# MTN Nigeria Communications Plc

Unaudited results for the nine months ended 30 September 2023

**MTN NIGERIA RELEASES UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

**Lagos | Nigeria: 30 October 2023**

Today, MTN Nigeria Communications Plc (MTN Nigeria) announces its unaudited results for the nine months ended 30 September 2023.

**Salient points:**

- Mobile subscribers increased by 4.8% to 77.6 million
  - Added 2 million subscribers in 9M 2023
- Active data users increased by 13.3% to 43.1 million
  - Added 3.6 million active users in 9M 2023
- Active mobile money (MoMo PSB) wallets increased by 53.1% to 3.6 million
  - Added 1.6 million active MoMo PSB users in 9M 2023
- Service revenue increased by 21.4% to N1.8 trillion
- Earnings before interest, tax, depreciation and amortisation (EBITDA) grew by 16.3% to N907.9 billion
- EBITDA margin decreased by 2.4 percentage points (pp) to 51.2%
- Profit before tax (PBT) decreased by 42.0% to N232.5 billion (up 8.6% to N465.3 billion, adjusted for the foreign exchange (forex) loss)
- Earnings per share (EPS) decreased by 45.2% to N7.06 kobo (up 5.2% to N14.50 kobo adjusted for the forex loss)
- Capital expenditure (capex) increased by 6.9% to N405.0 billion (up 19.7% to N301.4 billion, excluding the right-of-use (RoU) assets)

*Unless otherwise stated, financial and non-financial information is year-on-year (YoY, 9M 2022 versus 9M 2023).*

**MTN Nigeria CEO, Karl Toriola comments:**

***Navigating a challenging operating environment***

*"The operating conditions in the first nine months of 2023 remained tough. This was in line with expectations following the removal of the fuel subsidy, the currency devaluation due to the liberalisation of foreign exchange (forex) management and the impact of the 2023 Finance Act. In the near term, consumer spending power has been diminished by the upward pressure on overall inflation. This was exacerbated by ongoing volatility in the global macroeconomic and geopolitical environment.*

*As a result, the inflation rate in Nigeria rose to 26.7% in September 2023, representing the ninth consecutive month-on-month increase in 2023, with a YTD average of 23.3%. In the* *efforts to curb this trajectory, the Central Bank of Nigeria (CBN) maintained its monetary policy tightening, increasing the monetary policy rate by 2.25pp to 18.75%. This is supported by the Government's reform programmes aimed at creating an environment that enables businesses to thrive.*

*Furthermore, the liberalisation of the forex management in June 2023 resulted in a 68.5% upward movement in the exchange rate from N461/$1 in December 2022 to N777/US$ at the end of September, resulting in higher cost of doing business.*

***Driving efficiency in our network***

*As we navigate the challenging operating conditions, we continue to invest in our business to strengthen our commercial operations and focus on expense efficiencies to support earnings and cash flow generation. As part of our proactive initiatives to curb the impacts of the macro volatility on our business, we have re-allocated the leases for towerco services of approximately 2.5k network sites due to expire in 2024 and 2025, for which IHS Nigeria Limited (IHS) currently provides tower services.*

*After a transparent and competitive tender process, ATC Nigeria Wireless Infrastructure Solutions Limited (ATC) was selected as the preferred tower company to provide tower services to those sites. This is expected to unlock significant network cost efficiencies on the affected sites. We have an additional ~12k sites within the broader IHS portfolio, expiring variously between 2025 and 2029, with the majority expiring in 2029. MTN Nigeria will continue to engage with our tower company partners to explore ways to optimise network costs in line with our expense efficiency programme aimed at improving operating margins. For the 2025 portfolio of towers, we will commence our review on that portfolio imminently.*

*Following the successful conclusion, in May 2023, of a lease agreement for 900MHz and 1800MHz spectrum from NTEL for a 2-year period, we are pleased to have acquired an additional 10MHz frequency division duplex (FDD) in the 2.6GHz spectrum in September 2023. These investments enable us to expand the coverage and capacity of our network more efficiently to meet the rising demand for data and improve the quality of our offerings and customer experience.*

