Chief Technical Officer - Telecom

Skills and Experience

Avinash has 25 years of in-depth experience in Mobile Network Operations, Data Centre Operations Management and Submarine Cable System Management, amongst others. He joined Emtel as a Technician in 1998 and has, over the years, been assigned an increasing number of responsibilities as Senior Technician, Head of Operations (Network) and Deputy CTO, until his appointment as CTO - Telecom in January 2021. He serves as a member of the Management Committee for the LION2 and METISS submarine cable consortiums, playing a key role in enhancing Mauritius' connectivity to the region. In his current role, Avinash oversees the development of Emtel's technology vision in line with the overarching business strategy.

Qualifications

- BSc (Hons) Information Technology - University of Mauritius
- International Diploma in Computer Studies - NCC Education Limited
- Diploma in Telecommunication - City & Guilds
- Management Development Program, Wharton Business School - University of Pennsylvania, USA

Rajeshwaree (Priya) Foolchand-Chunderdeep
Head of Human Resources

Skills and Experience

Priya is a Human Resource specialist with over 20 years of experience in the field across industries like telecommunications, banking, insurance and financial services, amongst others. She joined Emtel in September 2017 as the Head of Human Resources, and is responsible for developing and driving people management strategies across the organisation, as well as managing employee relations.

Qualifications

- MSc in Human Resource Studies - University of Mauritius
- BSc (Hons) Management, with a specialisation in Human Resource Management - University of Mauritius

Shivendra Nautiyal
Chief Strategy and Innovation Officer

Skills and Experience

Shivendra has over 26 years of experience in mobile telephony, having engaged in multiple Greenfield deployments and complex network operations. His background in Electronics, Communications and Telecommunications have enabled him to contribute his expertise in ICT, Business Strategy, Transformation and Technology Bidding, amongst others, to his many roles at Emtel. Shivendra joined Emtel as Chief Technical Officer in September 2016. He was appointed Chief Strategy and Innovation Officer in January 2023. In his current role, he spearheads the newly formed unit, Strategy & Innovation, and ensures that Emtel remains ahead of the technology and innovation curve.

Qualifications

- Diploma with Honours in Electronics and Communications with a specialisation in Telecommunications - UP Technical University, India
- Building Future Leaders Program, Wharton Business School - University of Pennsylvania, USA.

Eric di Betta
General Manager – MC Vision Ltd

Skills and Experience

Eric has over 30 years of experience in Management & Marketing for several industries in Europe, Africa and the Indian Ocean, of which 23 years spent in the telecommunications industry. Over the years, he has served in leadership roles at Orange, garnering extensive knowledge in Marketing, Sales, Operations and General Management. As a Consultant, he assisted companies in the Indian Ocean and Africa with Shadow Management, Project Management, Digital Transformation, Strategic Marketing and Mobile Financial Services, amongst others. As an entrepreneur, Eric launched several companies in different sectors like Business Intelligence solutions for Telco, Trading, Retail solutions and the Metaverse. He is also involved as a Board member in several companies. He was appointed General Manager of MC Vision Ltd in September 2022 and has been entrusted to lead and execute the company's ambitious growth strategy.

Qualifications

- Marketing in Information Communication Technology - HEC Management, Paris, France
- DESS in Industrial Marketing, Arts & Métiers conservatoire de Paris, Specialisation in Communication Strategy & Market studies & analysis (Major)
- Marketing/Management (IGS school Group Paris), Preparatory Class for Political Science - Lycée Jean de la Fontaine, Paris, France

Leadership team (continued)

Emtel's leadership and executive team is structured in a way that drives performance and innovation through collaboration and accountability. It is composed of diverse and experienced leaders, who bring a balanced range of skills and competencies to the organisation.

Group Chief Executive Officer
Krishnaduth Goomany

Group Chief Financial Officer
Sahoud Edoo

General Manager - MC Vision Ltd
Eric di Betta

Information Technology

Chief Information Officer
Vikas Khanna

Chief Information Officer - Telecom
Veekash Aukhojee

Sales & Showroom

Chief Sales Officer
Mohummad Ally Aumjaud

Customer Service

Chief Customer Care Officer - Telecom
Dhunshalini Baboolall-Boodhun

Fintech

Chief Fintech Officer
Atul Bhatia

Emtel Business

Chief Enterprise Solutions Officer
Pooroosotum Bheekhoo

Network & Data Centre

Chief Technical Officer - Telecom
Avinash Chettiar

Human Resources

Head of Human Resources
Rajeshwaree Foolchand-Chunderdeep

Strategy & Innovation

Chief Strategy & Innovation Officer
Shivendra Nautiyal

Marketing

Chief Marketing Officer
Vacant

Corporate governance report

Introduction

The Company is a Public Interest Entity and the Board endorses the eight principles espoused by the National Code of Corporate Governance of Mauritius 2016 ('the Code'). The Report sets out the Company's key corporate governance practices with reference to the Code.

Albeit a slight recovery in the Mauritian economy mainly due to higher than expected demand and consumption, backed by monetary and fiscal supports, our economy has witnessed several challenges in year 2022 including persistent inflationary pressures, rising interest rates as well as the international consequences of geopolitical fragmentation, energy crisis, and severe impact of climate change.

The Board acknowledges that the Company's governance has been critical for operating in such a volatile, uncertain, complex and ambiguous environment. Continuous improvement in governance whilst also maintaining agility and flexibility, has been key in not only navigating the disruptions and challenges but also in harnessing opportunities to ensure sustainable growth and meet the needs of the Company's shareholders and other stakeholders.

The Board, with the support of its Leadership Team and driven by the Company's five core values, namely Integrity, Foresight, Responsibility, Passion and Openness, played a crucial role in upholding an effective corporate governance framework across the Company.

This report illustrates how our strong governance structure, culture and business ethics have supported the Company and its Leadership Team.

The Board is of the opinion that all material information on the Company and its governance framework, as recommended to be disclosed on the website as per the Code, is available to shareholders and stakeholders through the Annual Report & Financial Statements filed at the Registrar of Companies.

Principle 1: Governance structure

All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly defined.

Statement of accountabilities

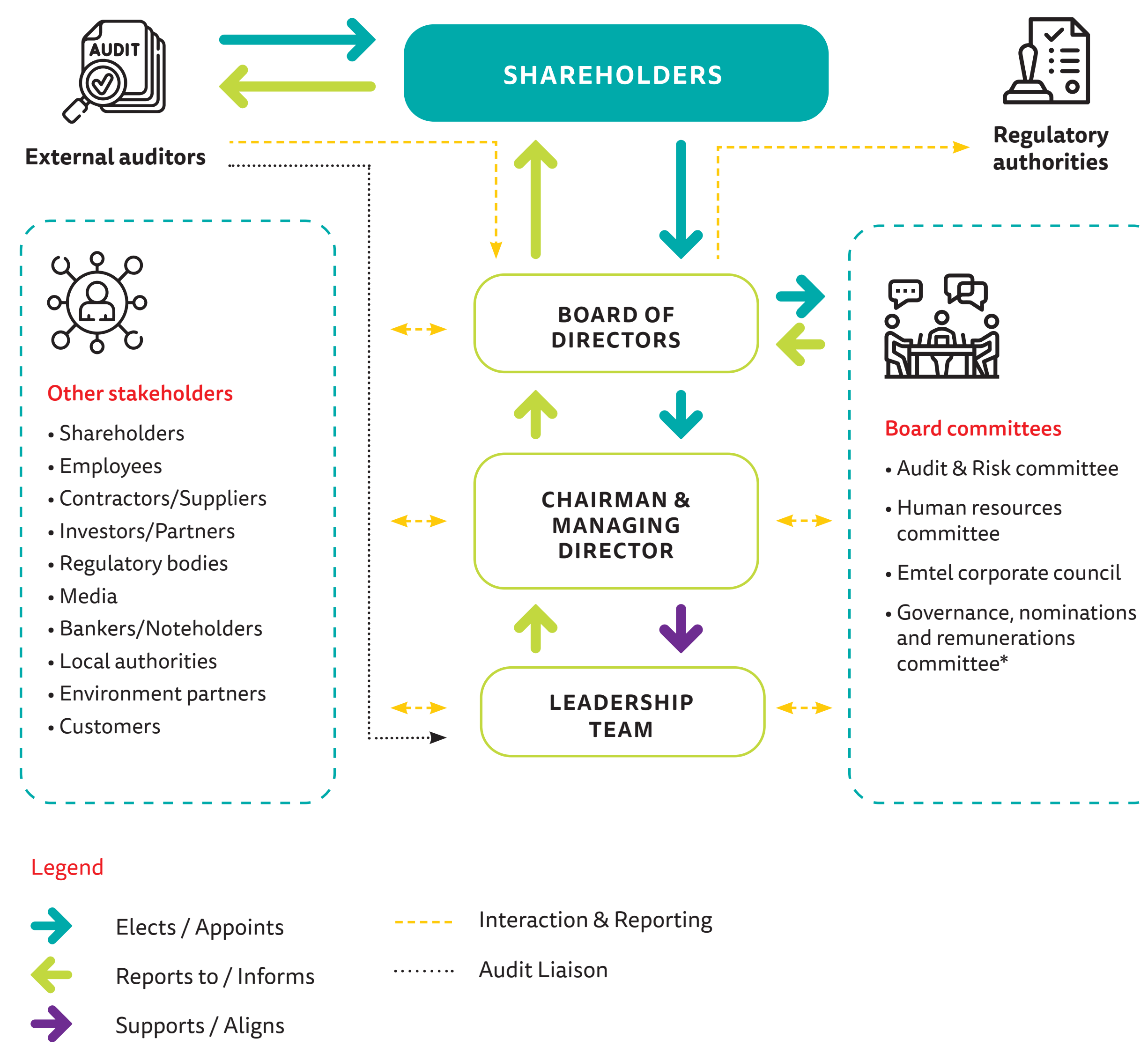
The Company is led by a committed and unitary Board with responsibility for leading and controlling the organisation and ensuring that all legal and regulatory requirements are met.

Amongst its prime objectives, the Board sets the tone for the overall organisation with regards to values and ethics in determining expected behaviours at all levels. The Company's Code of Conduct expresses the ethical and professional standards of behaviours and attitudes to be followed by the employees and Directors.

The Board is guided by the provisions of the Company's constitutive documents including the Shareholders' Agreement, the Company's Constitution and prevailing legislation, rules and regulations such as the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Code and has not adopted a Board Charter.

Corporate governance framework

The Company operates within a defined corporate governance framework, with proper delegation of authority and clear lines of reporting for the Company, the Board of Directors and its Board Committees. The Board is the focal point of the corporate governance system. It is supported by three (3) Board Committees that are entrusted with specific responsibilities to oversee the affairs of the Company. They are also bestowed the power to act on behalf of the Board in accordance with their respective terms of reference. Nevertheless, the Board remains collectively responsible for the decisions and actions taken by the Committees.



The Board has delegated the authority to the Governance, Nominations and Remunerations Committee set up at the level of the Holding company, Currimjee Jeewanjee and Company Limited ('CJ & CO LTD') to advise the Board on corporate governance matters and on the application of the Code.

Corporate governance report (continued)

Principle 1: Governance structure (continued)

Delegation of authority

The Board has established a Delegation of Authority Framework, defining the decision-making authority and financial limits (where relevant) for the Board, the Emtel Corporate Council and the Company's Chief Executive Officer.

Key senior governance positions and responsibilities

The Board operates under the Chairmanship of Mr. Bashirali A Currimjee, who is also the Managing Director of the Company.

Mr. Krishnaduth Goomany was appointed as Chief Executive Officer in January 2021. Mr. Bashirali A Currimjee has an advisory role to the Chief Executive Officer and he supports and oversees the latter's functions.

The job descriptions of the Chairman & Managing Director, the Chief Executive Officer and the Company Secretary have not been confined within written position statements. Their key duties and responsibilities are set out below:

Chairman & Managing Director

The Chairman is responsible for leading the Board and facilitating the effective and constructive contribution of Directors and encouraging their active engagement to ensure the effectiveness of the Board in all aspects of its role. His main responsibilities include:

- Setting the Board agenda, and ensuring that adequate time is granted to the discussion of all agenda items, particularly strategic issues;
- Ensuring that the Directors receive complete and adequate information in a timely manner;
- Ensuring effective communication with Shareholders;
- Encouraging constructive relations within the Board and between the Board and Management;
- Facilitating the effective contribution of Non-Executive Directors in particular; and
- Promoting high standards of Corporate Governance.

The Chairman & Managing Director has an advisory role to the Chief Executive Officer, and assumes the responsibility for supporting and overseeing the latter's functions.

Chief Executive Officer

The role and responsibilities of the Chief Executive Officer are centred towards the overall management of the Company's operations and include:

- Dissemination of the Company's values and ensuring that they are lived by all employees;
- Formulating and assisting the Board to establish the Company's long term strategic direction, strategic plan and risk profile for approval;
- Implementing, administering and achieving the Company's objectives, goals, plans and budgets;
- Developing the Company's Strategic Plan, Annual Operating Plan, Capital Budget, Operating Budget, Long Term Budget and Project Specific Budget for approval by the Board;
- Managing resources efficiently and effectively in the best interest of the Company;
- Approving the delegation and limits of authority of all direct reportees and supervise, guide and mentor all direct reportees and other employees;
- Ensuring that an appropriate, sound and effective prudent compliant risk management and compliance framework and supporting policies and controls are in place and observed to safeguard the Company's and stakeholders' interests and that these are regularly reviewed; and
- Ensuring that effective business relationships are maintained with all stakeholders.

Company Secretary

The Company Secretary is Currimjee Secretaries Limited, represented by Mr. Ramanuj Nathoo.

Mr Nathoo is a fellow Member of the Institute of Chartered Secretaries and Administrators, UK ('ICSA') and holds a MBA Finance from the University of Leicester. He also attended a professional course on Governance of Family Businesses at 'Institut Européen d'Administration des Affaires' (INSEAD). He is a Fellow Member of the Mauritius Institute of Directors and the ICSA Mauritius Branch.

The Company Secretary is responsible for:

- Ensuring that the Company complies with its Constitution, all relevant statutory and regulatory requirements and rules established by the Board;
- Providing the Board as a whole and the Directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company;
- Developing the agenda of the Board and Board Committee meetings in consultation with the Chairman;
- Circulating agendas and any supporting papers in a timely manner;
- Taking minutes of meetings and circulating the draft minutes to all concerned parties;
- Ensuring that the procedure for the appointment of Directors is properly carried out; and
- Assisting in the proper induction of Directors, including assessing the specific training needs of Directors / Executive Management.

Board of Directors' profiles

The profiles of the Directors are set out on pages 24 to 29. Details of their other directorships are available at the Company's registry.

Organisational chart - Leadership team

The profiles of the leadership team are on pages 30 to 39.

Corporate governance report (continued)

Principle 2: The structure of the board and its committees

The Board should contain independently minded Directors. It should include an appropriate combination of executive Directors, independent Directors and non-independent non-executive Directors to prevent one individual or a small group of individuals from dominating the Board's decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties.

Size and composition of the board

The composition of the Board is regulated by the Shareholders Agreement which provides for the nomination of Board Directors by the Shareholders in proportion to their respective shareholding in the Company. The Board comprises of seven (7) Directors, including one (1) Executive Director and six (6) Non-Executive Directors. The Directors come from different industries and backgrounds with strong business, international and management experience which are crucial given the nature and scope of activities of the Company and the Board Committees.

The Board has ascertained that its current size, mix of skills, competencies, set of expertise and knowledge is appropriate to enable it to carry out its duties and responsibilities in an effective and competent manner so as to achieve the Company's objectives.

The Company has adopted an Equal Opportunity policy and a Diversity and Inclusion policy which advocate for gender parity at all levels within the Company.

The Company is in the process of reviewing its Board composition to comply with the requirements of the Code.

6 Non executive Directors

1 Executive Director

7 Board members

3 Board meetings were held in 2022

6 Decisions adopted by way of written resolutions of Directors

Company Secretary

Currimjee Secretaries Limited is the Company Secretary and is represented by Mr. Ramanuj Nathoo.

Mr Nathoo is a fellow Member of the Institute of Chartered Secretaries and Administrators, UK ('ICSA') and also holds an MBA from the University of Leicester. He is a Fellow Member of the Mauritius Institute of Directors and the ICSA Mauritius Branch. He also attended a professional course on Governance of Family Businesses at 'Institut Européen d'Administration des Affaires' (INSEAD).

Board responsibilities

The Board is ultimately responsible for the performance and affairs of the Company. Its key areas of responsibilities encompass the following:

Board's responsibilities

- Values, Vision and Strategy
- Performance monitoring, financial planning & business monitoring
- Board structure & Board governance
- Human resource planning, systems and management
- Internal control & risk management
- Communications / corporate stewardship

Corporate governance report (continued)

Principle 2: The structure of the board and its committees (continued)

Board responsibilities (continued)

- **Values, Vision and Strategy**

  To establish, communicate and disseminate the Company's core values, and ensure that these values lead into a coherent vision in line with that of the Shareholders. The vision should drive the strategy and strategic plans in a way that strengthens the business' competitive advantages and ensures the optical allocation of capital.

- **Performance monitoring, Financial planning & Business monitoring**

  To ensure a proper system of financial and business planning, including establishing periodic plans to achieve strategic objectives and effectively monitor results and milestones against these objectives.

- **Board structure & Board governance**

  To ensure that the Board is of the right size, structure and composition to enable it to fulfill its role effectively in leading and controlling the Company, with the support of its Board committees.

- **Human Resource planning, Systems and Management**

  To ensure that the Human Resources, their management and development are given the proper thrust and importance, and that HR strategies, systems, policies and issues relating to human potential enable the Company to be an employer of choice.

- **Internal Control & Risk management**

  To put in place and maintain a sound and robust system of internal controls and risk management for proper monitoring, with a level of flexibility to be able to adapt to new risks.

- **Communications / Corporate stewardship**

  To ensure that the necessary systems are in place for the Board to discharge its duty for effective governance and stewardship towards all stakeholders through appropriate governance policies and regular communication.

Board meetings process

1. Planning of quarterly Board meetings at the start of the year, involving Chairman & Managing Director and Company Secretary.
2. Setting of agenda in consultation with the Chairman and Managing Director well in advance of the Board meeting.
3. Circulating notice, agenda and Board papers well in advance of the Board meeting.
4. Day of Board meeting. Company Secretary ascertains constitution of meeting and the Chairman proceeds with the business of the day.
5. Drafting of minutes and circulation to the Board. Follow up by Company Secretary / Management on Board decisions.

Board Committees normally precede Board Meetings and additional Committee meetings may be convened, if required. A similar process as set out above is followed. The agenda for the Committee meeting are set in consultation with the respective Committee Chairman, the Company Executives and the Secretary.

Board focus areas

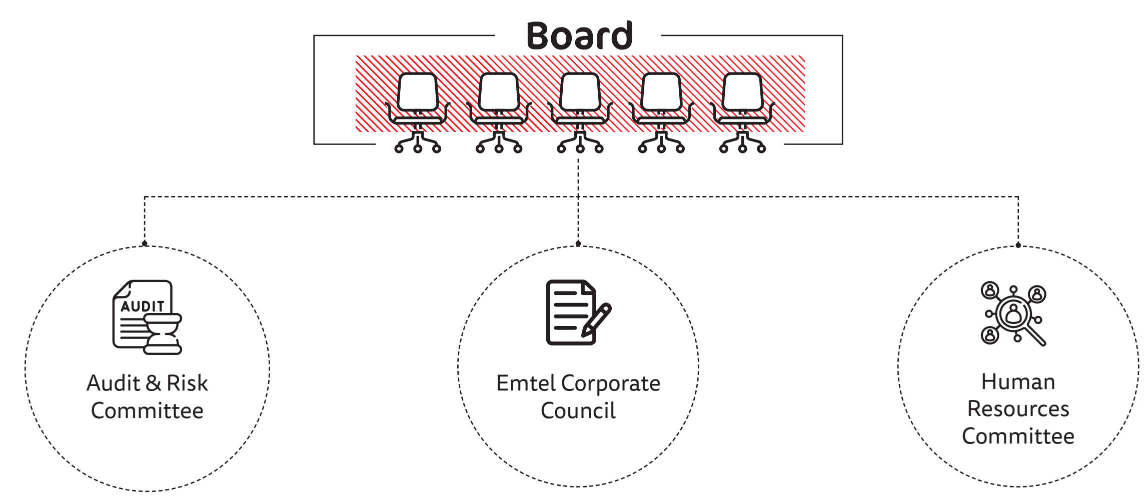
Three (3) Board meetings were held during the year under review. Board meetings were organised both in person and by videoconference to give the opportunity to all Directors to attend and participate.

The key items discussed at 2022 Board meetings are set out below:

- Approval of the Annual Report for the year ended 31 December 2021.
- Quarterly review of the Company's performance v/s budget (including operational/financial highlights).
- The reports from the Chairman of Board committees, with respect to the main deliberations at these committee meetings.
- Declaration and payment of dividends for the year ended 31 December 2022.
- Update on major projects.
- Launch of new services such as 5G and blink.
- Approval of capital expenditures.
- Approval of banking facilities.
- Presentation of the Company's budget for the years 2023 – 2025.

Board committees

The Board has established three (3) Board committees as illustrated below to assist it in the execution of its duties:



Board Committees operate within defined terms of reference outlining their objectives, composition, functioning, responsibilities and reporting requirements.

Corporate governance report (continued)

Principle 2: The structure of the board and its committees (continued)

Board committees (continued)

Audit & Risk Committee

Composition

- The Audit & Risk Committee was chaired by Mr M Iqbal Oozeer. In the absence of an Independent Director on the Board of the Company at this stage, the Audit & Risk Committee is currently being chaired by a Non-Executive Director.
- The Committee's current composition is as follows:
  - Mr M Iqbal Oozeer - Chairman
  - Mr Mazahir F E Adamjee
  - Mr Mukesh Bhavnani

Main responsibilities

- Monitoring the integrity of the financial statements & Annual Report and reviewing significant financial reporting issues and judgements therein.
- Reviewing the Company's internal controls related to financial reporting and disclosure controls and procedures and monitoring the effectiveness of the internal audit function.
- Reviewing the internal audit's recommendations & monitoring their implementation.
- Making recommendation to the Board on the appointment, re-appointment & removal of the External Auditor.
- Agreeing with the External Auditor on their terms of engagement, scope of audit and fees (whether for audit or non-audit services).
- Assessing on an annual basis the independence and objectivity of the External Auditor, their expertise and resources and the effectiveness of the audit process.
- Advising the Board on the overall risk appetite, tolerance and strategy, ensuring that an overall Risk Management Framework is in place and reviewing policies related to risk management.

Focus areas for year 2022

- Review of Audited Financial Statements for financial year 2021.
- Review of client service report from external auditors and letter of representation.
- Appointment of External Auditors for financial year 2022.
- Approval of External Auditor's engagement letter and client service plan.
- Review of internal audit reports, approval of internal audit plan and monitor implementation of audit recommendations.
- Review of the implementation of the Company's Enterprise Risk Management process.
- Updates on information security matters.
- Receive reports on the Company's revenue assurance framework, its implementation and effectiveness.

Emtel Corporate Council

The Emtel Corporate Council was established for the strategic management and supervision of the Company's operations within a framework approved by the Board.

Composition

- The Emtel Corporate Council was chaired by Mr Bashirali A Currimjee.
- The Committee's current composition is as follows:
  - Mr Bashirali A Currimjee – Chairman
  - Mr Anil C Currimjee
  - Mr Sarvjit Singh Dhillon

Main responsibilities

- Providing guidance to the Board on the establishment of the Company's values and vision.
- Recommending the long-term strategic direction, plans and risk profiles to the Board for approval.
- Monitoring of the Company's financial and non-financial performance and financial planning.
- Making recommendations to the Board on Board structure and Board governance matters.
- Making recommendations on Human Resources planning, systems and management.
- Reviewing and recommending to the Board for approval, the status of business risk exposures, its management and related action plans.
- Reviewing, approving and ensuring effective communication with internal and external stakeholders.

Focus areas for year 2022

- Monthly review and monitoring of financial and operational performance.
- Review of Big Ticket items.
- Update on major projects and initiatives.
- Approval of capital expenditures.
- Review of HR initiatives and efficiency.
- Review of Treasury reports.
- Recommend dividend declarations to the Board for approval.
- Update on legal and regulatory matters.

Corporate governance report (continued)

Principle 2: The structure of the board and its committees (continued)

Board committees (continued)

Human Resources Committee

Composition

- The HR Committee was chaired by Mr Bashirali A Currimjee.
- The Committee's current composition is as follows:
  - Mr Bashirali A Currimjee - Chairman
  - Mr Anil C Currimjee
  - Mr Azim F Currimjee

Main responsibilities

- Review and recommend for Board approval the HR Strategy, including key HR policies, plans and human resources requirement and monitor implementation of same.

Focus areas for year 2022

- Review of HR dashboards and HR metrics.
- Talent Review and Performance management updates.
- Employee engagement updates.
- Key staff movements.
- Key recruitments.
- HR focus areas for year 2022.

Governance, Nominations and Remunerations Committee*

The Corporate Governance Committee's functions have been assigned by the Board of the Company to the Corporate Governance Committee set up at the level of CJ & CO LTD, its Holding company.

Effective as from 01 January 2023, the Corporate Governance Committee of CJ & CO LTD was combined with the Nominations and Remunerations Committee of that company to constitute the newly formed Governance, Nominations and Remunerations Committee ('CJ GNR Committee').

The CJ GNR Committee is thus mandated to advise the Board of Emtel Limited on corporate governance matters and on the application of the Code.

Attendance at Board Meetings and Board Committees

The table below presents the attendance records at the Company's Board and Committee meetings for the year under review:

Directors & Committee members	Category of Directors	Board meeting	Audit & Risk committee	Human Resources committee	Emtel Corporate council
Number of meetings held during the year		3	3	3	7
Mr Bashirali A Currimjee	ED	3	n/a	3	6
Mr Anil C Currimjee	NED	3	n/a	3	7
Mr Azim F Currimjee	NED	3	n/a	2	n/a
Mr Mazahir F E Adamjee	NED	3	3	n/a	n/a
Mr M Iqbal Oozeer	NED	3	3	n/a	n/a
Mr Sarvjit Singh Dhillon	NED	3	n/a	n/a	7
Mr Mukesh Bhavnani	NED	1	3	n/a	n/a

Key: ED – Executive Director NED – Non-Executive Director

Principle 3: Director appointment procedures

There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.

Director's appointment, Re-election, Induction and Orientation

The Company is party to a Shareholders' Agreement ('SHA') that makes provisions for the nomination of Directors by the Shareholders on the Board of the Company in proportion to their shareholding in the Company. All Directors are eligible for re-election at the Annual Meeting of Shareholders.

Newly appointed Directors benefit from an induction programme that includes meetings and business presentation sessions with Management, aimed at deepening their understanding of the businesses, the environment and market in which the Group operates.

During the year under review, the Board composition remained unchanged.

Professional development of Directors

The Board values ongoing professional development and recognises the importance of all Directors receiving regular training to be able to serve effectively on, and contribute to, the Board and Board Committees.

The Company provides regular updates to the Directors to best develop their knowledge and capabilities. Directors are kept abreast of trends in the business, competitive and regulatory environments regularly at Board meetings.

Directors are further encouraged to undergo continual professional development to ensure that they can fulfill their obligations and to continually improve the performance of the Board. They are given the opportunity to attend training workshops organised by external facilitators. An in-house training on the duties and responsibilities of Directors, including an overview of some key legislations of direct relevance to the Group, was organised by Dentons Training & Consultancy (Mauritius) Ltd for the Directors and Leadership Team during the year.

The Board also recognises and nurtures talent. To this end, it has put in place a Talent Development Programme for key Executives to ensure that the Group creates opportunities to develop current and future leaders.

Succession planning

The Board is responsible for the succession planning of Directors and maintains a database of prospective candidates for Board appointments.

Corporate governance report (continued)

Principle 4 - Director duties, Remuneration and Performance

Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Each Director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information strategy, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.

The Directors are fully appraised of their fiduciary duties as laid out in the Companies Act.

The induction pack for newly appointed Directors contains inter-alia the following documents to help the Director better understand the Company and the governance system in place for the effective discharge of their duties:

- Corporate Details and high-level Company organigram;
- Governance Framework;
- Code of Conduct;
- Company Constitution; and
- Information on the Company's strategy, major projects and financials.

Conflict of interest / Related party transactions

The Company's Constitution allows a director who has declared his interest in any transaction/proposed transaction with the Company to vote on any matter relating to the said transaction.

The Company Secretary maintains an interest register, which is available to Shareholders, upon written request.

Information

The Chairman, with the assistance of the Leadership Team, ensures that Directors are provided with relevant Board papers in a timely manner so that they can participate effectively in Board deliberations and decisions. Ongoing relevant information is also shared with Directors between two Board meetings to keep them abreast of developments.

The Directors also have access to the Company's Senior Management Team as and when required with the approval of the Chairman & Managing Director.

Information Technology ('IT') and Information Security Governance

The Company has implemented a framework on Information Technology and Information Security Governance and adopted operational policies pertaining to IT. It also follows the ISO 27001:2013 standard for its Data Centre.

The Company's key policies and their purposes are as follows:

- Information Security ('IS') and Information Security Management System ('ISMS') policy - The purpose of this policy is to establish a culture of security and trust for all employees. It also gives a brief introduction of the organisation, lists down the objectives of ISMS and describes the methodology adopted to establish ISMS. The policy encompasses the following activities: clear desk/ screen policy, acceptable use policy, password policy, logical access control, removable media and storage devices, BYOD (Bring Your Own Device) and data protection.
- IT General policy - This policy covers all the different activities and guidelines related to Information Technology, such as backup retention, email, maintenance and configuration, internet, wireless connectivity, computer network logins, operating systems computer network use and change management.
- Incident Management policy - The purpose of this policy is to provide an effective way to ensure a quick, effective and orderly response to incidents so as to minimise damages.
- Physical Access Control policy - The purpose of this policy is to regulate the provisioning, granting, controlling, monitoring and removing of physical access and ID card system also referred to as Proximity Card throughout the Company, including the offices at Ebène & Boundary Road, Rose Hill, Arsenal Data Centre, showrooms and cell sites.
- Business Continuity Management ('BCM') policy – The BCM policy describes the various steps to be taken by the Company to protect critical business processes and assets from the effects of major disasters and identify continuity plans for business resumption.
- Data Centre policy – The Data Centre provides a secure and controlled environment necessary to support the operations of customers and telecommunications equipment that stores, processes and transmits information.

The Company is committed to securing the confidentiality, integrity and availability of information for the day-to-day business activities and technical operations. The security of information and other assets is therefore regarded as fundamental for the successful business operation of Emtel's Data Centre. The Data Centre has adopted an Information Security Management System comprising of Information Security policies, procedures and processes to effectively protect data / information of Emtel's Data Centre and its customers from information security threats, whether internal or external, deliberate or accidental. The Data Centre is ISO 27001 certified with the Mauritius Standards Bureau for providing secured Data Centre operations and services.

All significant investments in information technology and expenditures, based on the business needs for the financial year, are provided for in the Company's annual budget and approved by the Board.

Data protection

At Emtel Limited, privacy matters. We respect the privacy of our employees, customers, suppliers and other interested parties with whom we have business interactions. We are committed to complying with all applicable data protection legislations.

The Company is registered with the Data Protection Office as a Data Controller and a Data Processor; the Certificates of Registration were last renewed in December 2020 as per the Data Protection (Fees) Regulations 2020 and shall be renewed in July 2023.

The Company had appointed PricewaterhouseCoopers (Mauritius) ('PWC') to conduct an independent Data Privacy Assessment against the EU-GDPR and DPA regulations with a focus on current privacy capabilities and gaps. The main objective was to assess the privacy practices adopted by Emtel in regard to the processing of the personal data across its lifecycle (collection, processing, storage, transfer and archival/destruction) and design the future state to demonstrate compliance to processing of personal data of Mauritians and foreign subscribers for service subscription as well as that of its employees. It was reported that the Company has implemented a privacy framework which is aligned with leading practices and flexible enough to adapt to continued changes and ongoing regulatory/business implementations.

