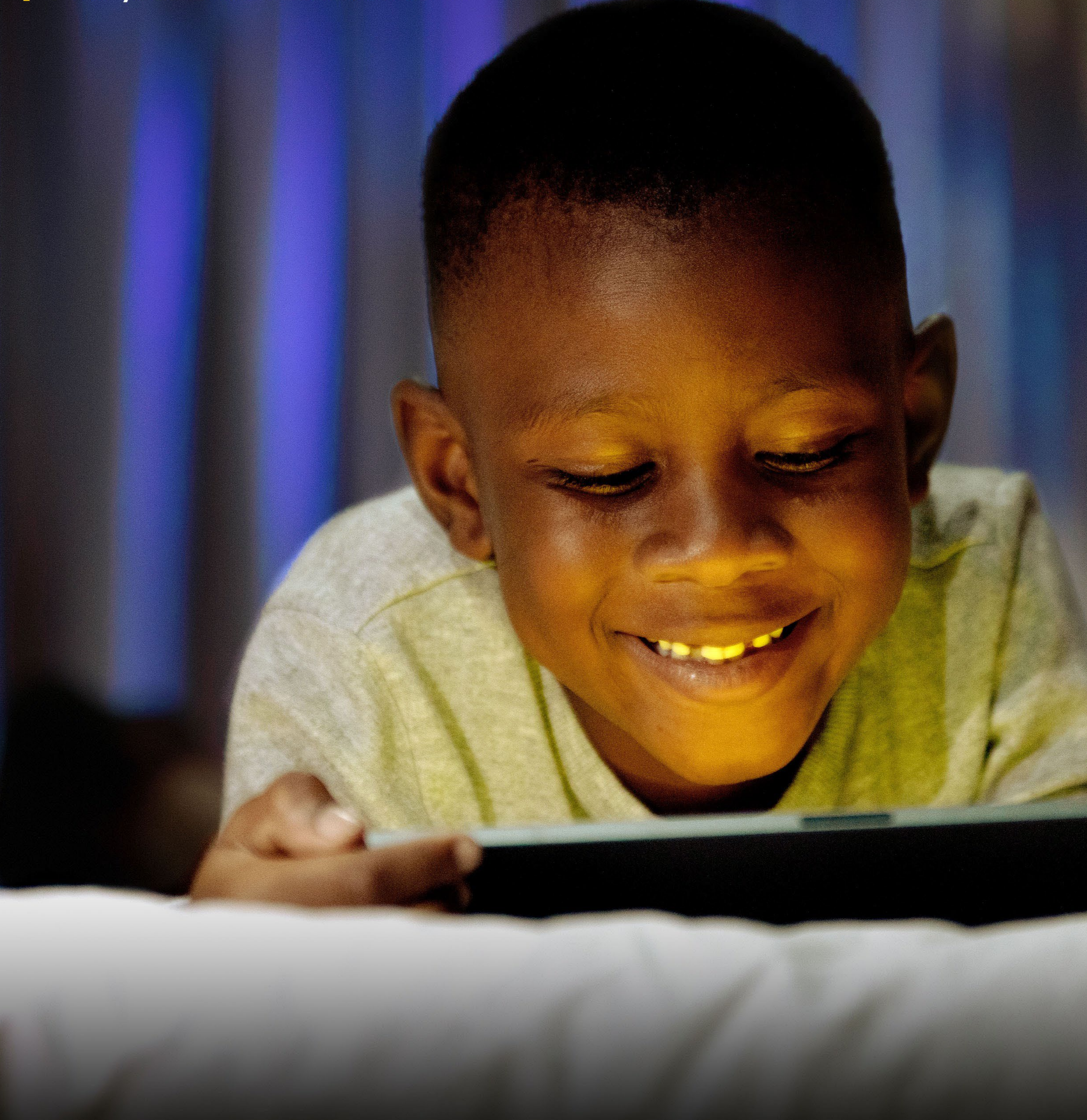
MTN Nigeria Communications Plc

Unaudited results for the half-year ended 30 June 2023



MTN NIGERIA RELEASES UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2023

Lagos | Nigeria: 28 July 2023

Today, MTN Nigeria Communications Plc (MTN Nigeria) announces its unaudited results for the half year ended 30 June 2023.

