



MTN Nigeria Communications Plc
Unaudited condensed consolidated and separate financial statements
for the three months period ended 31 March 2024

MTN Nigeria Communications Plc

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Financial highlights

In millions of Nigerian Naira	Notes	3 months ended 31 March 2024	3 months ended 31 March 2023	% Change
Revenue	6	752,983	568,136	32.54
Operating profit		174,081	206,619	(15.75)
(Loss)/profit before taxation		(575,692)	162,914	(453.37)
(Loss)/profit for the period attributable to the owners of the company		(390,668)	107,621	(463.00)
Basic and diluted (loss)/earnings per share (N)*	36	(18.63)	5.13	(463.00)
		As at 31 March 2024	As at 31 December 2023	% Change
Share capital		420	420	-
Total equity attributable to the owners of the company		(437,064)	(45,404)	862.61
Net liabilities per share (N)		(20.85)	(2.17)	862.61
Stock exchange information				
Market price per share as at period end (N)		232.00	240.00	(3.33)
Market capitalisation as at period end (N'million)		4,871,072	4,878,240	(0.15)
Number of shares issued and fully paid as at period end (millions)		20,996	20,996	-

The financial highlights reflect Group numbers only.

*Restated to reflect the changes in number of shares, see note 35.6

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Condensed consolidated and separate statement of profit or loss

In millions of Nigerian Naira	Notes	Group		Company	
		3 months ended 31 March 2024	3 months ended 31 March 2023	3 months ended 31 March 2024	3 months ended 31 March 2023
Revenue	6	752,983	568,136	758,837	567,677
Direct network operating costs	10	(252,823)	(135,428)	(252,823)	(135,351)
Value added services costs		(8,847)	(7,105)	(8,847)	(7,105)
Costs of SIM starter packs, handsets and accessories		(12,915)	(6,311)	(12,915)	(6,311)
Interconnect costs		(49,054)	(37,173)	(49,054)	(37,173)
Roaming costs		(4,059)	(1,531)	(4,059)	(1,531)
Transmission costs		(4,212)	(2,087)	(4,212)	(2,087)
Discounts and commissions		(36,770)	(26,778)	(35,227)	(25,741)
Advertisements, sponsorships and sales promotions		(13,026)	(9,367)	(7,368)	(6,720)
Employee costs	9	(19,655)	(12,101)	(17,941)	(10,852)
Other operating expenses	11	(54,662)	(27,605)	(53,977)	(36,782)
Depreciation of property and equipment	13	(68,623)	(49,776)	(68,623)	(49,776)
Depreciation of right of use assets	14	(34,440)	(29,048)	(34,440)	(29,048)
Amortisation of intangible assets	15	(19,816)	(17,207)	(18,130)	(15,877)
Operating profit		174,081	206,619	191,221	203,323
Finance income	7	5,336	6,631	4,804	6,184
Finance cost*	8.1	(98,741)	(45,837)	(98,453)	(45,837)
Net foreign exchange loss*	8.2	(656,368)	(4,499)	(656,314)	(4,499)
(Loss)/profit before taxation		(575,692)	162,914	(558,742)	159,171
Tax credit/(expense)	12	182,998	(54,481)	178,275	(53,166)
(Loss)/profit for the period		(392,694)	108,433	(380,467)	106,005
(Loss)/profit attributable to:					
Owners of the company		(390,668)	107,621	(380,467)	106,005
Non-controlling interest		(2,026)	812	-	-
		(392,694)	108,433	(380,467)	106,005
Earnings per share					
Basic and diluted (loss)/earnings per share (N)	36	(18.63)	5.13	(18.15)	5.06

*See note 8.3

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Condensed consolidated and separate statement of other comprehensive income

	Group		Company	
	3 months ended 31 March 2024	3 months ended 31 March 2023	3 months ended 31 March 2024	3 months ended 31 March 2023
In millions of Nigerian Naira				
(Loss)/profit for the period	(392,694)	108,433	(380,467)	106,005
Items that may be reclassified to profit or loss				
Fair valuation loss on investments designated at FVOCI*	(516)	(1,195)	(212)	(1,195)
Other comprehensive loss for the period net of taxation	(516)	(1,195)	(212)	(1,195)
Total comprehensive (loss)/income for the period	(393,210)	107,238	(380,679)	104,810
Attributable to:				
Owners of the company	(391,184)	106,426	(380,679)	104,810
Non-controlling interest	(2,026)	812	-	-
	(393,210)	107,238	(380,679)	104,810

*Fair valuation loss on investments designated at fair value through other comprehensive income (FVOCI) is recognised on Federal Government treasury bills and bonds investments net of tax except for Federal Government bonds.

The accompanying notes are an integral part of these condensed consolidated financial statements.

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Unaudited condensed consolidated and separate financial statements for the three months period ended 31 March 2024

Condensed consolidated and separate statement of financial position

In millions of Nigerian Naira	Notes	Group		Company	
		31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Assets					
Non-current assets					
Property and equipment	13	1,098,145	1,095,111	1,098,145	1,095,111
Right-of-use assets	14	545,980	478,826	545,980	478,826
Intangible assets	15	434,184	447,599	414,571	426,300
Investments in subsidiaries	16	-	-	100,378	100,378
Deferred tax asset	26.2	337,766	151,362	322,851	140,777
Other investments	17	8,076	6,632	7,459	6,632
Other non-current assets	18	34,779	33,516	34,779	33,516
		2,458,930	2,213,046	2,524,163	2,281,540
Current assets					
Inventories	19	5,573	6,027	5,142	6,027
Trade and other receivables	20	333,183	215,414	359,467	239,692
Current investments	21	62,785	7,256	52,850	2,619
Restricted cash	23	407,256	402,010	400,569	394,209
Cash and cash equivalents	22	191,343	345,074	176,616	315,548
		1,000,140	975,781	994,644	958,095
Total assets		3,459,070	3,188,827	3,518,807	3,239,635
Equity and liabilities					
Equity					
Share capital	35.1	420	420	420	420
Share premium	35.2	166,362	166,362	166,362	166,362
Treasury shares	35.3	(4,869)	(4,869)	(4,869)	(4,869)
Other reserves	35.4	185	701	496	708
Accumulated loss		(599,162)	(208,018)	(508,309)	(127,842)
Equity attributable to owners of the company		(437,064)	(45,404)	(345,900)	34,779
Non-controlling interest		2,340	4,560	-	-
		(434,724)	(40,844)	(345,900)	34,779
Liabilities					
Non-current liabilities					
Borrowings	28	531,576	487,817	531,576	487,817
Lease liabilities	31	1,025,525	813,634	1,025,525	813,634
Deferred tax liability	26.1	749	1,149	-	-
Provisions	29	44	46	44	46
Employee benefits	30	10,981	9,703	10,981	9,703
Share based payment liability	34	17,836	16,910	17,836	16,910
		1,586,711	1,329,259	1,585,962	1,328,110