***Creating shared value in our communities***

*As part of our work to build sustainable societies, we expanded broadband penetration by 1.7pp to 89.6% through ongoing investments in our network and deepened the penetration of our fintech services in line with ambition 2025 strategy to drive digital and financial inclusion.*

*We advanced our corporate social investment programme with the commencement of the rehabilitation of the Enugu-Onitsha Expressway under the Federal Government's Road Infrastructure Tax Credit (RITC) scheme. We are excited about the impact the project will have* *on the lives of Nigerians once completed. The tax credit arising from this investment will enable us to offset future tax liabilities.*

*In addition, we enrich lives through the MTN Nigeria Foundation's activities. The Foundation committed over N830 million to its corporate social investment programmes during the period, furthering our work to build sustainable societies.*

***Solid commercial and financial momentum***

*Our mobile subscriber base reached a new high with the addition of approximately 2 million in the nine months to 77.6 million. This was supported by our churn management initiatives and interventions to ramp up gross connections.*

*The investments to enhance the quality and coverage of our network continued to yield positive results, an expansion of our user base and higher data usage. We added 3.6 million active data users in the nine months. Our total data traffic rose by 46.3%,* and data usage (GB per user) grew by 29.1%.

*Our fintech business continued to gain traction, recovering from the slowdown in H1. Active wallets rose by 1.6 million to 3.6 million, with over 293k MoMo agents and 197k merchants demonstrating the underlying momentum in the ecosystem. We are committed to ramping up commercial activities to stimulate increased engagement and activity to expand our fintech ecosystem. Our work is ongoing to broaden consumer education and awareness initiatives and provide 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 in line with our medium-term guidance. Our service revenue rose by 21.4%, led by double-digit growth in voice, data and digital services.*

*The increase in service revenue supported the 16.3% growth in EBITDA while the EBITDA margin was down by 2.4pp to 51.2%. Our EBITDA margin came under pressure as the impact on operating expenses of the forex harmonisation kicked in in Q3, heightened by the rising inflation. This is due to the nature of our tower contracts, which require us to make quarterly payments at the beginning of each quarter while the applicable 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 that quarter for others.*

*The significant movement in the exchange rate since the liberalisation of the forex market resulted in higher forex loss with a knock-on effect on net finance costs, up 174.4%. Consequently, PBT declined by 42.0%. However, our free cash flow remained strong with a 25.2% increase YoY.*

*We remain focused on executing our commercial strategy, unlocking efficiencies, and driving operating leverage to support growth in earnings, cash flow, and returns over the medium term. However, the scale of the impact on the business of rising inflation and currency devaluation necessitates an increase in regulated tariffs. We are engaging with the authorities through the relevant regulatory bodies to achieve this objective.*

*Finally, we have received the judgment issued by the Tax Appeal Tribunal sitting in Lagos. The judgment pertains to the VAT assessment for the periods covering 2007 and 2010 – 2017, as issued by the Federal Inland Revenue Service (FIRS) to the Company. The Company will issue a separate and comprehensive statement articulating its position on the matter."*