Salient points:

- Mobile subscribers increased by 4.0% to 77.1 million
    - Added 1.5 million subscribers in H1 2023
- Active data users increased by 11.5% to 41.0 million
    - Added 1.5 million active users in H1 2023
- Active mobile money (MoMo PSB) wallets increased by 1.1 million in H1 to 3.1 million
- Service revenue increased by 21.6% to N1.2 trillion
- Earnings before interest, tax, depreciation and amortisation (EBITDA) grew by 20.6% to N614.5 billion
- EBITDA margin declined by 0.6 percentage points (pp) to 53.0%
- Profit before tax (PBT) declined by 25.4% to N200.4 billion (up 17.6% to N331.8 billion, adjusted for the unrealised foreign exchange (forex) loss
- Earnings per share (EPS) was down by 29.3% to N6.33 kobo (up 13.4% to N10.66 kobo adjusted for the unrealised forex loss)
- Capital expenditure (capex) declined by 14.4% to N266.8 billion (down 13.8% to N176.3 billion, excluding the right-of-use assets)
- Interim dividend maintained at N5.60 kobo per share from the prior year.

Unless otherwise stated, financial information is year-on-year (YoY, H1 2022 versus H1 2023).

MTN Nigeria CEO, Karl Toriola comments:

Navigating a challenging operating environment

"The operating conditions in the first half of 2023 remained challenging with energy, food, and general inflation at elevated levels. This was due to the ongoing adverse global macroeconomic and geopolitical environment, the cash shortages experienced in Q1, forex volatility and availability and supply chain uncertainties witnessed during the period. As a result, the inflation rate in Nigeria rose to an 18-year high of 22.8% in June 2023, representing the sixth consecutive month-on-month increase in 2023, with an average of 22.2% in H1. To rein in inflation, the Central Bank of Nigeria (CBN) continued its monetary policy tightening, increasing the monetary policy rate by 2pp to 18.5% in H1, and a further 0.25pp increase in July.

Following the inauguration of President Bola Ahmed Tinubu in May 2023, swift reforms were implemented to remove the fuel subsidy and liberalise foreign exchange management, to bolster investor confidence and drive growth and investment in Nigeria. These policy reforms are expected to be positive for the economy in the medium to long term. However, in the short term, they have created additional financial burdens on consumers and businesses, and these will be fully reflected in the pressures on our margins in H2. As a result, the Federal Government has declared a state of emergency to tackle rising food prices and shortages and cushion the effect on consumers. This is supported by further reforms aimed at creating an enabling environment for businesses to thrive.

We are pleased with the robust commercial and financial performance in H1, delivered against this challenging backdrop. As we navigate these macro headwinds, we continue to invest in our business to further improve the quality of our offering, strengthen our commercial operations and focus on expense efficiencies and disciplined capital allocation to support earnings and cash flow generation. To this end, in May, we leased 900MHz and 1800MHz spectrum covering 19 states from NTEL for a 2-year period to enhance coverage and capacity, a significant milestone in the execution of our Ambition 2025 strategy.

Deepening our focus on ESG

We have made significant strides in our journey toward sustainability by firmly integrating ESG principles into our business strategy. To deepen our commitment, we have appointed a General Manager of Sustainability and Shared Value, who will be instrumental in spearheading the implementation of our ESG strategy, ensuring that it aligns with our organizational vision.

As a testament to our commitment to transparency and accountability, we have chosen to adopt the IFRS S1 and S2 standards for sustainability disclosure at an early stage, thereby proactively embracing a higher level of reporting. Our dedication to ESG principles and sustainable practices will not only benefit our organization but also positively impact the broader communities we serve. In H1, we committed over N482 million to our corporate social investment programs, furthering our work to build sustainable societies.

Solid commercial and financial momentum

We continued to expand our mobile subscriber base with the addition of 1.5 million in H1, bringing our subscribers to over 77 million. This was supported by our churn management initiatives and interventions to ramp up gross connections. In Q2, we implemented the minimum age requirement for SIM registration from 16 to 18 years, which impacted the run rate of gross connections and active data subscribers in the quarter.