Our commitment towards data privacy was strengthened during 2022 with a series of planned activities and initiatives supported by our appointed Data Privacy Champions and the Data Privacy Committee. This has helped the Company to define and implement the main requirements of the applicable data protection laws, regulations and business practices, while addressing the recommendations from PwC Mauritius to improve our data privacy maturity level.

Corporate governance report (continued)

Principle 4 - Director Duties, Remuneration and Performance (continued)

The Company has published and communicated its Privacy Notice to all stakeholders and is available on the corporate website https://www.emtel.com/privacy-policy. The Company's Data Protection Officer can be contacted at dataprotection@emtel.com.

Board, Board Committee & Individual Director evaluation

No evaluation of the Board, Board Committees or individual Directors has been undertaken during the year under review.

Remuneration policy

None of the Directors received any remuneration and benefits from the Company during the financial year ended 31 December 2022 (2021: Nil).

The Managing Director is not remunerated by the Company. He is deputed by Currimjee Jeewanjee and Company Limited, with which the Company has a Business Support Services Agreement.

The remuneration policy for employees is determined by the Human Resources Committee and follows the guidelines below:

- Ensure that remuneration is commensurate with qualifications, skills and experience;
- Ensure that pay levels are internally consistent and aligned with market rates;
- Reward employees according to their responsibilities and performance; and
- Provide a remuneration package that attracts, retains and motivates staff.

Remuneration also includes a variable component based on the performance of both the Company and the employee.

Directors' service contracts

None of the Directors has a service contract with the Company.

Directors' & Officers' liability insurance

A liability insurance cover for Directors and Officers has been subscribed by the Company. The policy provides cover for the risks arising out of acts or omissions of the Directors and Officers of the Company in the performance of their duties, to the extent permitted by law.

Directors' interests in shares

The Directors' indirect interests in the stated capital of the Company at 31 December 2022 were as follows:

Director	Indirect interests in the Company's shares through Currimjee Limited %
Mr Bashirali A Currimjee	0.08
Mr Anil C Currimjee	3.52
Mr Azim F Currimjee	5.74

Principle 5 - Risk governance and internal control

The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system.

Risk governance

Managing risks and uncertainties is essential to achieving our long-term success and strategic objectives. Risks are inherently dynamic; as the environment evolves, certain risks reduce or grow, while new ones emerge.

An effective Enterprise Risk Management framework has been established at Emtel in line with the Group's policy. It not only focuses on operational and business (including strategic and financial) risks, but also its regulatory, societal, human capital, health and safety risks. Emtel's ERM is a well-defined, three-step procedure comprising risk identification, risk mitigation, and monitoring and reporting.

- In the first step, a set of well-defined criteria helps to identify enterprise-level strategic risks that pose business and operational continuity, brand and market perception, the ability to generate resources for future expansion, etc. A dedicated risk owner is responsible for the main risks and sub-risks.
- In the next step, risk mitigation strategies are identified and deployed to eliminate exposure to potential risks and reduce their chance and negative impact. This includes the action plan and the assignment of the responsibilities to risk owners.
- In the third stage, quarterly monitoring of key risks, as well as the effectiveness of the mitigation plan is carried out by the Audit and Risk Committee (ARC).

The risk management framework is detailed on pages 62 to 65 of the risk management model.

Principle 6 - Reporting with integrity

The Board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report and on its website.

Environment & Sustainability

The Company aims to grow and conduct business sustainably with respect to the market environment, technological innovation and Sustainable Development Goals (SDGs). It actively implements ecological projects in its business operations and supports external institutions and non-governmental organisations within the Republic of Mauritius. The Company's activities focus on four core strategic drivers:

- Addressing Climate Change
- Preserving Ecosystems and Natural Resources
- Responsible Waste Management
- Environmental Stewardship

The environmental and sustainability initiatives are detailed in the Sustainability Report on pages 106 to 117.

Corporate governance report (continued)

Principle 6 - Reporting with integrity (continued)

Corporate Social Responsibility ('CSR')

Emtel, We Care. We strive to bring a positive impact on our local communities and the environment within the Republic of Mauritius. The Company continues to advocate its social responsibilities towards the local communities and it has promoted community projects that not only spell its commitment towards the integration of social, environmental and economic dimensions, but also provide value-added solutions to societal and environmental challenges.

The Company's CSR activities focused on five (5) main dimensions namely

- Environment & Sustainability,
- Socio-Economic Development,
- Educational Support and Training,
- Dealing with Health Problems and
- Leisure and Sports

The CSR initiatives are detailed in the Sustainability Report on pages 106 to 117.

Quality & ISO Certifications

Emtel is certified ISO 9001:2015 with the Mauritius Standards Bureau (MSB) for the sales, support, distribution and service of Information and Communication Technology products and services for both prepaid and post-paid customers through mobile and fixed technology. The Company has successfully completed its surveillance audit in November 2022 by the MSB and the certification (RF 164) is valid until December 2024. The Company strives to provide the best experience to its customers through the provision of efficient, effective and innovative Information and Communication Technology products and services. It is committed to satisfying the needs and expectations of its interested parties, and will ensure continual improvement of its Quality Management System in compliance with the applicable legal and regulatory requirements and ISO 9001 requirements.

The Company operates a Quality Management System driven by its philosophy of continual improvement towards an enhanced customer experience. Internal process audits are carried out by the Company's team of trained internal quality auditors, process documentation is reviewed on a continuous basis and a risk-based approach is adopted across the organisation.

Donations

The Company did not make any political donations during the year under review (year 2021: Nil). The Company supported a few charitable institutions from the Company's CSR funds.

Principle 7 – Audit

Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's auditors.

Internal audit

Effective January 2021, the Company's Internal Audit Function has been outsourced to Ernst & Young (E&Y), following a tender exercise, and approved by the Board on the recommendation of the Audit & Risk Committee.

As part of their delivery of internal audit services, the Internal Auditor has performed a risk assessment and considered additional risks that apply to the Company and which were not captured in the existing risk register and the list of top inherent risks ranked in terms of significance for the Company. An internal audit plan for a three-year period was then established in collaboration with top management, targeting the higher risk areas that lend themselves to internal audits, and approved by the Audit and Risk Committee.

The Internal Auditor's methodology aims ultimately to position the internal audit reviews to proactively drive strategic value to the organisation, by providing:

- Key insights that enable the business to focus on the risks that matter, and which aim to improve the quality and effect of work delivered.
- A robust mechanism to identify performance improvement opportunities (including robustness and efficiency of operations, quality of information for better decision making, optimising the use of available resources like technology).
- Strategic insights that improve business performance.
- Prioritisation of recommendations to facilitate implementation and sense of achievement.

Internal audit services are conducted in accordance with an Internal Audit Charter, aligned with the standards of the Institute of Internal Auditors' International Professional Practices Framework and adapted for the outsourced internal audit model, that has been approved by the Audit & Risk Committee.

As part of the audit, the Internal Auditor reviews the design and operating effectiveness of controls in operation at Emtel for the areas identified as part of the internal audit plan. Following the completion of internal audit engagements, salient internal audit observations are reported to Management in a closing meeting, followed by the issue of the internal audit reports. These reports are then presented at Audit & Risk Committee meetings, to communicate significant audit findings as well as Management's proposed action plans. Regular follow-up audits are also undertaken to monitor the progress on the implementation of internal audit recommendations by Management, which are then reported back to the Audit & Risk Committee. The Internal Auditor, works closely with and shares its internal audit findings with the external auditors.

The Internal Auditor reports independently to the Chairman of the Audit & Risk Committee and the Chairman of the Board on all internal audit matters, and is responsible for providing assurance to the Audit & Risk Committee regarding the implementation, operation and effectiveness of the Company's internal control systems. In this respect, reliance is placed on the work undertaken by the Internal Auditor in line with an internal audit plan, as approved by the Audit & Risk Committee, which ensures that all significant areas of the Company's activities are duly covered in turn over a predetermined timeframe.

The Internal Auditor has unrestricted access to the Company's records, the Chairman of the Company, the Chairman of the Audit & Risk Committee, Management and employees, for the effective performance of its duties.

During the financial year 2022, the following internal audit assignments were deployed for the Company: Payroll Review, Fixed Asset Management and Working Capital Management. Two follow up audits were also completed on Work from Home and Enterprise Lead to Cash.

Corporate governance report (continued)

Principle 7 – Audit (continued)

External audit

The Audit & Risk Committee has reviewed and reported to the Board on the clarity and accuracy of the financial statements. While conducting their reviews, the Committee considered the following:

- the accounting policies and practices applied;
- material accounting judgements and assumptions made by management or significant issues, or audit risks identified by the external Auditor; and
- compliance with relevant accounting standards and other regulatory financial reporting requirements, including the Code.

All significant issues raised by the external auditors during the audit are reviewed and monitored at the level of the Audit & Risk Committee until they are fully addressed.

The external auditors are free to meet the Audit & Risk Committee without the presence of management should they wish to do so. No such meeting was required during the year under review. Nonetheless, the Chairman of the Audit & Risk Committee regularly consults the External Audit Partner.

The Board is regularly informed of all material matters being discussed at the level of the Audit & Risk Committee.

The fees paid to the External Auditors, for audit and other services were as follows:

	Year 2022 Rs	Year 2021 Rs
Statutory audit services	2,028,000	1,572,000
Other services	1,069,000	908,000
TOTAL	3,097,000	2,480,000

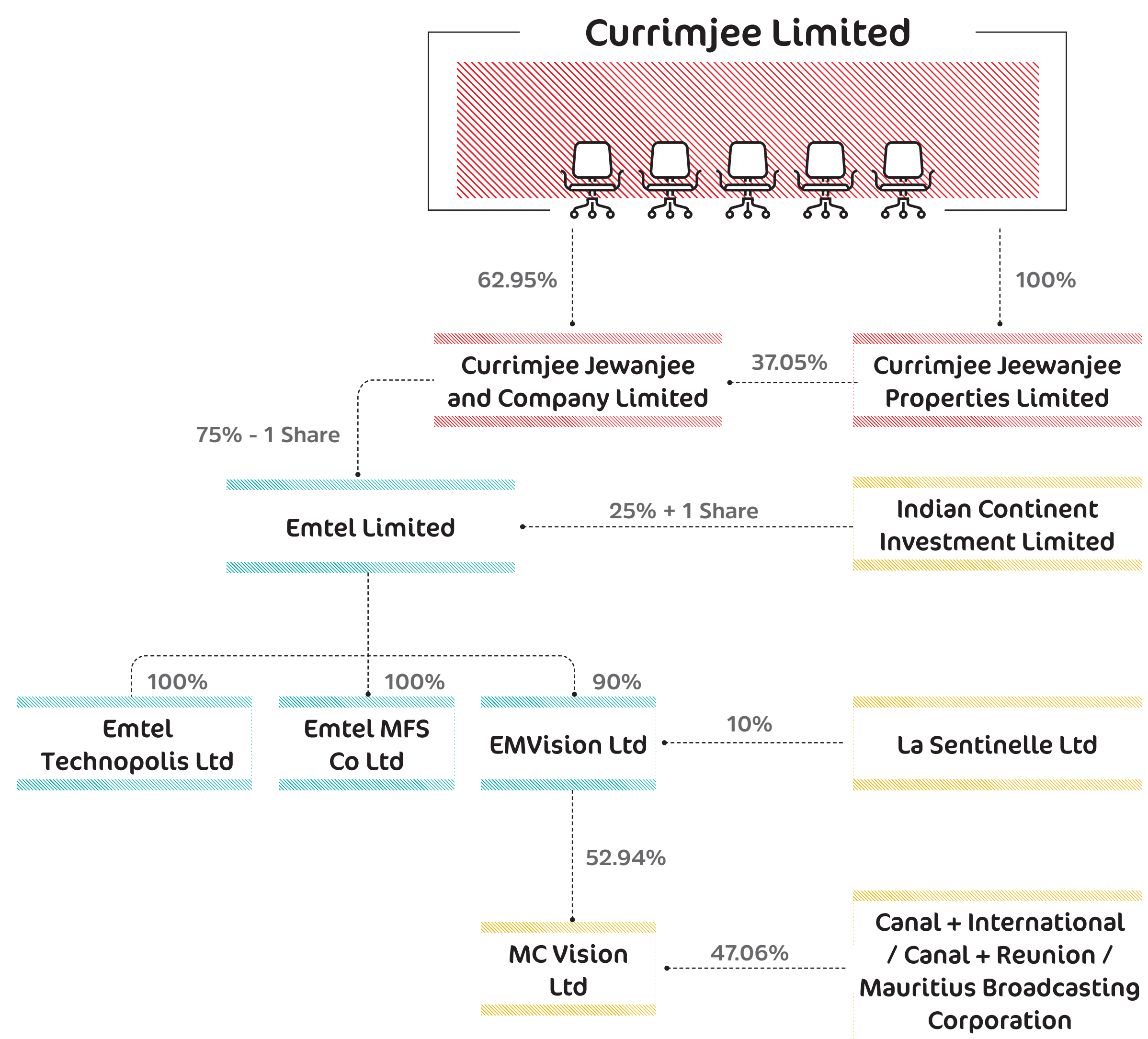
The other services for year 2021 and 2022 included tax consulting services, privacy gap assessment, the audit of financial information of MFS Trust and consultancy services for Mobile Financial Services.

The Board ensures that the provision of non-audit services by the External Audit Firm are delivered by a team of officers that is completely independent from the external audit team, to ensure that the Auditor's objectivity and independence are safeguarded.

Principle 8 - Relations with shareholders and other key stakeholders

The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose.

The stated capital of the Company consists of 15,180,000 Ordinary Shares of Rs 10 each. The shareholding structure of the Company at 31 December 2022 was as set out below:



Corporate governance report (continued)

Principle 8 - Relations with shareholders and other key stakeholders (continued)

The Company is committed to responding to the needs and expectations of its key stakeholders and takes into account their interests in its dealings with them. The Board ensures that information is delivered in an open, transparent, meaningful and regular manner to the stakeholders. It engages with its key Stakeholders through existing communications platforms (Annual Report, Shareholders meetings, Website, Employee Engagement Surveys, Social Media, CJ News & Intranet, Communiqués). More information is available in the 'Stakeholder Engagement' section of the Integrated Report on pages 76 to 81.

Calendar of key events and publications

The calendar of key events for the year is as follows:

Shareholders' Agreement

The contents of the Shareholders' Agreement between CJ & CO LTD and Indian Continent Investment Limited in respect of the Company have not been disclosed due to their confidential nature.

Dividend Policy

The Company shall in every financial year distribute 95% of all free cash available each year upon satisfactorily passing the solvency test and after provision has been made for debt servicing, cash flow, business and investment requirements as well as capital expenditure and prudent financial provisioning. 95% of the remaining 5% of the Company's immediately previous financial year's free cash flow shall be paid out in the following financial year in addition to the dividend payable by the Company in such financial year, subject to the solvency test being satisfied and after provision has been made for cash flow, capital expenditure and prudent financial provisioning.

The Company declared and paid total dividends of Rs 532 million during the year (2021: Rs 516 million).

Approved by the Board of Directors on 24th April 2023.

Mr. Bashirali A Currimjee, G.O.S.K
Chairman & Managing Director

Mr. Anil C Currimjee
Director

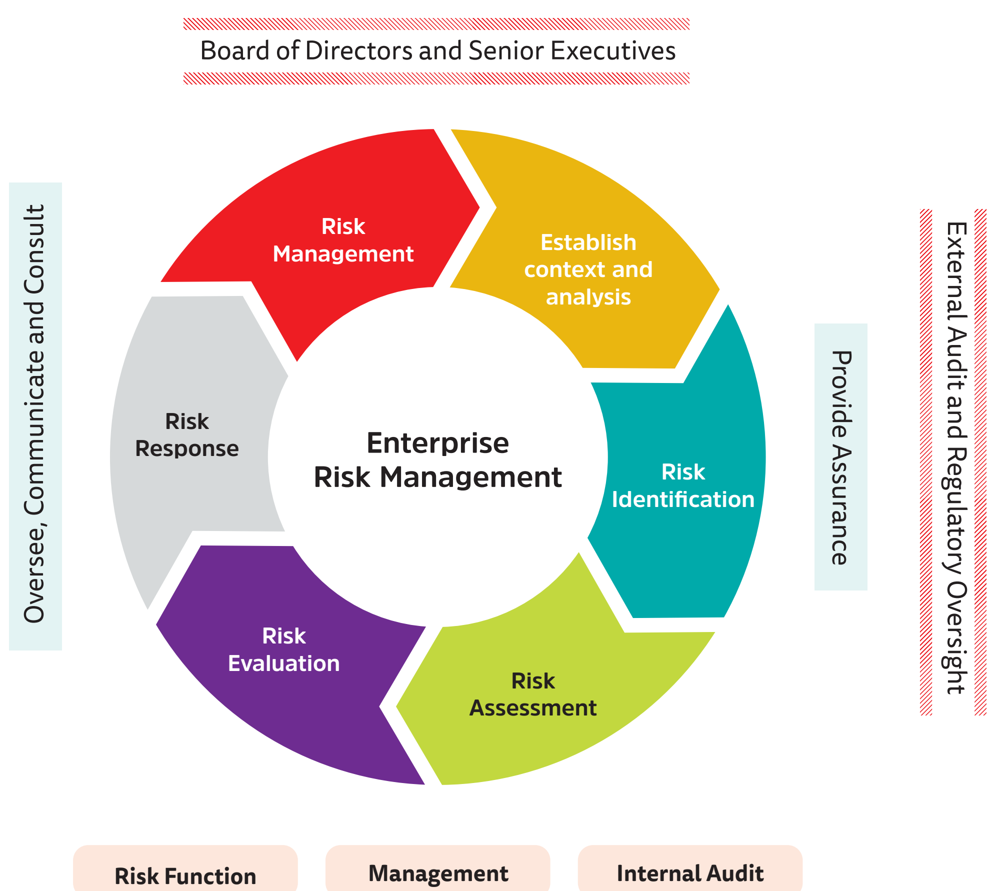
Risk management model

Given the nature of our business and the dynamic landscape in which we operate, risk management forms an integral part of our long-term success. Emtel's Risk Management model aligns with its parent company risk management strategy. It was designed to identify, evaluate, respond to, and manage risks as promptly and effectively as possible.

To stay ahead of emerging risks and opportunities, Emtel has cultivated, and continues to strengthen, a risk culture that promotes a shared understanding of risk across all areas and activities. The process comprises the adoption of a rigorous and collaborative approach across the entire organisation, in which key individuals contribute by recognising risks in their particular areas of responsibility and expertise, and providing suitable responses to these risks.

One of the key outputs of this process is the development of a comprehensive Risk Register, which establishes the risk context and risk treatment plan for each key risk. As a result, risk management remains a priority and operational managers are adequately prepared to respond quickly to changing conditions.

Combined Assurance and Risk Management model



Top 10 Risks identified by the Company

During the year, the Company performed an assessment of its Enterprise Risk Register, which is updated on a quarterly basis alongside a shifting operating environment. The Top 10 risks and their corresponding mitigation measures undertaken by Emtel are set out below:

Risk category	Sr. No	Risk	Brief description	Mitigation plan
Operational	1	Inconsistent network quality, leading to a negative customer experience	Seamless connectivity is a crucial pillar of Emtel's customer experience strategy.	• Ongoing activity to improve the customer experience by evaluating complaints and optimising the network in congested areas. • Network coverage expansion on identified and strategic locations.
Strategic	2	Hyper competitive market, leading to loss of market share	Aggressive pricing strategies in the market may ultimately impact the profitability & market share.	• Enhance focus on growing technology skills and capabilities to compete with disruptive market players. • Introduction of 5G with expanding coverage across the island. • Develop new strategies and take appropriate action on a timely basis to ensure an increase in market share.
Strategic	3	Failure to diversify into newer revenue streams	Mauritius has a highly saturated mobile market, and due to limited scope of growth for the mobility segment, it is pertinent to continue identifying new sources of revenue through continuous market scan and the diversification of the current product portfolio.	• The launch of a Fintech app and 5G have provided opportunities for new use cases for both B2B & B2C segments that will create new revenue sources and enhance customer engagement. as well as retention. • Focus on driving data adoption through innovative products and offers.
Strategic	4	Limited fibre infrastructure & roll-out	Restricted fibre capabilities may impact growth and sustenance of market share.	• Strategic expansion of fibre backbone across the island to increase the fibre coverage.
Strategic	5	Inability to leverage and deploy new age technologies, namely Data Science, Social Media Analytics and Behavioural Analytics	To better leverage consumer data, their journeys, monitor demand and build strong customer relationships, building data science capabilities, internal upskilling initiatives are required.	• Focus on scenario-based simplified structured data analysis based on user requirements. • Invest in technologies, infrastructure and skills to support innovation.

Risk management model (continued)

Risk category	Sr. No	Risk	Brief description	Mitigation plan
Financial	**6**	Depreciation of local currency	The depreciation in local currency could cause cost overruns.	• Demand for Forex has gone up due to increase in price. However, supply exceeds demand due to a backlog. • Spot and forward Forex purchases are done to cover payments along with usage of forex overdraft to satisfy immediate needs.
Strategic	**7**	Global supply chain disruptions	Disruption in the supply chain caused by Covid19, geopolitical relations and the Ukraine-Russia war may impact the cost of operations.	• Constant monitoring of vulnerabilities in the supply chain of key suppliers to ascertain any adverse impact on the Company. • Identification of alternate supply sources.
Operational	**8**	Lack of end-to-end system integration	Stability and end-to-end integration of essential systems and platforms to ensure Emtel's go-to-market competitiveness and minimise potential leakage.	• Explore automation feasibility to eliminate misalignment. • Strengthen process & controls to minimise gaps until complete automation is achieved.
Operational	**9**	Cybersecurity risk	An increased number of devices, interfaces and network interactions raises security risk, and IoT coalitions conceal service provider responsibilities for privacy and security. Cyberattacks on critical infrastructure and consumer data might disrupt service quality and impact brand image.	• Implementation of a robust cybersecurity framework. • Continuous monitoring and upgrade of our IT activities, infrastructure & cloud environment. • Reliable anti-virus software and firewalls are installed and updated regularly across all systems. • External and internal IT audit.
Strategic	**10**	Supplier concentration & over-reliance on supplier	Over reliance on original equipment manufacturer for network equipment can hamper network operations.	• Dependency on strategic suppliers is well managed through planned investment and continuous performance monitoring. • Suppliers established local office in Mauritius to provide full support as needed.

Internal control

The Board is responsible for reviewing the Company's internal control system and is satisfied that the system in place is functioning effectively. Management is responsible for the design, implementation and monitoring of the internal control system. Appropriate policies, processes, and procedures incorporating relevant internal controls have been designed and implemented, to provide reasonable assurance that the control objectives are attained.

Whilst retaining the overall responsibilities for this function, the Board has delegated the authority to the Audit & Risk Committee for the monitoring and review of the effectiveness of the Company's internal control and compliance systems. The Board also relies on the internal audit function to report on any weaknesses in the internal control systems, and make recommendations to Management and to the Audit & Risk Committee for appropriate actions.

The Board acknowledges that a system of internal control can only provide reasonable but not absolute assurance against the occurrence of misstatements, human error, losses, fraud and other irregularities.

Whistleblower policy

The Company's Whistleblower policy is communicated to the Directors and all employees. The Company aims to encourage its Directors, employees and anyone associated with the Company, to raise their concerns about any aspect of malpractices encountered within the Company, and to come forward and voice those concerns within a defined process with the confidence that they will be treated fairly.

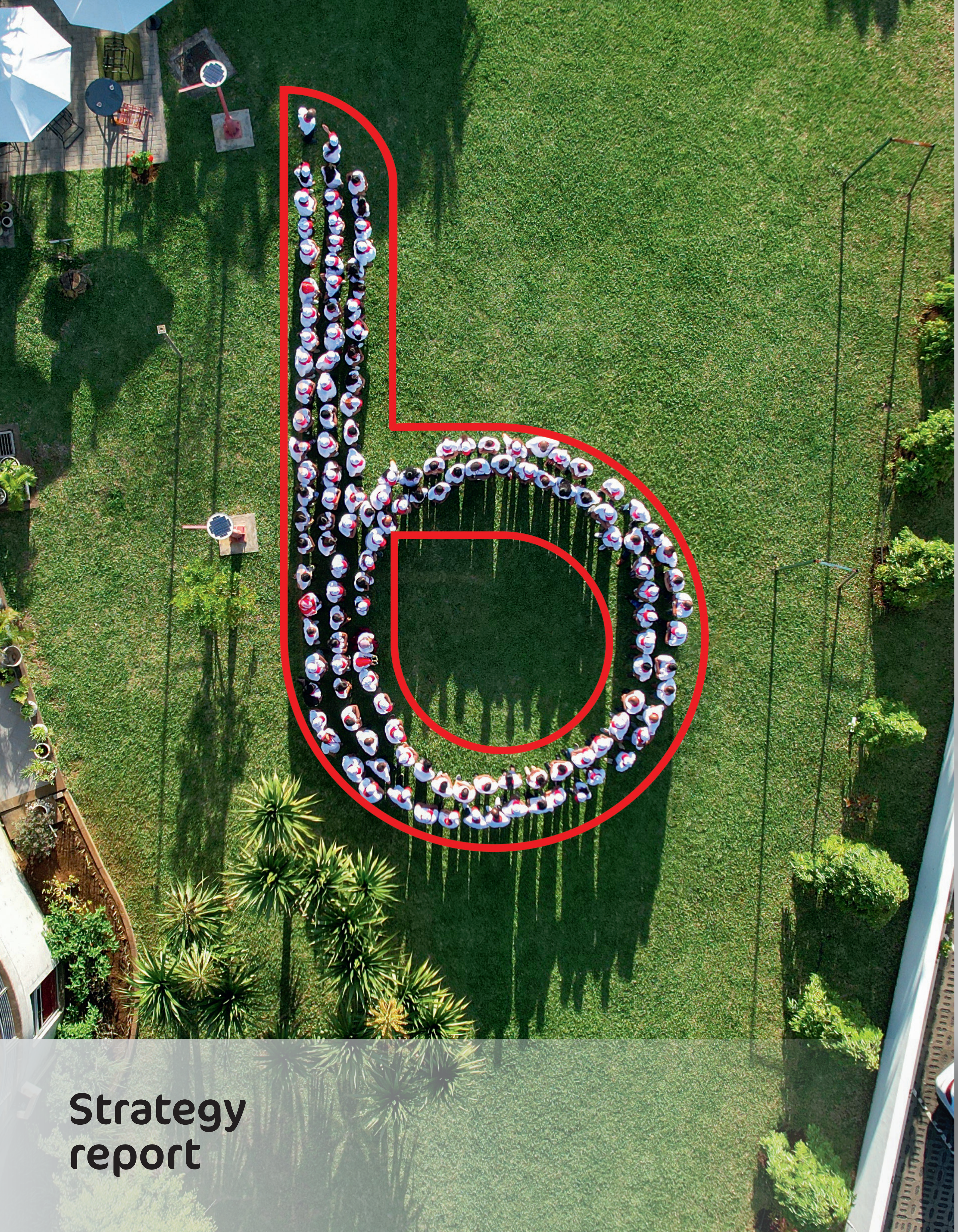
An employee who reasonably believes that inappropriate business conduct is occurring should raise the concern with their immediate supervisor/manager or their superior. This may depend, however, on the seriousness and sensitivity of the issues involved and the individual suspected of the said malpractice. If the employee believes that Management is involved, he/she should approach a more senior level of management within the Company and/or the Head of Human Resource and/or the Chairman of the Audit and Risk Committee.

The Chairman of the Audit and Risk Committee shall be notified of all financial or accounting irregularities or suspected irregularities. The policy does not supersede that requirement.

Should the matter have a direct link with the Head of Human Resource, the whistleblower is advised to report the case to the Chairman of the Audit and Risk Committee.

The Company is committed to take appropriate action to protect the employee when he/she raises a concern in good faith. If the claim of questionable practice is substantiated and proved, appropriate disciplinary action will be taken against the responsible individual(s) up to and including termination of employment.

The policy ensures that the whistleblower's identity is treated with utmost confidentiality.



Strategy report

Interview with the Group CEO

How would you sum up the year 2022 for Emtel and its subsidiaries?

2022 was a year of innovation and important milestones for Emtel. Despite the lingering challenges related to the pandemic, which were compounded by inflationary pressures and an ever-volatile ICT landscape, we remained focused on our purpose of making telecommunications accessible and available to all, using technology to ease people's lives.

The past year saw a groundswell of activity through the materialisation of well-thought-out strategies which we devised during the 2020 and 2021 lockdown periods – at which time, we reflected on 'doing different things' and 'doing things differently', making our ambitions grow exponentially.

I am humbled by the remarkable progress we made in 2022 despite operating in unfavourable circumstances. 2022 has been Emtel's best year since our inception, both in terms of financial performance and delivery of groundbreaking projects.

What was the driving force behind this newfound dynamism and innovation?

The pandemic has ushered in a new era of innovation. Today, ubiquitous wireless connectivity is no longer seen as a luxury or convenience, but rather a basic necessity for modern living. Even as the pandemic recedes, technology remains a catalyst for economic recovery, an enabler for business continuity, a must for every household, high on the agenda for government policies, and inevitable for societal progress. And as the need for being 'always online' and 'always connected' becomes a must, so does the need for the infrastructure that supports it. The growth momentum we are seeing comes in response to the imperative for businesses to ensure seamless operations, without any interruption, while being shielded from cyberattacks.

Innovation is deeply embedded in our DNA. Throughout our history and several waves of disruptions, Emtel has been at the forefront of technology. We have always brought about the desired and required evolution to meet the needs of our customers, thereby putting the country among the leading leagues of nations in terms of technological advancement for the betterment of the population. Faced with an unprecedented pace of change in our key industries, we accelerated our investments in our network infrastructure, submarine cable capacity and digital capabilities to meet the unparalleled demand for capacity and provide a better customer experience. We started the first phase of our project to provide islandwide 5G coverage. We also penetrated a new revenue segment, which we call the Space Economy, through our subsidiary Emtel Technopolis. In May 2022, we launched blink, a first of its kind in Mauritius, a mobile payment app through our subsidiary Emtel MFS Co Ltd.

The ubiquity of connectivity means that those without access to ICT are more disadvantaged than ever. As a responsible ICT provider, we intend to continue innovating with purpose and ensure that the sustainability of our industry goes hand in hand with the socioeconomic development of our country. To that point, we have established environmental and social strategies to reduce our carbon footprint and use digital inclusion as a launchpad to help local communities.

What were the major operational and commercial achievements during the year?

Our operational and strategic achievements have been remarkable when put in context. The first half of 2022 remained dominated by pandemic-related challenges, in the form of endured sanitary protocols and restrictions that prevented us from operating to the full extent of our capabilities. These restrictions, amongst many others, were maintained until July 2022, causing the economy to remain subdued. Once again, we were reminded of the importance of what we do at Emtel and the importance of technology in our world; the pandemic reinforced the population's dependence on the availability of our services to stay informed, continue studying and learning, access entertainment, and communicate with their peers and loved ones. It was also a reminder of the necessity for businesses and enterprises to operate seamlessly, even if offices were unattended.

Headline inflation reached double digits in 2022, and this intensified the decline in the purchasing power of households, impacting how they spend their discretionary income. The depreciation of the Mauritian Rupee versus major trading currencies was a heavy blow to our operating and infrastructure costs.

Against this subdued effect of post second lockdown, we continued to deliver on our disciplined diversification strategy to strengthen our footprint in the segments we already serve, while gaining a competitive edge in the new markets we have penetrated - Fintech and the Space Economy.