## Key financial highlights

| Items *(in millions)* | 9M 2023 | 9M 2022 | YoY | Q3 2023 | Q3 2022 | YoY |
|---|---|---|---|---|---|---|
| **Total Revenue** | **1,772,949** | **1,456,135** | **21.8%** | **614,210** | **506,048** | **21.4%** |
| Service Revenue | 1,762,858 | 1,452,692 | 21.4% | 610,187 | 504,842 | 20.9% |
| Voice | 834,002 | 753,775 | 10.6% | 271,317 | 251,928 | 7.7% |
| Data | 749,525 | 549,657 | 36.4% | 279,510 | 201,173 | 38.9% |
| Fintech | 64,690 | 61,238 | 5.6% | 21,088 | 20,802 | 1.4% |
| Digital | 24,715 | 15,906 | 55.4% | 9,404 | 5,691 | 65.3% |
| Other Service Revenue | 89,926 | 72,116 | 24.7% | 28,867 | 25,247 | 14.3% |
| | | | | | | |
| Expenses | 865,022 | 675,569 | 28.0% | 320,732 | 234,798 | 36.6% |
| Cost of Sales | 289,569 | 248,234 | 16.7% | 100,511 | 85,454 | 17.6% |
| Operating Expenses | 575,453 | 427,336 | 34.7% | 220,221 | 149,344 | 47.5% |
| EBITDA | 907,927 | 780,566 | 16.3% | 293,478 | 271,251 | 8.2% |
| EBITDA Margin | 51.2% | 53.6% | -2.4pp | 47.8% | 53.6% | -5.8pp |
| Depreciation & Amortisation | 299,501 | 242,887 | 23.3% | 106,625 | 85,880 | 24.2% |
| Net Finance Costs | 375,957 | 137,007 | 174.4% | 154,772 | 53,328 | 190.2% |
| Profit Before Tax | 232,469 | 400,673 | -42.0% | 32,081 | 132,043 | -75.7% |
| Taxation | 85,105 | 131,634 | -35.3% | 13,401 | 44,628 | -70.0% |
| Profit After Tax | 147,364 | 269,039 | -45.2% | 18,680 | 87,414 | -78.6% |
| | | | | | | |
| Profit attributable to: | | | | | | |
| **Owners of the company** | 148,091 | 270,339 | -45.2% | 19,502 | 88,403 | -77.9% |
| Non-controlling interest | (727) | (1,300) | -44.1% | (822) | (989) | -16.9% |
| | 147,364 | 269,039 | -45.2% | 18,680 | 87,414 | -78.6% |
| | | | | | | |
| Capital Expenditure | 405,001 | 379,002 | 6.9% | 138,228 | 67,358 | 105.2% |
| Capital Expenditure excluding Right of Use Assets | 301,378 | 251,782 | 19.7% | 125,082 | 47,240 | 164.8% |
| Capex Intensity | 22.8% | 26.0% | -3.2pp | 22.5% | 13.3% | -9.2pp |
| Capex Intensity excluding Right of Use Assets | 17.0% | 17.3% | -0.3pp | 20.4% | 9.3% | 11.0pp |
| Free Cash Flows | 502,926 | 401,564 | 25.2% | 155,250 | 203,893 | -23.9% |
| | | | | | | |
| Mobile Subscribers | 77.6 | 74.1 | 4.8% | 77.6 | 74.1 | 4.8% |
| Data Subscribers | 43.1 | 38.0 | 13.3% | 43.1 | 38.0 | 13.3% |
| Fintech Subscribers | 8.9 | 11.2 | -20.4% | 8.9 | 11.2 | -20.4% |
| Ayoba Subscribers | 8.0 | 5.1 | 58.0% | 8.0 | 5.1 | 58.0% |

## Operational and financial review

Our strong commercial performance drove growth across all our key revenue lines, supporting service revenue growth in line with our medium-term guidance. We recorded double-digit growth of 10.6% 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 36.4% on increased usage and data conversion in new and existing base. This was supported by the revamp of our data bundle offerings, an increase in the penetration of smartphones and investments in our network to expand coverage and capacity and enhance customer experience. Our 4G network now covers 80.5% of the population, up from 79.1% in December 2022. Data usage (GB per user) grew by 29.1% to 8.6GB, and the number of smartphones on our network increased by 7.6%, bringing smartphone penetration to 53.4%, up 1.4pp YoY. Consequently, we recorded a 46.3% growth in data traffic, with the 4G network accounting for 83.7% of the total traffic (up 5.2pp YoY).