To support the rising data traffic on our network and expand our base further, we prioritised enhancing the capacity and coverage of our 4G and 5G networks. In H1, our total data traffic *increased by 45.6%., 4G traffic constituted 82.5% (up by 5.2pp) and 5G constituted 21% on all 5G-colocated clusters.*

Within our fintech business, active wallets rose by 1.1 million in H1 to 3.1 million with our total number of registered MoMo PSB wallets now at over 22 million demonstrating the underlying momentum in the ecosystem. Our fintech business remains a key priority for us as we continue to put structures in place to support the execution of our growth strategy and scale the fintech ecosystem in line with our Ambition 2025 strategy. In this regard, we are ramping up commercial activities to stimulate increased engagement and activity. We are expanding our consumer education and awareness initiatives and providing more advanced services across our fintech verticals, to accelerate the growth of active wallets and the merchant ecosystem.

The progress we made driving our commercial operations underpinned the solid growth in service revenue and EBITDA margin in line with our medium-term guidance. Our service revenue rose by 21.6% led by double-digit growth in voice, data and digital services. Our ability to maintain service revenue growth and unlock efficiencies through the disciplined execution of our expense efficiency program led to a 20.6% growth in EBITDA while the EBITDA margin was 53%, down marginally by 0.6pp.

Our margins were impacted by higher energy prices and rising costs, but the impact was moderated by provisions in our tower contracts and the timing of the forex harmonisation. Notwithstanding, we will continue to execute our commercial strategy with a focus on unlocking efficiencies and driving operating leverage to support growth in earnings, cash flow, and returns over the medium term.

At the Annual General Meeting held on 18 April 2023, shareholders approved a scrip dividend option as an alternative form of shareholder return to a cash dividend. The 641,047,053 ordinary shares created have been approved by the Corporate Affairs Commission (CAC) and awaiting final regulatory approval for the shares to be credited to the respective Central Security Clearing System (CSCS) accounts of qualified shareholders. These shares will qualify for the interim dividend, bringing the issued shares of the Company to 20,995,560,103 as approved by the CAC on 8 May 2023.

In line with our dividend policy, the Board of Directors has approved an interim dividend of N5.60 per share to be paid from distributable net income (prior year interim dividend, N5.60). The qualification date is 16 August 2023."

Impacts of the foreign exchange liberalisation

On 14 June 2023, the Central Bank of Nigeria announced changes in the Nigerian forex operations which required the immediate collapse of all segments of the market into the investor and exporter (I&E) window and reintroduced the 'willing buyer, willing seller' model. This led to an approximately 60% movement in the exchange rate, since the announcement, to N756.24/US$ at the end of June 2023 as the market seeks an equilibrium level.

The liberalisation of the forex regime and removal of the fuel subsidy provide a clear pathway to the return of international capital into our capital markets, and foreign direct investment which will drive economic activity in the medium term, improve the operating environment, and are net positive for our longer-term outlook.

The immediate impact on our results for H1 was the unrealised forex losses included in our net finance charges. There was no material impact on the EBITDA margin due to the nature of our tower contracts which require us to make quarterly payments at the beginning of each quarter. The exchange rate is adjusted based on the reference rate at the end of the preceding quarter for some of the contracts and the average rate in the quarter for others. As a result, the full impact is expected to kick-in in H2.

The USD component of operating costs is in the lower 40%. Our sensitivity analysis shows that a 10% movement in the exchange rate would have a direct negative impact of approximately 1.3pp on the EBITDA margin, pre any mitigation actions. The impact on finance costs in H2 will depend on variations in the exchange rate during the period.