Interview with the Group CEO (continued)

I would like to highlight some of the most notable innovations introduced in 2022 that are enabling us to cement our position as a one-stop ICT solutions provider:

Launch of blink

In May 2022, we launched blink, a first of its kind in Mauritius, a mobile payment app through our subsidiary Emtel MFS, licensed by the Bank of Mauritius. blink is the first mobile payment app in Mauritius led by a telco operator. It can be used on any mobile network, and links users' bank account(s) from any bank in Mauritius, enabling to seamlessly make digital payments on their smartphones – whether it is bill payments, money transfers, ecommerce transactions or contactless payments at outlets. blink is the beginning of an era of diminishing physical cash transactions, in line with the country's vision of a digital economy. We are now working on expanding our merchant base, incentive partners and use cases.

Launch of 5G on a large scale

We deployed the first phase of our 5G strategy on a large scale in July 2022. We are now accelerating the deployment of the next phases to meet the increased demand for ultra-fast Internet as the consumption of mobile data soars. Emtel is the only operator to provide widespread 5G coverage on the island and is also a reference in this part of the world. We plan to cover the entire island by 2024. During the year, we introduced Airbox5G, which offers instant plug-and-play ultra-high-speed internet to one's home or business. In 2023, we will be bringing 5G to the mobile.

Emtel Technopolis

We completed Phase I of Emtel Technopolis, the first technology park of its kind in the region, which will house a satellite park for low-earth satellites in May 2023. This project will provide the satellite technology needed to deliver high-speed connectivity to the airborne and maritime industry, to remote areas, as well as to institutions. We are proud to have won the tender to collaborate with a prestigious Low Earth Orbit satellite company. This marks a significant milestone not only for our business, but also for population across the Indian Ocean, who will now be included in the digital economy. Satellite technology also has the potential to unlock major advancements in industries like healthcare and education, and advance the UN Sustainable Development Goals.

Connecting Mauritius to the world

After the successful launch of METISS in 2021 – the submarine cable which runs between Mauritius, Reunion, Madagascar and South Africa and of which we are a founder member, we accentuated our submarine cable capacity to provide for the pent-up demand for connectivity to the outside world. It is important to highlight that not only METISS provides the required capacity for many years to come but it also provides a third submarine cable system to provide the desired redundancy to ensure that the country is always connected to the world.

Network Modernisation

We started the modernisation of our network with more energy-efficient network equipment that also provides added coverage and capacity for a better customer experience.

Protecting businesses from cyber attacks

We placed a lot of emphasis on cybersecurity during the year. Our pool of highly qualified and trained professionals helped a number of organisations protect their assets against potential threats. In the same breath, a growing number of customers have housed their critical servers and data at our Data Centre to ensure business continuity.

Customer Excellence

We implemented an omnichannel customer service solution allowing us to interact with our customers from a single platform, irrespective of whether queries are made via mail, social media or any other platforms. This has contributed a better customer response time and customer experience.

Having set these foundations, we now find ourselves in a new age of transformation that will enable us to compete in a completely different playing field.

What is your vision when we speak of shaping a smarter tomorrow? What is Emtel's strategy in this regard?

When I look back at the past few years, there is no doubt that the ICT sector has been instrumental and at the heart of the response to the pandemic. Countries with advanced ICT infrastructure were most successful in achieving continuity and adapting to pandemic circumstances. In this sense, technology and reliable connectivity have proven their worth as indispensable drivers of the economy, and valuable tools to educate, empower and entertain individuals. Looking ahead, technology will have an even more crucial role to play in the future we wish to build.

Our vision for a smarter future is one where technology continues to ease the lives of individuals, homes and businesses. We intend to leverage our technological prowess, advanced technologies and intelligent systems to increase our operational efficiency and better serve businesses, individuals and homes, which, in turn, will have accrued benefits and provide far-reaching opportunities for the entire population, the industries and the region. Ultimately, the goal is to have a more connected, efficient and intelligent network that drives successive waves of innovation in the digital economy.

Interview with the Group CEO (continued)

Our long-term strategy is designed to support these ambitions and is based on four pillars:

Easing people's lives

Our Airbox high-speed connectivity reach has strongly contributed to bridging the digital divide. We aim to accelerate our 5G implementation to have islandwide coverage by 2024. We will further enhance our capabilities and take full advantage of the convergence between telecom and media.

We will bring ultrafast internet to smartphones through 5G. This will allow customers to have an omnipresent connection for all their needs – for studying, streaming, entertainment and gaming, amongst others.

blink, our mobile app, has facilitated the way payments are being made and is enormously contributing to bringing the population into an age where secure cashless payments will become seamless. We aim to make further capabilities possible on blink to make it even more useful and attractive.

Embarking into new segments

Looking ahead, we intend to develop other solutions driven by the Internet of Things (IoT), and make inroads into Artificial Intelligence (AI) and data analytics. IoT can be used to automate devices, creating new opportunities to tap into industries, smart homes and smart vehicles; AI, on the other hand, will enable us to analyse vast amounts of data that can be used to optimise network performance, reduce our costs and dramatically improve customer experience. Incubating these solutions will take time to bear fruit, but investments are already underway.

Delivering customer excellence

Customer service has always been critical for building and maintaining a competitive edge in the telecom industry. That hasn't changed; however, with new norms come new customer demands and standards. Today, it is a whole new ball game to win and ensure customer loyalty, and that long-term loyalty depends on the quality of service and level of satisfaction. The Covid-19 pandemic has accelerated the adoption of digital channels by businesses and consumers alike, making high performance an even bigger imperative for our industry, especially with people working from home and requiring reliable service and support at all hours of the day. Customers expect telecommunications providers to deliver the highest level of digital interactions across multiple channels. As technologies such as AI become part of our daily lives and shape our expectations, as an operator, we are constantly being measured by customer service levels in an already highly competitive environment. Our customers have always been at the heart of Emtel. We have come a long way with our call centre, omnichannel platform, customer app, as well as other personal interactions with our front-office staff. We know that we have a lot more to do and we endeavour to continuously improve in order to elevate the customer experience standards

Innovation

Innovation is inherent to how we work and will continue to sow the seeds of the future and be the basis of our decision for future investments. We aim to continue investing in remaining agile and adaptable in a dynamic environment, and position Emtel as a leading technological company.

How is Emtel addressing the growing Environmental, Social and Governance (ESG) concerns?

As a provider of essential services, Emtel has always existed in harmony with the Mauritian community. Over the past few years, our approach to sustainability has come to encompass Environmental, Social and Governance concerns as three equally vital considerations. This is because as the world shifts towards a green and digital society, all sectors of the economy will require a robust infrastructure to deliver on their respective ESG strategies—elements that are all core to Emtel offers. It is therefore incumbent upon us to lead by example.

In 2022, we took meaningful action on all three fronts:

Environmental: We carried out a comprehensive assessment of our greenhouse gas emissions between 2019 and 2022, which we used to establish a baseline for an ambitious decarbonisation strategy. This includes not just reducing our own energy consumption and moving towards renewable energies in our operations, but also looking at our entire supply chain and who we collaborate with. We have embarked on a number of projects – amongst which are reforestation, coral reef farming and wildlife conservation, to name a few. We pride ourselves on being the only operator in Mauritius to have developed an e-waste recycling project alongside a trusted partner. Our Sustainability Report on pages 106 to 117 provides more details on our key focus areas in the coming years.

Social: We continue to lend our support to make free calls and Internet services widely available to underserved communities, while also carrying out our social activities in the areas of sustainability, healthcare and education amongst others. Our Sustainability Report on pages 106 to 117 provides more details on our key focus areas in the coming years.

Governance: In light of ever-changing regulations and security concerns, the landscape of risks has expanded significantly. It is vital for us to have effective internal controls in place, as well as the right governance structures that operate under checks and balances. In 2022, we continued to take steps to ensure our operations are transparent, ethical and compliant.

What is your outlook for the coming year? What are Emtel's priorities?

The challenges are many. The current macro environment is still uncertain, with households under immense pressure to navigate an inflationary environment while a severe cost of living crisis is upon them. At the same time, our business is expected to face a very volatile Forex environment, which will considerably ramp up our costs, especially as we roll out the next phases of our capital-intensive infrastructure and network investments.

It is still unclear when the world will see relief from these turbulences. What is clear, however, is that diversification, digitalisation and decarbonisation are the way out. At Emtel, remaining true to our vision, we are doubling down on our commitment to drive a smarter, digitally-driven, more sustainable future. More specifically, our priorities are to:

- Meet the growing demand for mobile Internet services and the proliferation of connected devices by developing the required infrastructure and capabilities;
- Continue to expand our 5G network, aiming to cover the island by end 2024;
- Provide ultra fast 5G mobile data to our customers;
- Pursue our expansion into new segments and tap into new business opportunities;
- Partner with companies in related industries to offer services that appeal to a wider range of customers;
- Continue to capitalise on the growth in data centre requirements, cloud adoption and cybersecurity for the enterprise segment to enable businesses ascertain the continuity of their operations through reliable and secure solutions;
- Make digital and green transformation a top priority and growth engine.

Emtel operates in a dynamic landscape that is in constant motion. The visionary ideas and technologies that seemed distant a decade ago are on the horizon; and in some cases, they are already here. Throughout its history, Emtel has proven to be a reliable and agile partner, with a strong focus on customer-centric solutions and a desire to overcome geographical barriers to enable everyone to access the digital world. I have no doubt that these foundations will continue to serve us well.

Interview with the Group CEO (continued)

Our agenda for 2023 and ahead is exciting.

Do you have a closing message for your stakeholders?

As I look back, I am overwhelmed by the many challenges we have had to face as a telecom operator, and proud of our ability to rise above them. We supported our clients in their time of need, never wavering from our mission to provide reliable, innovative and accessible services.

I would like to take this opportunity to thank Emtel's customers, partners, board members and shareholders for their unflinching support in these testing times. Most of all, I am proud to be working alongside talented and passionate men and women, who work hard every day to shape the strong fundamentals of Emtel. Together, we have weathered storms of great magnitude, and emerged more resilient than ever.

As Emtel moves forward in its innovation story, I assure you that we remain guided by our core values of integrity, transparency and social responsibility that have so far governed our course. We will continue to strive for excellence in all that we do, and we will always seek to balance the interests of our stakeholders with the broader interests of society. I am convinced that by working together, we are shaping a smarter tomorrow that will make people's lives better with the power of technology.

Krishnaduth Goomany
Group Chief Executive Officer

"Throughout its history, Emtel has proven to be a reliable and agile partner, with a strong focus on customer-centric solutions and a desire to overcome geographical barriers to enable everyone to access the digital world. I have no doubt that these foundations will continue to serve us well"

Stakeholder Engagement

As a leading player in the technology and telecommunications sector, Emtel is deeply connected to the environment it operates in. Our stakeholders' voices propel us forward at every stage, guiding our current operations and shaping the intelligent future we are building for tomorrow.

Emtel functions within a stakeholder network comprising various groups that directly or indirectly impact our operations and are essential to our sustained achievements. Maintaining consistent engagement with these stakeholders is vital for realising our vision. Our goal is to enhance our relationships with stakeholders by comprehending and addressing their expectations and issues. This valuable input influences our decision-making and strategic direction, enabling us to generate value for Emtel, our stakeholders, and the communities we serve.

Shareholders

Our shareholders provide the capital needed to deliver on our strategy and maintain long-term growth. Keeping them abreast of our activities and developments is therefore critical to build and maintain trust and support.

Modes of engagement	Expectations	Actions taken in 2022	Objectives for 2023
• Shareholder meetings • Ad hoc meetings as per requirements • Board meetings • Emtel corporate council meetings • Integrated reporting	• Achievement of financial and strategic objectives • Sustainable growth • Robust risk management practices • Dividends and returns • Competent leadership to drive initiatives	• Annual operating plan for 2022 was discussed and agreed with all parties concerned • New revenue streams were explored with diversification or expansion of existing portfolio • Review of risk mitigation plans • Dividends pay out	• Achieve double-digit year on year growth • Continue to diversify revenue sources to balance risks and ensure sustainable growth • Review of our capital structure and debt structure to meet strategic goals

How we measure our engagement

Dividends paid - MUR 532Mn
Profit after tax - MUR 478Mn

Sustained growth in company's performance

Employees

At the head office, data centres and showrooms

Our employees are one of the biggest catalysts of our growth and critical enablers of our strategy. We strive to keep our people highly motivated and engaged by providing them regular training and development opportunities, maintaining open lines of communication, and recognising their efforts and contributions to our performance.

Modes of engagement	Expectations	Actions taken in 2022	Objectives for 2023
• Formal and informal meetings to provide feedback and evaluate performance • Internal communication – Newsletter, Direct mails, Employee Communication Forums (town halls with all staff) • Quarterly meetings to discuss strategic projects • Focus groups to understand the drivers of employee engagement and devise a departmental Engagement Action Plan for the year • Training and development sessions and Talent Management framework • Internal mobility opportunities for all staff • Annual Employee Engagement survey • Internal events and team-building exercises • Reward and Recognition programmes - SPOT awards, Employee of the Quarter/Year & CEO Award, Long Service Awards • Employee Wellbeing Programmes (together with the CJ Group)	• Opportunities for capacity-building, upskilling, coaching and career advancement • Fair remuneration • Rewards and recognition for good performance • A culture that promotes transparency, diversity, fairness and wellness of all employees	• Developed 'Living The Brand' (LTB) initiative with a clear ethos to ensure all employees embody Emtel's values and desired behaviours. A set of internal activities is planned quarterly to achieve the same. • Introduced fitness classes and upgraded the facilities of the gym. • Organised various staff welfare activities and supported staff in the lower income bracket with grocery vouchers • Employee Education Scheme to promote the upskilling of staff • Enrolled staff on training courses – both technical and soft skills training • Joined the CJ Group Sales Academy programme with training programmes for customer-facing staff • Welness program • Welfare events	• Continuously improve the work environment and culture • Strengthen the application of the Code of Conduct, and the Diversity and Inclusion policy • Pursue employee wellbeing programmes, Talent Management & Development • Continue to drive employee engagement & Living the Brand initiatives • Continuous efficiency through digitalisation • Ensure that our people are trained in all new offers, technologies and working methods/ processes/tools

How we measure our engagement

Annual engagement survey

Employee engagement score 2022 - 70%

Increase employee engagement score to 75% in 2023

Stakeholder engagement (continued)

Customers

Individual subscribers, homes and businesses

Our customers serve as the primary consumers of our products and services, playing a crucial role in the vitality of our business. They offer invaluable feedback and insights that empower us to enhance our solutions and stay pertinent in the market.

Modes of engagement	Expectations	Actions taken in 2022	Objectives for 2023
• Our showrooms and retail partners' outlets • Digital platforms with up-to-date information and latest offer and information: Emtel website, chatbots, social media channels (Including Facebook, Instagram, LinkedIn, YouTube, TikTok) • App for instant payments and service updates: blink & My Emtel App • Call centres and offices • Other modes of communication: Radio, Press, Television, Outdoor, Point of Sales – Showrooms/Retail stores, direct mailers & messages, Flyers, Posters, Flanges, Shop paintings & Roadshows	• Good quality, reliable and fast network connection and coverage for calls and data. • Wide range of products and affordable and accessible services • Enhanced Internet connectivity with 5G for individuals, homes and corporates • Transparency in usage and billing • Prompt resolutions of complaints and issues • Protecting data and personal information	• Enhanced our 4G coverage and launched 5G, providing ultra high speed internet • Provided unlimited voice & data offers, latest smartphones & accessories, roaming and value-added services for all customer segments • Leveraged our digital channels to enable quick and easy access to information, self-care and payment • Detailed physical and e-bill, self-care web and app for live updates, and payments with 24/7 support	• Offer the fastest mobile & broadband data experience in Mauritius through 5G • Upgrade blink as a one-stop solution for all payment requirements and Emtel services • Expand digital channels for higher reach, e-KYC, faster customer resolution and country-wide communication

How we measure our engagement

Annual measurement of CSAT Overall engagement of all communication on various platforms Uptake of our offers, latest products/services, web traffic, app downloads and usage	Achieved an 82.4% CSAT score Continued growth in audience 'following' our pages on social media and website, with high impression and engagement by our customers. High engagement by users on our offers and interest in the form of online sales leads/ requests and downloads.	Increase CSAT to 83% Continuous expansion of our digital channels to guarantee prompt access to information, seamless payment processing and swift service delivery. Constant engagement with customers via all mediums

Suppliers, partners and vendors

All players along our value chain

Our suppliers, business partners and vendors are our collaborators. We work together to achieve common goals, such as improving sustainability and reducing costs. Building strong relationships with them enables us to ensure a reliable supply chain, and therefore a reliable delivery of our products, services and solutions.

Modes of engagement	Expectations	Actions taken in 2022	Objectives for 2023
• Tenders • Regular Meetings • Request for Proposals • Sharing of roadmap with key vendors	• Adherence to payment terms and contractual obligations • Timely payments • Capacity-building and cost optimisation • Business growth and opportunities with Emtel • Promotion of local suppliers • Clear and timely delivery lead time • Strategic partnerships & collaboration • Engage more closely with a wider stakeholder audience • Manage purchasing activities across multiple buying channels and monitor internal activities to safeguard unauthorised buying.	• Sourcing of equipment with less power consumption • Disposal of obsolete equipment and devices sustainably • Process-oriented trainings with key suppliers and optimisation of costs • Strict Request for Proposal processes	• Build a pool of relevant partners and vendors for our Digital Transformation ambitions • Strengthen the business relationship with our current vendors and continue looking for alternate vendors • Communication with vendors on good governance and no unauthorised delivery

How we measure our engagement

Time to market Interaction with vendors and partners	Automated platform to ensure all requests for purchase are dealt with within an agreed timeframe	Enhance the digitalisation of the purchase-to-pay process

Stakeholder engagement (continued)

Authorities and government bodies

Financial institutions, regulatory bodies, local councils and elected officials

The authorities and institutional bodies provide us with the relevant laws, regulations and frameworks that allow us to operate. We engage with them in a transparent manner to stay informed about changes to laws and proactively address any potential issues or concerns.

Modes of engagement	Expectations	Actions taken in 2022	Objectives for 2023
• Participation in public forums • Ad hoc meetings, when required • Partnerships to tackle social issues	• Obtention of necessary permits and licences to operate • Compliance with applicable laws and regulations, including labour laws • Compliance with environmental regulations • High standards of governance and ethics	• Ensured compliance with all applicable laws and legislations • Completed filings on time with relevant authorities • Ensure, on a continuous basis, transparent communication about price changes and new product developments	• Continue to comply with any applicable law, legislation or regulation, and address any issues in a prompt manner • Continue to maintain good working relationships with the authorities

How we measure our engagement

Compliance with regulations Timely interactions with relevant institutions	We adhered to and compiled with all relevant legislations and regulations that apply to our business activities	Continue to maintain high levels of compliance

Community at large

Local communities in which we operate and NGOs/NPOs we support.

The community at large gives us our social licence and legitimacy to operate. As a responsible organisation, we strive to address the needs and expectations of the society, and to protect and preserve the environment.

Modes of engagement	Expectations	Actions taken in 2022	Objectives for 2023
• Local communities in Mauritius, Rodrigues and Agalega • Local and international NGOs / NPOs • Company's workforce • Government bodies and institutions	• Ethical business practices and behaviours • Employment creation • Great place to work • Sustainable business practices and operations • Social partner for the vulnerable segments of society • Collaborator of government's environmental, social and governance initiatives	• Supported the local communities in Mauritius, Rodrigues and Agalega • Supported 37 NGOs / NPOs for a contribution of MUR 3.5Mn • Contributed MUR 5Mn to the National Social Inclusion Foundation • Contributed MUR 1.5Mn to the Currimjee Foundation • Participation and involvement of 63% of our workforce in social and environmental initiatives	• Implement social and environmental projects through the National Social Inclusion Foundation and the Currimjee Foundation • Support local and international NGOs / NPOs • Pursue and improve staff participation and involvement • Support Government bodies and institutions

How we measure our engagement

Participation and funds invested in environmental, social and governance projects and activities	Financial and value-in-kind contribution to local and international NGOs / NPOs	Number of beneficiaries and impact of the support provided

Our diversified business model

Our inputs

Financial capital
- Equity invested: MUR 1.3Bn
- Net debt: MUR 2.3Bn

Human capital
- 405 permanent employees (59% male and 41% female)
- Investment in training and development: MUR 5.1Mn and 953 hours
- Living The Brand (LTB) programme
- Internal mobility opportunities

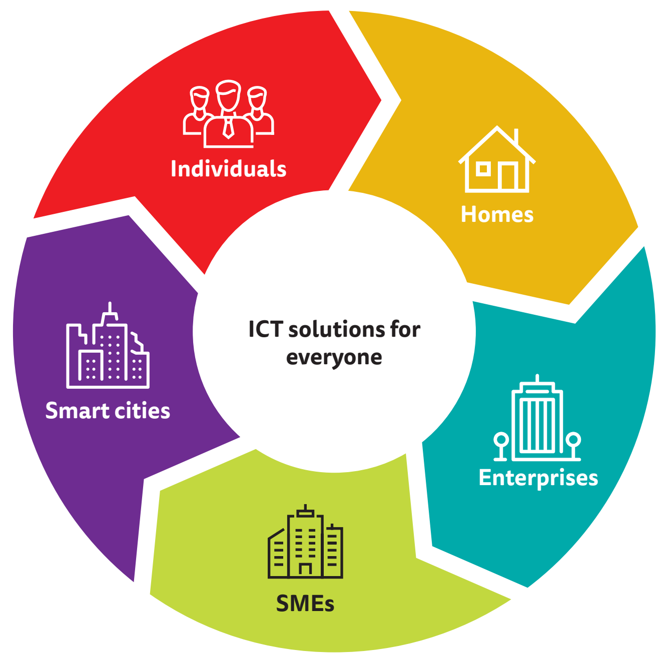
Intellectual capital
- Our brands: Emtel feel free, Airbox 5G by Emtel, Emtel Business, blink by Emtel, Emtel Technopolis, Emtel We Care, CANAL+, myCANAL
- Continuous investments to improve processes and the customer experience
- Telecom operating licenses
- Public Switch (Fixed) Telephone Network Licence (C.02)
- Public Land Mobile NetworkLicence (C.03)
- International Long Distance Network Licence (C.04)
- Internet Service Provider Licence (C.08)

Relationship capital
- 740k+ customers
- 23 showrooms (including 10 joint showrooms with MC Vision Ltd)
- 19 trusted distributors
- Continuous engagement and dialogue with stakeholders

Manufactured capital
- Capacity in 3 submarine cables (METISS, LION & SAFE)
- Landing at 3 different stations
- Domestic fibre: 563 km
- 1 world-class Tier-3 Data and Disaster Recovery Centre
- 469 network sites
- Targeted capital investments to regularly upgrade and maintain infrastructure and equipment

Social and natural capital
- Radio spectrum: 800, 900, 1800, 2100, 2600 MHz bands
- Electricity consumed: 2,319 MW
- Fuel/Diesel consumed: 146,132 litres
- CSR contribution : Rs 10 Mn
- Focus on reduce, reuse and recycle, waste management and the energy efficiency of our network
- Employee participation in environmental and social initiatives

Our value-creating activities



Across Mauritius, Rodrigues and Agalega

- Mobile & Fixed Telephony
- Ultra Fast Home Internet
- Fintech
- Enterprise Solutions
- Space Economy
- Data Centre
- Local & International Connectivity
- Cyber Security Solutions

To execute our strong ambitions

Diversification | Growth | Innovation

And achieve our vision

Shaping a smarter tomorrow through state of the art technological solutions and services

Our outcomes

Financial capital
- Turnover: MUR 3.2Bn
- Operating profit: MUR 758Mn
- Dividends paid: MUR 532Mn
- Interest paid: MUR 117Mn
- Strong capital base

Human capital
- Engagement score: 70%
- A cross-functional and agile team
- Synergies and collaboration between departments

Intellectual capital
- Strong brand value and reputation
- Robust and reliable governance systems and procedures
- Innovative products to meet the needs of our customers
- Decrease in waiting time in showrooms

Relationship capital
- Positive relationships with stakeholders
- Increase in Customer Satisfaction Score: 82.4%
- Growing social media community: Facebook 227K, Instagram 26K, LinkedIn 17K

Manufactured capital
- Increase in Daily average Total Data Consumption on the network: 447 TB
- Increase in undersea cable capacity: 90 Gbps
- Increase in 4G data capacity: 200 Gbps
- Enhanced network capacity, quality and stability to support surge in data traffic

Social and natural capital
- Significant increase in electronic waste collected and sent for recycling: 4.4 tonnes
- Other waste recycled: 30 tonnes
- Reduction in energy and water consumed
- Environmentally and socially conscious workforce
- Reduction in paper usage
- Elimination of single-use plastic

Our outputs

Good financial returns that enable us to fund our growth plans and ambitions

Empowered and skilled workforce with all the tools required to thrive now and in the future resources

Strong technical know-how and innovation mindset enabling us to develop relevant products/services

Collaborative working relationships with the authorities, suppliers/partners and regulators, and satisfied customers

Creating social value, enhancing human connections and enabling financial inclusion through Information Communication and Technology services

Contribution to the socio-economic development in Mauritius, Rodrigues and Agalega. Alignment and compliance with the UN SDGs

Key trends in our operating environment

As a technology company, Emtel operates in a highly dynamic environment, presenting several challenges and risks, but also providing valuable opportunities to remain ahead of emerging trends and deliver innovations that address the economic, societal and environmental challenges of today and tomorrow. Our strategy, presented on page 90, is intended to ensure that we are best positioned to seize the opportunities and mitigate the risks presented by our short-term macroeconomic and market forces, as well as the longer term trends that are influencing and shaping our industry.

SHORT-TERM MARKET TRENDS

Geopolitical tensions and strains in global supply chain

The Russia-Ukraine war and tensions between China and the USA have had a waterfall effect on the global and local economy, compounding the ongoing ramifications of the pandemic.

The economic fallout for Mauritius has been profound, with substantial economic ramifications: a hike in commodity prices, including an unparalleled rise in petrol prices, led to the highest inflation rate seen in over a decade; a higher Repo rate is causing Mauritians to cut back on non-essential spending; the local currency stands in a feeble position against the USD and Euro; and supply chain disruptions resulted in higher freight costs and massive delivery delays.

IMPACT ON EMTEL

- Considerable Increase in operational costs
- Significantly higher import costs for important IT and Network equipment
- Delays in delivery of IT and Network equipment, affecting in turn the delivery of projects
- Affordability pressure on households, as well as weakened consumer confidence, severely influencing spending behaviours: consumers are prioritising low-cost and essential purchases

OUR RESPONSE

- Focus on operational efficiency (through digitalisation measures, for instance, to drive down costs and offset major Capex investments)
- Revision of pricing strategies to offer value for money services and products to customers
- Advance planning to book foreign currencies at best rates and limit impact of supply chain disruptions

A thriving ICT industry in Mauritius

The ICT industry in Mauritius is thriving, with compelling trends leading the way:

- The Internet penetration rate stands at 67.6% of the total population, with 73% of all households having Internet access
- The mobile SIM penetration stands at 156%, meaning more than one active cellular mobile connection per person
- 81% of the population has a smartphone
- 99.6% of the total Internet user base uses at least one social media platform
- There was a 126% increase in mobile money transactions (in millions of MUR) between 2021 and 2022

IMPACT ON EMTEL

- The increasing penetration of data-hungry devices will lead to a surge in download volumes
- The sim penetration rate will increase even further with the proliferation of IoT (Internet of Things)
- The growth of the Smart TV market in Mauritius indicates the market's maturity with respect to the adoption of smart devices

OUR RESPONSE

- The high mobile penetration rate is driving the adoption of mobile payment apps, creating opportunities for blink to grow
- Increasing awareness and education campaigns on the benefits of blink and how to use it

Connected devices and the Internet of Things (IoT)

The world is becoming increasingly connected, with over 7 billion devices and systems across sectors and applications — from household appliances and smartwatches, to sophisticated industrial tools and vehicles — communicating and exchanging data with one another. The interconnectedness of these devices, objects and people is known as the Internet of Things (IoT). This number is expected to increase to 23 billion connected devices by 2025. Businesses are expected to benefit from the rise of IoT through solutions such as remote monitoring.

OPPORTUNITIES FOR EMTEL

Enterprise IoT:

- Smart metering (Emtel has already tied up with a local utility company)
- Penetration into diverse industries: the automotive industry with embedded sim cards for more intelligent vehicles, and the logistics industry with improved GPS capabilities

Consumer IoT:

- Pet location tracking solutions through IoT-enabled collars
- Medical tracking: automatic collection of important health metrics, such as blood pressure, heart rate, temperature, and more
- Smart homes: implementation of smart devices and smart sensors to improve quality of life, safety and comfort

Key trends in our operating environment (continued)

LONGER-TERM MEGATRENDS

Media and content

For telcos, the coveted quadruple play (telephony, television, broadband Internet access and mobile telephone bundled in one package) continues to grow alongside the soaring use of streaming services. As traditional TV subscriptions are declining in favour of streaming, the longevity of linear pay TV hinges on the live broadcast of news and sports.

OPPORTUNITIES FOR EMTEL

- Capitalise on 5G to enhance streaming experience on small screens

Cloud technology

The adoption of cloud technology has accelerated over the past years. It has become part of our everyday lives, from how we work and communicate, to how we socialise and interact. Businesses, on the other hand, are investing in their digital transformation and reaping benefits in the form of upfront capital investment savings, increased resilience, scalability, access to real-time data, and many more. What they lack, however, are the technical expertise and relationships with cloud specialists to carry out their cloud strategies.

OPPORTUNITIES FOR EMTEL

- As a network owner and operator, Emtel is uniquely positioned to harness its investments in data storage and data processing capabilities to meet the soaring demand for cloud services
- Capitalise on our existing relationships with world-leading cloud specialists
- Utilise our Tier 3 data centre with 99.99% of uptime to offer cloud services

5G

5G has made significant strides the world over, with 5G connections expected to blow past 2 billion by 2025. Although 4G remains the most widespread technology, it is beginning to decline as users migrate to 5G. This rapid rollout has been boosted by a number of factors: the economic recovery from the pandemic, rising 5G handset sales and enhanced network coverage. With its ultra-high bandwidth, low latency and enhanced capacity, 5G holds great potential for all industries, from healthcare to entertainment and transportation. It is also set to support a new generation of business opportunities in areas such as the metaverse and Extended Reality, where the blurred boundaries between the physical and digital worlds is creating an unparalleled 360-degree immersive experience.

OPPORTUNITIES FOR EMTEL

Enterprise:

- Leverage 5G architecture and expertise to roll out wireless private networks across industries, tailored to their specific needs
- Set up of innovation labs, where technology and 5G take centrestage, through partnerships

Consumer:

- As 5G becomes more prevalent, the price of 5G devices will steadily decline
- Upgrade Airbox 4G, launch 5G Home Broadband and 5G mobile data
- Accelerate and expand 5G coverage
- Support smartphone gaming and live-gaming trends

Consumer mobility:

Opportunities to develop products/services in the following areas:

- 5G device ecosystem
- Voice over LTE (VoLTE), making voice calls faster with better quality
- 5G Mobile Broadband (MBB) coverage
- 5G MBB positioning
- OTT services on small screens
- Entertainment everywhere

Key trends in our operating environment (continued)

LONGER-TERM MEGATRENDS

Digital payments

Spurred by the pandemic, consumers and businesses are transitioning away from using cash to digital payment methods, powered by Fintech, and carried out directly via smartphones. Even more complex offerings, such as insurance, loans and e-commerce marketplaces, are being transacted through mobile-enabled payment services, removing the need for legacy Point of Sales (POS) terminals.

In 2021, the mobile money industry reached a significant milestone, transacting more than one trillion dollars annually.

- Year-on-year increases in transaction values have been driven by new customer uptake and higher activity rates, in part because of the growth of partner-driven transactions.
- Person-to-person (P2P) payments still account for the bulk of value.