Our 5G network now covers 7.5% of the population, and we are on track to reach our 10% target by year-end. 5G enables us to advance our home broadband penetration. We added over 560k home broadband users in the nine months, bringing our base to 1.8 million. This was supported by our 5G fixed wireless access devices, mobile broadband solutions, and fibre-to-the-home connectivity.

**Fintech** revenue increased by 5.6% as we increased the adoption of our core fintech services (wallet and MoMo agent business). Our fintech active user base was down by 20.4% YoY but rose by 27.2% QoQ to 8.9 million. The decline recorded YoY was due to a slowdown in activity level on the over-the-top (OTC) platform following the cash shortages in Q1. However, our efforts to rebuild the base continue to yield results with a 25.5% growth in OTC users versus Q1 2023.

MoMo PSB active wallets rose by 53.1% YoY and 15% QoQ to 3.6 million, representing 40.6% of our fintech user base, with the number of registered MoMo users now at 27.9 million. Fintech transaction volume was up by 47.6% YoY, reflecting momentum in the ecosystem. We now have over 293k MoMo agents, up 55.7% YoY, bringing our services closer to our customers and 197k merchants since we started building our merchant ecosystem in March 2023.

We remain focused on driving 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 expanding the bouquet of services available to our customers.

**Digital** revenue growth of 55.4% was led by increased adoption of our digital products and the growth of the active base, up 67% to 16.1 million. This was supported by expanded digital offerings and optimised customer journey experience. Content VAS and rich media services were the primary revenue drivers. Growth in the monthly active users of Ayoba, our instant messaging platform, remains on track with the addition of over 2.8 million users, bringing the active users to approximately 8 million.

Furthermore, service revenue from the **enterprise** business rose by 43.8% due to the growth in the uptake of our services as we address the communication and ICT needs of businesses in the country. The mobile and fixed connectivity services were the main revenue drivers, underpinned by onboarding new customers across all customer segments.

**Operating expenses** (opex) rose by 34.7%, driven mainly by higher lease rental costs impacted by the currency devaluation, higher consumer price index (CPI) and energy costs, and the 2023 Finance Act, introducing VAT on tower leases effective September 2023. Excluding these factors, our opex increased by 17.3%.

The overall impact of the macro headwinds was moderated by our expense efficiency drive and the tower contracts, as lease costs on a substantial part of the tower portfolio are based on the previous quarter's average exchange rate, and approximately 80% of the contracts do not have energy pass-through. Consequently, we delivered an **EBITDA** growth of 16.3%, while the EBITDA margin declined by 2.4pp to 51.2%.

**Depreciation and amortisation** increased by 23.3%, mainly due to increased site rollout. Net **finance costs** increased by 174.4% due to increased borrowings and forex loss of N232.8 billion (9M 2022: N27.9 billion) on our net foreign currency liabilities following the significant devaluation of the naira from N461/$1 in December 2022 to N777/$1 in September 2023. However, the underlying net finance cost increased by 31.1%, excluding the forex loss.

Given the protracted forex paucity in the market, MTN Nigeria utilised trade lines to fund the establishment of confirmed irrevocable letters of credit for its network capex investments to sustain revenue growth.

Our recognised forex loss for the nine months to September 2023 was 77% higher than the amount reported in H1 2023 where we measured all the trade lines after offsetting the naira-denominated cash cover that was provided to the banks. Following further analysis and review, we have remeasured all our trade lines to correctly exclude the naira-denominated cash cover that was provided to the banks.

This resulted in the recognition of additional unrealised forex loss on outstanding matured trade obligations as at 30 September 2023 of N87.5 billion. Similarly, our net finance costs for H1 2023 would have increased by N73.9 billion to approximately N295.1 billion.

Consequently, **profit before tax** (PBT) declined by 42.0%. Excluding the impact of the forex loss, PBT rose by 8.6%. The effective tax rate was up by 3.8pp to 36.6%, 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 45.2% but would have been up by 5.2%, excluding the forex loss.