Key financial highlights

Items *(in millions)*	H1 2023	H1 2022	YoY	Q2 2023	Q2 2022	YoY
Total Revenue	**1,158,739**	**950,086**	**22.0%**	**590,605**	**479,102**	**23.3%**
Service Revenue	1,152,671	947,850	21.6%	586,735	478,031	22.7%
Voice	562,685	501,846	12.1%	285,074	243,081	17.3%
Data	470,015	348,483	34.9%	242,200	185,753	30.4%
Digital	15,310	10,216	49.9%	8,099	5,107	58.6%
Fintech	43,602	40,436	7.8%	20,914	19,543	7.0%
Other Service Revenue	61,060	46,869	30.3%	30,448	24,547	24.0%
Expenses	544,287	440,768	23.5%	278,800	226,934	22.9%
Cost of Sales	189,058	162,780	16.1%	97,074	83,211	16.7%
Operating Expenses	355,229	277,989	27.8%	181,726	143,723	26.4%
EBITDA	614,452	509,318	20.6%	311,805	252,168	23.6%
EBITDA Margin	53.0%	53.6%	-0.6pp	52.8%	52.6%	0.2pp
Depreciation & Amortisation	192,877	157,005	22.8%	96,847	79,185	22.3%
Net Finance Costs	221,184	83,677	164.3%	170,346	47,942	255.3%
Profit Before Tax	200,391	268,635	-25.4%	44,612	125,041	-64.3%
Taxation	71,703	87,006	-17.6%	17,223	40,237	-57.2%
Profit After Tax	128,688	181,629	-29.1%	27,389	84,805	-67.7%
Profit attributable to:						
Owners of the company	128,593	181,940	-29.3%	28,106	85,116	-67.0%
Non-controlling interest	95	-311	-130.5%	-717	-311	130.5%
	128,688	181,629	-29.1%	27,389	84,805	-67.7%
Capital Expenditure	266,773	311,644	-14.4%	146,227	149,160	-2.0%
Capital Expenditure excluding Right of Use Assets	176,295	204,542	-13.8%	133,925	123,376	8.5%
Capex Intensity	23.0%	32.8%	-9.8pp	24.8%	31.1%	-6.4pp
Capex Intensity excluding Right of Use Assets	15.2%	21.5%	-6.3pp	22.7%	25.8%	-3.1pp
Free Cash Flows	347,679	197,674	75.9%	165,578	103,008	60.7%
Mobile Subscribers	77.1	74.2	4.0%	77.1	74.2	4.0%
Data Subscribers	41.0	36.8	11.5%	41.0	36.8	11.5%
Fintech Subscribers	7.0	11.5	-39.3%	7.0	11.5	-39.3%
Ayoba Subscribers	7.2	4.7	52.2%	7.2	11.5	52.2%

Operational and financial review

Our strong commercial performance drove growth across all our key revenue lines. We recorded double-digit growth of 12.1% in **voice** revenue on the increased usage of our voice propositions and a growing base. This was supported by our customer value management (CVM) initiatives and revamp of voice propositions.

Data revenue grew by 34.9%, largely due to increased usage supported by the enhanced capacity through network expansion and smartphone penetration. Notwithstanding, data revenue was impacted by the harmonisation of telecommunications codes in Q2. In addition, active data users declined marginally during the period on lower gross connections. Our 4G network now covers 80% of the population, up from 79.1% in December 2022, and data usage (GB per user) grew by 28.2% to 8.1GB. The number of smartphones on our network increased by 1.8 million, bringing smartphone penetration to 53.0%, up 2.4pp YoY.

We are pleased with the traffic trend on our 5G network, which has reached an average of 21% in 5G co-located clusters. We expect to see further growth in traffic having recently enabled Samsung devices on the network, driving further rollout. 5G now covers 5.5% of the population, enabling us to advance our home broadband penetration. We added over 300k home broadband users in H1, bringing our base to 1.6 million. This was supported by deploying our 5G fixed wireless access devices, mobile broadband solutions, and fibre-to-the-home connectivity.

We recorded 7.8% growth in **fintech** revenue led by our core fintech services (wallet and MoMo agent business). Our fintech user base was impacted by the effects of the cash shortages on over-the-counter (OTC) transactions during Q1. As a result, our active user base was down by 39.3% YoY to 7.0 million, of which approximately 3.1 million represent active MoMo PSB wallets. We have 227k MoMo agents, bringing our services closer to our customers, and 38k merchants in our ecosystem.