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Condensed consolidated and separate statement of financial position

In millions of Nigerian Naira	Notes	Group		Company	
		31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Current liabilities					
Trade and other payables	24	1,084,258	707,787	1,059,497	693,435
Current tax payable	27	161,777	157,971	161,468	157,669
Borrowings	28	611,801	689,352	611,801	689,352
Lease liabilities	31	290,661	190,777	290,661	190,777
Contract liabilities	25	94,090	102,796	93,708	102,414
Provisions	29	32,647	28,216	31,584	27,187
Deposit held for MoMo customers	32	1,823	7,601	-	-
Derivatives	33	30,026	15,912	30,026	15,912
		2,307,083	1,900,412	2,278,745	1,876,746
Total liabilities		3,893,794	3,229,671	3,864,707	3,204,856
Total equity and liabilities		3,459,070	3,188,827	3,518,807	3,239,635

The unaudited condensed consolidated and separate financial statements were approved by the Board of Directors on the 29 April 2024 and were signed on its behalf by:



Karl Toriola
Chief Executive Officer
FRC/2021/002/00000022839



Modupe Kadri
Chief Financial Officer
FRC/2020/001/00000020737

The accompanying notes form an integral part of the unaudited condensed consolidated and separate financial statements.

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Unaudited condensed consolidated and separate financial statements for the three months period ended 31 March 2024

Condensed consolidated and separate statement of changes in equity

	Share capital	Share premium	Total share capital	Treasury shares	Other reserves	Retained profit	Total equity attributable to owners of the company	Non-controlling interest	Total equity
In millions of Nigerian Naira									
Group									
Balance at 1 January 2023	407	17,216	17,623	(4,869)	1,664	246,679	261,097	1,445	262,542
Profit for the period	-	-	-	-	-	107,621	107,621	812	108,433
Other comprehensive loss	-	-	-	-	(1,195)	-	(1,195)	-	(1,195)
Balance at 31 March 2023	407	17,216	17,623	(4,869)	469	354,300	367,523	2,257	369,780
Balance at 1 January 2024	420	166,362	166,782	(4,869)	701	(208,018)	(45,404)	4,560	(40,844)
Loss for the period	-	-	-	-	-	(390,668)	(390,668)	(2,026)	(392,694)
Prior year adjustments - MoMo PSB	-	-	-	-	-	(476)	(476)	(194)	(670)
Other comprehensive loss	-	-	-	-	(516)	-	(516)	-	(516)
Balance at 31 March 2024	420	166,362	166,782	(4,869)	185	(599,162)	(437,064)	2,340	(434,724)
Company									
Balance at 1 January 2023	407	17,216	17,623	(4,869)	1,664	297,524	311,942	-	311,942
Profit for the period	-	-	-	-	-	106,005	106,005	-	106,005
Other comprehensive loss	-	-	-	-	(1,195)	-	(1,195)	-	(1,195)
Balance at 31 March 2023	407	17,216	17,623	(4,869)	469	403,529	416,752	-	416,752
Balance at 1 January 2024	420	166,362	166,782	(4,869)	708	(127,842)	34,779	-	34,779
Loss for the period	-	-	-	-	-	(380,467)	(380,467)	-	(380,467)
Other comprehensive loss	-	-	-	-	(212)	-	(212)	-	(212)
Balance at 31 March 2024	420	166,362	166,782	(4,869)	496	(508,309)	(345,900)	-	(345,900)

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Condensed consolidated and separate statement of cash flows

In millions of Nigerian Naira	Notes	Group		Company	
		3 months ended 31 March 2024	3 months ended 31 March 2023	3 months ended 31 March 2024	3 months ended 31 March 2023
Cash flows from operating activities					
Cash generated from operations	37	620,388	296,004	630,548	291,260
Finance cost paid	8.1	(241,823)	(46,341)	(241,823)	(46,341)
Interest received	7	4,511	6,631	3,979	6,184
Net cash generated from operating activities		383,076	256,294	392,704	251,103
Cash flows from investing activities					
Acquisition of property and equipment		(70,609)	(23,964)	(70,609)	(23,964)
Acquisition of intangible assets		(7,142)	(6,567)	(7,142)	(6,567)
Acquisition of right of use assets		(29,948)	(6,120)	(29,948)	(6,120)
Proceeds from disposal of property and equipment		435	226	435	226
Sale of investment in non-current FGN bonds		-	256	-	256
Purchase of bonds, treasury bills and foreign deposits		(55,092)	(49,109)	(49,424)	(49,056)
Sale of bonds, treasury bills and foreign deposits		-	22,284	-	22,284
Purchase of contract acquisition costs		(1,511)	(860)	(1,511)	(860)
Purchase of non-current FGN bonds		(1,421)	-	(804)	-
Increase in non-current prepayments		(1,455)	-	(1,455)	-
Increase in restricted cash		(6,360)	(12,152)	(7,474)	(12,152)
Net cash flows used in investing activities		(173,103)	(76,006)	(167,932)	(75,953)
Cash flows from financing activities					
Proceeds from borrowings		3,350	129,320	3,350	129,320
Repayment of borrowings		(322,731)	(57,858)	(322,731)	(57,858)
Repayment on lease liabilities		(49,249)	(35,323)	(49,249)	(35,323)
Net cash flow (used in)/generated from financing activities		(368,630)	36,139	(368,630)	36,139
Net (decrease)/increase in cash and cash equivalents		(158,657)	216,427	(143,858)	211,289
Cash and cash equivalent at the beginning of the period		345,168	349,788	315,589	324,532
Effect of exchange rate fluctuations on cash held		4,888	(1,048)	4,888	(1,048)
Cash and cash equivalents at the end of the period	22	191,399	565,167	176,619	534,773

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Notes to the unaudited condensed consolidated and separate financial statements

1 General information

MTN Nigeria Communications Plc (the Company) together with its subsidiaries (the Group) carry on the business of building and operating GSM Cellular Network Systems and other related services nationwide in Nigeria.