Despite the paucity of forex, we continued to invest in the capacity and coverage of our network, focusing on the 4G and 5G networks. **Capex** increased by 6.9% to N405 billion, reflecting the impact of the currency devaluation. Our core capex, excluding the RoU assets, rose by 19.7% to N301.4 billion, and capex intensity was 17%, in line with our target level. In addition, we delivered strong free cash flow growth of 25.2% to N502.9 billion.

In August, we signed a US$125 million trade facility with Access Bank UK and raised N125 billion through commercial paper in line with our funding strategy to support capex deployment. Approximately 51% of our debts have fixed interest rates, while 49% are floating. These debts are 83% local currency-denominated (60% including short-term trade loans for letters of credit establishment). In addition, our debt metrics remain well within all our financial covenants, with a net debt to EBITDA ratio of 0.7 times and a cash balance of N224.9 billion.

Our balance sheet remains strong with sufficient headroom to withstand macro volatilities. This is a result of our disciplined value-based capital allocation strategy. We are able to comfortably meet our operational, financial, and capex investment obligations while effecting dividend payouts to our shareholders in line with our policy.

**Outlook**

The operating environment remains challenging due to the removal of the fuel subsidy, the liberalisation of foreign exchange management, the impact of the 2023 Finance Act and the ongoing volatility in the global macroeconomic and geopolitical environment. During Q4, we will build on the momentum from Q3 to deliver on our service revenue growth target. We remain focused on our priorities - our network, MoMo PSB acceleration, and operational efficiency – to build the resilience and growth of our business.

We plan to roll out capex during Q4 to reach 83% 4G and 10% 5G population coverage by year-end. In addition, we will leverage the additional 2.6GHz spectrum to enhance network capacity. This will help us sustain growth in data traffic and further drive our Own the Home strategy by leveraging the 5G fixed wireless access devices, mobile broadband solutions, and fibre-to-the-home connectivity.

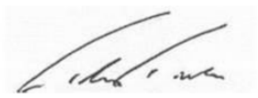
On MoMo PSB, we remain confident that the structures we have put in place will support the execution of our growth strategy and accelerate the adoption of the wallets and the growth of our merchant ecosystem.

As we invest in our business to further strengthen our commercial operations and scale fintech, we will focus on expense efficiencies and disciplined capital allocation while continuing to engage with the authorities on tariff increase to manage the effects of the challenging operating conditions and support continued investment and long-term sustainability of the industry.

The full impact of naira devaluation and VAT on lease costs, exacerbated by ongoing inflationary pressures, is expected to crystalise in Q4. We, therefore, expect our EBITDA margin for FY 2023 to be in the range of 47-49%. Capital intensity for FY 2023 is expected to be slightly above our medium-term target level of 18%. The aforementioned factors will impact the FY 2023 final dividend, in line with our policy. We will update our medium-term guidance on margins and service revenue with the release of FY 2023 results in Q1 2024.

As we continue to navigate and manage the near-term impacts on our business of the volatility in our trading environment, we remain committed to executing our Ambition 2025 strategy to sustain the growth, profitability, and cash flow of the business for the benefit of all our stakeholders.

Finally, our valued stakeholders are reminded of MTN Nigeria's capital markets day scheduled to be held on the 14 and 15 November 2023 in Abuja, where we will update the market on our progress in the execution of our Ambition 2025 strategy.