During H1, we completed the reopening of the NIBSS interface for both inbound and outbound transfers, strengthened our control systems, and introduced the basic version of our MoMo app. We saw momentum in the ecosystem with fintech transaction volume up by 67.1% YoY. We are now focused on driving commercial activities – consumer education and awareness, leveraging the full strength of our distribution network to grow the active wallets and scale the agent and merchant ecosystem while preparing for the rollout of our super app with a bouquet of services for our customers.

Digital revenue growth of 49.9% was bolstered by revenue from rich media services and content VAS. This was supported by the adoption of our digital products and the growth of the active base, up 56.6% to 14 million. In H1, we brought Amazon Prime Video and Apple Music to our customers, expanding our rich media services portfolio. Ayoba, our instant messaging platform, continued to gain traction with the addition of over 2 million users, bringing the monthly active users to 7.2 million in H1. Furthermore, service revenue from the **enterprise** business rose by 48.5%, led by the mobile and fixed connectivity services and underpinned by onboarding new customers across all segments.

We delivered **EBITDA** growth of 20.6%, while the EBITDA margin declined by 0.6pp to 53% but remained within our medium-term guidance range of 53% - 55%. This was achieved through our ongoing expense efficiency program and disciplined approach to capital allocation. However, operating expenses (opex) rose by 27.8% mainly due to the impact of higher consumer price index (CPI) adjustments on lease rental costs, the new site rollouts, and rising energy costs. These factors also drove the 22.8% increase in **depreciation and amortisation**.

Net finance costs increased by 164.3% due to increased borrowings and an unrealised forex loss of N131.5 billion (H1 2022: N13.6 billion) on our net foreign currency liabilities following the significant devaluation of the Naira. Trade line facilities were required to establish letters of credit to fund our capex program given the paucity of forex. The investments enabled us to enhance the capacity and coverage of our network and sustain revenue growth in line with our guidance.

Consequently, **profit before tax** (PBT) declined by 25.4%. Excluding the impact of the forex loss, PBT rose by 17.6%. The effective tax rate was up by 3.4pp to 35.8% driven mainly by the 0.5pp increase in the education tax rate to 3%, in line with the 2023 Finance Act. Overall, **profit after tax** (excluding non-controlling interest) declined by 29.3% but would have been up by 13.4% excluding the forex loss.

Our **capex** deployment in H1 was impacted mainly by the paucity of forex and supply chain challenges, resulting in a 14.4% decline to N266.8 billion. Despite this, we continued to invest in the capacity and coverage of our network, focusing on the 4G and 5G networks and our rural telephony program. As a result, core capex, excluding the right-of-use assets, was down by 13.8% to N176.3 billion, and capex intensity was 15.2% in line with our target level. Consequently, free cash flow was up by 75.9% to N347.7 billion. We anticipate a ramp-up in capex in the remainder of the year as we pursue growth opportunities.

We have comfortable headroom on our balance sheet and will continue to adopt our disciplined value-based capital allocation strategy. Approximately 51% of the existing debt has fixed interest rates while 49% is floating, indexed on 80% local currency-denominated loans (64% including short-term trade loans for letters of credit establishment). The headroom of our banking covenant is healthy to withstand macro volatilities. As a result, we can comfortably meet our operational, financial, and capex investment obligations while maintaining dividend payouts to our shareholders in line with our policy.

Outlook

As the rest of the year unfolds, we will continue to monitor developments in our operating environment and focus on building the resilience and growth of our business. As a result, we will prioritise our network, MoMo PSB acceleration, and operational efficiency.

To support our network, we will continue enhancing capacity to accommodate the rising data traffic and accelerating 4G, 5G and rural coverage to expand our base. This will enable us to drive home broadband penetration by leveraging the 5G fixed wireless access devices, mobile broadband solutions and fibre-to-the-home connectivity to capture a significant share of market growth.

The growth of our MoMo PSB remains a key priority for us. Therefore, in H2, we will implement our acceleration plan to drive awareness, enhance visibility and accelerate the adoption of the wallets and growth of our merchant ecosystem. We remain confident that the structures we have put in place will support the execution of our growth strategy and scale our fintech ecosystem in line with our Ambition 2025 strategy.