MTN Nigeria Communications Plc subsidiaries are XS Broadband Limited, Visafone Communications Limited, Yello Digital Financial Services Limited and MoMo Payment Service Bank Limited. Their principal activities are the provision of broadband fixed wireless access service, high quality telecommunication services and mobile financial services (fintech) respectively. Visafone Communications Limited is currently undergoing liquidation.

All subsidiaries are fully owned by MTN Nigeria except for MoMo Payment Service Bank Limited (MoMo PSB) where MTN Nigeria holds 80% of shareholding while Acxani Limited holds 20% non-controlling interest.

2. Basis of preparation

These condensed consolidated and separate financial statements for the three months period ended 31 March 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) 34 Interim Financial Reporting.

The condensed consolidated and separate financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the audited annual financial statements for the year ended 31 December 2023 which has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and with the requirements of the Financial Reporting Council of Nigeria (FRC) Act 2011 and Companies and Allied Matters Act of Nigeria (CAMA) 2020.

The condensed consolidated and separate financial statements are presented in Naira and rounded to the nearest millions, except where stated otherwise.

The accounting policies applied in the preparation of the condensed consolidated and separate financial statements are consistent with those followed in the preparation of the Group's consolidated and separate financial statements for the year ended 31 December 2023.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the condensed consolidated and separate financial statements of the Group.

3. Basis of measurement

The condensed consolidated and separate financial statements have been prepared under the historical cost basis except for derivatives measured at fair value and debt instruments measured at Amortised cost, fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI) and for the following items which have been measured on an alternative basis on each reporting date:

- Defined benefit obligations at present value of the obligation.
- Shared based transactions at grant date fair value of the equity instrument issued.
- Inventory at lower of cost and net realisable value.
- Lease liabilities at present value of future lease payments

4. New standards and interpretations

4.1 New and amended standards adopted by the Group

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group. The amendments are set out below:

1. Classification of Liabilities as Current or Non-current - Amendments to IAS 1.

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- a. What is meant by a right to defer settlement
- b. That a right to defer must exist at the end of the reporting period
- c. That classification is unaffected by the likelihood that an entity will exercise its deferral right
- d. That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

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4. New standards and interpretations (continued)

Non-current Liabilities with Covenants - Amendments to IAS 1.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

2. Lease Liability in a Sale and Leaseback - Amendments to IFRS 16.

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

3. Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7.

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications during the period ending 31 March 2024.

4.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated and separate financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The amendments are set out below:

Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates - Effective date for annual periods beginning on or after 1 January 2025. Earlier application is permitted. The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

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5. Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Executive Committee (EXCOM), to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned.

The Group has identified three reportable segments that are used by the Executive Committee (EXCOM) to make key operating decisions. All operating segment results are reviewed regularly by EXCOM to make decisions about resources to be allocated and to assess its performance. The reportable segments are largely grouped according to customer type for which discrete financial information is available. The customer segments are as follows:

- Consumer Business Unit (CBU)
- Enterprise Business Unit (EBU)
- Wholesale Business Unit (WBU)

Operating results are reported and reviewed regularly by the EXCOM and include items directly attributable to a segment.

Customer segment	Description
Consumer Business Unit (CBU)	It consists of subscribers sitting in value propositions and tariff plans dedicated to three sub segments: Youth, High Value and Mass segments. All MTN customers are assumed to fall within CBU except where otherwise stated.
Enterprise Business Unit (EBU)	Enterprise customers are corporate, small and medium organisations whose business requires MTN products, services and solutions to serve their everyday business needs.
Wholesale Business Unit (WBU)	The Wholesale business serves customers who buy MTN telecom products in bulk with the intention to re-sell these products (mobile or fixed) to their external clients.

A key performance measure of the Group is gross margin. This is defined as revenue less direct costs. The table below presents revenue, direct costs and gross margin for the Group's operating segments for the three months period ended 31 March 2024 and 31 March 2023.

In millions of Nigerian Naira	CBU	EBU	WBU	Total
31 March 2024				
Segment revenue	615,896	109,607	27,480	752,983
Direct costs*	(108,857)	(5,372)	(14,784)	(129,013)
Gross margin	507,039	104,235	12,696	623,970
31 March 2023				
Segment revenue	483,531	72,045	12,560	568,136
Direct costs*	(82,506)	(4,122)	(5,356)	(91,984)
Gross margin	401,025	67,923	7,204	476,152

*Direct costs include transmission costs, regulatory fees (reported in direct network operating costs), some costs of handsets and accessories, value added services costs and commissions costs in discount and commissions.

Reconciliation of reportable segment revenue and profit or loss

Revenues

There are no significant reconciling items between the reportable segment revenue and total revenue for the period.

The revenue of the Company is generated majorly from one geographical location, Nigeria.

None of the Company's customers account for 10% or more of the total revenue of the Company.

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5. Segmental reporting (continued)

In millions of Nigerian Naira	31 March 2024	31 March 2023
Segment gross margin	623,970	476,152
Less unallocated expenses:		
Operating expenses	(327,010)	(161,290)
Depreciation & amortisation	(122,879)	(96,031)
Finance income	5,336	6,631
Finance expense	(98,741)	(58,049)
Net foreign exchange loss	(656,368)	(4,499)
(Loss)/profit before taxation	(575,692)	162,914

Segment assets and liabilities

The Group has not provided information on reportable segment assets and liabilities as they are not part of the items regularly reviewed by the Executive Committee (EXCOM) to make operating decisions.

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	Group		Company	
	3 months ended 31 March 2024	3 months ended 31 March 2023	3 months ended 31 March 2024	3 months ended 31 March 2023
In millions of Nigerian Naira				
6. Revenue				
Voice	267,512	234,496	271,744	234,496
Data ¹	349,001	227,600	349,001	227,600
SMS ²	32,252	21,554	33,438	21,554
Interconnect and roaming	53,414	40,697	53,414	40,697
Handset and accessories	2,121	1,361	2,121	1,361
Digital ³	13,909	8,621	13,413	7,236
Value added services ⁴	22,277	21,278	22,029	21,278
Rental income ⁵	2,512	23	3,708	23
Other revenues ⁶	9,985	12,506	9,969	13,432
	752,983	568,136	758,837	567,677

¹Data revenue excludes roaming data, roaming data is reported under interconnect and roaming.