OPPORTUNITIES FOR EMTEL

- Enhancement of blink with new capabilities and the onboarding of a larger network of merchants
- Development of e-commerce capabilities with a digital marketplace, aggregating and connecting B2B and B2C platforms
- Enable financial inclusion for thousands of Mauritians

Digital and green transformation

Climate change is at the forefront of every industry. The ICT sector is faced with the challenge of reducing its environmental impact, all while meeting the skyrocketing demand for data traffic and connectivity. Mobile operators have made sustainability central to their day-to-day business, with initiatives focusing on optimising energy consumption through green networks, renewable energy sources and robust device lifecycle management strategy, amongst others.

OPPORTUNITIES FOR EMTEL

- Accelerate existing Device Lifecycle Management initiatives (i.e E-waste recycling project)
- Improve network energy efficiency
- Implement green transformation programme and transition towards solar-powered cell sites

Our strategy

Building on a 34-years strong legacy of innovation, Emtel continues to play a pivotal role in accelerating technological development in the Mauritian landscape. When we embarked on our journey in 1989, our ambition was to connect livelihoods to the rest of the world. Not just Mauritius, our sister islands, Rodrigues and Agalega, were not left ashore. Since then, this ambition has taken on a new dimension beyond connectivity.

Over the years, we have directed our investment flows towards strengthening our infrastructure, technical expertise, distribution channels and customer relationships — and we continue to leverage these assets to explore new areas of growth beyond traditional telecommunication services. We diversified into a range of B2B and B2C solutions, began servicing various customer segments (enterprises, home, smart cities), penetrated the Fintech space and are in the process of building a technology park that will serve as a springboard for future innovation and Research & Development.

Backed by this diversified and innovative model, Emtel is now accelerating its transformation into the leading solutions and services provider in the market, dedicated to putting its knowledge and expertise to the benefit of the economy and society.

Ambition 2023 and beyond

Strategic Intent

Be the leading Solutions & Services provider in the market

Long-term strategic objectives

- Continue and expedite the transformation of Emtel into a leading technology company.
- Pursue the modernisation of our infrastructure and grow our market share in all segments.
- Embrace innovation and invest in new areas of growth through the lens of sustainability, by leveraging our existing customer base and working with third parties.
- Expand investments in 5G for the Republic of Mauritius.
- Enable new 5G-enabled services, for mobile broadband, home broadband and enterprise solutions.
- Introduce new services backed up by the 5G infrastructure.
- Grow and diversify the Fintech business beyond just payments.
- Continue our investments in Emtel Technopolis to develop data centres and other technology-based investments.

Executed through three strategic priorities

Diversification
Accelerate portfolio transformation and diversification

Growth
Grow existing verticals

Innovation
Remain at the cutting edge of innovation

Powered by vital enablers

- Service excellence
- Value-based capital allocation
- People
- Infrastructure & technology
- Innovative culture

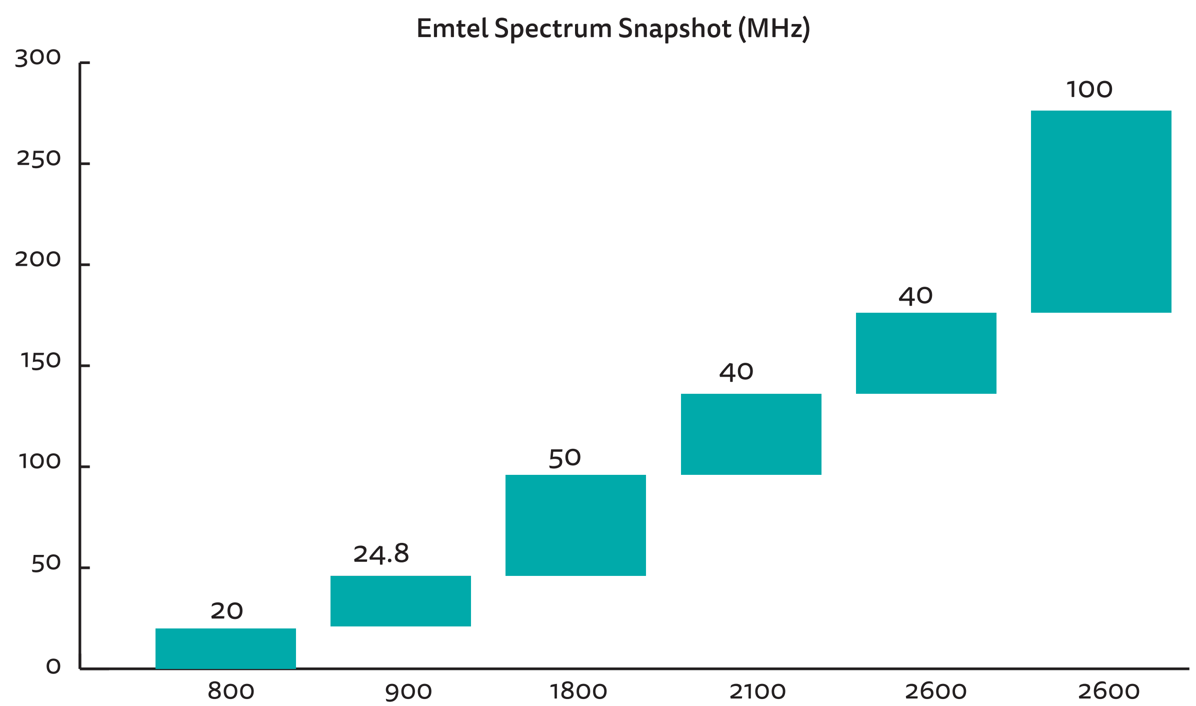
Technological evolution

Since its inception in 1989, Emtel has undergone a series of meaningful technological evolutions and continued to capture value through innovation. Our timeline on pages 12 to 15 offers insights into Emtel's ability to consistently stay ahead of the technological curve, from introducing first-generation analog technology to now operating 5G across Mauritius. In this section, we shine a light on Emtel's technological evolution in recent years and how these technological enablers are set to be a powerful force for economic, environmental and societal transformation.

Spectrum

All forms of modern wireless communication transmit radio signals that are invisible to the human eye. These invisible signals, called spectrum, are sent and received by telecom operators to enable communication.

Over the years, Emtel has successfully acquired new strategic spectrum bands to increase the capacity of its 4G network and enable LTE-Advanced, which allows for more network capacity, faster data speeds and better coverage—all the prerequisites for 5G deployment in Mauritius. In 2021, Emtel was awarded 100 MHz bandwidth for the operation of its 5G network in the band n41(2600MHz). Today, Emtel holds a substantial spectrum asset in Mauritius for the operation of its 2G, 3G, 4G and 5G networks.



International connectivity & content hosting

As a remote island in the Indian Ocean, international connectivity is essential to connect Mauritius to the rest of the world. Currently, over 97% of the global communications and 99% of data are transmitted between countries and continents via a network of submarine cables, which lie deep underneath the oceans.

Over the years, Emtel has procured capacity on the SAFE, SAT3 and SMW4, EIG, EASSY, TEAMS, SMW4 and SEACOM submarine cables for onward connectivity. More recently, the 3,200km METISS cable, of which Emtel is a founding member, was activated to link Mauritius, Reunion and Madagascar to South Africa, and serves as a catalyst for Mauritius technological ambitions. In turn, this cable helps to democratise broadband access in the region, and opens up a new world of opportunities, communication and collaboration for the Indian Ocean.

To complement submarine cable connectivity, Emtel also hosts several caching servers on its network. A caching server is a technical solution to meet the growth in Internet traffic and the need for high-performance content delivery. It stores information and content locally, closer to consumers. For instance, Google, Facebook, Netflix, Akamai, Cloudflare, Limelight and Canal+ have deployed their caching servers locally on Emtel's network. This not only results in an improved experience for viewers, but it also reduces network congestion and frees up capacity to support other data-hungry services.

Technological evolution (continued)

5G

5G is the fifth generation mobile network, and the latest wireless standard after 1G, 2G, 3G and 4G. 5G runs on the same spectrum being used for your smartphone, but it carries information at a much faster rate. With speeds up to 100 times faster than 4G, five times reduced latency, 100 times the number of connected devices and 100 times higher user data rate, 5G stands to completely reshape our personal and professional lives.

In recent years, Emtel has been enhancing its network infrastructure, laying the right foundations for the introduction of 5G service commercially in Mauritius. Guided by a clear roadmap to achieve islandwide 5G and make the technology widely affordable and accessible. Emtel has adopted a phased and judicious approach to ensure its rapid deployment, starting with a NSA architecture that leverages the existing LTE radio and core network. 4G and 5G networks will likely co-exist and remain complementary for many years before eventually transitioning to the SA model. To this end, 5G was launched in July 2022, providing coverage for the Fixed Wireless Access service to around 40% of the population located in the North, Lower Plaines Wilhems and part of the West Coast of Mauritius. This number of 5G sites continues to increase to reach 60% of the population and 400 sites by 2024 for islandwide coverage. All of this will enable Emtel to offer faster Internet speeds, increased capacity and improved efficiency at affordable rates.

Network modernisation

Over the past few decades, a series of technology revolutions have taken place, dramatically shifting the networking landscape. With the rise of smartphones, 5G, OTT platforms, cloud adoption and other wireless services that entail massive amounts of information flows, networks must undergo both an architectural and operational transformation. This demands costly and time-consuming investments in connectivity resources, data centres and IT networks, which must all be managed simultaneously, as well as in thousands of configuration parameters.

In 2020, following the Covid-19 outbreak, businesses, schools and households shifted to digital-only means to work, learn, communicate, shop and entertain themselves almost overnight. Telecommunications operators saw their network resilience and service delivery put to the ultimate test, finding themselves under enormous pressure to keep up with increased bandwidth needs, while also being able to grow revenues, maintain efficient cost structures, strengthen network security and deliver excellent service levels. With the pace of technology continuing to advance rapidly, operators must stay one step ahead of emerging trends at all times. They must use intelligent and scalable platforms that not only support existing services and applications, but that will also serve as a solid foundation to enable the delivery of high-quality technologies in the future, regardless of their nature.

To prepare for the 5G and data hypergrowth, Emtel embarked on the extensive modernisation of all its cell sites over a two-year period, delivering meaningful customer and business value:

1) Rolled out more than 500 km of fibre for its fibre backbone, connecting its two core sites (Arsenal and Rose Hill), all cable landing stations, and a majority of its cell sites
2) Improved network coverage through the deployment of LTE800 and 4x4 MIMO (Multiple Input, Multiple Output technology).
3) Reduced the maintenance and operational costs of network infrastructure, and made significant electricity savings through the use of energy-efficient hardware.
4) Increased speed and capacity through the deployment of the latest RAN technologies.
5) Simplified network architecture for ease of deployment and maintenance.
6) Continued future-proofing its network to enable additional features.

Technological evolution (continued)

Agalega project

Due to its remote location, smallness (a land area of 70 square kilometres and just over 300 inhabitants), Agalega, 1,100 km away from Mauritius, has faced several challenges over the years, including weak connectivity and service outages. This digital divide has prevented the island from being fully connected to Mauritius and the region.

In line with its promise to close the accessibility gap and digital divide through affordable ICT services, Emtel launched mobile services in Rodrigues in 2006 and extended its network coverage to Agalega in 2008. In 2018, a tender was launched by the ICT Authority to enable people in Agalega, for the first time, to connect to the Internet for the first time ever via a 10Mbps satellite connection. The initiative was funded by the ICTA Universal Service Fund (USF). Emtel won the tender and became the first operator to deploy LTE-Advanced technologies in Agalega. For the purpose of this project, a satellite link was set up between Mauritius and Agalega with a capacity of 15 Mbps. More recently, in 2022, Emtel also won the tender for the upgrade of the satellite capacity between Mauritius and Agalega. A new 4.5m satellite dish was installed in Agalega, with an upgraded capacity of 60 Mbps, enabling the island to effectively access 4G services. The two cell sites in Agalega are fully off-grid and solar-powered, complemented with backup diesel generators. Emtel diligently applies affordable and uniform pricing for its telecommunication services to all three islands.

Space economy & Emtel Technopolis

The OECD describes the space economy as the full range of activities that involves exploring, researching, understanding, managing, and utilising space in a way that creates value for human beings. Most of this value is delivered through satellite services, including image and data collection and analysis.

Due to its strategic location in the Indian Ocean, Mauritius is well-positioned to participate in the burgeoning space economy and benefit from the transformative technological advancements it offers. Since 2020, Emtel has sought to be at the forefront of the space economy, pursuing several opportunities to host satellite ground stations and provide connectivity services to these ground stations. Emtel onboarded its first customer in 2021, with a first ground station at Poudre d'Or. Through its subsidiary, Emtel Technopolis, Emtel also aims to set up a technology park whose objective is to provide all the enabling infrastructure and elements for startups and tech companies to thrive and drive innovation. Emtel was then awarded the project for the implementation of a ground segment satellite network portal for a leading Low Earth Orbit (LEO) satellite company following a competitive tender among key operators in the Indian Ocean. This will be the first of its kind in the region and will consist of 21 satellite antennas. It is expected to be operational at Emtel Technopolis Park at Union Vale by mid-2023.

The next phases of Emtel Technopolis will include, amongst others, innovation labs, Emtel's Tier 4 Data centre, a solar park and other landing stations for similar space economy projects, to attract foreign investments and promote an ecosystem of innovation, productivity and entrepreneurship that will place Mauritius at the cutting-edge of technology.

Technological evolution (continued)

METISS

The METISS submarine cable (MEltingpoT Indianoceanic Submarine System) is the latest addition to Mauritius' network of submarine cables. Activated on 5 March 2021, METISS is a new-generation 3,200 km-long optical fibre cable connecting Mauritius, Reunion Island, Madagascar and South Africa. With a design capacity of 21.8 Terabits per second (Tbps) and using advanced technology from Alcatel Submarine Networks (ASN),

Mauritius is strategically located to provide telecom solutions to carriers, enterprises and corporates in the Indian Ocean region. With its increased capacity, the METISS cable provides the African region with the connectivity required to connect reliably with one another, and with the rest of the world, while ensuring the growing demand for data is met for the next few decades. It is paving the way for the new generation of applications that will run over 5G connectivity. The cable is already connected to many of the public cloud global players hosted in South Africa to provide Emtel subscribers an optimal internet browsing experience. METISS also facilitates the exchange of inter-island traffic between Mauritius, Reunion Island and Madagascar with direct connectivity and low latency. The cable has opened up a new digital route to international networks and will continue to serve as a springboard for the country's ambition to become a digital economy.

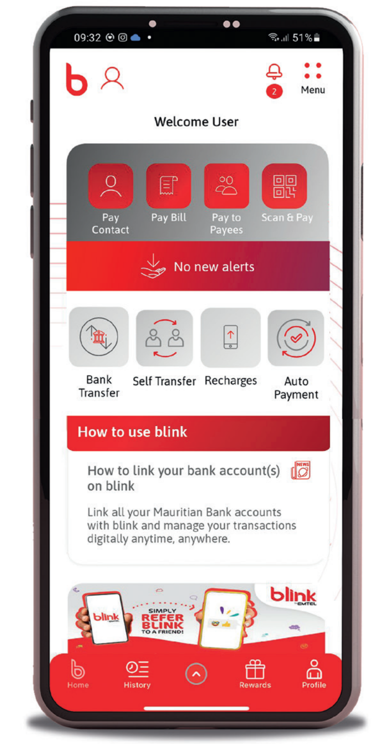
Emtel is a founding member of the METISS consortium. Emtel has been designated to act as the landing party in Mauritius, meaning it is responsible for the installation of the terrestrial component of the cable system, as well as for providing operational and maintenance services. The METISS cable landing station is hosted in Emtel's Rated-3 ANSI/TIA-942-B Certified Data Centre at Arsenal. Emtel has also been allocated 116 Gbps as lit capacity as at December 2022, which is expected to reach 149 Gbps in 2023, and expected to increase further following upgrades planned in 2023 and 2024.

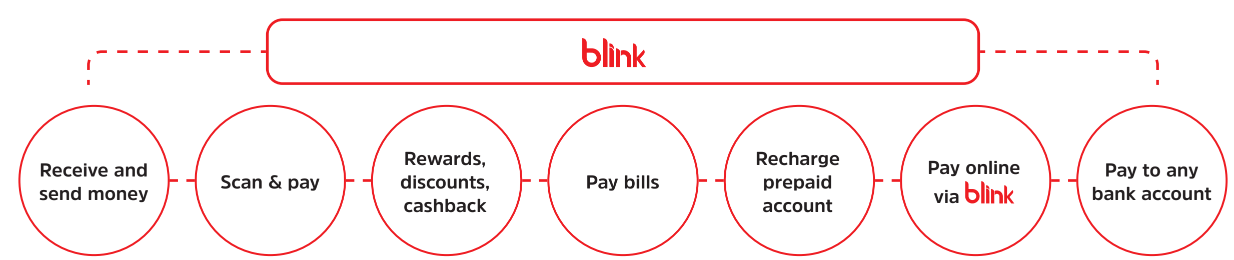
blink

Mobile payments involve the transfer of money using a device instead of making payments with cash, cheques or by credit card. Although this practice goes back as far as 1997, it became popularised with the introduction of PayPal and Apple Pay, and its widespread global adoption was catalysed by the pandemic. Contactless mobile payments can be made instantly either by scanning a merchant's QR code or by tapping a point-of-sale system with a mobile. The most obvious benefit of mobile payments is the enhanced security over using a physical card: since individual security codes are generated for each transaction, the chances of fraudulent activity are dramatically reduced.

In many countries, in sub-Saharan Africa in particular, mobile penetration is higher than banking penetration. This means there are a higher number of people with a smartphone than with a bank account. As populations living in rural and remote areas faced (and continue to face) challenges accessing traditional banking services, mobile payments stood out as the answer. With time, it became clear that telcos are perfectly poised to help achieve financial inclusion: their universal accessibility, i.e. their ability to reach the farthest corners of the world, gave them a competitive edge to introduce financial services to their clients. At the same time, as telcos saw their revenues from voice calls plummet due to the rise of OTT services, it was only natural for them to seek alternatives to diversify their revenues.

Given the context, Emtel has a strong reason to penetrate the Fintech industry. With its extensive reach, distribution capabilities and strong customer relationships, Emtel has all the requisites needed to bring financial solutions to market at scale, and help Mauritius transition towards being a cashless society. In May 2022, Emtel launched blink, a first of its kind in Mauritius, a mobile payment app that allows users to be in control of their time, money and transactions. By linking their bank account to blink, users can instantly send money to another bank account, receive money, make payments at outlets and pay their bills in a secure manner—all underpinned by a 24/7 support. The service is available for all smartphone users from all mobile networks. Businesses benefit equally from the app as merchants can provide discounts and deals through blink, receive money directly in their bank account, and can easily monitor their transactions in real time. The app can be used abroad, and is available in Mauritius, Rodrigues and Agalega.





Human capital report

Our People are one of our greatest assets and a key enabler of our strategy. Over the past few years, Emtel has become a leading digital service provider in Mauritius and in the region. Our People journey was designed to accelerate this transformation by cultivating an environment that provides equal opportunities to every employee to refine their abilities and thrive to their full potential; that attracts, develops and retains the right talent; and that fosters a culture of lifelong learning, agility and collaboration – so we can collectively build the Emtel of tomorrow.

To achieve this, our HR strategy is built on the following key drivers:

- Learning & competence development
- Employee wellbeing
- Talent management & development
- Engagement & Living the Brand
- Enabling continuous efficiency

Gender balance

240
Male Employees

165
Female Employees

Internal mobility

20
Employees

Employees with 10+ years of service

34%
Employees

Training and development

399
Employees trained for 953 hours

Engagement score 2022

70%

Human capital report (continued)

Key drivers

Enabling continuous efficiency	Learning & competence development	Employee wellbeing	Engagement & Living the Brand	Talent management and development

Desired outcomes

Enabling continuous efficiency
- Productive and fulfilled employees for a great employee experience.
- Digitalisation of a maximum number of processes to enable employees to focus on high-value tasks.
- Smart hiring.

Learning & competence development
- Transfer of knowledge and skills between departments and roles.
- Growth, performance and continuous learning mindset, encouraging employees to acquire new skills.
- Development of subject matter experts.

Employee wellbeing
- Optimal physical and mental wellbeing for all employees.
- Work environment that promotes comfort, safety and collaboration.
- Work-life balance.

Engagement & Living the Brand
- Engaged employees who are motivated to bring their best selves to work.
- A strong Emtel culture and employer brand.
- An employer of choice.
- A great place to work.

Talent management and development
- Strong pipeline of talent.
- Future-ready workforce with an innovative mindset.
- Culture that recognises and rewards good performance.
- Development of future leaders.
- Attract and retain talents.

Activities in FY 2022

Enabling continuous efficiency
- Continued to invest in our existing resources and plan for future needs through talent pipelines and by broadening our recruitment sources to reach out to a larger and more diverse talent pool.
- Ongoing endeavours to simplify and automate manual and routine processes, while reducing paperwork and improving the employee experience.

Learning & competence development
- Continued to carry out training, which takes the form of formal classroom training (e.g for product training), on-the-job training and online training.
- Ongoing Employee Education Scheme, a programme encouraging our employees to pursue educational opportunities and obtain new degrees or work-related certifications. During 2022, 3 employees benefitted from this scheme.

Employee wellbeing
- Organised team building initiatives (team lunches, departmental birthdays, breakfast with the CEO) and other key events (Employee Communication Forum, Fitness and Wellness sessions) to foster cooperation and give employees a platform to voice their ideas.
- Flexible work arrangements (a combination of on-premise and work-from-home, depending on the role) are encouraged to enable employees to balance their personal and professional lives.
- Continue to offer benefits such as medical insurance, pension covers, group accident covers, mobile phone allowances, refunds on purchase of mobile phones, wedding gifts and in-house gymnasium facilities among others.

Engagement & Living the Brand
- Defined a new vision and strategic direction for the company following the introduction of 'blink' and 5G as new services. The goal is for our employees to be aligned around a common vision for Emtel's future.
- Pursued training sessions to reinforce core competencies and leadership skills. We focused on technical training and awareness sessions on 5G and Fintech ahead of their launch to ensure all employees have the relevant knowledge and expertise to deliver an excellent customer experience.
- Strengthened the Living the Brand (LTB) philosophy.

Talent management and development
- Duly carried out mid-year and final-year evaluations to appraise employee performance against defined indicators/objectives, to assess their alignment with Emtel's core values and to reward outstanding employees accordingly. These performance assessments also allow us to provide feedback and identify training needs for individual employees.
- We firmly believe in valuing the individual and collective contributions of our employees to our success.
- Recognition
  - SPOT Awards
  - Employee of the Quarter Award
  - Employee of the Year Award
  - CEO Award

Action plan for 2023

We aim to improve all our indicators across the employee lifecycle, from our recruitment and retention strategies, to how we keep our workforce engaged and fulfilled at work. Several actions have been identified to this end:

- *Continue to refresh our work environment in a way that enhances employee productivity*
- *Align salaries and benefits with best market practices on an ongoing basis*
- *Continue carrying out focus groups and surveys to gauge our employees' engagement levels, and design action plans to address areas of improvement*
- *Take our wellbeing programme a step further*
- *Embed sustainability as a mindset across Emtel's buildings*
- *Continue to build capabilities through training in line with our business strategies*

Human capital report (continued)

As is customary each year, Emtel carried out the Korn Ferry employee engagement survey in 2022 to gauge the engagement level of employees, which is a key indicator of their investment in their work. The survey assesses employees' commitment to their roles, their sense of purpose and pride in their jobs, and how far they are willing to go above and beyond their roles. The results revealed a 70% engagement score and highlighted seven areas of improvement. Several departmental focus group sessions were held with employees whereby we implemented meaningful action plan to respond to issues raised.

Our response	
Clear and promising direction	• Brought our teams together to define a new strategic direction following the launch of 5G and blink. We are firm believers that high-performing teams are connected to the 'why' of their work. We strive to align our teams around a common vision and shared goals, ensuring that everyone is rowing in the same direction and contributing to Emtel's overarching strategy.
Collaboration	• Pursued our welfare activities to instil a sense of wellbeing within the office: sports tournaments, team lunches, breakfast with the CEO, Halloween party among others. We also added fitness equipment and introduced fitness classes. These events also encourage inter-department synergies and the exchange of different ideas, opinions and backgrounds.
Compensation and benefits	• Reviewed fixed travel allowances for eligible employees. • Aligned salaries with best market practices.
Development opportunities and training	• Provided opportunities for internal mobility and career progression to encourage career growth. All vacancies are advertised on different recruitment platforms and along with new talents, 14 vacancies were filled with Emtel's existing employees. • Ramped up training sessions to upskill our employees. 399 participants undertook a series of technical and soft skills training over the course of 953 hours.
Resources	• Upgraded office equipment and refreshed infrastructure to modernise the work environment. Carried out roadshows of products, services and solutions offered by CJ Group's various subsidiaries. Emtel's employees are given access to discounts and preferential rates on all Group products. In 2022, our employees benefitted from awareness sessions on their Pensions Plan and Group Life Cover benefits offered by Island Life Assurance.
Respect and recognition	• Encouraged the provision of additional SPOT awards (along with Long Service Award and Employee of Quarter Award) to recognize employees who embodied Emtel's standards for excellence and who went the extra mile in their roles. 33 individual SPOT awards were granted to employees for their exceptional achievements in 2022.
Work, structure and process	• We continually review and improve our organisational structures to break down silos and obstacles to collaboration. We regularly re-assess our ways of working to improve our working environment.

Living The Brand

Living The Brand, more commonly known as LTB across Emtel, is a philosophy centred on helping employees become active advocates of our vision and core values. Through our LTB principles, we strive to make our people live and breathe our brand promise, which extends beyond the products and services we offer; it also includes the behaviours of our employees, whose everyday actions and interactions reflect what we stand for, and have the power to build or erode our brand equity. Ultimately, building strong relationships of trust and integrity with our employees will translate into higher service standards and more positive customer experiences.

IT IS ALL ABOUT OUR RESPONSIBILITY

We deliver, together

No matter where you work in Emtel, we act as one. Together, we create a place where everyone can truly be themselves, belong and contribute.

EVERY LITTLE ACTION MATTERS

We strive to earn customer loyalty

We put ourselves in the shoes of our customers and treat them as we'd like to be treated. We want customers to love Emtel for our great simple products, the best network, and the critical services we deliver, supporting them 24/7, 365 days a year.

WE FOSTER CREATIVITY

We try, we learn

We are open to new ideas and are eager to try new technologies and create solutions that customers need and want, with a digital-first mindset.

IT IS POSSIBLE

We always look ahead

Our ability and enthusiasm to work as ONE is our strength to deliver the best for our stakeholders.

Sustainability report

Emtel, We Care

At Emtel, the notion of sustainability means meeting our needs without compromising the ability of future generations to meet their own needs. As responsible citizens of the Republic of Mauritius, we strive to conduct business in a way that fulfils three equally essential components of sustainability — environmental preservation, social inclusion and human capital — and that ensures our actions result in long-term positive outcomes for all our stakeholders, including the environment. Our philosophy, **We Care**, encapsulates our commitment **towards a cleaner, more inclusive and equitable society** by integrating **environmental and social considerations** in our business operations, decisions, partnerships and everyday behaviours.

To achieve our environmental and social-driven objectives, we work closely with the Currimjee Group's Environment & Sustainability team and the Currimjee Foundation, and align ourselves with the United Nations Sustainable Development Goals (SDGs).

Our Sustainability Commitment

Our sustainability commitment is aligned with that of the Currimjee Group. Through leadership, staff participation and effective management, we shall:

- Manage our operations in a sustainable manner for the wellbeing of future generations.
- Consider sustainability aspects as an integral part of our business strategy and operating methods.
- Recognize the global sustainability challenges and diligently honor our responsibility to contribute to the solutions.
- Engage and support our customers', employees', partners', the community's and other stakeholders' sustainability initiatives, and
- Continually monitor, improve and report our sustainability performance openly and voluntarily.

The environmental preservation pillar which is aligned with the Currimjee's Group sustainability framework consists of 4 key strategic drivers:

1. Addressing Climate Change;
2. Preserving Ecosystems and Natural Resources;
3. Responsible Waste Management;
4. Environmental Stewardship.

1. Strategic Driver: Addressing Climate Change

- Reduce our contribution to climate change through effective energy management, transport management and reduction of greenhouse gas emissions.
- Promote climate change adaptive measures in the community.

Key actions in 2022	Objectives for 2023
• **Energy management:** As a major telecommunications provider, Emtel is an important consumer of electricity. In the wake of global warming, rising inflation and the global energy crisis, we ramped up our efforts on energy efficiency, shifted from fossil fuels towards the use of green and renewable energy sources. Since 2018, the Head Office and all other buildings have been using 100% LED tubes. We also implemented a Solar PV solution for our base stations in Agalega, with a capacity of 22.8 kWp.	• **Energy management:** Improve our energy efficiency and increase our use of clean energy sources. We shall be implementing a Solar photovoltaics solution at the main Head Office, thereby further reducing our reliance on fossil fuel and decreasing our GHGs emission.
• **Transport management:** Our fleet of vehicles is maintained regularly and fuel consumption is closely monitored through monthly reports. We also aim to increasingly outsource our vehicle fleet to a third party in support of our sustainability objectives.	• **Transport management:** Shift towards low-carbon mobility alternatives and set up policies to encourage employees to adopt hybrid and electric vehicles. For a more convenient system for our employees and adding to the benefits of the environment we will be providing open access charging stations at the head office.
• **Greenhouse gas emissions:** We conducted a carbon footprint assessment to gain an understanding of our direct and indirect contributions to climate change and identified the most carbon-intensive operations at Emtel. We used the GHG protocol to measure our scope 1, scope 2 and selected scope 3 emissions. It should be noted that the industry average data was used for activities falling under scope 3. The assessment covered our carbon footprint between 2019 to 2022, and based on these baseline emissions, we worked out a short-term and long-term decarbonisation plan to reduce our carbon emissions in alignment with international standards.	• **Greenhouse gas emissions:** Establish and implement measurable short-term and long-term objectives for our decarbonisation strategy, which extends over a 10-year horizon.

Contribution to the UN SDGs

Sustainability report (continued)

2. Strategic Driver: Preserving Ecosystems and Natural Resources

- Reduce our water and paper consumption across our operations, buildings and cell sites.
- Carry out conservation initiatives in partnership with NGOs to regenerate our land and marine ecosystems, fauna, flora and other natural resources.
- Collaborate with key NGOs and institutions engaged in the protection of the environment.

Key actions in 2022	Objectives for 2023
Paper consumption: We embarked on a digitalisation and paperless journey in 2016, which led to a significant decrease in paper consumption. We also purchase paper from sustainable managed forests and PEFC-, ISO- and Forest Stewardship Council-certified sources. Since 2020, we have accelerated the deployment of our digitisation initiatives, with 91% of our customers adopting our e-bill system over traditional printed bills.	**Paper consumption:** Pursue our digitalisation strategy to achieve our goal of having a 'Paperless Office' by 2030. To date, we are 60% paperless.
Water consumption: Efforts to reduce our water consumption include awareness messages near water sources, the use of tap aerators and sensors, and regular maintenance of our infrastructure to minimise the risk of water leakage.	**Water consumption:** Increase our rainwater harvesting capacity across existing sites, and implement rainwater harvesting at the data centre.
Restoration of marine ecosystems: Urgent and sustained actions are required to restore our marine ecosystem, which is degrading due to a combination of pollution, habitat damage and over exploitation. In 2022, Emtel invested in the active restoration, management and preservation of Rodrigues island's coral reefs in collaboration with Shoals Rodrigues and their partner, Bluer Ocean Project. In October 2022, two frames were deployed at Trou Richard in the North of the island, where four coral species were transplanted.	**Restoration of marine ecosystems:** Pursue our collaborations with NGOs for ongoing projects. Add more coral frames to promote coral resettlement and growth.
Revegetation projects: For over seven years, Emtel has been collaborating with the Currimjee Foundation and the NGO Friends of the Environment for the revegetation of La Citadelle. The aim behind the project was to recreate a native dry forest and preserve our native biodiversity, which will also help to mitigate the effects of climate change and tackle the challenge of the forest fires and flash floods in the Port-Louis region. As of 2022, over 9,500 plants have been planted on 1.5ha of La Citadelle Hill. In 2020, we embarked on a new revegetation project at the Ebony Forest Reserve in Chamarel, in collaboration with its partners. The project aims to mitigate the effects of climate change and offset our carbon footprint, while restoring the native forest of Chamarel. As of 2022, around 700 endemic and native plants have been planted in the plot funded by the Currimjee Foundation.	**Revegetation projects:** Pursue our active participation in the revegetation of La Citadelle and the Ebony Forest Reserve.