The outlook for FY 2023 will largely depend on the impacts of the levels of the exchange rate and the new VAT on tower leases effective September 2023. The extent of these factors remains the key nearer-term risk to our medium-term guidance.

As earlier stated, we will not see the full impact of the devaluation in Q3 as lease costs on a substantial part of the tower portfolio are based on the previous quarter's average exchange rate. However, using the current exchange rate, we expect our EBITDA margin for the full year to be below our medium-term target range of 53-55%, in line with our previous guidance on the impact of a 10% movement in the exchange rate. In addition, we expect our FY 2023 capex intensity to be above our target level of 18% as a result of the additional naira required to fund our FY 2023 capex, following the devaluation.

As we invest in our business to further strengthen our commercial operations, we will focus on expense efficiencies and disciplined capital allocation to manage the effects of inflation and exchange rates in the business and support earnings and cash flow generation.

Although the near-term EBITDA margins may fall below guidance as the business adjusts to foreign currency devaluation and inflation effects, we continue to target service revenue growth of "at least 20%" and an EBITDA margin guidance range of 53-55% over the medium-term. We remain committed to executing our Ambition 2025 strategy to sustain the growth and profitability of the business to the benefit of all our stakeholders.

Karl Olutokun Toriola
Chief Executive Officer

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About MTN Nigeria

MTN Nigeria is one of Africa's largest providers of communications services, connecting over 77 million people in communities across the country with each other and the world. Guided by a belief that everybody deserves the benefits of a modern connected life, MTN Nigeria's leadership position in coverage, capacity, and innovation has remained constant since its launch in 2001. MTN Nigeria is part of the MTN Group - a multinational telecommunications group which operates in 19 countries in Africa and the Middle East.

Visit www.mtn.ng for more information.

Unaudited condensed consolidated and separate statement of profit or loss

In millions of Nigerian Naira	Group 6 months ended 30 June 2023	Group 6 months ended 30 June 2022	Group 3 months ended 30 June 2023	Group 3 months ended 30 June 2022	Company 6 months ended 30 June 2023	Company 6 months ended 30 June 2022	Company 3 months ended 30 June 2023	Company 3 months ended 30 June 2022
Revenue	**1,158,739**	**950,086**	**590,605**	**479,103**	**1,158,273**	**949,637**	**590,597**	**478,947**
Direct network operating costs	(276,958)	(215,810)	(140,313)	(108,534)	(276,812)	(215,810)	(140,244)	(108,534)
Value added services costs	(11,036)	(11,078)	(5,148)	(5,365)	(11,036)	(11,078)	(5,148)	(5,365)
Costs of starter packs, handsets and accessories.	(12,983)	(9,845)	(6,672)	(5,868)	(12,983)	(9,845)	(6,672)	(5,868)
Interconnect costs	(76,964)	(71,131)	(39,790)	(35,592)	(76,964)	(71,131)	(39,790)	(35,592)
Roaming costs	(3,873)	(2,934)	(2,342)	(1,719)	(3,873)	(2,934)	(2,342)	(1,719)
Transmission costs	(4,842)	(3,806)	(2,755)	(1,799)	(4,842)	(3,806)	(2,755)	(1,799)
Discounts and commissions	(55,374)	(44,894)	(28,595)	(23,104)	(53,325)	(43,875)	(27,584)	(22,551)
Advertisements, sponsorships and sales	(19,417)	(14,216)	(10,050)	(8,265)	(12,646)	(11,665)	(5,926)	(5,939)
Employee costs	(28,471)	(22,150)	(16,370)	(11,154)	(26,232)	(21,710)	(15,380)	(10,928)
Other operating expenses	(54,371)	(44,905)	(26,765)	(25,534)	(63,163)	(42,335)	(26,382)	(24,159)
Depreciation of property and equipment	(98,409)	(82,913)	(48,633)	(41,932)	(98,409)	(82,913)	(48,633)	(41,932)
Depreciation of right of use assets	(57,845)	(49,815)	(28,798)	(25,250)	(57,845)	(49,815)	(28,798)	(25,250)
Amortisation of intangible assets	(36,621)	(24,277)	(19,416)	(12,003)	(33,962)	(21,617)	(18,086)	(10,672)
Operating profit	**421,575**	**352,312**	**214,958**	**172,984**	**426,181**	**361,103**	**222,857**	**178,639**
Finance income	16,392	7,066	11,708	2,660	15,668	6,957	11,430	2,595
Finance costs	(237,576)	(90,743)	(182,054)	(50,602)	(237,576)	(90,743)	(182,054)	(50,602)
Profit before taxation	**200,391**	**268,635**	**44,612**	**125,042**	**204,273**	**277,317**	**52,233**	**130,632**
Taxation	(71,703)	(87,006)	(17,223)	(40,237)	(72,828)	(89,478)	(19,663)	(41,780)
Profit for the period	**128,688**	**181,629**	**27,389**	**84,805**	**131,445**	**187,839**	**32,570**	**88,852**
Profit attributable to:								
Owners of the company	128,593	181,940	28,104	85,116	131,446	187,839	32,570	88,852
Non-controlling interest	95	(311)	(717)	(311)	-	-	-	-
	128,688	181,629	27,387	84,805	131,446	187,839	32,570	88,852
Earnings per share								
Basic/diluted to the owners of the company (N)	**6.33**	**8.95**	**1.38**	**4.19**	**6.47**	**9.24**	**1.60**	**4.37**