²SMS revenue excludes inbound roaming SMS. Inbound roaming SMS is reported under interconnect and roaming.

³Digital revenue includes Bulk SMS and USSD services.

⁴Value added services includes airtime lending and mobile money (Fintech), subscriber identification module (SIM) back up services and voice based services.

⁵Rental income comprises of income from sites leased to other telecom operators; office space leased to MoMo PSB.

⁶Other revenue comprises revenue from cloud and infrastructure services, information and communication technology (ICT) revenue.

7. Finance income

Interest income on bank deposits*	2,340	1,035	1,964	876
Interest income on investments*	2,573	5,596	2,417	5,308
Net gain on investment at fair value	423	-	423	-
	5,336	6,631	4,804	6,184

*Finance income calculated using effective interest rate method.

Included as cashflow for finance income

Interest income on bank deposits	2,340	1,035	1,964	876
Interest income on investments	2,171	5,596	2,015	5,308
Interest received	4,511	6,631	3,979	6,184

8. Finance costs and net foreign exchange loss

8.1 Finance cost

Interest expense - leases*	39,526	22,433	39,526	22,433
Interest expense - borrowings*	48,731	19,125	48,731	19,125
Other finance charges	6,707	2,334	6,401	2,334
Loss on FVTPL liabilities ¹	3,777	-	3,795	-
Net loss on FVTPL investments	-	1,945	-	1,945
	98,741	45,837	98,453	45,837

*Finance costs calculated using effective interest rate method.

¹Loss on FVTPL liabilities relate to the loss recognised from the fair valuation of derivative liability.

Included as cash flows for finance expense are:

Interest expense - borrowings	195,971	19,125	195,971	19,125
Interest expense - leases	39,526	24,880	39,526	24,880
Other finance charges	6,326	2,336	6,326	2,336
Interest paid	241,823	46,341	241,823	46,341

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	Group		Company	
	3 months ended 31 March 2024	3 months ended 31 March 2023	3 months ended 31 March 2024	3 months ended 31 March 2023
In millions of Nigerian Naira				
8. Finance costs and net foreign exchange loss (continued)				
8.1.1 Adjusted finance cost:				
Finance cost as per profit or loss	98,741	45,837	98,453	45,837
Realised exchange loss- borrowings	147,240	-	147,240	-
Total finance cost for cashflow	245,981	45,837	245,693	45,837
8.2 Net foreign exchange loss				
The aggregate net foreign exchange gains/losses recognised on the profit or loss were:				
Foreign exchange gain	39,423	11,452	39,091	11,452
Foreign exchange loss	(695,791)	(15,951)	(695,405)	(15,951)
	(656,368)	(4,499)	(656,314)	(4,499)
Reported in the cashflow statement				
Realised exchange difference:				
Realised exchange loss - borrowings	(147,240)	-	(147,240)	-
Realised exchange loss - trade payables	(38,152)	(3,135)	(38,135)	(3,135)
Realised exchange gain - trade receivables	5,788	402	5,788	402
Realised exchange gain- inventories	-	11	-	11
Realised exchange loss - derivatives	-	(2,840)	-	(2,840)
	(179,604)	(5,562)	(179,587)	(5,562)
Unrealised exchange difference				
Unrealised exchange (loss)/gain - borrowings	(106,843)	347	(106,843)	347
Unrealised exchange gain/(loss) - current investment	15,099	(4)	15,099	(4)
Unrealised exchange (loss)/gain - derivatives	(213)	3,215	(213)	3,215
Unrealised exchange (loss)/gain - lease liabilities	(289,384)	713	(289,384)	713
Unrealised exchange loss - restricted cash	(1,239)	(4,834)	(1,239)	(4,834)
Unrealised exchange (loss)/gain - trade payables	(86,552)	(35)	(86,515)	(35)
Unrealised exchange (loss)/gain - trade receivables	(12,520)	2,709	(12,520)	2,709
Unrealised exchange gain/(loss) - cash and cash equivalent	4,888	(1,048)	4,888	(1,048)
	(476,764)	1,063	(476,727)	1,063
	(656,368)	(4,499)	(656,314)	(4,499)

8.3 Reclassification of comparative amounts

IAS 1(41) states if an entity changes the presentation or classifications of items in its financial statement, it shall reclassify the comparative amounts unless the reclassification is impracticable. Comparative amounts reclassified in 2023 were:

(a) Restatement of lease liability.

(b) Net foreign exchange losses.

(a) Restatement of lease liability

In accordance with IAS 34.43(a), the comparative balances of lease liability for the period ending 31 March 2023 have been adjusted to align with the restated lease liability reported in the audited annual financial statement for the year ended 31 December 2023. See note 56 of the 2023 audited financial statements for details.

(b) Net foreign exchange losses

Net foreign exchange loss has been disaggregated from finance costs to avoid obscuring its materiality, in accordance with IAS 1.7. Comparative amounts are provided in adherence to IAS 1, paragraph 41.

	March 2023 as previously reported N' million	Reclassification N' million	Restatement N' million	Updated March 2023 N' million
Group and Company				
Finance cost	58,049	(9,766)	(2,446)	45,837
Net foreign exchange loss	-	9,766	(5,267)	4,499

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In millions of Nigerian Naira				

9. Employee costs

Salaries and wages	16,023	8,861	14,435	7,992
Pension - Defined contribution plan	764	570	694	540
Share-based expense ¹	967	1,656	967	1,656
Other staff costs ²	1,901	1,014	1,845	664
	19,655	12,101	17,941	10,852

¹Share-based expense is made up of NSO and PSP provision; March 2024: NSO: Nil; PSP: N967 million (March 2023: NSO: N1.656 billion; PSP: nil).

²Other staff costs comprises of mortgage subsidy, termination benefits, reward and recognition, group life insurance, medical expenses and current service costs of employee benefits.