Contribution to the UN SDGs

3. Strategic Driver: Responsible Waste Management

- Adopt the 'Refuse, Reduce, Reuse and Recycle' (4 Rs) approach to waste generated from our operations, and apply it across our supply chain.
- Encourage responsible citizenship towards waste management.
- Pioneer a national Electronic Waste Recycling project focusing on the collection and recycling of mobile phones, tablets, accessories and batteries.

Key actions in 2022	Objectives for 2023
Supply chain management: We have established long standing relationships with green suppliers, aiming to make our activities, services and products more sustainable and environmentally friendly.	**Supply chain management:** Adopt a circular economy model whereby we shall strive to minimise the use of plastic and paper in product packaging and working with our trusted suppliers to find alternative eco-friendlier solutions.
Responsible citizenship: Reinforced waste recycling initiatives within Emtel and surrounding communities, resulting in over 29 tonnes of waste being recycled (mainly IT and electronic waste)	**Responsible citizenship:** Pursue our responsible citizenship towards waste management by organising recycling challenges and interactive awareness sessions among our workforce.
E-waste recycling project: Emtel in collaboration with Mission Verte pursued our national e-waste recycling project. In 2022, we collected and recycled 4.4 tonnes of e-waste, adding up to 11.5 tonnes of e-waste since the initiative was launched in 2019. So far, approximately 70 collection boxes have been set up across Mauritius and Rodrigues.	**E-waste recycling project:** Educate our different stakeholders on the importance of E-waste recycling through awareness session and organising roadshows around the island to increase proximity towards the public and help them dispose of their E-waste. We also aim to expand our reach by introducing collection boxes in new locations (i.e schools and hotels). With every little steps we aim at contributing towards our planet by reducing the amount of e-waste that ends up in the landfills.

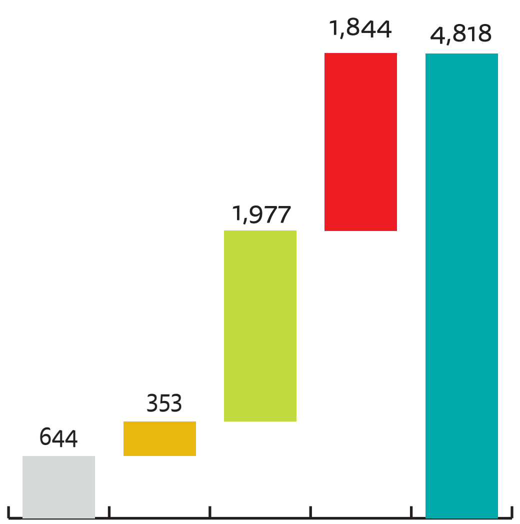
Contribution to the UN SDGs

Sustainability report (continued)

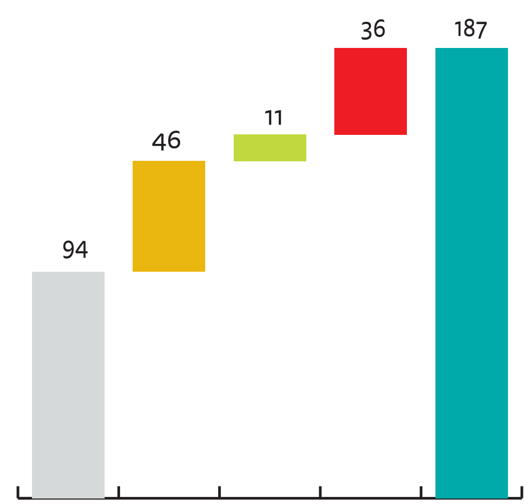
E-waste Recycling

Emtel launched its national E-waste Recycling initiative in 2019 in collaboration with NGO Mission Verte, which aims to encourage the local population to become more responsible towards the disposal of electronic wastes. The public has the possibility to recycle old or damaged phones, tablets, household batteries and accessories which pollute the air and contaminate the soil and drinking water when released in landfills. Such electronic items have a direct impact on our fragile ecosystem and the food we consume. They also contain precious metals and plastics that can be recycled to save energy and resources that would otherwise require mining or manufacturing.

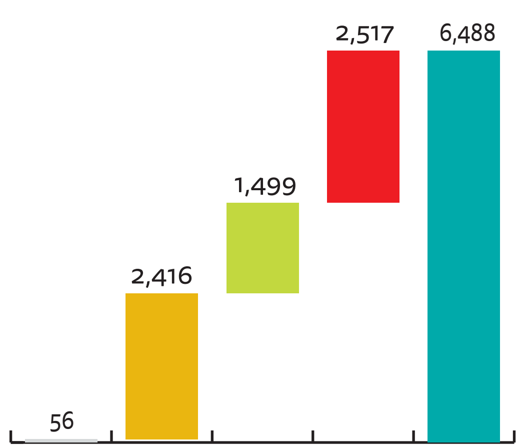
Volume of E-wastes collected and sent for recycling since 2019:



Batteries (kg)



Phones (kg)



Modems (kg)

4. Strategic Driver: Environmental Stewardship

- Embed eco-consciousness among our employees and the community through awareness sessions, programmes and activities.
- Encourage our employees to actively participate in environmental and social initiatives/projects and be ambassadors of our sustainability ambitions.

Key actions in 2022	Objectives for 2023
• **Staff involvement:** We organise regular staff participative activities to encourage our employees to contribute in our social and environmental activities. We recorded a successful staff participation of 63% across the Republic of Mauritius.	• **Staff involvement:** Continue to encourage employee participation and volunteering. Our goal is for 50% of our workforce to participate in at least one social and / or environmental initiative per year.
• **Employee volunteerism:** World Cleanup Day: Emtel organises annual Cleanup campaigns to raise awareness on the global waste problem. We collaborated with the Currimjee Foundation and the Mauritian Wildlife Foundation (MWF) to bring together the Ebene Cybercity community, with more than 125 participants and 387kg of wastes collected. In Rodrigues, a beach cleanup activity was organised by Shoals Rodrigues and 325kg of wastes were collected.	• **Employee volunteerism:** Eco-Warriors Challenge: Plan a company-wide 'Eco-Warriors Challenge', which will bring cross-functional team members together to address environmental challenges and propose sustainable solutions.
Contribution to the UN SDGs	

Sustainability report (continued)

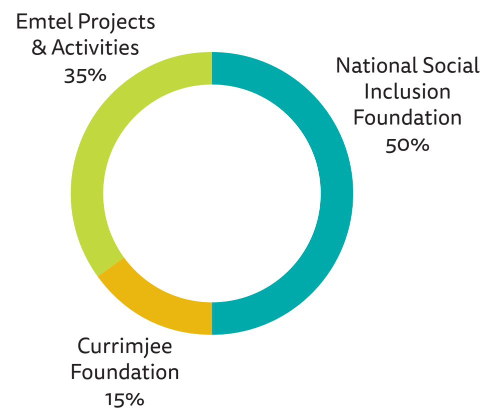
Social Responsibility

Our social commitment

As an active member of the community, Emtel feels a strong sense of duty to act for the benefit of society. The last two years, in particular, have demonstrated the vital role that Emtel plays in the lives of Mauritians, as a lifeline for people to work, study, connect with their friends and family, stay informed, and much more. This is why under our We Care umbrella, we focus on those dimensions that align with our core values and that contribute to improve, uplift and empower our communities.

How we deliver on our commitment

To deliver the most positive impact on our communities, we have set up an annual CSR Fund equivalent to 2% of our chargeable income of the preceding year. The funds are then used in the following ways:

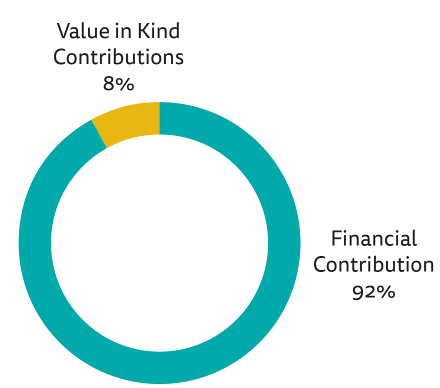


For the Emtel Projects and Activities, the following three types of assistance are provided:

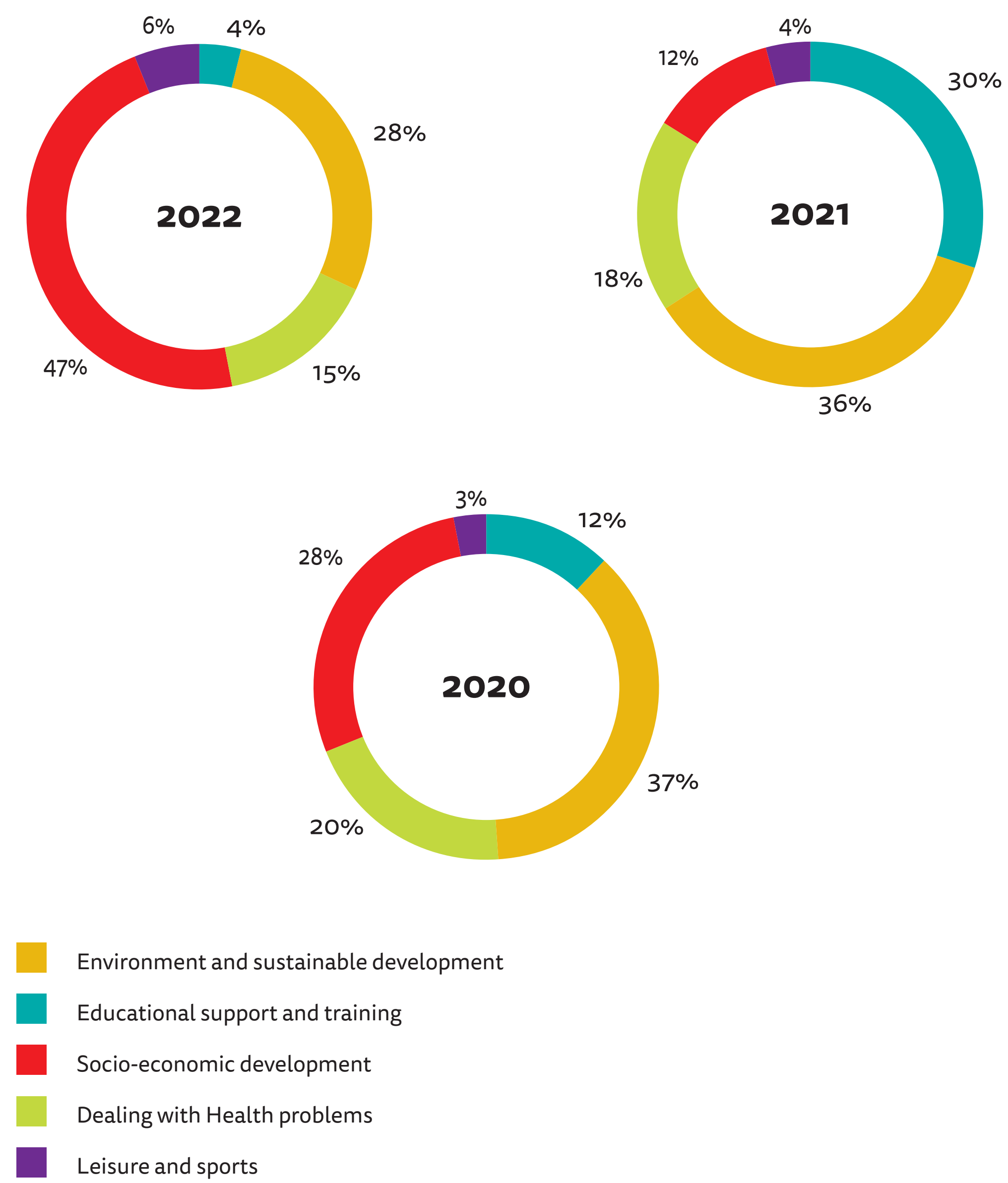
1. Value-In-Kind contributions in terms of call services and Internet connectivity services.

2. Financial contributions towards short and long-term projects implemented by Emtel and/or a Non-Profit Organisation (NPO), and/or a Non-Governmental Organisation (NGO). Our top beneficiaries in 2022 were: Light Of Hope, Mission Verte and Physically Handicapped Welfare Association.

3. Giveaways and fundraising events.



CSR Projects and Activities covered over the past 3 years



Sustainability report (continued)

Key actions in 2022

Educational support and training

Projects, actions and initiatives

Children with disabilities

Emtel supported inclusive education to AJIC, an association that cares for children with disabilities. We provided the NGO with a furnished ICT lab, containing computers, connectivity and other resources. Our aim is to ensure the digital literacy of the children and aid them in their pedagogical development.

Partnerships and collaborations

Association Jeunes Inadaptés de Curepipe (AJIC)

Foyer Mgr Leen

Gonzague Pierre Louis Special Learning Centre

Projects, actions and initiatives

Empowerment of women

Emtel supported the Breast Cancer Care (Rodrigues branch) and the women of Agalega by providing the centres with sewing machines and materials.

Partnerships and collaborations

Breast Cancer Care (Rodrigues)

Association Pour Le Progrès d'Agalega

Socio-economic development

Projects, actions and initiatives

Digital inclusiveness

As a responsible service provider, we believe in the power of connectivity and digital inclusion to strengthen our communities. We provided in-kind support through free calls and Internet connectivity services to support NGOs in their projects to provide relief to vulnerable groups of society. We have set the objective to contribute 10% of our funds to digital inclusiveness.

Partnerships and collaborations

All Life Matters Animal Sanctuary

Angel Special and Welfare Association

Association Kontribition Positif Amenn Vision

Association Pour Le Developpement Durable

Development Practioners in Network

Dibout Ansam

Mouvement Forces Vives

Physically Handicapped Welfare Association

Community Centres (Rodrigues)

Shelter for Women and Children in Distress

Projects, actions and initiatives

Poverty alleviation and social integration

Emtel has partnered with the Rotary Clubs of the island to be part of the efforts to alleviate poverty and promote social inclusion. One of the main projects is the Emtel Charity Golf events which help in implementing several regional projects.

Partnerships and collaborations

I Have A Dream

Rotary Club of Ebene

Rotary Club of Quatre Bornes

Projects, actions and initiatives

Enn Zanfan Enn Sourir

Since 2017, Emtel has been celebrating Christmas with children from different shelters and orphanages who have challenging family backgrounds or socio-economic circumstances, and are in need of childcare and social services. In 2022, we donated school materials and Christmas gifts to 750 children in Mauritius, Rodrigues and Agalega. This project aims to help alleviate their social exclusion by making them feel included, connected and valued in society. Through the collaboration with different NGOS, we provided the children with a memorable party, school materials for the next academic year and Christmas gifts. The beneficiaries for the project were 500 children from Mauritius, 140 children from Rodrigues and 110 Children from Agalega.

Partnerships and collaborations

Light of Hope
Rotary Club of Rodrigues

Sustainability report (continued)

Key actions in 2022

Dealing with health problems

Projects, actions and initiatives

Blood donation

Emtel as a responsible company leverages its resources to create a positive impact in supporting NGOs working on health problems. In 2022, we continued our efforts to support blood banks in Mauritius and people affected by Thalassemia through our annual Emtel Mega Blood Donation. During the Blood Drives, 95 employees donated blood to support the cause and raise awareness about Thalassemia and the issue of blood shortage for transfusion purposes.

On an annual basis, Emtel with the collaboration of the Voluntary Blood Donors Association (Rodrigues) organises two blood donations to help the people of Rodrigues.

Partnerships and collaborations

Thalassemia Society of Mauritius

Mauritius Blood Donors Association

Voluntary Blood Donors Association (Rodrigues)

First Aiders Association

Mauritius Red Cross Society

Distribution of food packs

Emtel is committed to support those in needs through its CSR Programmes by donating food packs to NGOs dealing with health problems.

We understand how health complications can be a major challenge and how providing nutritious meals can help comfort the patients. In 2022, we donated food packs and groceries to patients suffering from diabetes and breast cancer.

T1 Diams

Lakaz Warriors (Breast Cancer Care)

Leisure and Sports

Projects, actions and initiatives

Support to local athletes

We lend our support to local sports clubs by assisting them in the purchase of new uniforms and equipment to ensure their long-term viability.

Partnerships and collaborations

Valley Stars Sports Club

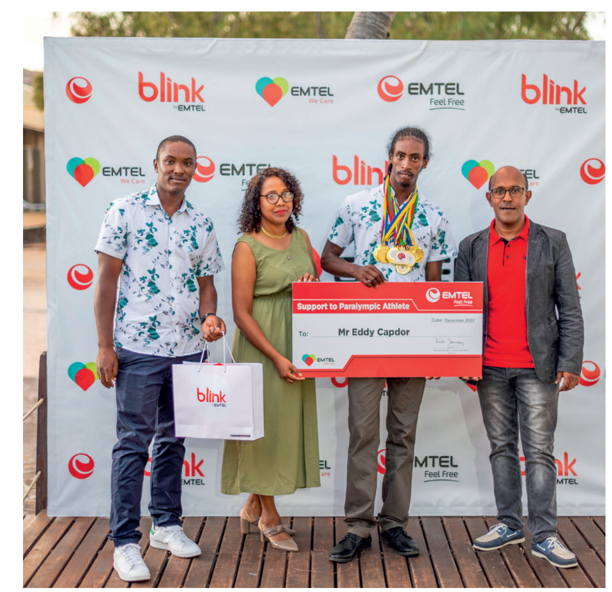
Mangalkhan Sports Club

Support to athletes with disabilities

In line with our commitment to make local athletes shine, we gave our support to Brandy Perrine and Eddy Capdor, two para-athletes, to compete in international championships. We worked closely with their coaches to provide adequate equipment, clothing, guidance and other resources required for them to participate in the tournament.

Lizie Dan La Main

Curepipe Handisports Association Currimjee Foundation



Financial report

Group CFO report

Introduction

The world has been facing numerous challenges since the pandemic outbreak, affecting people's lives, businesses and the global economy through lockdowns, border closures and restricted movement. Nobody could have anticipated such severe and far-reaching consequences. Mauritius has not been spared and has been under immense pressure with the depreciation of the local currency and the high inflationary market prevailing globally. This has resulted in a decrease in purchasing power, a significant loss of employment due to the slowdown of business activities, and an increase in freight charges and lead time of importations. At Emtel, we have been able to manage the uncertainties through carefully devised strategies of innovation, regenerate revenue streams, efficient resource management and above all, cost optimisation.

Financial Strategy

Our financial strategy is based on key objectives and targets agreed with the Board of Directors. We are geared towards the following priorities:

- Accurate financial planning
- Cost optimisation
- Effective working capital management and debt management
- Adequate financial and accounting controls
- Capital productivity
- Increase efficiency through digitalisation and the automation of processes

Financial performance

The financial year ("FY") 2022 has been a positive year for Emtel after two years impacted by the pandemic. For the purpose of more clarity, our financial performance is compared against two prior reporting periods: first, against the financial reporting year ended 2021, and second, against the financial reporting year ended 2019, which I consider to be a normal year of operation prior to Covid-19 challenges.

Sahoud Edoo
Group CFO

Group CFO report (continued)

Condensed primary statements

Condensed statement of profit and loss for the financial year ended 31 December

	2022	2021	2020	2019
	Rs Million	Rs Million	Rs Million	Rs Million
Revenue	**3,240**	**3,129**	**3,091**	**3,238**
EBITDA	**1,510**	**1,379**	**1,401**	**1,448**
Depreciation & Amortisation	(715)	(720)	(632)	(688)
Underlying operating profit (A)	**795**	**659**	**769**	**760**
Dividend income	-	47	71	-
Solidarity levy on revenue	(50)	(47)	(47)	(49)
Impairment loss	(82)	-	-	-
Profit/(Loss) on disposal	103	3	(1)	2
Other one off transactions	(8)	1	(13)	(11)
Operating profit	**758**	**663**	**779**	**702**
Finance costs on debt contracted for investment in subsidiary	(50)	(50)	(21)	-
Net finance costs (B)	(115)	(104)	(107)	(78)
Profit before tax	**593**	**509**	**651**	**624**
Income tax expense	(115)	(129)	(99)	(147)
Profit for the year	**478**	**380**	**552**	**477**
Other comprehensive income	8	279	(14)	(11)
Total comprehensive income for the year	**486**	**659**	**538**	**466**
Underlying profit before tax ((A) - (B))	**680**	**555**	**662**	**682**

Condensed statement of financial position as at 31 December

	2022	2021
	Rs Million	Rs Million
Assets		
Property, plant and equipment	3,201	2,905
Right-of-use assets	946	714
Intangible assets	267	312
Investment in subsidiaries	1,123	1,205
Financial assets at fair value through OCI	1	1
Non-current assets	**5,538**	**5,137**
Current assets	1,211	801
Total Assets	**6,749**	**5,938**
Equity and Liabilities		
Stated capital	152	152
Retained earnings	1,165	966
Other reserves	21	266
Total equity	**1,338**	**1,384**
Non-current liabilities	3,265	3,400
Current liabilities	2,146	1,154
Total Equity and Liabilities	**6,749**	**5,938**

Condensed statement of cash flows for the financial year ended 31 December

	2022	2021
	Rs Million	Rs Million
Net cash generated from operating activities	1,418	886
Net cash used in investing activities	(393)	(997)
Net cash used in financing activities	(439)	(41)
Net increase / (decrease) in cash and cash equivalents	**586**	**(152)**
Net foreign exchange difference	(4)	(2)
Cash and cash equivalents at 1st January	30	184
Cash and cash equivalents at 31st December	**612**	**30**

Condensed statement of changes in equity

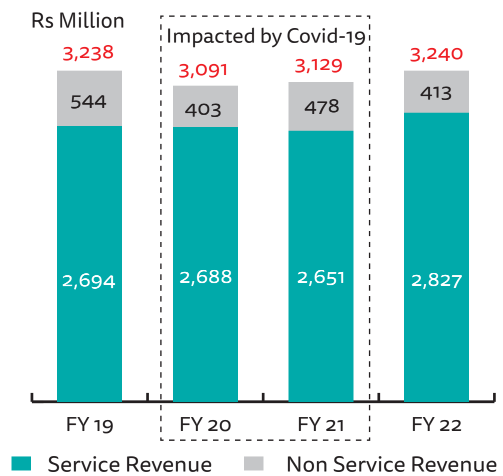
	Stated Capital	Retained earnings	Other reserves	Total Equity
	Rs Million	Rs Million	Rs Million	Rs Million
At 1 January 2021	**152**	**1,089**	**1**	**1,242**
Profit for the year	-	380	-	380
Other comprehensive income	-	13	265	278
Total comprehensive income	**-**	**393**	**265**	**658**
Dividends	-	(516)	-	(516)
At 31 December 2021	**152**	**966**	**266**	**1,384**
Profit for the year	-	478	-	478
Other comprehensive income	-	253	(245)	8
Total comprehensive income	**-**	**731**	**(245)**	**486**
Dividends	-	(532)	-	(532)
At 31 December 2022	**152**	**1,165**	**21**	**1,338**

Group CFO report (continued)

Analysis of financial performance

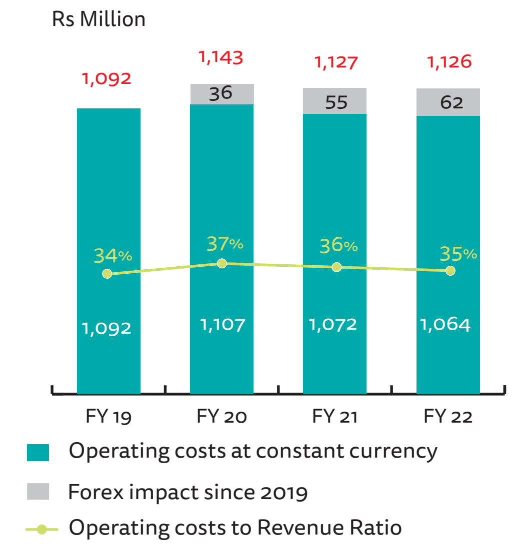
Revenue

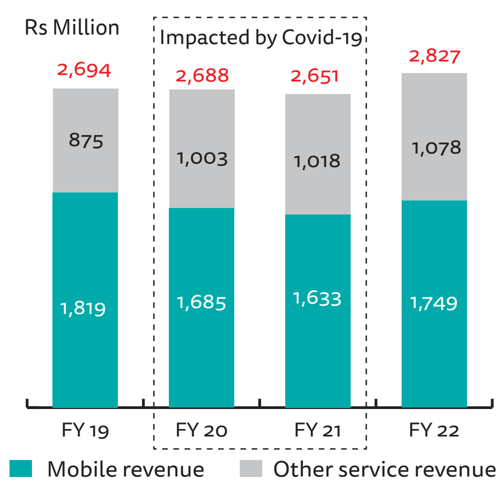
Revenue is back on track after two challenging years and increased by 4% compared to the previous financial year. Our service revenue, which comprises revenues from our mobile business, home broadband business and enterprise business revenue, increased by 7% compared to the financial year 2021 and by 5% compared to the financial year 2019. On the other hand, our non-service revenue, which comprises the resale of mobile devices, routers and tower rental income, were lower by 14% compared to the financial year 2021 and by 24% compared to the financial year 2019. This is mainly explained by a one-off sale of devices during the financial year 2019 and a reduction in tower sharing rentals revenue effective from August 2021.



Operating costs

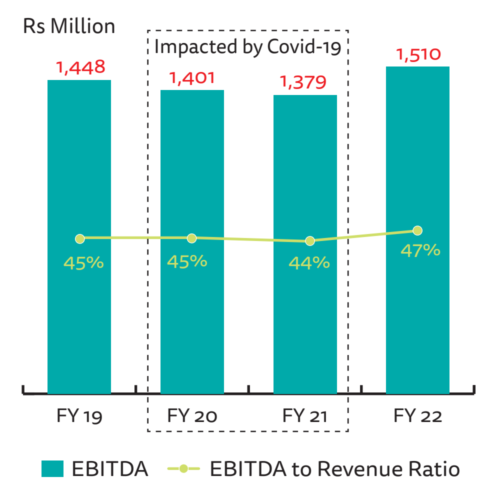
Operating costs comprise mainly network expenses, human capital expenses, sales and distribution expenses and information technology expenses, among others. With a significant portion of our operating costs in foreign currencies, Emtel was adversely impacted by the depreciation of the Mauritian Rupee, registering a cumulative foreign currency impact (between the period January 2020 and December 2022) on operating costs of Rs 62 million. Various initiatives have been undertaken to contain our operating costs, bringing our operating costs to revenue ratio to 35% in the financial year 2022.





Service revenue

Our service revenue is further broken down between mobile revenue and other service revenue, which mainly comprises home broadband and enterprise revenue. Our mobile business revenue increased by 7% compared to the financial year 2021, but was lower by 4% compared to the financial year 2019 mainly as a result of lower roaming revenue. On the other hand, home internet and enterprise revenues performed well and increased year on year in line with our strategies to diversify our revenue streams. Compared to the financial year 2021 and 2019, other service revenue is up by 6% and 23% respectively.



EBITDA

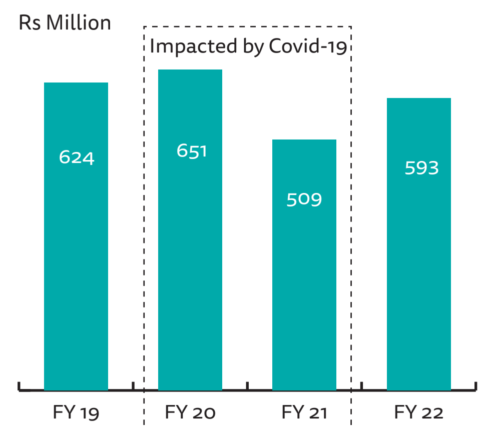
EBITDA adjusted for non-operational transactions grew by 10% compared to the financial year 2021 and by 4% compared to the financial year 2019. EBITDA has been well managed thanks to proper financial planning and cost optimisation. The EBITDA to revenue ratio stood at 47% for the financial year 2022, representing a 3% increase over the previous year and a 2% increase over financial year 2019.

Group CFO report (continued)

Analysis of financial performance (continued)

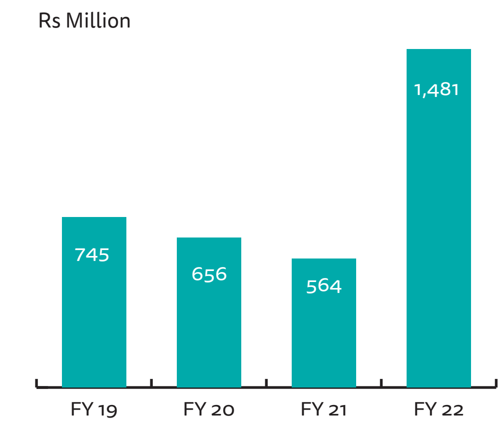
Profit before tax

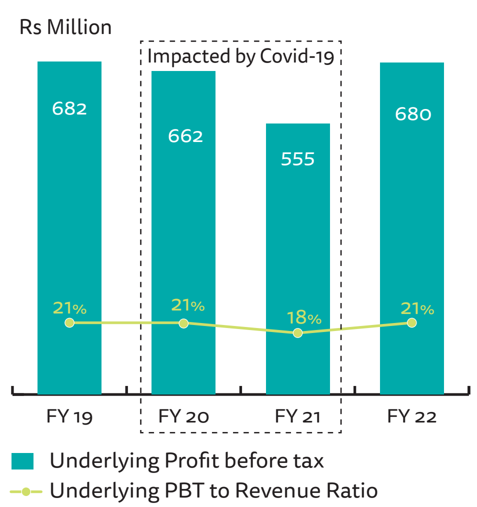
Our profit before tax stood at Rs 593 million and has grown by 17% compared to the financial year 2021, but is lower by 5% compared to the financial year 2019. This drop in profit before tax compared to the financial year 2019 is attributable to (i) increased interest costs, (ii) the prevailing high inflation rate, which significantly impacted costs and (iii) foreign exchange losses due to unfavourable foreign exchange rates, (iv) the high investment in capital expenditure leading to higher depreciation.



Capital expenditure

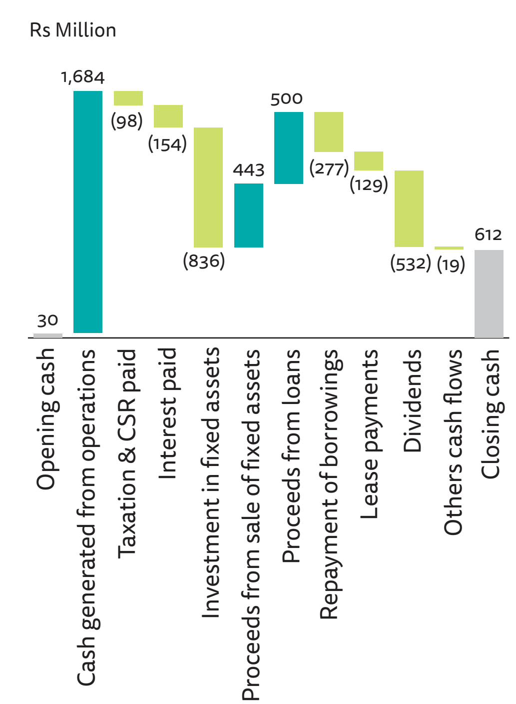
Investment in Capital expenditure ("Capex") is key to the long-term growth of Emtel to keep abreast of technological developments and also to diversify revenue and replace obsolete assets. The financial year 2022 saw major Capex investments, mainly driven by the rollout of 5G technology and the modernisation of the 2G, 3G, and 4G networks.