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 | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| | 9 months ended 30 September 2023 | 9 months ended 30 September 2022 | 3 months ended 30 September 2023 | 3 months ended 30 September 2022 | 9 months ended 30 September 2023 | 9 months ended 30 September 2022 | 3 months ended 30 September 2023 | 3 months ended 30 September 2022 |
| **Revenue** | **1,772,949** | **1,456,135** | **614,210** | **506,048** | **1,772,992** | **1,455,959** | **614,719** | **506,322** |
| Direct network operating costs | (447,601) | (333,925) | (170,642) | (118,116) | (447,465) | (333,924) | (170,651) | (118,115) |
| Value added services costs | (17,318) | (16,674) | (6,282) | (5,590) | (17,318) | (16,674) | (6,282) | (5,590) |
| Costs of SIM starter packs, handsets and accessories | (20,135) | (15,312) | (7,152) | (5,466) | (20,135) | (15,312) | (7,152) | (5,466) |
| Interconnect costs | (116,168) | (106,720) | (39,205) | (35,588) | (116,168) | (106,720) | (39,205) | (35,588) |
| Roaming costs | (6,310) | (4,790) | (2,437) | (1,856) | (6,310) | (4,790) | (2,437) | (1,856) |
| Transmission costs | (7,949) | (5,691) | (3,108) | (1,885) | (7,949) | (5,691) | (3,108) | (1,885) |
| Discounts and commissions | (85,689) | (69,474) | (30,315) | (24,580) | (83,099) | (67,771) | (29,774) | (23,896) |
| Advertisements, sponsorships and sales promotions | (31,088) | (21,036) | (11,672) | (6,819) | (19,213) | (16,995) | (6,568) | (5,330) |
| Employee costs | (45,549) | (32,882) | (17,079) | (10,733) | (42,573) | (32,213) | (16,341) | (10,505) |
| Other operating expenses | (87,216) | (69,066) | (32,840) | (24,165) | (95,708) | (60,696) | (32,545) | (18,365) |
| Depreciation of property and equipment | (156,753) | (128,992) | (58,343) | (46,078) | (156,753) | (128,992) | (58,343) | (46,078) |
| Depreciation of right of use assets | (86,991) | (75,858) | (29,147) | (26,043) | (86,991) | (75,858) | (29,147) | (26,043) |
| Amortisation of intangible assets | (55,756) | (38,036) | (19,135) | (13,759) | (51,767) | (34,048) | (17,805) | (12,430) |
| **Operating profit** | **608,426** | **537,679** | **186,853** | **185,370** | **621,543** | **556,275** | **195,361** | **195,175** |
| Finance income | 21,121 | 8,214 | 4,728 | 1,149 | 20,278 | 7,920 | 4,609 | 964 |
| Finance costs | (397,078) | (145,220) | (159,500) | (54,477) | (397,078) | (145,220) | (159,500) | (54,477) |
| **Profit before taxation** | **232,469** | **400,673** | **32,081** | **132,042** | **244,743** | **418,975** | **40,470** | **141,662** |
| Taxation | (85,105) | (131,634) | (13,401) | (44,628) | (88,762) | (137,124) | (15,933) | (47,646) |
| **Profit for the period** | **147,364** | **269,039** | **18,680** | **87,414** | **155,981** | **281,851** | **24,537** | **94,016** |
| | | | | | | | | |
| Profit attributable to: | | | | | | | | |
| Owners of the company | 148,091 | 270,339 | 19,502 | 88,403 | 155,981 | 281,851 | 24,537 | 94,016 |
| Non-controlling interest | (727) | (1,300) | (822) | (989) | - | - | - | - |
| | **147,364** | **269,039** | **18,680** | **87,414** | **155,981** | **281,851** | **24,537** | **94,016** |
| | | | | | | | | |
| **Earnings per share - basic/diluted (N)** | **7.06** | **12.89** | **0.93** | **4.22** | **7.44** | **13.44** | **1.17** | **4.48** |