10. Direct network operating costs

Regulatory fees	18,640	14,100	18,640	14,100
Annual Numbering Plan	875	986	875	909
BTS leases	194,091	100,386	194,091	100,386
Network maintenance	39,217	19,956	39,217	19,956
	252,823	135,428	252,823	135,351

11. Other operating expenses

Audit fees	130	117	121	99
Directors' emoluments	414	183	303	182
Professional fees	18,554	6,155	18,433	6,743
(Reversal of credit loss expense)/credit loss expense on trade and other receivables	(663)	991	(663)	991
Reversal of credit loss expense on cash and cash equivalent, treasury bills and bonds	(44)	(3)	(44)	(3)
Impairment of property and equipment	5	24	5	24
(Reversal of)/inventory write-down	(3,230)	37	(3,230)	37
Credit loss on other receivables ¹	-	-	-	9,414
Provision for litigation costs	6,360	3,802	6,360	3,802
Profit on disposal of property and equipment	(357)	(61)	(357)	(61)
Maintenance costs	7,134	3,410	7,123	3,393
Rent, rates, utilities and other office running cost	1,217	952	1,195	952
Trainings, travels and entertainment cost	1,717	1,161	1,645	1,117
Security expenses	607	453	607	453
Insurance	1,568	845	1,568	845
Donation - MTN Foundation	-	989	-	989
Write-off on property and equipment	58	-	58	-
Information technology development levy (ITDL)	-	1,520	-	1,520
National Agency for Science and Engineering Infrastructure levy (NASENI)	-	380	-	380
Maintenance cost- software	18,994	5,010	18,994	5,010
Other expenses ²	2,198	1,640	1,859	895
	54,662	27,605	53,977	36,782

¹Loss incurred from unauthorised transfers of cash caused by a system glitch in MoMo PSB.

²Other expenses includes bank charges, subscriptions, office refreshments, etc.

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In millions of Nigerian Naira	Group		Company	
	3 months ended 31 March 2024	3 months ended 31 March 2023	3 months ended 31 March 2024	3 months ended 31 March 2023
12. Tax credit/(expense)				
Current tax				
Company income tax	-	48,497	-	48,487
Prior year under provision of company income tax	-	1,936	-	1,936
Education tax	-	6,757	-	6,575
Nigerian police trust fund	-	8	-	8
Minimum tax	3,806	-	3,799	-
	3,806	57,198	3,799	57,006
Deferred				
Deferred tax credit	(186,804)	(2,717)	(182,074)	(3,840)
	(182,998)	54,481	(178,275)	53,166
Tax rate reconciliation				
(Loss)/profit before tax	(575,692)	162,914	(558,742)	159,171
Tax credit/(charge)	182,998	(54,481)	178,275	(53,166)
Effective tax rate	31.79 %	33.44 %	31.91 %	33.40 %
Tax at standard rate	30.00	30.00	30.00	30.00
Exempt income	0.02	(0.03)	0.02	(0.03)
Expenses not allowed	0.08	(1.29)	0.14	(1.29)
Education tax	2.43	4.14	2.51	4.12
Police Trust Fund	-	0.01	-	0.01
Prior year tax under/(over) provision	(0.08)	0.60	(0.08)	0.59
Minimum tax*	(0.66)	0.01	(0.68)	-
Effective tax rate	31.79	33.44	31.91	33.40

*Minimum tax was recognized in the books in line with the provisions of Section 33 of CITA. Minimum tax is computed at 0.5% of Gross Turnover less frank investment income

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13. Property and equipment

Group and Company

In millions of Nigerian Naira	Land	Buildings	Leasehold property	Information systems, furniture and office equipment	Motor vehicles	Network Infrastructure	Capital - work in progress	Total
At 31 December 2023								
Cost	27,665	33,697	25,753	86,189	12,019	1,512,047	193,923	1,891,293
Accumulated depreciation and impairment	-	(22,158)	(12,763)	(53,426)	(5,787)	(702,048)	-	(796,182)
Carrying amount	27,665	11,539	12,990	32,763	6,232	809,999	193,923	1,095,111
Cost								
At 1 January 2024	27,665	33,697	25,753	86,189	12,019	1,512,047	193,923	1,891,293
Additions	-	-	-	-	-	10,647	61,092	71,739
Reclassifications	-	926	3,609	(258)	861	102,014	(107,152)	-
Disposals	-	-	-	(59)	(33)	(97)	-	(189)
At 31 March 2024	27,665	34,623	29,362	85,872	12,847	1,624,611	147,863	1,962,843
Depreciation and impairment								
At 1 January 2024	-	(22,158)	(12,763)	(53,426)	(5,787)	(702,048)	-	(796,182)
Depreciation	-	(393)	(677)	(4,009)	(455)	(63,089)	-	(68,623)
Disposals	-	-	-	49	15	48	-	112
Impairment	-	-	-	-	-	(5)	-	(5)
At 31 March 2024	-	(22,551)	(13,440)	(57,386)	(6,227)	(765,094)	-	(864,698)
Carrying amount								
At 31 December 2023	27,665	11,539	12,990	32,763	6,232	809,999	193,923	1,095,111
At 31 March 2024	27,665	12,072	15,922	28,486	6,620	859,517	147,863	1,098,145

Total cash outflow for property and equipment as at 31 March 2024 was N242.92 billion after adjusting for accruals of N32.14 billion.

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14. Right of use assets

Group and Company

In millions of Nigerian Naira	Base station land	Buildings	Motor vehicles	Network infrastructure	Total
At 31 December 2023					
Cost	11,143	10,580	9,384	860,694	891,801
Accumulated depreciation and impairment	(6,975)	(6,397)	(6,062)	(393,541)	(412,975)
Carrying amount	4,168	4,183	3,322	467,153	478,826
Cost					
At 1 January 2024	11,143	10,580	9,384	860,694	891,801
Additions	1,892	1,288	-	98,414	101,594
At 31 March 2024	13,035	11,868	9,384	959,108	993,395
Depreciation and impairment					
At 1 January 2024	(6,975)	(6,397)	(6,062)	(393,541)	(412,975)
Depreciation	(596)	(410)	(468)	(32,966)	(34,440)
At 31 March 2024	(7,571)	(6,807)	(6,530)	(426,507)	(447,415)
Carrying amount					
At 31 December 2023	4,168	4,183	3,322	467,153	478,826
At 31 March 2024	5,464	5,061	2,854	532,601	545,980