Underlying profit before tax

The underlying profit before tax for the financial year 2022 is higher by 23% compared to financial year 2021, and has only slightly dropped by 1% compared to the financial year 2019. This drop is mainly explained by the foreign exchange impact, the high investment in capital expenditure financed by debt leading to higher depreciation and additional interest costs. The underlying profit before tax to revenue ratio for the financial year 2022 is aligned with that of financial year 2019, at 21%.



Cash flow management

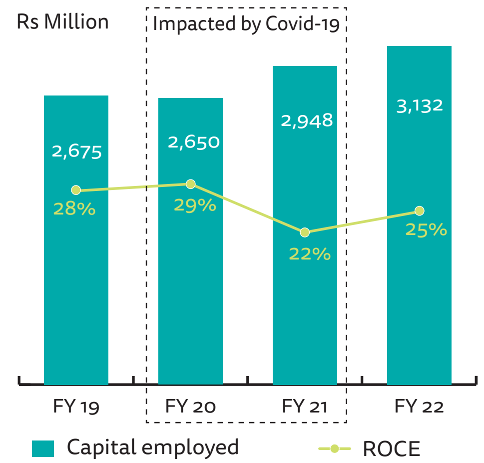
The cash flow generated from operations stood at Rs 1.68 billion in the financial year 2022. Another significant cash inflows are the proceeds from the sale of immovable properties amounting to Rs 443 million, and the proceeds from new loans, amounting to Rs 500 million. We also managed to negotiate longer payment facilities for Capex payments and we closed the year 2022 with a cash balance of Rs 612 million.

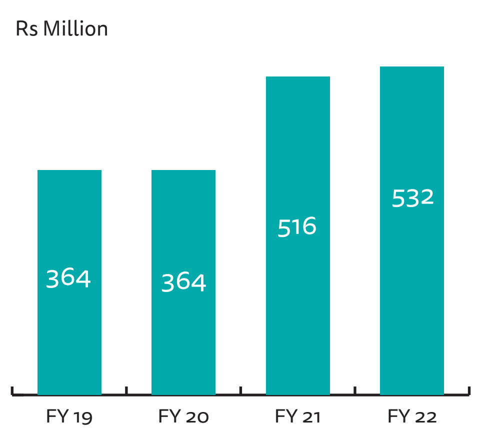
Group CFO report (continued)

Analysis of financial performance (continued)

Underlying Return on Capital Employed ("ROCE")

The underlying return on capital employed ("ROCE") stood at 25%, which is 3% higher than the ROCE pertaining to the financial year 2021. However, compared to the financial year 2019, the ROCE is slightly lower by 3%. This is mainly as a result of additional capital taken to finance the Capex investment for the rollout of 5G technology and modernisation of the 2G, 3G, and 4G networks. The underlying ROCE is defined as underlying operating profit divided by the underlying equity plus debt contracted to finance the growth of the Company and exclude the debt contracted for the investment in subsidiaries.





Dividends payout

In 2022, the Company paid Rs 532 million as dividends to the shareholders (representing Rs35.03 per share) compared to Rs 516 million in 2021 (Rs 34.00 per share).

Outlook

The first half of the year 2023 has been extremely positive for Emtel. We are looking forward to maintaining the growth momentum and meeting our strategic objectives, as elaborated in the interview with the Group CEO on pages 68 to 75.

Appreciation

I would like to express my appreciation to all our investors, bankers, suppliers, customers, employees and other direct and indirect stakeholders for their continued support and collaboration with Emtel. Together, we shall continue to evolve the landscape in Mauritius and shape a smarter tomorrow.

Sahoud Edoo

Sahoud Edoo
Group Chief Financial Officer

"We have operated our business stably and we are committed to generate growth in operating results. We recorded a strong financial and operational performance in the financial year ended 2022. Digitalisation is continuing apace, and as a result there is also growing demand by the industry for more connectivity. We are privileged to be an important part of the evolution of the telecommunication sector in the country. Our innovative products and services have transformed lives by giving people the platform where connectivity and transparency bring unlimited opportunities and possibilities. I believe that this yet again is testament to our prudent management, resilient businesses and a strong balance sheet"

Directors' Report

The Board of Directors is pleased to present the Annual Report of Emtel Limited (the "Company") for the year ending 31 December 2022.

Principal activity

The principal activity of the Company is the operation and provision of mobile telephony, fixed telephone, broadband and enterprise solutions to residential and corporate customers in the Republic of Mauritius, including Rodrigues & Agalega.

Review of the business

The Company had an overall good year and achieved some important milestones during 2022. The Company has launched 5G technology in July 2022 providing 50% coverage of the population at the end of the year 2022. The plan is provide island wide 5G coverage by the end of 2024. At the same time, the Company has started to modernise its legacy radio access network.

The Company's turnover has increased by 3.6% to **Rs 3,240 million** (2021 - Rs 3,129 million) in the financial year ended 2022. The Company has registered a net profit after tax of **Rs 478 million** (against Rs 380 million in 2021) for the financial year ended 2022. The Company has not received any dividend income for year 2022 compared to Rs 47 million in 2021 from its subsidiary EMVISION Ltd. The Directors have declared dividends of **Rs 532 million** (compared to Rs 516 million in 2021) for the year ending 31 December 2022.

The Company has invested **Rs 1,479 million** (2021 - Rs 530 million) in capital expenditure. The investment were mainly in (i) deployment of 5G technology equipment (ii) modernisation of old equipment and (iii) extension of the inland fibre.

The Company has also entered into a sales and leaseback of some of its immovable properties to part finance the capital expenditure requirements.

The financial position of the Company is as follows:

	2022	2021
	Rs 000	Rs 000
Profit before tax	593,315	509,310
Current assets	1,212,245	801,152
Current liabilities	2,145,970	1,153,537
Net assets	1,338,369	1,384,374

Management continued the "Living the Brand" philosophy which was started in 2021. This initiative is geared to improve employee engagement and enhance customer experience.

Outlook and prospects

The world's economy has been facing challenges since the beginning of 2020 as a result of the COVID 19 pandemic which has affected people, businesses and economies at large. The war situation in Ukraine and the sanctions taken against Russia since 2022 have impacted the global economy. Mauritius has witnessed high inflation rates since 2022 along with severe depreciation of the rupee against the EURO and USD.

The Company has reviewed and aligned its strategies to meet the expectations of the stakeholders through diversification of revenue and optimisation of costs.

Financial Statements and auditor's report

The financial statements of the Company for the year ended 31 December 2022 are set out on pages 136 to 180. The auditor's report on these financial statements is on pages 134 to 135.

Directors

The names of the Directors who held office as at the date of this report are set out on page 24.

Statement of Directors' responsibilities in respect of the 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 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 have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' Report (continued)

Statement of Directors' responsibilities in respect of the financial statements (continued)

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The fees payable to the auditors, for audit and other services were:

	2022	2021
	Rs 000	Rs 000
Statutory audit services	2,200	1,572
Other services	1,600	908
TOTAL	3,800	2,480

The other services for the Company for the year ended 31 December 2022 relate to tax consulting services, privacy gap assessment, the audit of financial information of MFS Trust and consultancy services for Mobile Financial Services.

The auditors, PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution proposing their re-appointment will be submitted to the Annual Meeting.

Acknowledgement

On behalf of the Board, we wish to express our sincere appreciation and gratitude to Management and staff for their hard work, dedication, commitment and loyalty to the Company.

We also wish to thank our fellow members of the Board for their support and contribution.

Authorised for issue by the Board of Directors on 24th April 2023

Mr Bashirali A Currimjee, G.O.S.K
Chairmain & Managing Director

Mr. Anil C Currimjee
Director

Statement of compliance

(SECTION 75 (3) OF THE FINANCIAL REPORTING ACT)

Name of Public Interest Entity ("PIE"): Emtel Limited

Reporting Period: 01 January 2022 to 31 December 2022

We, the Directors of **Emtel Limited**, confirm to the best of our knowledge that the Company has complied with all material obligations and requirements under the Code of Corporate Governance. Reasons for non-compliance, as applicable, have been explained in the Corporate Governance Report, save and except for the following:

Website disclosures

The Board believes that all material information on the Company and its governance framework, as recommended to be disclosed on the website as per the Code, is available to shareholders and stakeholders through the Annual Report & Financial Statements filed at the Registrar of Companies.

Principle 2 – The Structure of the Board and its Committees

The Company has not appointed an Independent Director as the Shareholders and the Board are of the view that its current size, mix of skills, competencies, expertise and knowledge enable it to carry out its duties and responsibilities in an effective and competent manner.

In the absence of an Independent Director on the Board of the Company at this stage, the Audit & Risk Committee is currently being chaired by a Non-Executive Director.

The Company is in the process of reviewing its Board composition to comply with the requirements of the Code.

Principle 4 - Director Duties, Remuneration and Performance, Board evaluation and development

Any evaluation of the Board, Board Committees or individual Directors have not been undertaken during the year under review.

Principle 8 – Relations with Shareholders and other key Stakeholders.

The contents of the Shareholders' Agreement between CJ & CO LTD and Indian Continent Investment Limited in respect of the Company have not been disclosed due to their confidential nature.

SIGNED BY:

Mr Bashirali A Currimjee, G.O.S.K

Chairmain & Managing Director

Mr. Anil C Currimjee

Director

Date: 24th April 2023

Secretary's certificate

UNDER SECTION 166(d) OF THE MAURITIUS COMPANIES ACT 2001

We certify that in terms of the compliance report as submitted and approved by the Board, the Company has filed with the Registrar of Companies, for the year ended 31 December 2022, all such returns as are required of the Company under the Companies Act 2001 of Mauritius.

Currimjee Secretaries Limited

Per Ramanuj Nathoo (Mr)

Secretary

Date: 24 April 2023

Independent Auditor's Report

To the shareholders of Emtel Limited

Report on the Audit of the Financial Statements of the Company standing alone

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of EMTEL LIMITED (the "Company") standing alone as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of EMTEL LIMITED set out on pages 136 to 180 comprise:

the statement of financial position as at 31 December 2022

- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the company information, the directors' report, the corporate governance report, the statement of compliance and the secretary's certificate but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, 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 the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

Report on the Audit of the Financial Statements of the Company standing alone (continued)

Auditor's Responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor and tax advisor of the Company and some of its subsidiaries;

(b) we have obtained all the information and explanations we have required; and

(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

25 April 2023

Olivier Rey, licensed by FRC

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	2022	2021
	Rs 000	Rs 000
Revenue from contracts with customers (Note 3)	3,240,350	3,128,630
Cost of operations	(1,714,669)	(1,746,141)
Gross profit	1,525,681	1,382,489
Selling and distribution expenses	(352,401)	(335,667)
Administrative expenses	(448,948)	(455,651)
Impairment loss on subsidiary (Note 13)	(82,125)	-
Other income (Note 4)	11,988	66,933
Other gains / (losses) - net (Note 5)	104,263	5,198
Operating profit (Note 6)	758,458	663,302
Finance income (Note 8)	2,014	2,554
Finance costs (Note 8)	(167,157)	(156,546)
Finance costs – net (Note 8)	(165,143)	(153,992)
Profit before tax	593,315	509,310
Income tax expense (Note 9)	(115,499)	(128,970)
Profit for the year	477,816	380,340
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity investments at fair value through other comprehensive income	54	181
Revaluation of property, plant and equipment (Note 10)	-	304,535
Effect of deferred tax on revaluation of property, plant and equipment (Note 9(d))	-	(38,681)
Re-measurements of post-employment benefits obligations (Note 22)	9,556	15,199
Effect of deferred tax on re-measurement of post-employment benefits obligations (Note 9(d))	(1,626)	(2,584)
Other comprehensive income for the year	7,984	278,650
Total comprehensive income for the year	485,800	658,990

The notes on pages 140 to 180 form an integral part of the financial statements.

Statement of financial position

As at 31 December 2022

	2022	2021
	Rs 000	Rs 000
Assets		
Non-current assets		
Property, plant and equipment (Note 10)	3,200,847	2,904,737
Right-of-use assets (Note 11)	946,228	714,402
Intangible assets (Note 12)	266,737	311,751
Investment in subsidiaries (Note 13)	1,122,875	1,205,000
Financial assets at fair value through OCI (Note 14)	1,207	1,153
	5,537,894	5,137,043
Current assets		
Inventories (Note 15)	65,346	36,651
Trade and other receivables (Note 16)	395,204	584,796
Current tax receivables (Note 17)	80,382	80,382
Cash and cash equivalents (Note 18)	671,313	99,323
	1,212,245	801,152
Total assets	6,750,139	5,938,195
Equity		
Stated capital (Note 19)	151,800	151,800
Fair value reserves	1,187	1,133
Revaluation reserves	20,375	265,854
Retained earnings	1,165,007	965,587
Total equity	1,338,369	1,384,374
Liabilities		
Non-current liabilities		
Borrowings (Note 20)	2,102,782	2,426,024
Lease liabilities (Note 11)	880,203	657,453
Deferred tax liabilities (Note 21)	198,170	210,671
Post-employment benefits obligations (Note 22)	20,153	36,899
Asset retirement obligations (Note 23)	64,492	69,237
	3,265,800	3,400,284
Current liabilities		
Borrowings (Note 20)	840,832	287,632
Lease liabilities (Note 11)	139,659	115,875
Trade and other payables (Note 24)	915,427	533,585
Contract liabilities (Note 25)	124,186	125,134
Provisions for solidarity levy (Note 9(c))	50,344	47,324
Current income tax liabilities (Note 9(b))	75,522	43,987
	2,145,970	1,153,537
Total liabilities	5,411,770	4,553,821
Total equity and liabilities	6,750,139	5,938,195

Authorised for issue by the Board of directors on 24th April 2023 and signed on its behalf:

Mr Bashirali A Currimjee, G.O.S.K
Chairmain & Managing Director

Mr. Anil C Currimjee
Director

The notes on pages 140 to 180 form an integral part of the financial statements.

Statement of changes in equity

For the year ended 31 December 2022

	Stated capital	Revaluation reserves	Fair value reserves	Retained earnings	Total equity
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January 2021	151,800	-	952	1,088,752	1,241,504
Comprehensive income					
Profit for the year	-	-	-	380,340	380,340
Items that will not be reclassified to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	181	-	181
Revaluation adjustment	-	304,535	-	-	304,535
Effect of deferred tax on revaluation adjustment (Note 9(d))	-	(38,681)	-	-	(38,681)
Re-measurements of post-employment benefits obligations (Note 22)	-	-	-	15,199	15,199
Effect of deferred tax on re-measurement of post-employment benefits obligation (Note 9(d))	-	-	-	(2,584)	(2,584)
Total comprehensive income	-	265,854	181	392,955	658,990
Transactions with owners					
Dividends (Note 26)	-	-	-	(516,120)	(516,120)
Total transactions with owners	-	-	-	(516,120)	(516,120)
At 31 December 2021	151,800	265,854	1,133	965,587	1,384,374

	Stated capital	**Revaluation reserves**	**Fair value reserves**	**Retained earnings**	**Total equity**
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January 2022	151,800	265,854	1,133	965,587	1,384,374
Comprehensive income					
Profit for the year	-	-	-	477,816	477,816
Items that will not be reclassified to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	54	-	54
Revaluation adjustment	-	(245,479)	-	245,479	-
Re-measurements of post-employment benefits obligations (Note 22)	-	-	-	9,556	9,556
Effect of deferred tax on re- measurement of post-employment benefits obligation (Note 9(d))	-	-	-	(1,626)	(1,626)
Total comprehensive income	-	(245,479)	54	731,225	485,800
Transactions with owners					
Dividends (Note 26)	-	-	-	(531,805)	(531,805)
Total transactions with owners	-	-	-	(531,805)	(531,805)
At 31 December 2022	151,800	20,375	1,187	1,165,007	1,338,369

The notes on pages 140 to 180 form an integral part of the financial statements.

Statement of cash flows

For the year ended 31 December 2022

	2022	2021
	Rs 000	Rs 000
Cash generated from operations (Note 29)	1,683,680	1,183,064
Taxation paid (Note 9)	(87,825)	(131,580)
Corporate Social Responsibility fund (Note 9)	(9,982)	(13,814)
Interest paid	(153,572)	(142,542)
Interest received	2,014	2,243
Contributions made for post-employment benefits obligations (Note 22)	(16,107)	(11,014)
Net cash generated from operating activities	1,418,208	886,357
Cash flows from investing activities		
Payment for investment of subsidiaries	-	(504,950)
Payments made for the purchase of property, plant and equipment (Note 10)	(834,191)	(580,758)
Payments for purchase of intangible assets (Note 12)	(2,124)	(34,042)
Net proceed from disposal of property, plant and equipment	442,841	5,216
Dividend received from subsidiaries	-	117,720
Net cash used in investing activities	(393,474)	(996,814)
Cash flows from financing activities		
Proceeds from borrowings	2,505,000	5,426,000
Repayment of borrowings	(2,281,875)	(5,276,625)
Proceeds from issue of bond	-	450,000
Bond issue transaction costs	(1,125)	(1,173)
Lease payments (Note 11)	(129,133)	(123,269)
Dividends paid (Note 26)	(531,805)	(516,120)
Net cash used in financing activities	(438,938)	(41,187)
Net increase/ (decrease) in cash and cash equivalents	585,796	(151,644)
Cash and cash equivalents at beginning of the year	30,453	183,635
Exchange losses on cash and cash equivalents	(4,420)	(1,538)
Cash and cash equivalents at end of the year (Note 18)	611,829	30,453

The notes on pages 140 to 180 form an integral part of the financial statements.

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and with the Mauritius Companies Act 2001.

The financial statements have been prepared on a historical cost basis, except for the revaluation of freehold land and buildings, financial assets at fair value through other comprehensive income and the post-employment benefits obligations, where the plan assets of the post-employment benefits obligations and the financial assets are measured at fair value.

Going Concern

The directors have assessed the principal and emerging risks and considered it appropriate to adopt the going concern basis of accounting when preparing the financial statements. This assessment covers the period to December 2023, where the directors took into account the Company's overall financial position and based on its financial forecast, the Company would generate sufficient cash to sustain its operations.

At 31 December 2022, the Company had (i) net assets **Rs 1,338 million** (2021: Rs 1,384 million) (ii) net current liabilities **Rs 934 million** (2021: Rs 352 million) and had made a profit for the year of **Rs 478 million** (2021: Rs 380 million). The directors are therefore satisfied that the Company has the resources to continue in business for the foreseeable future and are not aware of any material uncertainties that may cast significant doubt upon the Company ability as a going concern.

Consolidation

These separate financial statements contain information about Emtel Limited as an individual company and do not contain consolidated financial information as the parent of the Group. The Company has taken advantage of the exemption under IFRS 10 - "*Consolidated financial statements*", from the requirements to prepare consolidated financial statements as Emtel and its subsidiaries are included by full consolidation in the consolidated financial statements of its intermediary holding company, Currimjee Jeewanjee and Company Limited, incorporated in Mauritius. The minority interest, Indian Continent Investment Ltd has been informed and do not object to, the Company not presenting consolidated financial statements. The debt or equity instrument of the Company is not traded in a public market and nor is in the process of filing its financial statements with a security commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market. The Currimjee Jeewanjee Group prepares consolidated financial statements, which comply with IFRS, and can be physically inspected at its registered address which is 38, Royal Street, Port Louis.

1.1 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the areas involving a higher degree of judgement or complexity are as follows:

1.1.1 Depreciation charge on property, plant and equipment and right of use assets

Depreciation is calculated on the basis of the depreciation rates set out in the accounting policy note on property, plant and equipment, on page 144. The depreciation rates have been estimated according to the respective property, plant and equipment useful lives and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The useful lives are reviewed on an annual basis with the effect of any changes in estimate accounted for on a prospective basis.

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1 Critical accounting estimates and judgments (continued)

1.1.2 Fair value measurement on property, plant and equipment

Property, plant and equipment, except for freehold land and buildings and site improvements are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Freehold land is stated at revalued amounts and buildings are stated at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at each financial year end. It is the Company's policy to revalue its freehold land and buildings at least every three years. The basis used is market value derived using the Market-based valuation approach and independent valuers are used for such exercises. Please refer to Note 2 and 10 for disclosure in relation to the fair value assumptions used.

1.1.3 Lease term

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease term is recognised through the non-cancellable period in the contract. Where leases include additional optional periods after an initial lease term, the Company applies significant judgement in determining whether these optional periods would be exercised which takes into consideration the cost of replacing the assets, its strategic geographical location and its future economic benefits.

1.1.4 Provision for Asset Retirement Obligations

Management has estimated the costs of dismantling, removing antennas and restoring the leased sites to their original conditions. These costs have been provided in full in the financial statements. This assumes that the effect of the inflationary increase and fluctuation in bond rates on the costs will be reduced on discounting such costs to their present values.

1.1.5 Post-employment benefits obligations

The present value of the post-employment benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate, inflation rate, salary growth rate, pension growth rate, medical growth rate and withdrawal rate. Any changes in these assumptions will impact the carrying amount of post-employment benefits obligations. Critical assumptions are made by the actuary in determining the present value of post-employment benefits obligations. These assumptions are set out in Note 22.

1.1.6 Current tax receivables

The Mauritius Revenue Authority (MRA) had raised an assessment on the Company with respect to the income tax rate used for income tax years of assessments 2006/2007 and 2007/2008. The total amount claimed by the MRA has been paid under protest inclusive of the penalties and interest.

According to the Company's legal advisors appointed to handle this matter, they believe that it is highly probable that the Company will have a positive outcome. Based on significant judgment that has been applied by the Company's directors, following advice from its legal advisor, no tax liability has been accounted with respect to this assessment. Given that the Company has already paid the amount of Rs 80.4 million to the MRA, this represents an asset (current tax receivable) for the Company. The Company has lodged an application for permission to appeal that judgement to the Judicial Committee of the Privy Council.

In preparing the financial statements, the directors, in the process of applying the Company's accounting policies, did not make any judgement other than those involving estimates that could have a significant effect on the amounts recognised in the financial statements.

1.1.7 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less cost to sell and value in use. The value in use is derived using assumptions and estimates on cash flow projections. Key assumptions used are weighted average cost of capital and terminal growth rate in the cash flow projections.

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.2 Application of new and revised international financial reporting standards

1.2.1 New standards, amendments to existing standards and interpretation issued and effective for the financial year beginning on 1 January 2022.

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

- Amendments to IFRS 9 ‘Financial Instruments’
- IAS 39 ‘Financial Instruments’ : Recognition and Measurement
- IFRS 7 ‘Financial Instruments’ : Disclosures
- IFRS 4 ‘Insurance Contracts’
- IFRS 16 ‘Leases’ – interest rate benchmark (IBOR) reform (Phase 2)
- IFRS 16 ‘Leases’ COVID-19-Related Rent Concessions Amendment

The Company has assessed all of the new standards, interpretations by the International Accounting Standards Board (“IASB”) that are relevant to their operations and effective for accounting periods beginning 1 January 2022. There are no new standards and amendments to standards and interpretations that are effective for annual period beginning on 1 January 2022 that would be relevant or have a material impact on the Company’s financial statements.

1.2.2 New standards, amendments and interpretations issued but effective for financial year beginning after 1 January 2022 and not been early adopted by the Company.

As at 31 December 2022, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2022.

- IFRS 17 ‘Insurance contracts’
- IFRS 17 Insurance contracts Amendments
- Amendment to IFRS 3 ‘Business combinations’- Asset or liability in a business combination clarity
- Amendments to IAS 16 ‘Property, Plant and Equipment’: Proceeds before Intended Use
- Amendments to IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’ on Onerous Contracts- Cost of Fulfilling a Contract
- Annual improvements cycle 2018 – 2020
- Amendment to IAS 1 ‘Presentation of Financial Statements’ on Classification of Liabilities as Current or Non-current

These new accounting standards and interpretations have not been early adopted by the Company and are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1.3 Accounting policies and disclosures

1.3.1 Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Investments in subsidiaries are recognised at cost (which includes transaction costs) in the financial statements of the Company.

Subsequently, where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Accounting policies and disclosures (continued)

1.3.2 Foreign currency translation

(i) Functional and presentation currency - Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Mauritian rupee, which is the functional currency of the Company. The financial statements are presented in thousands of Mauritian rupees (Rs 000), unless otherwise stated.

(ii) Transactions and balances - Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(iii) Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within ‘finance income or costs’. All other foreign exchange gains and losses are presented in the profit or loss within ‘other gains / losses – net’.

1.3.3 Revenue recognition

The Company derives revenue from the provision of telecommunication services, such as rendering of services which includes: mobile revenue, roaming and interconnect, enterprise revenue, tower rental, deferred revenue; and from sales of telephone and equipment. Revenue is recognised to the extent the Company has delivered goods or rendered services under an agreement, provided the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received or receivable, exclusive of sales taxes and discounts.

The policy set for revenue recognition is as follows:

- Rendering of services

(i) Mobile revenue

The Company provides telecommunication services to its subscribers to have access to services such as unlimited data packs, post-paid bundle plan and voice and short message service packs both on pre-paid and post-paid.

Post-paid revenue is measured at the fair value of the consideration received or receivable for services provided and equipment sales, net of discounts and valued added tax. Revenue is recognised based on their performance obligations at its corresponding transaction price.

Revenue from connection activities is recognised when it is earned, upon activation. Revenue from calls is recognised at the time the call is made over the Company’s network.

Revenue from SMS is recognised when the SMS is submitted. Revenue from data is recognised on a data usage basis.

(ii) Roaming and interconnect

The Company has entered into international roaming agreement with foreign operators which allows network access to mobile subscribers of one operator to another operator. The roaming revenue generated is recognised when the services are rendered. Revenue for interconnection of voice and short message service traffic between other telecommunication operators is recognised at the time the transit occurs in the Company’s network.

(iii) Enterprise revenue

The Company offers a “One-stop ICT solution Provider” to the enterprise business such as Data Centre and Cloud Services, Business Communications, Security and Network services. Revenue from enterprise services is recognised when the Company has performed the related service over its contractual period.

(iv) Tower rental

Revenue derived from tower rental on sharing arrangement with other operators are recognised over the contractual period and upon its performance of its contractual obligation.

(v) Deferred revenue

Prepaid revenue from sales of airtime and data and payment are received upfront. The revenue is recognised based on actual usage by the customers and the remaining balance is accounted as deferred revenue.

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Accounting policies and disclosures (continued)

1.3.3 Revenue recognition (continued)

- Rendering of services (continued)

(vi) Sales of telephone and equipment

Revenue from the sale of equipment and related accessories, whether the sales is on stand-alone basis or with bundle services, is recognised when the equipment is delivered to the end-customer and its significant risks and rewards of ownership are transferred.

1.3.4 Property, plant and equipment

Freehold land and buildings including buildings on leasehold land are shown at fair value, based on a periodic but at least triennial valuation by external independent valuers, less subsequent depreciation for buildings. Valuations are performed every three years to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the assets, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of freehold land and buildings and buildings on leasehold land are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives. The annual rates used are:

Buildings	2.5% - 5%
Technical equipment	6.7% - 33%
Motor vehicles	20%
Furniture, fixtures and fittings	20%
Office equipment	20% - 50%

Depreciation starts as from the date the asset is available for use as intended by the directors. No depreciation is charged in the month of disposal.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains / (losses) – net' in profit or loss. On disposal of revalued assets, the surplus on revaluation remaining in revaluation reserve for these assets is transferred to retained earnings.

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Accounting policies and disclosures (continued)

1.3.5 Intangible assets

(i) Licences

Acquired licences are shown at historical cost. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives, which range between 3 to 15 years.

(ii) Indefeasible Rights of Use ("IRU")

Capacity purchased on an Indefeasible Rights of Use ("IRU") basis is shown under "non-current assets" as intangible assets on the face of the statement of financial position. The IRU is amortised on a straight-line basis over the contract period, ranging from 3 years to 15 years from the effective date of the IRUs brought into use.

(iii) Software

Costs associated with acquiring and implementing computer software programs that are clearly associated with an identifiable and unique product which will be controlled by the Company and will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Computer software costs are amortised on a straight line basis over a period of 3 to 5 years which is the estimated useful life. Costs associated with the maintenance of existing computer software programs are expensed as incurred.

1.3.6 Financial assets at fair value through other comprehensive income

Investments that are non-derivatives have been designated as financial assets at fair value through other comprehensive income at initial recognition.

Financial assets at fair value through other comprehensive income are initially recognised at fair value plus transaction costs. Gains and losses arising from changes in the fair value of securities classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income.

1.3.7 Leases

The lease arrangement the Company has entered includes land and building, warehouse, showrooms and motor vehicles. The management assesses the contract to identify whether the right to control the use of an identified asset for a period of time in exchange for consideration has been transferred to the Company. Control exists if the Company obtains substantially all of the economic benefit from the use of the asset, and has the ability to direct its use, for a period of time. An identified asset exists where an agreement explicitly or implicitly identifies an asset or a physically distinct portion of an asset which the lessor has no substantive right to substitute.

The Company recognises right-of-use assets and lease liabilities at the lease commencement date for most leases. The right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received

The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Right-of-use assets are subsequently adjusted for any re-measurement of lease liabilities and are subject to impairment testing. The depreciation rate on right-of-use assets is computed on straight line basis over the duration of the leases varying between 2 to 20 years.

In instances where lease agreements contain lease and non-lease components, they are generally accounted for separately. Therefore, non-lease components are accounted for as operating expenses and are recognised in profit or loss as they are incurred. For certain instances where it is impractical to separate the lease from the non-lease component, the Company will account for them as a single lease component.

However, the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases with a lease terms of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Accounting policies and disclosures (continued)

1.3.7 Leases (continued)

The lease liability is initially measured at the present value of the following lease payments to be made over the lease term:

- Fixed payments (including in-substance fixed payments), including non-recoverable payments that do not transfer a separate service, less any incentives receivable.
- Variable lease payments that are based on an index or rate, measured using the index or rate as at the lease commencement date.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the entity incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate is determined at the interest rate which the entity has availed financing facilities through the local bank for acquiring assets of capital nature.

The incremental borrowing rates for the Company were determined as per the actual borrowing rate of loan contracted with bank and the amortisation schedule from lessor for motor vehicles.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Interest costs are charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. It is remeasured when there is a change in future lease payments arising from a change in index or rate.

A number of lease contracts include the option to renew the lease for a further period or terminate the lease earlier. The majority of extension and termination options held are exercisable only by the entity and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the entity's business planning cycle, significance of related leasehold improvements and past history of terminating/not renewing leases.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

A number of leases entitle both the Company and the lessor to terminate the lease without a termination penalty. In determining whether the Company has an economic incentive to not exercise the termination option, the Company considers the broader economics of the contract and not only contractual termination payments.

As at 31 December 2022, a number of lease contracts relating to land and building and colocation, include renewal options for a pre-defined renewal period. Due to the judgement exercised in relation to the determination of the lease term as outlined above, the Company is exposed to potential future cash outflows relating to an indefinite period which have not been included in the lease liability because it is not reasonably certain that the leases will be extended beyond the estimated lease term.

1.3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out ("FIFO") method and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1.3.9 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for loss allowance.

The creation and release of provision for loss allowance on trade receivables has been included within administrative expenses in the profit or loss. Amounts charged as loss allowance for doubtful debts account are generally written off, when there is no expectation of recovering additional cash.

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Accounting policies and disclosures (continued)

1.3.10 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings under current liabilities.