**Unaudited consolidated and separate statement of other comprehensive income**

| In millions of Nigerian Naira | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| | 9 months ended 30 September 2023 | 9 months ended 30 September 2022 | 3 months ended 30 September 2023 | 3 months ended 30 September 2022 | 9 months ended 30 September 2023 | 9 months ended 30 September 2022 | 3 months ended 30 September 2023 | 3 months ended 30 September 2022 |
| Profit for the period | 147,364 | 269,039 | 18,680 | 87,414 | 155,981 | 281,851 | 24,537 | 94,016 |
| Items that may be reclassified to profit or loss | | | | | | | | |
| Fair valuation loss on investments designated at FVOCI* | (1,264) | (120) | (85) | (9) | (1,264) | (120) | (85) | (9) |
| **Other comprehensive loss for the period net of taxation** | **(1,264)** | **(120)** | **(85)** | **(9)** | **(1,264)** | **(120)** | **(85)** | **(9)** |
| **Total comprehensive income for the period** | **146,100** | **268,919** | **18,595** | **87,405** | **154,717** | **281,731** | **24,452** | **94,007** |
| | | | | | | | | |
| **Attributable to:** | | | | | | | | |
| Owners of the company | 146,827 | 270,219 | 19,417 | 88,394 | 154,717 | 281,731 | 24,452 | 94,007 |
| Non-controlling interest | (727) | (1,300) | (822) | (989) | - | - | - | - |
| | **146,100** | **268,919** | **18,595** | **87,405** | **154,717** | **281,731** | **24,452** | **94,007** |

**Unaudited consolidated and separate statement of financial position**

| | Group | | Company | |
|---|---|---|---|---|
| **In millions of Nigerian Naira** | **30 Sept 2023** | **31 Dec 2022** | **30 Sept 2023** | **31 Dec 2022** |
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property and equipment | 1,046,406 | 928,357 | 1,046,406 | 928,357 |
| Right-of-use assets | 668,743 | 652,110 | 668,743 | 652,110 |
| Intangible assets | 449,075 | 335,599 | 432,149 | 314,684 |
| Investments in subsidiaries | - | - | 75,178 | 74,328 |
| Deferred tax asset | 13,501 | 11,018 | - | - |
| Other investments | 10,278 | 10,585 | 10,278 | 10,585 |
| Other non current assets | 28,265 | 17,287 | 28,265 | 17,287 |
| | **2,216,268** | **1,954,956** | **2,261,019** | **1,997,351** |
| **Current assets** | | | | |
| Inventories | 6,337 | 3,678 | 6,337 | 3,678 |
| Trade and other receivables | 212,659 | 191,496 | 238,841 | 212,232 |
| Current investments | 32,001 | 20,288 | 30,539 | 17,406 |
| Restricted cash | 386,808 | 196,082 | 381,145 | 194,622 |
| Cash and cash equivalents | 224,854 | 349,500 | 207,112 | 324,244 |
| | **862,659** | **761,044** | **863,974** | **752,182** |
| **Total assets** | **3,078,927** | **2,716,000** | **3,124,993** | **2,749,533** |
| | | | | |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| Share capital | 420 | 407 | 420 | 407 |
| Share premium | 166,362 | 17,216 | 166,362 | 17,216 |
| Treasury shares | (4,869) | (4,869) | (4,869) | (4,869) |
| Other reserves | 400 | 1,664 | 400 | 1,664 |
| Retained profit | 147,054 | 319,819 | 205,789 | 370,664 |
| Equity attributable to owners of the company | 309,367 | 334,237 | 368,102 | 385,082 |
| Non-controlling interest | 718 | 1,445 | - | - |
| | **310,085** | **335,682** | **368,102** | **385,082** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Borrowings | 473,695 | 439,463 | 473,695 | 439,463 |
| Lease liabilities | 666,637 | 662,655 | 666,637 | 662,655 |
| Deferred tax liability | 37,490 | 93,596 | 35,943 | 90,851 |
| Provisions | 44 | 43 | 44 | 43 |
| Employee benefits | 6,648 | 6,835 | 6,648 | 6,835 |
| Other non-current liabilities | 9,504 | 8,569 | 9,504 | 8,569 |
| | **1,194,018** | **1,211,161** | **1,192,471** | **1,208,416** |
| **Current liabilities** | | | | |
| Trade and other payables | 654,367 | 514,892 | 651,093 | 514,206 |
| Current tax payable | 159,152 | 199,959 | 158,856 | 199,687 |
| Borrowings | 549,074 | 250,210 | 549,074 | 250,210 |
| Lease liabilities | 47,021 | 64,829 | 47,021 | 64,829 |
| Contract liabilities | 99,274 | 92,861 | 98,892 | 92,479 |
| Provisions | 47,001 | 42,087 | 46,008 | 31,562 |
| Deposit held for MoMo customers | 5,459 | 1,257 | - | - |
| Derivatives | 13,476 | 3,062 | 13,476 | 3,062 |
| | **1,574,824** | **1,169,157** | **1,564,420** | **1,156,035** |
| **Total liabilities** | **2,768,842** | **2,380,318** | **2,756,891** | **2,364,451** |
| **Total equity and liabilities** | **3,078,927** | **2,716,000** | **3,124,993** | **2,749,533** |