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15. Intangible assets

In millions of Nigerian Naira	Goodwill	Licenses	Computer software	Capital work-in-progress	Total
Group					
At 31 December 2023					
Cost	10,016	522,544	109,804	26,359	668,723
Accumulated amortisation and impairment	-	(163,382)	(57,742)	-	(221,124)
Carrying amount	10,016	359,162	52,062	26,359	447,599
Cost					
At 1 January 2024	10,016	522,544	109,804	26,359	668,723
Additions	-	-	-	6,401	6,401
Reclassification	-	-	17,400	(17,400)	-
At 31 March 2024	10,016	522,544	127,204	15,360	675,124
Amortisation and impairment					
At 1 January 2024	-	(163,382)	(57,742)	-	(221,124)
Amortisation	-	(12,170)	(7,646)	-	(19,816)
At 31 March 2024	-	(175,552)	(65,388)	-	(240,940)
Carrying amount					
At 31 December 2023	10,016	359,162	52,062	26,359	447,599
At 31 March 2024	10,016	346,992	61,816	15,360	434,184
Company					
At 31 December 2023					
Cost		474,724	102,676	26,359	603,759
Accumulated amortisation and impairment		(121,147)	(56,312)	-	(177,459)
Carrying amount		353,577	46,364	26,359	426,300
Cost					
At 1 January 2024		474,724	102,676	26,359	603,759
Additions		-	-	6,401	6,401
Reclassification		-	17,400	(17,400)	-
At 31 March 2024		474,724	120,076	15,360	610,160
Amortisation and impairment					
At 1 January 2024		(121,147)	(56,312)	-	(177,459)
Amortisation		(10,841)	(7,289)	-	(18,130)
At 31 March 2024		(131,988)	(63,601)	-	(195,589)
Carrying amount					
At 31 December 2023		353,577	46,364	15,360	426,300
At 31 March 2024		342,736	56,475	15,360	414,571

Goodwill relates to the acquisition of Visafone Communications Limited.

Reclassification relates to current and prior year additions to capital work in progress moved to other categories of intangible assets, when they were available for use. During the year there was a reclassification of N17.4 billion.

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	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023

16. Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Visafone Communications Limited	-	-	43,778	43,778
XS Broadband Limited	-	-	500	500
Yello Digital Financial Services Limited	-	-	15,000	15,000
MoMo Payment Service Bank Limited	-	-	41,600	41,600
	-	-	100,878	100,878
Impairment (XS Broadband Limited)	-	-	(500)	(500)
	-	-	100,378	100,378

17. Other investments

Treasury bonds at amortised cost	7,368	6,720	6,751	6,720
NGN deposits at amortised cost	773	-	773	-
Allowance for expected credit losses	(65)	(88)	(65)	(88)
	8,076	6,632	7,459	6,632

18. Other non-current asset

18.1 Contract acquisition costs

Opening balance	7,136	6,602	7,136	6,602
Additions	1,511	5,029	1,511	5,029
Amortised in the year	(1,299)	(4,495)	(1,299)	(4,495)
Closing balance	7,348	7,136	7,348	7,136

18.2 Non-current prepayment

Prepayment for road infrastructure tax credit ¹	18,875	17,421	18,875	17,421
Other non-current prepayments ²	8,556	8,959	8,556	8,959
	27,431	26,380	27,431	26,380
Total non-current assets	34,779	33,516	34,779	33,516

¹These are costs incurred towards the reconstruction of the Enugu-Onitsha expressway under the Road Infrastructure Development and Refurbishment Investment Tax Credit ("Road Tax Credit") Scheme. The Scheme is a public-private partnership (PPP) intervention that enables the Nigerian Government to leverage private sector capital and efficiency for the construction, repair, and maintenance of critical road infrastructure in key economic areas in Nigeria. MTN Nigeria shall be entitled to utilize the total cost incurred in the construction or refurbishment of an eligible road as a tax credit against their future Companies Income Tax (CIT) liability, until full cost recovery is achieved.

²This includes the non-current portion of the prepaid Indefeasible right of use (IRU) asset access to the West African Cable System (WACS).

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	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
19. Inventories				
Handsets, devices and accessories	5,527	5,960	5,096	5,960
SIM starter packs	2,426	5,677	2,426	5,677
	<u>7,953</u>	<u>11,637</u>	<u>7,522</u>	<u>11,637</u>
Inventories (write-downs)	(2,380)	(5,610)	(2,380)	(5,610)
	<u>5,573</u>	<u>6,027</u>	<u>5,142</u>	<u>6,027</u>

During the period, there was a reversal of the write down of N3.23 billion (March 2023: write-down of N37 million) for SIM starter packs, handsets and accessories. . The reversal was as a result of the sell down of the previously written down inventory items. The reversal of write-down is recognised in the other operating expenses line (Note 11).

20. Trade and other receivables

Financial instruments:

Trade receivables		95,890	73,609	95,619	73,338
Trade receivables - related parties	38.4	44,375	28,724	83,904	65,010
Allowance for expected credit losses ¹		(13,987)	(14,650)	(13,569)	(14,232)
		<u>126,278</u>	<u>87,683</u>	<u>165,954</u>	<u>124,116</u>
Other receivables ²		27,215	30,634	27,928	26,680
		<u>153,493</u>	<u>118,317</u>	<u>193,882</u>	<u>150,796</u>

Non-financial instruments:

Sundry receivables and advances ³		808	580	689	545
Other non-financial receivables ⁴		140,091	80,211	126,402	72,324
Current prepayments ⁵		38,791	16,306	38,494	16,027
		<u>179,690</u>	<u>97,097</u>	<u>165,585</u>	<u>88,896</u>
		<u>333,183</u>	<u>215,414</u>	<u>359,467</u>	<u>239,692</u>

¹There was a reversal in the credit loss expense of trade receivables of N0.66 billion (March 2023: N0.99 billion) in the period, reported in other operating expenses (see note 11).

²Other receivables includes advance payments to suppliers and prepaid IRU expenses.

³Sundry receivables and advances includes advances to staff for travel expenses and other work related expenses.

⁴Other non-financial receivables includes contracted Advance Payment Guarantees (APGs) and performance bonds with vendors and withholding tax receivables.

⁵Current prepayment relates to current rent payments for non-lease portion of BTS sites, other prepaid operational costs and insurance.