1.3.11 Restricted cash

The restricted cash as disclosed in Note 18, relates to cash held by the Company and subject to withdrawal restrictions and are therefore not available for general use by the Company.

1.3.12 Share capital

Ordinary shares are classified as 'stated capital' in equity.

1.3.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan or other borrowing facilities are recognised as transaction costs of the loan or borrowing facilities to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

1.3.14 Current and deferred tax

The tax expense for the period comprises current and deferred tax, solidarity levy and corporate social responsibility tax. Tax is recognised in profit or loss, except to the extent that it related to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Net deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Net deferred tax liability is provided on taxable temporary differences arising from accelerated capital allowances, provision for loss allowance on trade receivables, provision for post-employment benefits obligations and on recognition of lease liability.

1.3.15 Asset retirement obligations

The provision relates to the estimated cost of dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located to its original condition. The Company provides for the anticipated costs associated with the restoration of leasehold property to its original condition at inception of the lease, including the removal of items included in plant and equipment that is erected on leased land.

The Company only recognises these decommissioning costs for the proportion of its overall number of sites for which it expects decommissioning to take place. The expected percentage has been based on actual experience in the respective operations.

A provision is made for the present value of the estimated future decommissioning costs at the end of life of the site/expected lease term. When this provision gives rise to future economic benefits, an asset is recognised at a pre-tax rate that reflects current market assessments of the time value of money. The increase in the decommissioning provision due to the passage of time is recognised as a finance cost.

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Accounting policies and disclosures (continued)

1.3.16 Post-employment benefits obligations

The Company operates various post-employment schemes, including both defined benefit and defined contribution pension plans. The schemes are generally funded through payments to Island Life Assurance Co. Ltd, determined by periodic actuarial calculations.

(i) Pension obligations

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a retirement benefit plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in profit or loss within employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid subject that the fund will at least cover the gratuity on retirement payable under the Workers' Right Act (WRA) 2019. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payments is available.

Where employees are not covered under any pension plan, the gratuity on retirement payable under the WRA 2019 are estimated and provided for.

Other employee benefits include items such as wages, salaries, social security contributions, travelling and medical insurance. These costs are charged to profit or loss when incurred.

(ii) Other post-employment benefits obligations

The Company provides post-retirement healthcare benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

(a) when the Company can no longer withdraw the offer of those benefits; and

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Accounting policies and disclosures (continued)

(iii) Termination benefits (continued)

(b) when the Company recognised costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iv) Bonus plans

The Company recognises a liability and an expense for bonuses based on its financial performance. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.3.17 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.3.18 Provisions

Provisions are recognised when the Company 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 the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.3.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared and approved by the directors.

1.3.20 Dividend income

Dividend income is recognised when the right to receive payment is established and accounted under other income.

1.3.21 Interest Income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

1.3.22 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. Roaming and Interconnect debtors and creditors are treated separately in the statement of financial position.

Notes to the financial statements

For the year ended 31 December 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Accounting policies and disclosures (continued)

1.3.23 Impairment of non-financial assets

Assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

1.3.24 Financial instruments

Financial instruments carried on the statement of financial position include financial assets at fair value through other comprehensive income, trade and other receivables, cash and cash equivalents, borrowings, lease liabilities and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(i) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Measurement subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Measurement at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. See note 2 for details about each type of financial asset.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

IFRS 9 divides all financial assets into two classifications - those measured at amortised cost and those measured at fair value. Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss (fair value through profit or loss, FVTPL), or recognised in other comprehensive income (fair value through other comprehensive income, FVTOCI). For debt instruments the FVTOCI classification is mandatory for certain assets unless the fair value option is elected. Whilst for equity investments, the FVTOCI classification is an election. Furthermore, the requirements for reclassifying gains or losses recognised in other comprehensive income are different for debt instruments and equity investments. The classification of a financial asset is made at the time it is initially recognised, namely when the entity becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Debt instruments

Subsequent measurement of debt instruments depends on the Company business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments at amortised cost. This comprises assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of financial assets

The Company assesses the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Notes to the financial statements

For the year ended 31 December 2022

2 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest-rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Company.

(a) Market risk

(i) Foreign exchange risk

The Company has financial assets and financial liabilities denominated in various foreign currencies, mainly in Euro ("EUR") and US Dollar ("USD"). Foreign exchange risk arises from commercial transactions with its suppliers, recognised assets and liabilities. Consequently, the Company is exposed to the risk that the carrying amounts of these foreign currency denominated assets and liabilities may change due to fluctuations in foreign exchange rates.

Management has set up a policy to address their foreign exchange risk against their functional currency. The Company manages foreign currency exposures by forecasting its need for foreign currencies and retaining such amounts that will be necessary to settle purchases denominated in foreign currencies. Any excess foreign currencies are sold on the local market. The Company also has a banking facility to negotiate better rates for spot or forward transactions.

At 31 December 2022, if the Mauritian rupee had strengthened/weakened by 5% against the US dollar with all other variables held constant, pre-tax profit and equity for the year would have been higher/lower by **Rs 15,420,000** in 2022 (2021 – pre-tax profit would have been higher/lower by Rs 427,000), mainly as a result of foreign exchange differences on translation of US dollar- denominated trade receivables and bank balances, net of US dollar-denominated trade payables.

At 31 December 2022, if the Mauritian rupee had strengthened/weakened by 5% against the Euro with all other variables held constant, pre-tax profit and equity for the year would have been higher/lower by **Rs 6,142,000** in 2022 (2021 – pre-tax profit would have been higher/lower by Rs 253,000), mainly as a result of foreign exchange differences on translation of Euro-denominated trade payables, net of Euro-denominated trade receivables and bank balances.

	Financial assets	**Financial liabilities**	Financial asset	Financial liabilities
Currency profile	**2022**	**2022**	2021	2021
	Rs 000	Rs 000	Rs 000	Rs 000
United States dollar	61,127	369,535	11,855	20,387
Euro	222,057	99,208	96,612	91,547
Great Britain pound	17	17	19	22
Swiss franc	5	2	13	6
Mauritian rupee	697,748	4,479,859	510,686	3,957,096
	980,954	4,948,621	619,185	4,069,058

The following have been excluded from financial assets:

	Non-Financial assets	
	2022	2021
	Rs 000	Rs 000
Prepayment	45,162	52,280
VAT receivable	37,528	-
Amount Receivable from MRA	-	13,079
Advance to suppliers	4,080	728
Current tax receivables	80,382	80,382
	167,152	146,469

Notes to the financial statements

For the year ended 31 December 2022

2 Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The following have been excluded from financial liabilties:

	Non-Financial liabilities	
	2022	2021
	Rs 000	Rs 000
VAT payable	-	28,073
Provision of solidarity levy	50,344	47,324
Deferred tax liabilities	198,170	210,671
Post employee benefits	20,153	36,899
Current income tax liabilities	75,522	43,987
Contract liabilities	124,186	125,134
Prepaid bond issue cost	(5,226)	(7,325)
	463,149	484,763

(ii) Price risk

The Company's exposure to equity securities price risk arises from investment held by the Company and classified in the statement of financial position as Financial assets at fair value through other comprehensive income (FVTOCI).

(iii) Interest rate risk

The Company's income and cash flows may be affected by changes in market interest rates. The Company's interest rate risk arises from bank loans (including overdraft) which are issued at variable interest rate and cash and cash equivalents (excluding restricted cash).The Company's policy is to maximise returns on interest-bearing assets. The debts contracted are at fixed interest rates and are not exposed to interest rate risk.

	2022	2021
	Rs 000	Rs 000
Gross debt – fixed interest rates	2,948,841	2,391,815
Gross debt – variable interest rates	-	329,166
Total debt	2,948,841	2,720,981
Debt exposed to interest rate risk	0%	12%

Based on the simulations performed, at 31 December 2022, if interest rate on the bank loans (including overdraft) had increased/(decreased) by 0.5%, with all other variables held constant, the pre-tax profit for the year would have increased/decreased by **Rs Nil** (2021- Rs 1,646,000), respectively.

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents and credit exposures from trade and other receivables. Credit risk is managed on a company-wide basis.

For banks, the Company transacts only with highly reputable financial institutions. The credit quality of this financial asset can be assessed by the historical information about the financial strengths of the financial institutions the Company is dealing with. In the opinion of the Company, there is no associated risk as these are reputable institutions in the industry.

The credit rating of the main banks are as follows:

Banks	**Moody's Agency Credit Ratings**
Mauritius Commercial Bank Ltd	Ba1
Absa Bank (Mauritius) Limited (ABSA Group Ltd)	Ba2
SBM Bank (Mauritius) Ltd	Ba2

Notes to the financial statements

For the year ended 31 December 2022

2 Financial Risk Management (continued)

(b) Credit risk (continued)

To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for defined period of days past due. The Company has policies in place to control the level of debts and to ensure that sales of products and services are made to customers with an appropriate credit history. Such policies include credit vetting before connection, monthly credit limit and disconnection of subscribers on non-payment of invoices.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. The Company generates adequate cash flows from operations to service and finance its short term liabilities. The Company has access to financing facilities which it can take and negotiate with its existing debt holders. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**After 5 years**	**Total**
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 31 December 2022					
Borrowings	942,276	660,039	1,065,653	643,539	3,311,507
Lease liabilities	194,098	178,338	392,297	587,614	1,352,347
Asset retirement obligation	-	-	-	105,999	105,999
Trade and other payables	862,493	-	-	-	862,493
	1,998,867	838,377	1,457,950	1,337,152	5,632,346

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 31 December 2021					
Borrowings	386,688	429,209	1,697,492	671,739	3,185,128
Lease liabilities	152,043	148,377	340,976	304,862	946,258
Asset retirement obligation	-	-	-	99,546	99,546
Trade and other payables	505,512	-	-	-	505,512
	1,044,243	577,586	2,038,468	1,076,147	4,736,444

VAT payable of **Rs Nil** (2021 – Rs 28,073,000) are excluded from Trade and other payables.

Notes to the financial statements

For the year ended 31 December 2022

2 Financial Risk Management (continued)

(d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non–current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2022 and 2021 were as follows:

	2022	2021
	Rs 000	Rs 000
Total borrowings –excluding transaction costs (Note 20)	2,948,841	2,720,981
Less: Cash and cash equivalents (Note 18)	(611,829)	(30,453)
Net debt	2,337,012	2,690,528
Total equity	1,338,369	1,384,374
Total capital	3,675,381	4,074,902
Gearing ratio	64%	66%

The Company gearing ratio at 31 December 2022 is **64%** (2021: 66%) which is not in breach of the financial covenant imposed by the debt holders.

(e) Fair Value Estimation

The fair value of financial assets at FVT through OCI that are traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying amounts of loans and receivables less impairment provision, cash and cash equivalents, borrowings, lease liabilities, trade and other payables and contract liabilities are assumed to approximate their fair values. The carrying values of financial liabilities also approximate their fair values.

- Fair values hierarchy

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the financial statements

For the year ended 31 December 2022

2 Financial Risk Management (continued)

(e) Fair Value Estimation (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The Company has classified the financial assets at FVTOCI as level 1. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and financial assets at FVTOCI) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Freehold land and building are revalued every 3 years. The Company revalued its land and buildings in the previous financial year by an independent professional valuer.

At 31 December 2022

	Level 1	Level 2	Total
	Rs 000	Rs 000	Rs 000
Financial assets at fair value through OCI			
- Equity shares	1,207	-	1,207
Non financial asset at fair value through OCI			
- Land and buildings	-	27,262	27,262
	1,207	27,262	28,469

At 31 December 2021

	Level 1	Level 2	Total
	Rs 000	Rs 000	Rs 000
Financial assets at fair value through OCI			
- Equity shares	1,153	-	1,153
Non financial asset at fair value through OCI			
- Land and buildings	-	498,750	498,750
	1,153	498,750	499,903

The Company is exposed to equity securities price risks. If the fair value of the investments increases/ decreases by 5%, other factors remaining unchanged, the Company's profit for the year and financial assets (financial assets at fair value through OCI) would increase/decrease by **Rs 50,000** (2021 – Rs 48,000).

The sensitivity analysis of an increase/decrease by 1% in price per square meter, other factors remaining unchanged, on the the fair value Company's freehold land and buildings, its profit for the year and its valuation of the land and buildings (revaluation reserves through OCI) would have increase/decrease by **Rs 272,000** (2021- Rs 4,306,000).

Notes to the financial statements

For the year ended 31 December 2022

2 Financial Risk Management (continued)

(f) Financial instruments by category

At 31 December 2022

Financial assets at amortised cost	**Financial asset at amortised cost**	**Financial asset at FVTOCI**	**Total**
	Rs 000	Rs 000	Rs 000
Assets as per statement of financial position			
Financial assets at FVTOCI	-	1,207	1,207
Trade and other receivables	308,434	-	308,434
Cash and cash equivalents	671,313	-	671,313
Total	979,747	1,207	980,954

	Other financial liabilities at amortised cost	**Total**
	Rs 000	Rs 000
Liabilities as per statement of financial position		
Borrowings	2,948,841	2,948,841
Lease liabilities	1,019,862	1,019,862
Asset retirement obligation	64,492	64,492
Trade and other payables excluding non-financial liabilities	915,427	915,427
Total	4,948,622	4,948,622

At 31 December 2021

Financial assets at amortised cost	Financial asset at amortised cost	Financial asset at FVTOCI	Total
	Rs 000	Rs 000	Rs 000
Assets as per statement of financial position			
Financial assets at FVTOCI	-	1,153	1,153
Trade and other receivables	518,709	-	518,709
Cash and cash equivalents	99,323	-	99,323
Total	618,032	1,153	619,185

	Other financial liabilities at amortised cost	Total
	Rs 000	Rs 000
Liabilities as per statement of financial position		
Borrowings	2,720,981	2,720,981
Lease liabilities	773,328	773,328
Asset retirement obligation	69,237	69,237
Trade and other payables excluding non-financial liabilities	505,512	505,512
Total	4,069,058	4,069,058

Notes to the financial statements

For the year ended 31 December 2022

3 Revenue from contract with customers

	2022	2021
	Rs 000	Rs 000
Sale of telephone and equipment	313,009	354,620
Rendering of services	2,927,341	2,774,010
	3,240,350	3,128,630
Timing of revenue recognition		
At a point in time	313,009	354,620
Over time	2,927,341	2,774,010
	3,240,350	3,128,630
Total revenue generated by the provision of international roaming service to inbound roamers (include only inbound roaming)	71,622	49,589
	Minutes	Minutes
Number of minutes from incoming international calls terminating in Mauritius	1,528,259	1,427,624

4 Other income

	2022	2021
	Rs 000	Rs 000
Management fee	10,000	10,000
Dividend income	-	46,800
Other income	1,988	10,133
	11,988	66,933

5 Other gains / (losses) – net

	2022	2021
	Rs 000	Rs 000
Other gains		
Profit on disposal of property, plant and equipment	102,909	4,041
Foreign exchange gain	2,288	219
Other gains	-	1,882
	105,197	6,142
Other losses		
Property, plant and equipment and intangibles written off	-	(944)
Other losses	(934)	-
	(934)	(944)
Other gains / (losses) - net	104,263	5,198

Notes to the financial statements

For the year ended 31 December 2022

6 Operating profit

	2022	2021
	Rs 000	Rs 000
The following items have been charged in arriving at operating profit:		
Depreciation on property, plant and equipment (Note 10):		
Owned assets		
- Buildings	13,667	10,330
- Buildings improvements	543	1,621
- Technical equipment	426,210	409,923
- Motor vehicles	-	33
- Furniture, fixtures and fittings	6,053	8,964
- Office equipment	78,581	101,479
Depreciation on right-of-use assets (Note 11)	142,905	142,535
Amortisation of licence and IRU (Note 12)	47,138	45,463
Impairment loss on subsidiary	82,125	-
Advertising and promotion	46,226	38,083
Commission to dealers	69,221	68,593
Consultancy fees	12,256	14,910
Employee benefits expense (Note 7)	450,389	427,066
Cost of inventories expensed	307,587	339,603
Repairs and maintenance costs	108,335	106,537
Increase in loss allowance on trade receivables (Note 16)	1,671	14,495
Audit fees	2,200	1,572
Non-audit fees	1,417	908
Business support services fees (Note 28 (vi))	77,768	75,088
Solidarity levy tax on turnover (Note 9)	50,368	47,141
Property, plant and equipment write off – asset in progress (Note 10)	1,607	1,622

The Company cost of operations include mainly interconnect expenses, roaming costs, network operational expenses, cost of inventories expensed and licence costs.

7 Employee benefits expense

	2022	2021
	Rs 000	Rs 000
Wages and salaries	285,734	273,810
Social security cost	17,252	15,971
Pension cost – defined contribution plans	14,496	15,585
Pension costs – defined benefit plans (Note 22)	8,917	12,245
Other costs:		
Training costs	3,022	1,632
Bonus and commissions	60,766	57,442
Other commissions	34,726	30,086
Recruitment costs	876	1,467
Staff Welfare	24,600	18,828
	450,389	427,066

	2022	2021
	Number	Number
Number of employees at end of year	444	422

Notes to the financial statements

For the year ended 31 December 2022

8 Finance costs – net

	2022	2021
	Rs 000	Rs 000
Finance income		
Interest income	2,014	2,554
	2,014	2,554
Finance costs		
Interest payable on:		
Bank overdrafts	(162)	(45)
Loans	(17,768)	(10,129)
Bonds	(99,150)	(98,420)
Interest and finance charges for lease liabilities	(41,226)	(38,038)
Amortisation of bond issue transaction costs	(3,224)	(3,475)
Unwinding of asset retirement obligations (Note 23)	(1,207)	(4,901)
Foreign exchange loss	(4,420)	(1,538)
	(167,157)	(156,546)
Finance costs - net	(165,143)	(153,992)

9 Taxation

(a) Recognised in profit or loss

This note provides an analysis of the Company's tax expense, showing the amount recognised under the administrative expenses and income tax expense.

The schedule below shows the charge during the year:

	2022	2021
	Rs 000	Rs 000
Recognised under administrative expenses		
Solidarity levy charge on revenue	50,368	47,141
Recognised under income tax expense		
Income tax expense	115,499	128,970

Taxes paid during the year are as follows:	2022	2021
	Rs 000	Rs 000
Income tax	62,624	100,376
Solidarity levy on profit	25,483	31,346
Adjustment for tax deduction at source	(282)	(142)
Income tax (net)	87,825	131,580
Corporate Social Responsibility	9,982	13,814
Taxation paid	97,807	145,394

Notes to the financial statements

For the year ended 31 December 2022

9 Taxation (continued)

(b) Income tax

The Company is liable to income tax on its profit, as adjusted for income tax purposes, at the rate of **17%** (2021 – 17%), including CSR of **2%** (2021 – 2%).

	2022	2021
	Rs 000	Rs 000
Charge for the year:		
Based on profit for the year, as adjusted for tax purposes	85,733	73,235
Movement in deferred tax (Note 21)	(14,127)	15,649
Solidarity levy based on book profit	32,184	25,482
Corporate Social Responsibility (CSR) fund	11,432	9,765
Income tax and CSR adjustment for prior year	277	4,839
Income tax expense	115,499	128,970

The following tax rules were applicable during the year ended 31 December 2022:

- Solidarity levy

The Solidarity levy on telephony service providers was introduced in 2009 and has subsequently been extended further. In the Finance Act 2020, Solidarity levy has been made permanent whereby every profitable providers of fixed and mobile telephone services shall be liable to pay a solidarity levy of 5% of accounting profit (i.e. derived by an operator from all its activities and computed in accordance with IFRS) and 1.5% of turnover in respect of the preceding year.

	Current tax liabilities	Solidarity Levy based on profit	Corporate Social Responsibility	Total
	2022	2022	2022	2022
	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January	7,273	25,483	11,231	43,987
Charge for the year	85,733	32,184	11,432	129,349
Adjustment for prior year	243	-	32	275
Paid during the year	(62,624)	(25,483)	(9,982)	(98,089)
At 31 December	30,625	32,184	12,713	75,522

	Current tax liabilities	Solidarity Levy based on profit	Corporate Social Responsibility	Total
	2021	2021	2021	2021
	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January	31,463	29,854	14,885	76,202
Charge for the year	73,235	25,482	9,765	108,482
Adjustment for prior year	2,951	1,493	395	4,839
Paid during the year	(100,376)	(31,346)	(13,814)	(145,536)
At 31 December	7,273	25,483	11,231	43,987

Notes to the financial statements

For the year ended 31 December 2022

9 Taxation (continued)

(c) Provision for solidarity levy

The provision relates to solidarity levy charge on revenue. The movement in provision is as follows:

	2022	2021
	Rs 000	Rs 000
At 1 January	47,324	46,552
Charge for the year	50,344	47,324
Adjustment for prior year	24	(183)
Paid during the year	(47,348)	(46,369)
At 31 December	50,344	47,324

(d) The tax (charge)/ credit relating to components of other comprehensive income is as follows:

	2022		
	Before tax	Tax (charge) / credit	After tax
	Rs 000	Rs 000	Rs 000
Re-measurements of post-employment benefits obligations (Note 22)	9,556	(1,626)	7,930
Other comprehensive income	9,556	(1,626)	7,930

	2021		
	Before tax	Tax (charge) / credit	After tax
	Rs 000	Rs 000	Rs 000
Revaluation of land and building	304,535	(38,681)	265,854
Re-measurements of post-employment benefits obligations (Note 22)	15,199	(2,584)	12,615
Other comprehensive income	319,734	(41,265)	278,469

A reconciliation between the effective rate of income tax of the Company of **17.71%** (2021 – 25.32%) and the applicable income tax rate of **17%** (2020 – 17%) follows:

	2022	2021
(As a percentage of profit before tax)	%	%
Applicable income tax rate	17.00	17.00
Impact of:		
Non-tax deductible expenses	3.42	3.01
Income not subject to tax	(8.74)	(1.56)
Solidarity levy based on revenue – (Non deductible)	1.27	1.57
Solidarity levy based on book profit	4.76	5.30
Effective tax rate	17.71	25.32

Notes to the financial statements

For the year ended 31 December 2022

10 Property, Plant and Equipment

	Land and buildings	Buildings improvements	Technical equipment	Motor vehicles	Furniture, fixtures and fittings	Office equipment	Asset in progress	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Cost or valuation:								
At 1 January 2021	379,381	34,616	4,879,741	16,969	125,530	1,203,148	445,383	7,084,768
Additions	-	-	335,901	-	8,179	51,683	133,986	529,749
Disposals	-	-	(21,596)	(10,034)	(1,499)	(6,945)	-	(40,074)
Write off	-	-	(88,817)	-	(6,422)	(83,922)	(1,622)	(180,783)
Revaluation of assets	304,535	-	-	-	-	-	-	304,535
Transfer	3,682	-	362,632	-	5,083	28,312	(399,709)	-
ARO adjustment	-	-	(12,026)	-	-	-	-	(12,026)
Transfer to inventories	-	-	-	-	-	-	(2,172)	(2,172)
Reclassification	(96,015)	-	9,102	-	11,245	75,668	-	-
At 31 December 2021	591,583	34,616	5,464,937	6,935	142,116	1,267,944	175,866	7,683,997
Additions	-	-	1,121,052	8	25,393	57,784	274,461	1,478,698
Disposals	(560,737)	(70)	(444,326)	(3,360)	(328)	(865)	-	(1,009,686)
Write off	-	-	(329)	-	(1,976)	(2,835)	(1,607)	(6,747)
Transfer	-	-	85,734	-	-	22,123	(107,857)	-
ARO adjustment	-	-	(6,492)	-	-	-	-	(6,492)
Transfer to inventories	-	-	-	-	-	-	(147)	(147)
At 31 December 2022	30,846	34,546	6,220,576	3,583	165,205	1,344,151	340,716	8,139,623

	Land and buildings	Buildings improvements	Technical equipment	Motor vehicles	Furniture, fixtures and fittings	Office equipment	Asset in progress	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Accumulated depreciation:								
At 1 January 2021	110,932	15,000	3,144,304	16,936	114,570	1,062,090	-	4,463,832
Charge for the year	10,330	1,621	409,923	33	8,964	101,479	-	532,350
Disposals adjustment	-	-	(20,550)	(10,034)	(1,449)	(6,866)	-	(38,899)
Write off	-	-	(87,791)	-	(6,351)	(83,881)	-	(178,023)
Reclassification in class of assets	(28,429)	-	2,711	-	3,757	21,961	-	-
At 31 December 2021	92,833	16,621	3,448,597	6,935	119,491	1,094,783	-	4,779,260
Charge for the year	13,667	543	426,210	-	6,053	78,581	-	525,054
Disposals adjustment	(103,349)	(36)	(253,625)	(3,360)	(328)	(838)	-	(361,536)
Write off	-	-	(329)	-	(1,973)	(1,700)	-	(4,002)
At 31 December 2022	3,151	17,128	3,620,853	3,575	123,243	1,170,826	-	4,938,776
Net book value:								
At 31 December 2022	27,695	17,418	2,599,723	8	41,962	173,325	340,716	3,200,847
At 31 December 2021	498,750	17,995	2,016,340	-	22,625	173,161	175,866	2,904,737

Notes to the financial statements

For the year ended 31 December 2022

10 Property, Plant and Equipment (continued)

Fair values of land and buildings

The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in the revaluation reserves in shareholders' equity.

Significant other observable inputs (Level 2)

	2022	2021
	Rs 000	Rs 000
Recurring fair value measurements		
Land	-	62,333
Building	20,375	203,521
	20,375	265,854

Level 2 fair values of land and buildings have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square meter.

During the year, the Company has written off Rs 6.7 million of its assets with depreciated value of Rs 4 million. These assets consist mainly, furniture and fittings, routers and technical equipment which were either damaged or obsolete.

Asset in progress for the Company mainly includes technical equipment acquired by the Company which were not ready for use at 31 December 2022.

Payments for the purchase of property, plant and equipment during the year are as follows:

	2022	2021
	Rs 000	Rs 000
Additions to property, plant and equipment	1,478,698	529,749
Unpaid at 1 January	64,273	118,039
Unpaid at 31 December	(420,878)	(64,273)
Trade-In arrangement	(287,012)	-
ARO provision for the year	(890)	(2,757)
Payments for purchase of property, plant and equipment	834,191	580,758

Notes to the financial statements

For the year ended 31 December 2022

11 Leases

This note provides information for leases where the Company is a lessee.

Amounts recognised in the balance sheet

Right-of-use assets

	Land & building	Co-location of cellsites	Motor vehicles	Total
	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January 2021	489,785	121,241	7,860	618,886
Additions	104,889	150,614	6,283	261,786
Depreciation	(89,070)	(50,495)	(2,970)	(142,535)
De-recognition	(23,400)	-	(335)	(23,735)
At 31 December 2021	482,204	221,360	10,838	714,402
Additions	378,941	4,466	586	383,993
Depreciation	(94,047)	(46,258)	(2,600)	(142,905)
De-recognition	(5,866)	(3,345)	(51)	(9,262)
At 31 December 2022	761,232	176,223	8,773	946,228

Lease liabilities

	Land & building	Co-location of cellsites	Motor vehicles	Total
	Rs 000	Rs 000	Rs 000	Rs 000
At 1 January 2021	524,079	128,105	8,244	660,428
Additions	104,889	150,614	6,283	261,786
Interest expense	29,079	8,377	582	38,038
Payments	(103,905)	(53,919)	(3,483)	(161,307)
De-recognition	(25,253)	-	(364)	(25,617)
At 31 December 2021	528,889	233,177	11,262	773,328
Additions	378,941	4,466	586	383,993
Interest expense	31,068	9,519	639	41,226
Payments	(116,322)	(50,734)	(3,303)	(170,359)
De-recognition	(4,832)	(3,488)	(6)	(8,326)
At 31 December 2022	817,744	192,940	9,178	1,019,862

	2022	2021
	Rs 000	Rs 000
Current	139,659	115,875
Non-current	880,203	657,453
At 31 December	1,019,862	773,328

The future cash outflows on the lease liabilities are disclosed under the financial risk management, liquidity risk (Note 2(c)).

Notes to the financial statements

For the year ended 31 December 2022

11 Leases (continued)

The statement of profit or loss shows the following amounts relating to leases:

	2022	2021
	Rs 000	Rs 000
Depreciation charge of right-of-use assets	142,905	142,535
Interest expense (included in finance cost)	41,226	38,038
Expense relating to short term leases that are recognised in profit or loss	-	225
Total lease payment inclusive of short term leases	170,359	161,531
Expense relating to variable lease payments not included in lease liabilities	3,069	23,293

12 Intangible assets

	Licence	IRU	Total
Cost:	Rs 000	Rs 000	Rs 000
At 1 January 2021	79,971	654,930	734,901
Additions	34,042	-	34,042
At 31 December 2021	114,013	654,930	768,943
Additions	2,124	-	2,124
At 31 December 2022	116,137	654,930	771,067
Accumulated Amortisation:			
At 1 January 2021	56,625	355,104	411,729
Charge for the year	6,637	38,826	45,463
At 31 December 2021	63,262	393,930	457,192
Charge for the year	8,313	38,825	47,138
At 31 December 2022	71,575	432,755	504,330
Net book value:			
At 31 December 2022	44,562	222,175	266,737
At 31 December 2021	50,751	261,000	311,751

The Intangible assets consist of acquired licences from the Information and Communication Technologies Authority (ICTA) and capacity purchased on an Indefeasible Rights of Use ("IRU"). The IRU is amortised on a straight-line basis over the contract period from the effective date of the IRUs was brought into use.

Notes to the financial statements

For the year ended 31 December 2022

13 Investment in subsidiaries

The Company owns a 100% shareholding in Emtel MFS Co Ltd with a paid-up capital of Rs 5,000,000. Emtel MFS Co Ltd offers digital payment platform facilities.

The Company acquired EMVISION in previous years for a purchase consideration of Rs 1.15 billion representing 90% of the stated capital.

The Company owns 100% shareholding in Emtel Technopolis Ltd with a paid up share capital of Rs 50 million. Emtel Technopolis Ltd will provide building and infrastructure facility on lease for a satellite farming project.

The directors have reviewed the financial position of the subsidiaries at 31 December 2022 and the financial projections for the next 5 years. The directors consider that the one of the subsidiaries, EMVISION Ltd which is an investment vehicle holding shares in MC Vision Ltd ("MCV") has been heavily impacted since 2020 by the effects of the Covid-19 pandemic which resulted into adverse economic and social situations. The change in consumption habits has resulted in a reduction in subscriber base and MCV has lost its competitive advantage in football contents during the year ended 31 December 2022. The depreciation of the local currency mainly in Euro and US dollars has also contributed to a significant increase in its content costs.

The directors have reviewed a 5-year cash flow forecast based on financial budgets and have determined the equity value of MCV. The equity value was determined by discounting the future free cash flows discounting the terminal value.

The key assumptions used for deriving the equity value are a weighted average cost of capital of 18.02% and a terminal growth rate of 3.3%.

The directors believe that any reasonably possible change in the key assumptions on which the equity value is based would not cause the carrying value of the investment in MCV to exceed its recoverable amount. An increase/decrease of 0.1% in (i) the weighted average cost of capital would lead to an increase/decrease of Rs 9 million in the carrying value of the investment, (ii) the terminal value growth rate would lead to an increase/decrease of Rs 5 million in the carrying value of the investment while all the other assumptions are constant.

As a result of the above analysis, the directors are satisfied with the impairment of Rs 82.13 million booked for the year ended 31 December 2022.

	2022	2021
	Rs 000	Rs 000
At 1 January	1,205,000	1,150,050
Additions	-	54,950
Impairment loss	(82,125)	-
At 31 December	1,122,875	1,205,000

14 Financial assets at fair value through other comprehensive income

	2022	2021
At fair value:	Rs 000	Rs 000
At 1 January	1,153	972
Movement in fair value	54	181
At 31 December (Note 2(e))	1,207	1,153

The financial assets represent investment in equity securities.