**Unaudited consolidated and separate statement of cash flows**

| | Group | | Company | |
|---|---|---|---|---|
| In millions of Nigerian Naira | 9 months ended 30 September 2023 | 9 months ended 30 September 2022 | 9 months ended 30 September 2023 | 9 months ended 30 September 2022 |
| **Cash flows from operating activities** | | | | |
| **Cash generated from operations** | **991,471** | **777,855** | **1,000,674** | **785,490** |
| Interest paid | (134,324) | (132,979) | (134,324) | (132,979) |
| Interest received | 19,770 | 7,960 | 18,929 | 7,666 |
| Dividends paid | (171,697) | (288,280) | (171,697) | (288,280) |
| Tax paid | (184,507) | (139,511) | (184,507) | (139,511) |
| Employee benefits payments | (1,468) | (1,291) | (1,468) | (1,291) |
| Share based payments | (6,221) | (5,843) | (6,221) | (5,843) |
| Provisions payments | (12,214) | (8,397) | (12,214) | (8,397) |
| **Net cash generated from operating activities** | **500,810** | **209,514** | **509,172** | **216,855** |
| **Cash flows from investing activities** | | | | |
| Acquisition of property and equipment | (242,919) | (261,784) | (242,919) | (261,784) |
| Acquisition of intangible assets | (154,430) | (123,757) | (154,430) | (123,757) |
| Acquisition of right of use assets | (19,228) | (15,236) | (19,228) | (15,236) |
| Proceeds from disposal of property and equipment | 783 | 3,951 | 783 | 3,951 |
| Sale of investment in non-current FGN bonds | 384 | 384 | 384 | 384 |
| Purchase of bonds, treasury bills and foreign deposits | (33,025) | (11,515) | (33,025) | (11,515) |
| Sale of bonds, treasury bills and foreign deposits | 22,662 | 46,844 | 22,662 | 54,174 |
| Purchase of contract acquisition costs | (3,301) | (3,587) | (3,301) | (3,587) |
| Non-current prepayments | (11,769) | - | (11,769) | - |
| Investment in subsidiary | - | - | (850) | (10,880) |
| Increase in restricted cash | (186,524) | (52,625) | (186,522) | (50,677) |
| **Net cash flows used in investing activities** | **(627,367)** | **(417,325)** | **(628,215)** | **(418,927)** |
| **Cash flows from financing activities** | | | | |
| Proceeds from borrowings | 365,500 | 307,359 | 365,500 | 307,359 |
| Repayment of borrowings | (263,693) | (179,177) | (263,693) | (179,177) |
| Repayment on lease liabilities | (133,753) | (71,284) | (133,753) | (71,284) |
| Investment by non-controlling interest | - | 2,720 | - | - |
| **Net cash flow (used in)/generated from financing activities** | **(31,946)** | **59,618** | **(31,946)** | **56,898** |
| Net decrease in cash and cash equivalents | (158,503) | (148,193) | (150,989) | (145,174) |
| Cash at the beginning of the period | 349,788 | 261,494 | 324,532 | 247,628 |
| Exchange gain on cash and cash equivalents | 33,578 | 13,445 | 33,578 | 13,445 |
| **Cash and cash equivalents at the end of the period** | **224,863** | **126,746** | **207,121** | **115,899** |