21. Current investments

US Dollar deposits held at amortised cost	49,078	-	49,078	-
Treasury bills held at amortised cost	11,331	4,132	1,360	990
Allowance for expected credit losses	(121)	(103)	(85)	(67)
Net current investments at amortised cost	<u>60,288</u>	<u>4,029</u>	<u>50,353</u>	<u>923</u>
Treasury bills and bonds at fair value through other comprehensive income	1,325	3,022	1,325	1,491
Treasury bills and bonds at fair value through profit or loss	1,172	205	1,172	205
	<u>62,785</u>	<u>7,256</u>	<u>52,850</u>	<u>2,619</u>

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	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023

22. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	183,023	183,971	171,893	176,496
NGN short-term deposits	8,376	124,247	4,726	102,143
US Dollar short-term deposits	-	36,950	-	36,950
	191,399	345,168	176,619	315,589
Allowance for expected credit losses	(56)	(94)	(3)	(41)
	191,343	345,074	176,616	315,548

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Bank balances	183,023	183,971	171,893	176,496
Short-term deposits	8,376	124,247	4,726	102,143
US Dollar short-term deposits	-	36,950	-	36,950
	191,399	345,168	176,619	315,589

23. Restricted cash

Restricted cash deposits for letters of credit ¹	340,367	346,146	340,367	346,146
Collateral on borrowings and cash covers	24,003	31,457	24,003	31,457
Restricted cash for independent amount	35,255	15,662	35,255	15,662
Restricted cash - others ²	1,144	1,144	944	944
Cash held for MoMo customers ³	6,487	7,601	-	-
	407,256	402,010	400,569	394,209

¹This is unance letters of credit (LC) that is backed by restricted cash deposit (known as cash collateral) in US\$ and Naira.

²Restricted cash - others comprises of: the retention fee on purchase of Visafone Communications Limited of N378 million; dividends received on shares held in trust by Vetiva Trustee Ltd for the MTNN employee shares scheme implementation; N500.8 million (March 2023: N237.4 million) and garnishees against court judgments of N64.9 million. For Group, YDFS has a deposit of N200 million with the Central Bank of Nigeria for access to the PSSP (Payment service solution provider) & PTSP (Payment terminal service provider) platforms.

³Cash held for MoMo PSB customers relates to MoMo customers deposit liability for the period (see note 32).

For the purpose of cash flows, total net cash outflow to banks for restricted cash was Group: N6.36 billion (March 2023: N12.15 billion), for Company N7.47 billion (March 2023: N12.15 billion).

24. Trade and other payables

Financial instruments:

Trade payables		176,676	146,881	167,280	137,043
Trade payables - related parties	38.4	161,416	109,861	160,899	114,451
Other accrued expenses ¹		444,855	227,416	428,707	215,490
Other payables ²		119	144	119	144
		783,066	484,302	757,005	467,128

Non-financial instruments

Other accrued expenses ³		166,823	124,788	167,281	127,477
Sundry payables ⁴		521	939	1,223	851
Other payables ⁵		133,848	97,758	133,988	97,979
		301,192	223,485	302,492	226,307
		1,084,258	707,787	1,059,497	693,435

¹Other accrued expenses include BTS lease accruals, accruals for cloud services and services provided by vendors.

²Other payables include deferred income on colocation

³Other non financial instrument accrued expenses include unclaimed dividend, accrued staff expenses and other regulatory fees.

⁴Sundry payables includes security deposits and advance payments from some enterprise and wholesale business customers.

⁵Other non-financial instrument payables include withholding and value added tax liabilities.

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	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023

25. Contract liabilities

Opening balance	102,796	92,861	102,414	92,479
Payments received in advance of delivery of performance obligations	715,417	2,430,630	715,417	2,430,630
Revenue recognised on delivery of goods/services	(724,123)	(2,420,695)	(724,123)	(2,420,695)
Closing balance	94,090	102,796	93,708	102,414

Contract liability relates to payments received in advance from sales of recharge cards and on Subscriber Identification Module (SIM) cards. Contract liabilities are recognised as revenue when the subscribers use the airtime for network services such as voice, SMS, data and digital services and when the SIM cards are activated on the network.

26. Deferred tax

26.1 Deferred tax liability

Opening balance	1,149	57,573	-	54,828
Charge to profit and loss	(400)	(196,809)	-	(195,213)
Transfer from deferred tax liability to deferred tax asset	-	140,777	-	140,777
Charge to other comprehensive income	-	(392)	-	(392)
Total deferred tax liability	749	1,149	-	-

26.2 Deferred tax asset

Opening balance	151,362	11,018	140,777	-
Charge to profit or loss account	186,404	(433)	182,074	-
Transfer from deferred tax liability to deferred tax asset	-	140,777	-	140,777
Total deferred tax asset	337,766	151,362	322,851	140,777

Net deferred tax credit to the profit or loss account for: Group: N186.80 billion, Company: N182.07 billion.

Charge to other comprehensive income (OCI) comes from the deferred tax impact on fair valuation of FVOCI investments and actuarial gains from employee benefits.

27. Current tax payable

Opening balance	157,971	199,959	157,669	199,687
Provision for the period/year - company income tax	-	129,459	-	129,458
Provision for the period/year - prior year under provision	-	2,547	-	2,547
Provision for the period/year - education tax	-	23,476	-	23,476
Minimum tax	3,806	29	3,799	-
Tax paid	-	(184,507)	-	(184,507)
Reversal of prior year over provision	-	(12,992)	-	(12,992)
Closing balance	161,777	157,971	161,468	157,669

28. Borrowings

The maturity of the loans is as follows:

Payable within one year (included in current liabilities)*	611,801	689,352	611,801	689,352
More than one year but not exceeding two years	70,719	78,825	70,719	78,825
More than two years but not exceeding five years	214,995	184,841	214,995	184,841
More than five years	245,862	224,151	245,862	224,151
Amounts included in non-current liabilities	531,576	487,817	531,576	487,817
Total borrowings	1,143,377	1,177,169	1,143,377	1,177,169

MTN Nigeria Communications Plc

Unaudited condensed consolidated and separate financial statements for the three months period ended 31 March 2024

Condensed consolidated and separate statement of financial position

In millions of Nigerian Naira	Notes	Group		Company	
		31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
28. Borrowings (continued)					
Borrowings reconciliation					
Opening balance		1,177,169	689,673	1,177,169	689,673
Drawdown		3,350	635,825	3,350	635,825
Repayment		(322,731)	(501,280)	(322,731)	(501,280)
Interest payment		(17,225)	-	(17,225)	-
Interest charge		48,731	110,454	48,731	110,454
Exchange loss		254,083	242,497	254,083	242,497
Closing balance		1,143,377	1,177,169	1,143,377	1,177,169