Unaudited condensed consolidated and separate statement of other comprehensive income

In millions of Nigerian Naira	Group 6 months ended 30 June 2023	Group 6 months ended 30 June 2022	Group 3 months ended 30 June 2023	Group 3 months ended 30 June 2022	Company 6 months ended 30 June 2023	Company 6 months ended 30 June 2022	Company 3 months ended 30 June 2023	Company 3 months ended 30 June 2022
Profit for the period	128,688	181,629	27,389	84,805	131,445	187,839	32,570	88,852
Items that may be reclassified to profit or loss								
Transfer of fair value reserve of investments designated at FVOCI*	(1,179)	(111)	16	(155)	(1,179)	(111)	16	(155)
Other comprehensive (loss)/income for the period net of taxation	(1,179)	(111)	16	(155)	(1,179)	(111)	16	(155)
Total comprehensive income for the period	127,509	181,518	27,405	84,650	130,266	187,728	32,586	88,697
Attributable to:								
Owners of the company	127,414	181,829	28,122	84,961	130,266	187,728	32,586	88,697
Non-controlling interest	95	(311)	(717)	(311)	-	-	-	-
	127,509	181,518	27,405	84,650	130,266	187,728	32,586	88,697

Unaudited condensed consolidated and separate statement of financial position

	Group		Company	
In millions of Nigerian Naira	**30 June 2023**	**31 Dec 2022**	**30 June 2023**	**31 Dec 2022**
Assets				
Non-current assets				
Property and equipment	992,878	928,357	992,878	928,357
Right-of-use assets	684,743	652,110	684,743	652,110
Intangible assets	375,253	335,599	356,997	314,684
Investments in subsidiaries	-	-	74,328	74,328
Deferred tax asset	11,383	11,018	-	-
Other non current assets	28,245	17,287	28,245	17,287
Other investments	10,496	10,585	10,496	10,585
	2,102,998	**1,954,956**	**2,147,687**	**1,997,351**
Current assets				
Inventories	5,001	3,678	5,001	3,678
Trade and other receivables	197,582	191,496	220,852	212,232
Current investments	36,957	20,288	33,946	17,406
Restricted cash	296,018	196,082	295,401	194,622
Cash and cash equivalents	499,288	349,500	487,203	324,244
	1,034,846	**761,044**	**1,042,403**	**752,182**
Total assets	**3,137,844**	**2,716,000**	**3,190,090**	**2,749,533**
Equity and liabilities				
Equity				
Share capital	407	407	407	407
Share premium	17,216	17,216	17,216	17,216
Treasury shares	(4,869)	(4,869)	(4,869)	(4,869)
Other reserves	485	1,664	485	1,664
Retained profit	245,038	319,819	298,734	370,664
Equity attributable to owners of the company	258,277	334,237	311,973	385,082
Non-controlling interest	1,540	1,445	-	-
	259,817	**335,682**	**311,973**	**385,082**
Liabilities				
Non-current liabilities				
Borrowings	484,840	439,463	484,840	439,463
Lease liabilities	692,339	662,655	692,339	662,655
Deferred tax liability	62,953	93,596	61,007	90,851
Provisions	42	43	42	43
Employee benefits	6,429	6,835	6,429	6,835
Other non-current liabilities	7,859	8,569	7,859	8,569
	1,254,462	**1,211,161**	**1,252,516**	**1,208,416**
Current liabilities				
Trade and other payables	808,478	514,892	812,600	514,206
Current tax payable	225,719	199,959	225,408	199,687
Borrowings	370,227	250,210	370,227	250,210
Lease liabilities	61,640	64,829	61,640	64,829
Contract liabilities	100,587	92,861	100,205	92,479
Provisions	43,013	42,087	42,032	31,562
Deposit held for MoMo customers	412	1,257	-	-
Derivatives	13,489	3,062	13,489	3,062
	1,623,565	**1,169,157**	**1,625,601**	**1,156,035**
Total liabilities	**2,878,027**	**2,380,318**	**2,878,117**	**2,364,451**
Total equity and liabilities	**3,137,844**	**2,716,000**	**3,190,090**	**2,749,533**