15 Inventories

	2022	2021
	Rs 000	Rs 000
Telephone sets, related spares and accessories:		
At cost	62,582	36,484
At net realisable value	2,764	167
	65,346	36,651

The Company has cost of inventories recognised as an expense of **Rs 308 million** (2021: Rs 340 million).

Notes to the financial statements

For the year ended 31 December 2022

16 Trade and other receivables

	2022	2021
	Rs 000	Rs 000
Trade receivables	232,277	248,101
Less: Loss allowance on trade receivables	(81,374)	(96,291)
	150,903	151,810
Prepayments	45,162	52,280
Advance to supplier	4,080	728
Deposit	22,254	10,363
VAT receivable	37,528	-
Amount receivable from MRA	-	13,079
Accrued income	46,922	63,098
Other receivables	27,143	25,886
Receivable from related parties (Note 28 (viii), (ix) & (x))	61,212	267,552
	395,204	584,796

The carrying amount of trade and other receivables approximate their fair values.

The maximum exposure to credit risk at the reporting date is equal to the carrying value of each class of the trade and other receivables mentioned above.

The Company includes trade receivables which are not secured, non-interest bearing and generally on average 30-90 days term.

The Company's accrued income mainly consist of inbound roaming commitment. The Company has a discount agreement with some of its roaming partners for a guaranteed send or pay commitment to our network over a defined period. At end of each period, the Company assesses the actual revenue generated through the contract and provide for any shortfall in revenue based on the guaranteed roaming revenue commitment. Accrued income is thus accounted for as a receivable as the amount will be recovered in the short term from the respective roaming partner after all services have already been rendered.

On that basis, the loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows for the trade receivables:

31 December 2022	**Current**	**Up to 1 month past due**	**1 to 2 months past due**	**Over 2 months past due**	**Total**
Expected loss rate	0.77%	3.96%	5.21%	94.43%	
Gross carrying value (Rs 000)	87,308	43,814	18,558	82,597	232,277
Loss allowance (Rs 000)	676	1,735	966	77,997	81,374

31 December 2021	Current	Up to 1 month past due	1 to 2 months past due	Over 2 months past due	Total
Expected loss rate	0.80%	3.34%	12.76%	89.59%	
Gross carrying value (Rs 000)	95,862	39,347	9,015	103,877	248,101
Loss allowance (Rs 000)	765	1,313	1,150	93,063	96,291

Notes to the financial statements

For the year ended 31 December 2022

16 Trade and other receivables (continued)

At 31 December 2022, if the expected credit losses had increased/decreased by 1%, pre-tax profit and equity for the year would have higher/lower by **Rs 2,323,000** in 2022 (2021 – pre-tax profit would have been higher/lower by Rs 2,481,000).

The other classes including the amount due from related parties within trade and other receivables do not contain impaired assets.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2022	2021
	Rs 000	Rs 000
Mauritian rupee	370,461	551,552
United States dollar	14,857	9,317
Euro	9,864	23,895
Great Britain pound	17	19
Swiss franc	5	13
	395,204	584,796

Movements on the Company's loss allowance on trade receivables are as follows:

	2022	2021
	Rs 000	Rs 000
At 1 January	96,291	93,291
Receivables written off during the year as uncollectible	(16,588)	(11,495)
Increase in loss allowance recognised in profit of loss during the year	1,671	14,495
At 31 December	81,374	96,291

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Company does not hold any collateral as security.

17 Current tax receivables

	2022	2021
	Rs 000	Rs 000
Amount receivable from MRA	80,382	80,382

Income tax

The Mauritius Revenue Authority (MRA) had raised an assessment on the Company with respect to the income tax rate used for income tax years of assessments 2006/2007 and 2007/2008. The total amount claimed by the MRA has been paid under protest inclusive of the penalties and interest.

According to the Company's legal advisors appointed to handle this matter, they believe that it is highly probable that the Company will have a positive outcome. Based on significant judgment that has been applied by the Company's directors, following advice from its legal advisor, no tax liability has been accounted with respect to this assessment. Given that the Company has already paid the amount of Rs 80.4 million to the MRA, this represents an asset (current tax receivable) for the Company. The Company has lodged an application for permission to appeal that judgement to the Judicial Committee of the Privy Council.

Notes to the financial statements

For the year ended 31 December 2022

17 Current tax receivables (continued)

In parallel to those two appeals, Emtel is contesting before the Supreme Court the MRA's refusal to allow it to join the Voluntary Disclosure of Income Arrangement (VDIA) Scheme for those same years 2005 and 2006. The VDIA proceedings were heard on 13 March 2018 and judgment is awaited.

Pending the determination of those three cases, the payments made to the MRA have been recorded as a receivable from the MRA as the Board of the Company is confident that the matter shall be resolved positively.

18 Cash and cash equivalents

Cash and cash equivalents and in hand comprise the following statement of financial position amounts:

	2022	2021
	Rs 000	Rs 000
Cash and cash equivalents	611,829	30,453
Restricted cash	59,484	68,870
	671,313	99,323

For the purpose of the statement of cash flows, cash and cash equivalents excluding restricted cash amounts to the Company **Rs 611,829,000** (2021 – Rs 30,453,000). The restricted cash held at local banks represents the amount which the Company can use to pay specific suppliers (Note 24).

19 Stated capital

	2022	2021	2022	2021
	Number	Number	Rs 000	Rs 000
Authorised:				
Ordinary shares of Rs 10 each	20,000,000	20,000,000	200,000	200,000
Issued and fully paid:				
At 1 January and 31 December	15,180,000	15,180,000	151,800	151,800

20 Borrowings

	2022			2021		
	Current	Non-Current	Total	Current	Non-Current	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Loan	575,000	206,250	781,250	276,875	281,250	558,125
Interest on loan	5,775	-	5,775	1,041	-	1,041
	580,775	206,250	787,025	277,916	281,250	559,166
Bond	250,000	1,900,000	2,150,000	-	2,150,000	2,150,000
Unamortised transaction cost	(1,758)	(3,468)	(5,226)	(2,099)	(5,226)	(7,325)
Interest on bonds	11,815	-	11,815	11,815	-	11,815
	260,057	1,896,532	2,156,589	9,716	2,144,774	2,154,490
Total borrowings	840,832	2,102,782	2,943,614	287,632	2,426,024	2,713,656

Notes to the financial statements

For the year ended 31 December 2022

20 Borrowings (continued)

The transaction cost incurred on the issue of bonds and the amount recognised under borrowings are as follows:

	2022	2021
	Rs 000	Rs 000
At 1 January	7,325	9,627
Bond issue transaction costs incurred	1,125	1,173
Amortisation	(3,224)	(3,475)
At 31 December	5,226	7,325

Secured bank loans	Maturity Date	2022 Rs 000	2021 Rs 000
ABSA loan	Nov 2022	-	28,125
ABSA loan	Jun 2026	131,250	150,000
AfrAsia loan	Aug 2026	150,000	150,000
MCB short term loan	Jan 2022	-	230,000
ABSA short term Loan	Aug 2023	500,000	-
Repayable within one year		(575,000)	(276,875)
Repayable by instalments in the second to tenth year		206,250	281,250

The Company's debts and other banking facilities are secured by floating charges on the Company's assets. The interest rate of loans varies between **2.85%-3.60%** (2021: 2.55%-3.60%) and rate of interest applicable on bank overdraft varies between **4.05%-6.90%** (2021: 4.05%-4.10%) during the year ended 31 December 2022.

At 31 December 2022, the Mauritius Commercial Bank's Prime Lending rate was **6.75%** (2021: 4.10%), the ABSA Prime Lending rate was **7.45%** (2021: 4.80%) and SBM Prime Lending rate was **6.90%** (2021: 4.25%). The borrowings have been contracted on fixed interest rate.

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of **4.00%** (2021:4.00%) and are within level 2 of the fair value hierarchy.

Secured bonds	Maturity Date	2022 Rs 000	2021 Rs 000
MCB 5 years Bond	June 2024	300,000	300,000
MCB 7 years Bond	June 2026	300,000	300,000
SBM 5 years Bond	June 2024	200,000	200,000
SBM 7 years Bond	June 2026	200,000	200,000
MCB 3 years Bond	April 2023	250,000	250,000
MCB 5 years Bond	April 2025	250,000	250,000
MCB 8 years Bond	April 2028	300,000	300,000
MCB 10 years Bond	April 2030	250,000	250,000
ABC 5 years Bond	April 2025	50,000	50,000
ABC 10 years Bond	April 2030	50,000	50,000
		2,150,000	2,150,000

The bank bonds facilities are secured by floating charges on the Company's assets and have been contracted at fixed interest rate which range between **3.50%** and **5.15%**.

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	2022	2021
	Rs 000	Rs 000
Mauritian rupee	2,943,614	2,713,656

Notes to the financial statements

For the year ended 31 December 2022

21 Deferred tax liabilities

The movement in deferred tax is as follows:

	2022	2021
	Rs 000	Rs 000
At 1 January	210,671	153,757
Statement of profit or loss (Note 9(b))	(14,127)	15,649
Charge relating to components of other comprehensive income (note 9(d))	1,626	41,265
At 31 December	198,170	210,671

The movement in deferred tax assets and liabilities is as follows:

	At 1 January 2022	Credited to profit or loss	Credited to Other Comprehensive Income	At 31 December 2022
	Rs 000	Rs 000	Rs 000	Rs 000
Deferred tax assets				
Provision for loss allowance on trade receivables	(16,369)	2,534	-	(13,835)
Provision for post-employment benefit obligations	(6,273)	1,221	1,626	(3,426)
Lease liabilities	(10,018)	(3,456)	-	(13,474)
	(32,660)	299	1,626	(30,735)
Deferred tax liabilities				
Accelerated capital allowances	204,650	24,255	-	228,905
Revaluation of property plant and equipment	38,681	(38,681)	-	-
	243,331	(14,426)	-	228,905
Net deferred tax liabilities	210,671	(14,127)	1,626	198,170

The movement in deferred tax assets and liabilities is as follows:

	At 1 January 2021	Credited to profit or loss	Credited to Other Comprehensive Income	At 31 December 2021
	Rs 000	Rs 000	Rs 000	Rs 000
Deferred tax assets				
Provision for loss allowance on trade receivables	(15,859)	(510)	-	(16,369)
Provision for post-employment benefit obligations	(8,647)	(210)	2,584	(6,273)
Lease liabilities	(7,063)	(2,955)	-	(10,018)
	(31,569)	(3,675)	2,584	(32,660)
Deferred tax liabilities				
Accelerated capital allowances	185,326	19,324	-	204,650
Revaluation of property plant and equipment	-	-	38,681	38,681
	185,326	19,324	38,681	243,331
Net deferred tax liabilities	153,757	15,649	41,265	210,671

Notes to the financial statements

For the year ended 31 December 2022

22 Post-employment benefits obligations

The table below outlines where the Company's post-employment amounts and activity are included in the financial statements.

	2022	2021
Statement of financial position	Rs 000	Rs 000
Post-employment benefits obligation	20,153	36,899
Profit or loss charge included in operating profit		
Defined pension benefit	8,917	12,245
Re-measurements for:		
Defined pension benefit	(9,556)	(15,199)

The Company operates defined benefit pension plans. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

	2022	2021
	Rs 000	Rs 000
The amounts recognised in the statement of financial position are determined as follows:		
Present value of funded obligations	90,453	88,879
Fair value of plan assets	(70,300)	(51,980)
Deficit of funded plans	20,153	36,899
Liability in the statement of financial position	20,153	36,899

The defined benefit obligations and plan assets are composed as follows:

	2022	2021
	Rs 000	Rs 000
Present value of obligations	90,453	88,879
Fair value of plan assets	(70,300)	(51,980)
Total	20,153	36,899

The movement in the net defined benefit obligation over the year is as follows:

	Present value of obligation	Fair value of plan assets	Total
	Rs 000	Rs 000	Rs 000
At 1 January 2022	88,879	(51,980)	36,899
Current service cost	9,571	-	9,571
Interest expense/(income)	4,132	(2,833)	1,299
Past service cost and gains and losses on settlement	(1,953)	-	(1,953)
	11,750	(2,833)	8,917
Remeasurements			
- Return on plan asset, excluding amount included in interest income	-	6,691	6,691
- Loss from change in financial assumptions	(23,117)	-	(23,117)
- Experience loss	6,870	-	6,870
	(16,247)	6,691	(9,556)
Exchange differences			
Contributions:			
- Employers	-	(16,107)	(16,107)
Payment from plans:			
- Benefit payments	(2,060)	2,060	-
Transfer in	8,131	(8,131)	-
	6,071	(22,178)	(16,107)
At 31 December 2022	90,453	(70,300)	20,153

Notes to the financial statements

For the year ended 31 December 2022

22 Post-employment benefits obligations (continued)

The movement in the net defined benefit obligation over the year is as follows:

	Present value of obligation	Fair value of plan assets	Total
	Rs 000	Rs 000	Rs 000
At 1 January 2021	85,566	(34,699)	50,867
Current service cost	8,217	-	8,217
Interest expense/(income)	2,536	(1,265)	1,271
Past service cost and gains and losses on settlement	2,757	-	2,757
	13,510	(1,265)	12,245
Remeasurements			
- Return on plan asset, excluding amount included in interest income	-	(3,860)	(3,860)
- Loss from change in financial assumptions	(15,932)	-	(15,932)
- Experience loss	4,593	-	4,593
	(11,339)	(3,860)	(15,199)
Exchange differences			
Contributions:			
- Employers	-	(11,014)	(11,014)
Payment from plans:			
- Benefit payments	(1,559)	1,559	-
Transfer in	2,701	(2,701)	-
	1,142	(12,156)	(11,014)
At 31 December 2021	88,879	(51,980)	36,899

The Company contributes to a defined benefit pension plan which is administered by Island Life Assurance Co Ltd. As at 31 December 2022, the Company has recognised a net liability of **Rs 1,014,000** (2021- Rs 18,502,000) for the plan.

The Company also participates in a defined contribution (DC) pension plan. Its contributions for DC employees are expensed to the income statement and amounted to **Rs 14,496,000** for the year ending 31 December 2022 (2021: Rs 15,585,000).

In addition, the Company has recognised in its statement of financial position as at 31 December 2022 a net defined benefit liability of **Rs 19,139,000** (2021- Rs 18,397,000) in respect of any additional retirement gratuities that are expected to be paid out of the Company's cash flow to its employees under the WRA 2019.

Risk exposure

The Company operates a final salary defined benefit pension plan for some of its employees. The plan exposes the Company to normal risks associated with defined benefit pension plans, such as investment, interest, longevity and salary risks.

Investment risk: The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk: The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas a decrease below the assumed rate will decrease the liability.

The Company had a residual obligation imposed by WRA 2019 on top of its DC plan. It is also particularly exposed to investment under-performance of the DC plan. There has been no plan amendment, curtailment or settlement during the year, except for past service costs due to employee transfers to and from related entities within Currimjee Group and due to change in the retirement gratuity formula (from 15/26 to 15/22) for employees working 5-day weeks (assuming that the change in the retirement gratuity formula applies in respect of service as from 1 July 2022 only).

Notes to the financial statements

For the year ended 31 December 2022

22 Post-employment benefits obligations (continued)

The significant actuarial assumptions for the Company were as follows:

	2022	2021
Discount rate	6.7%	4.8%
Inflation rate	4.3%	2.8%
Salary growth rate	5.3%	2.8%
Average retirement age	63	63

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 63.

	2022	2021
Assume Island Life Assurance annuity rates:		
- Male at Average Retirement Age	9.7	11.5
- Female at Average Retirement Age	11.0	13.3

The sensitivity of the defined obligation benefit obligation to changes in the weighted principal assumption is:

	Change in Assumption	Impact of defined benefit obligation	
		2022	2021
	%	Rs 000	Rs 000
Increase in liability due to decrease in discount rate by	1	24,767	26,205
Decrease in liability due to increase in discount rate by	1	18,295	19,618

Future cash flows:

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries and pay benefits out of the Company's cash flow as and when it is due.

	2022	2021
Expected employer contribution for next year	6,906	10,396
Weighted average duration of the defined benefit obligation:		
- Pension scheme	15	18
- Retirement gratuities / Residual retirement gratuities	20	21

The above sensitivity analysis has been carried out by recalculating the present value of obligation at the end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumption would have shown smaller variations in the benefit obligation.

Plan assets are comprised as follows:

	2022			2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Local equities	18,948	702	19,650	16,634	1,559	18,193
Loan	4,211	10,527	14,738	3,639	10,916	14,555
Overseas bonds and equities	9,825	-	9,825	3,119	-	3,119
Others	25,966	-	25,966	16,114	-	16,114
	58,950	11,229	70,179	39,506	12,475	51,981

Notes to the financial statements

For the year ended 31 December 2022

23 Asset retirement obligations

The provision is in respect of the dismantling and removal of equipment from leased cell sites at the end of lease periods agreed.

	2022	2021
	Rs 000	Rs 000
At 1 January	69,237	73,799
Additional provision during the year	890	2,757
Unwinding of asset retirement obligation (Note 8)	1,207	4,901
Change in assumptions	(6,492)	(12,026)
Disposal adjustments	(350)	(194)
At 31 December	64,492	69,237

The significant assumptions used were as follows:

	2022	2021
Inflation rate	4.72%	3.88%
Bond Rate:		
5 years	4.56%	2.90%
10 years	5.85%	4.19%
15 years	6.35%	4.40%
20 years	6.85%	4.68%

24 Trade and other payables

	2022	2021
	Rs 000	Rs 000
Trade payables	421,297	102,485
Accruals	355,346	268,780
VAT payables	-	28,073
Payables to related parties (Note 28 (viii))	32,540	24,119
Amount due to Metiss Consortium (Note 16)	59,484	68,870
Other payables	8,174	5,395
Deposit roaming and others	38,586	35,863
	915,427	533,585

25 Contract liabilities

	2022	2021
	Rs 000	Rs 000
At 1 January	125,134	118,103
Additions	2,904,084	2,701,917
Released	(2,905,032)	(2,694,886)
Net movement on services	(948)	7,031
At 31 December	124,186	125,134

The Company has contract liabilities relating mainly to airtime sold to distributors for which revenue will be recognised once it is purchased and subscriptions fees received in advance from customers.

Notes to the financial statements

For the year ended 31 December 2022

26 Dividends paid

A total dividend of **Rs 35.03** (2021 – Rs 34.00) per ordinary share aggregating to **Rs 531,805,000** (2021 – Rs 516,120,000) was declared in the year ended 31 December 2022 as follows:

	2022	2021
	Rs 000	Rs 000
At 1 January	-	-
Dividend proposed	531,805	516,120
Dividend paid	(531,805)	(516,120)
At 31 December	-	-

27 Net debt reconciliation

This section sets out an analysis of the net debt and the movements in net debt for each of the periods presented.

	2022	2021
	Rs 000	Rs 000
Cash and cash equivalents	611,829	30,453
Interest on bonds - repayable within one year	(11,815)	(11,815)
Bonds - repayable within one year	(250,000)	-
Bonds - repayable after more than one year	(1,900,000)	(2,150,000)
Interest on borrowings - repayable within one year	(5,775)	(1,041)
Borrowings - repayable within one year (including overdraft)	(575,000)	(276,875)
Borrowings - repayable after one year	(206,250)	(281,250)
Net debt	(2,337,011)	(2,690,528)
Cash and cash equivalents	611,829	30,453
Gross debt - fixed interest rates	(2,948,840)	(2,391,815)
Gross debt - variable interest rates	-	(329,166)
Net debt	(2,337,011)	(2,690,528)

	Other assets	Liabilities from financing activities	
	Cash / bank overdraft	Borrowings due within 1 year	Borrowings due after 1 year
	Rs 000	Rs 000	Rs 000
Net debt as at 1 January 2021	183,635	(381,279)	(1,736,237)
Cash flows	(151,644)	103,750	(703,125)
Foreign exchange adjustments	(1,538)	-	-
Interest expense	-	(10,129)	(98,420)
Interest paid	-	9,742	94,717
Net debt as at 31 December 2021	30,453	(277,916)	(2,443,065)
Cash flows	585,796	(548,125)	325,000
Foreign exchange adjustments	(4,420)	-	-
Interest expense	-	(17,768)	(99,150)
Interest paid	-	13,034	99,150
Net debt as at 31 December 2022	611,829	(830,775)	(2,118,065)

Notes to the financial statements

For the year ended 31 December 2022

28 Related party transactions

As at 31 December 2022, the Company's issued share capital is owned by Currimjee Jeewanjee and Company Limited Group ("Currimjee Group") at 75% - 1 share and Indian Continent Investment Ltd at 25% + 1 share (2021: Currimjee Jeewanjee and Company Limited Group ("Currimjee Group") at 75% - 1 share and Indian Continent Investment Ltd at 25% + 1 share).

The following transactions were carried out with related parties:-

	2022	2021
	Rs 000	Rs 000
(i) Sales of services		
Immediate parent	11,371	7,519
Fellow subsidiaries	97,133	129,774
Other related parties	8,414	6,405
	116,918	143,698
(ii) Dividend income		
Subsidiaries (Note 4)	-	46,800
(iii) Income from Management fee		
Subsidiaries (Note 4)	10,000	10,000
(iv) Income from sublease		
Subsidiary	3,114	3,717
The Company subleases part of its office space in certain showroom to its subsidiary and the income derived is reported under income from sublease.		
(v) Interest income		
Immediate parent	1,640	2,243
(vi) Purchases of goods and services		
Purchases of goods included in cost of operations and administrative expenses:		
Other related parties	9,128	6,343
Purchases of services included in cost of operations and administrative expenses:		
Immediate parent	2,489	2,654
Fellow subsidiaries	43,238	47,381
Other related parties	31,532	27,410
	77,259	77,445
Shareholders (Note 6)	77,768	75,088
Payment for rentals:		
Parent	2,567	2,543
Fellow subsidiaries	5,422	1,641
Other related parties	1,347	1,558
	9,336	5,742

Notes to the financial statements

For the year ended 31 December 2022

28 Related party transactions (continued)

(vii) Key management compensation

Key management includes directors and the Chief Executive Officer. The compensation paid to key management for employee services is shown below:

	2022	2021
	Rs 000	Rs 000
Salaries and other short term benefits	14,454	12,940
Post-employment benefits	1,854	3,318
	16,308	16,258
(viii) Year-end balances arising from sales/purchases of goods and services		
Receivables from related parties:		
Immediate parent	829	329
Fellow subsidiaries	55,056	17,218
Other related parties	2,327	453
Total (Note 16)	58,212	18,000
Payables to related parties:		
Immediate parent	20,791	20,510
Fellow subsidiaries	10,202	3,542
Other related parties	1,547	67
Total (Note 24)	32,540	24,119
The amounts due to/from related parties are unsecured, interest free and repayable on demand. These amounts are not subject to any guarantee.		
(ix) Year-end balances for advances		
Advances to related parties:		
Subsidiary (Note 16)	3,000	249,552

The advance has been issued to the subsidiary at the prevailing market rate and refundable within one year or on demand.

Notes to the financial statements

For the year ended 31 December 2022

29 Cash generated from operations

	2022	2021
	Rs 000	Rs 000
Profit before income tax	593,315	509,310
Adjustments for:		
Depreciation (Note 10)	525,054	532,350
Depreciation of Right-of-use assets (Note 11)	142,905	142,535
Other PPE adjustments (Note 10)	-	1,622
Impairment loss on subsidiary (Note 13)	82,125	-
Amortisation (Note 12)	47,138	45,463
Profit on disposal of property, plant and equipment (Note 5)	(102,909)	(4,041)
Loss on written off of property, plant and equipment and intangible assets (Note 5)	-	944
Derecognition of lease liabilities	935	(1,882)
Increase in provision for loss allowance on trade receivables (Note 16)	1,636	14,495
Unwinding of asset retirement obligation (Note 23)	1,207	4,901
Interest income (Note 8)	(2,014)	(2,554)
Interest expense (Note 8)	117,080	108,594
Interest and finance charges for lease liabilities (Note 8)	41,226	38,038
Amortisation of bond issue transaction costs (Note 8)	3,224	3,475
Foreign exchange losses	2,132	1,317
Increase in provision for post-employment benefits expense	8,917	12,245
Dividend Income	-	(46,800)
	1,461,971	1,360,012
(Increase) / decrease in inventories	(26,940)	27,567
Decrease / (increase) in trade and other receivables	185,675	(301,149)
Increase in trade and other payables	60,902	88,831
(Decrease) / increase in contract liabilities	(948)	7,031
Increase in provisions	3,020	772
Cash generated from operations	1,683,680	1,183,064

Notes to the financial statements

For the year ended 31 December 2022

30 Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred amounted to approximately **Rs 109,000,000** (2021: Rs 174,000,000).

31 Immediate and ultimate parents

The directors consider Currimjee Jeewanjee and Company Limited as the Company's immediate parent and Currimjee Limited as the Company's ultimate parent. These companies are incorporated in Mauritius. The registered address of the Company's ultimate parent, Currimjee Limited, is at 38, Royal Street, Port Louis.

32 Guarantees

Bank guarantees

There were contingent liabilities in respect of the Company's bank guarantees amounting to **Rs 54,004,900** (2021 – Rs 78,694,500) in the ordinary course of business from which it is anticipated that no material liability will arise.

33 Contingent assets and liabilities

Emtel v/s ICTA, Mauritius Telecom (MT), Cellplus Mobile Communications and Ministry of Telecommunications

Emtel has lodged a claim for damages in excess of Rs 1 billion (plus interest and costs) against the ICTA, MT, Cellplus and the Ministry of Telecommunications for losses incurred as a result of inter alia failure by the authorities to ensure a level of playing field and unfair competitive practices. The matter was heard over the course of six weeks in May and June 2016. On 9 and 10 August 2017, the Supreme Court handed down its judgment in favour of Emtel awarding it a total amount of Rs 554,139,900 with interest at the legal rate and costs to be paid by all Defendants except the Ministry of Telecommunications. Each of the ICTA, MT and Cellplus have appealed against the judgment to the Court of Civil Appeal. Those three appeals were heard in November 2019, February 2020 and March 2020. On 17 November 2021, the Court of Civil Appeal reversed the judgment of the trial court and dismissed Emtel's claim for damages in two separate judgments. Emtel has appealed against those two appeal judgments to the Judicial Committee of the Privy Council.

Emtel v/s Data Communications Ltd (DCL)

Emtel has sued DCL for unpaid services supplied by Emtel. In the course of the case, DCL has counter claimed the sum of Euros 1.5 million from Emtel for allegedly failing to supply an uninterrupted data service in respect of an International Private Line leased from Emtel. The case is not yet in shape for trial as DCL was subject to both an insolvency process and a receivership. In February 2021, the Court was informed that DCL is no more in receivership. An extension of time was requested to obtain the permission of the Court to proceed against DCL which is in liquidation. The matter is therefore still at pleadings stage. At this point the Board of Directors does not believe that Emtel will be required by the Court to settle the amount claimed by DCL.

34 Events after the reporting period

The Company had a disagreement with the Mauritius Revenue Authority (MRA) as regards whether the concessionary tax rate of 15% continued to apply to the Company in the years 2005 and 2006 (instead of 25% and 22.5% respectively as was then applicable), the Company paid the total amount claimed by the MRA of Rs 80.4 million (tax assessment of Rs 47.8 million plus penalties and interest of Rs 32.6 million). After objecting to the MRA's assessments, the Company then lodged representations before the ARC. In November 2013, the ARC dismissed Emtel's representations. The Company appealed to the Supreme Court against the ARC's determination. On 20th January 2023, the Supreme Court delivered a judgement dismissing Emtel's application for judicial review. On 7th and 8th February 2023, the Company lodged an application for permission to appeal that judgement to the Judicial Committee of the Privy Council.

Emtel has sued DCL for unpaid services supplied by Emtel. In the course of the case, DCL has counter claimed the sum of Euros 1.5 million from Emtel for allegedly failing to supply an uninterrupted data service in respect of an International Private Line leased from Emtel. The court delivered its judgement on 24 February 2023 in favour of Emtel and ordered DCL to pay USD 60,750 to Emtel and DCL has withdrawn his claims against Emtel.

There are no other material events after the reporting period which should require disclosure of adjustments to the financial statements for the year ended 31 December 2022.

35 Registered office and principal place of business

The Company's registered office is 38, Royal Street, Port Louis and its principal place of business is 10, Ebène CyberCity, Ebène.

36 Incorporation

The Company is incorporated as a private company with limited liability and is domiciled in the Republic of Mauritius.

Notes

Supplementary Information

List of abbreviations

O3b	-	Other 3 billion
2G	-	Second generation
3G	-	Third generation
4G/4G+	-	Fourth-generation
5G	-	Fifth generation
AI	-	Artificial intelligence
ASN	-	Alcatel Submarine Networks
AOT	-	Ahead-of-time
App	-	Application
ARC	-	Audit and Risk Committee
B2B	-	Business to Business
B2C	-	Business to Customer
BCM	-	Business Continuity Management
Bn	-	Billion
BYOD	-	Bring your Own Device
CSAT	-	Customer satisfaction score
CSR	-	Corporate Social Responsibility
DDoS	-	Distributed Denial of Service
DR	-	Disaster Recovery
EASSY	-	Eastern Africa Submarine Cable System
EIG	-	Europe India Gateway
e-KYC	-	Electronic Know Your Customer
ERM	-	Enterprise Risk Management
ESG	-	Environment, Social and Governance
Forex	-	Foreign Exchange
GDPR	-	General Data Protection Regulation
GHG	-	Greenhouse Gas
GPS	-	Global Positioning System
ICT	-	Information Communications Technology
ILD	-	International Long Distance
IPv6	-	Internet Protocol version 6
IS	-	Information Security
ISMS	-	Information Security Management System
ISO	-	International Organization for Standardisation
kg	-	Kilogram
km	-	Kilometer
LAN	-	Local Area Network
LED	-	Light emitting diode
LEO	-	Low Earth Orbit
LION	-	Lower Indian Ocean Network
LTB	-	Living the Brand
LTE	-	Long-Term Evolution
MARS	-	Mauritius and Rodrigues Submarine
MBB	-	Mobile Broadband
Mbps	-	Megabits per second
METISS	-	Meltingpot Indianoceanic Submarine System
MFS	-	Mobile Financial Services
MIMO	-	Multi Input, Multi Output technology
Mn	-	Million
MSB	-	Mauritius Standard Bureau
MW	-	Megawatt
NGO	-	Non Governmental Organisation
NPO	-	Non Profit Organisation
OECD	-	Organization for Economic Cooperation and Development
OTT	-	Over-The-Top
P2P	-	Peer to Peer
PABX	-	Private Automatic Branch Exchange
PB	-	Petabyte
PEFC	-	Programme for the Endorsement of Forest Certification
POS	-	Point of Sales
SAFE	-	South Africa Far East
SASE	-	Secure Access Service Edge
SAT3	-	South Atlantic 3 Cable
SD WAN	-	Software-defined Wide Area Network
SEACOM	-	SEACOM cable
SME	-	Small and Medium Enterprise
SMW4	-	South East Asia–Middle East–Western Europe 4
TB	-	Terabyte
Tbps	-	Terabits per second
TEAMS	-	The East African Marine System
Tech	-	Technology
UMTS	-	Universal Mobile Telecommunications System
UN SDG	-	United Nations Sustainable Development Goals
VoLTE	-	Voice over Long-Term Evolution
WAR	-	Work Area Recovery
Wifi	-	Wireless Fidelity
SMS	-	Short Message Service
GNR	-	Governance, Nominations and Remunerations
ED	-	Executive Director
NED	-	Non-Executive Director
DPA	-	Data Protection Act
IoT	-	Internet of Things
SIM	-	Subscriber Identity Module
Mhz	-	Megahertz
RAN	-	Radio Access Network
USF	-	Universal Service Fund
QR Code	-	Quick-Response Code
FY	-	Financial Year
EBITDA	-	Earnings before Interest, Taxes, Depreciation and Amortization
Capex	-	Capital Expenditure
ROCE	-	Return on Capital Employed

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