Unaudited condensed consolidated and separate statement of cash flows

	Group		Company	
In millions of Nigerian Naira	**6 months ended 30 June 2023**	**6 months ended 30 June 2022**	**6 months ended 30 June 2023**	**6 months ended 30 June 2022**
Cash flows from operating activities				
Cash generated from operations	800,404	546,356	814,168	552,336
Interest paid	(112,613)	(80,401)	(112,613)	(80,401)
Interest received	14,695	5,938	13,972	5,938
Dividends paid	(61,250)	(174,295)	(61,250)	(174,295)
Tax paid	(76,958)	(58,193)	(76,958)	(58,193)
Employee benefits payments	(424)	(446)	(424)	(446)
Share based payments	(5,616)	(5,646)	(5,616)	(5,646)
Provisions payments	(7,248)	(3,112)	(7,248)	(3,112)
Net cash generated from operating activities	**550,990**	**230,201**	**564,031**	**236,181**
Cash flows from investing activities				
Acquisition of property and equipment	(142,619)	(171,516)	(142,619)	(171,516)
Acquisition of intangible assets	(75,410)	(151,017)	(75,410)	(151,017)
Acquisition of right of use assets	(6,472)	(5,965)	(6,472)	(5,965)
Proceeds from disposal of property and equipment	420	3,375	420	3,375
Purchase of investment in non-current FGN bonds	(42)	-	(42)	-
Sale of investment in non-current FGN bonds	-	151	-	151
Purchase of bonds, treasury bills and foreign deposits	(37,634)	-	(37,505)	-
Sale of bonds, treasury bills and foreign deposits	22,662	16,345	22,662	16,345
Purchase of contract acquisition costs	(2,010)	(2,337)	(2,010)	(2,337)
Non-current prepayments	(11,901)	-	(11,901)	-
Investment in subsidiary	-	-	-	(8,800)
Increase in restricted cash	(100,780)	(85,846)	(100,779)	(85,617)
Net cash flows used in investing activities	**(353,786)**	**(396,810)**	**(353,656)**	**(405,381)**
Cash flows from financing activities				
Proceeds from borrowings	196,144	208,692	196,144	208,692
Repayment of borrowings	(149,183)	(85,597)	(149,183)	(85,597)
Repayment on lease liabilities	(80,847)	(41,056)	(80,847)	(41,056)
Investment by non-controlling interest	-	1,000	-	-
Net cash flow (used in)/generated from financing activities	**(33,886)**	**83,039**	**(33,886)**	**82,039**
Net increase/(decrease) in cash and cash equivalents	163,318	(83,570)	176,489	(87,161)
Cash at the beginning of the period	349,788	261,494	324,532	247,628
Exchange loss on cash and cash equivalents	(13,725)	(11,127)	(13,725)	(11,127)
Cash and cash equivalents at the end of the period	**499,381**	**166,797**	**487,296**	**149,340**