28.1 Summary of borrowing arrangements

MTN Nigeria has a loan portfolio with a consortium of local banks, foreign banks and export development agencies. The details of the facilities are as follows:

Facility	Type	Outstanding balance as at 31 March 2024
Local facility M	This is a local facility of N200 billion syndicated from local banks in August 2018. It is a variable interest loan, linked to average 3-Month NIBOR plus a margin of 1.75%. The total available amount under the loan has been fully drawn. The loan is repayable in six (6) equal semi-annual installments from January 2023 to August 2025. As at 31 March 2024, the outstanding principal balance on the facility is N46.7 billion.	N46.7 billion
Local facility N	This is a N200 billion local currency term loan syndicated from local banks in May 2019 with a 7-year tenor and a moratorium of two years. It is a variable interest loan, linked to average 3-Month NIBOR plus a margin of 1.75%. The total available amount under the loan has been fully drawn. The loan is repayable in seven (7) equal semi-annual installments from April 2023 to May 2026. As at 31 March 2024, the outstanding principal balance on the facility is N25.24 billion.	N25.2 billion
Commercial paper	Under the N250 billion commercial paper issuance programme are: -Series VI & VII - issued on 1 August 2023 with face value of N125 billion for 188 and 267 days at a discount of 13% and 13.5% maturing in February & May 2024. -Series VIII & IX- issued on 7 November 2023 with face value of N52 billion for 182 and 267 days at a discount of 14% and 16% maturing in May & July 2024. - Series X - issued in November 2023 with a face value of 72 billion at 16% maturing in August 2024.	N177 billion
Foreign EIB facility	US\$66.9 million financing from European Investment bank (EIB) was arranged in 2021, with 3-year moratorium. It was drawn in April and December 2022, with principal to be repaid over thirteen (13) equal semi-annual installments which will commence in April 2025. It is a floating interest loan linked to the 6 month LIBOR plus a 2.20% margin. As at 31 March 2024, the facility has an outstanding balance of US\$66.9 million.	US\$66.9 million
Foreign Facility Q	US\$150 million SOFR + 6.17% margin financing from AFC was arranged in 2022 with 2-year moratorium. Repayment commences in 2024 with 6 annual repayment tranches. As at 31 March 2024, outstanding balance of US\$79 million.	US\$79 million
Bonds	Under the N200 billion Bond Issuance Programme, two series were issued on 5 May and 4 November 4 2021 comprising of: - Series I: N110.001 billion 7 Year 13% Bonds due 2028. - Series II: N89.999 billion 10 year 12.75% Bonds due 2031. - Series III: - Tranche A - N10 billion 4 year 13.5% bond issued in September 29 , 2022 due in 2026. - Tranche B - N105 billion 10 year 14.5% bond issued on September 30, 2022 due in 2032. In securing the facilities, MTN Nigeria has made a negative pledge over all existing and future assets to the lenders. The negative pledge signifies that MTN Nigeria has agreed not to deplete its assets via sales, collateral and transfers to anyone except the group of lenders, subject to a permitted amount. No other security has been provided.	N315 billion
Letters of credit (Trade loans)	A total of US\$450 million trade loans for the establishment of Letters of Credit with various local banks. The loans attract Pre and Post Negotiation charges, and the facility are largely cash backed. The sum of US\$243 million was due and unpaid as at March 2024 as trade loans for Letters of Credit. There was a \$10m cash in transit in March which would have reduced the \$243m LC exposure to \$233m. This has now settled into April 2024.	N319 billion

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Notes to the unaudited condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023

29. Provisions

Opening balance	28,262	42,130	27,233	31,605
Additions	19,829	23,407	19,795	22,395
Unused amounts reversed	-	(21,917)	-	(21,917)
Utilised	(15,400)	(15,358)	(15,400)	(4,850)
Closing balance	32,691	28,262	31,628	27,233

Split between non-current and current portions

Non-current liabilities	44	46	44	46
Current liabilities	32,647	28,216	31,584	27,187
	32,691	28,262	31,628	27,233

Provisions are made up of provisions for decommissioning, litigation expenses, staff bonus, loss from unauthorised transfers, other various regulatory expenses and consultancy expenses.

30. Employee benefits

MTN Nigeria Communications Plc operates a post employment benefit plans for non-contributory, long service award and staff retirement benefits. Employees are automatically beneficiaries of the long service award after completing five consecutive years of service with the Company. Employees' retirement benefits are calculated based on number of years of continuous service, and upon attaining the compulsory retirement age of 60 years. The defined benefit obligation actuaries valuation was carried out by Alexander Forbes Consulting Actuaries Nigeria (FRC/2012/000000000504) signed by Wayne van Jaarsveld (FRC/2021/002/00000024507).

Employee benefits reconciliation

Opening balance	9,703	6,835	9,703	6,835
Current service cost	1,622	3,915	1,622	3,915
Benefits paid	(344)	(1,047)	(344)	(1,047)
Closing balance	10,981	9,703	10,981	9,703

The current service cost and interest cost are recognised in the employee costs line while the actuarial gains are recognised in Other comprehensive income.

Employment benefits comprise of the present values of :

Defined Benefit Obligation- retirement benefits	5,603	2,428	5,603	2,428
Long Service Awards	5,378	7,275	5,378	7,275
	10,981	9,703	10,981	9,703

31. Lease liabilities

The statement of financial position shows the following amounts relating to leases:

Non-current liabilities	1,025,525	813,634	1,025,525	813,634
Current liabilities	290,661	190,777	290,661	190,777
	1,316,186	1,004,411	1,316,186	1,004,411

Lease liabilities reconciliation

Opening balance	1,004,411	660,016	1,004,411	660,016
Additions	71,640	87,142	71,640	87,142
Interest expense	39,526	102,511	39,526	102,511
Exchange loss	289,384	367,356	289,384	367,356
Payments - principal portion	(49,249)	(110,103)	(49,249)	(110,103)
Payments - interest portion	(39,526)	(102,511)	(39,526)	(102,511)
Closing balance	1,316,186	1,004,411	1,316,186	1,004,411

MTN Nigeria Communications Plc

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Notes to the unaudited condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023

31. Lease liabilities (continued)

The Group's leases include network infrastructure (including tower space and land), land and buildings and motor vehicles. The leases have varying terms, escalation clauses and renewal rights. Penalties are chargeable on certain leases should they be cancelled before the end of the agreement.

Short-term lease payments of N118 million (December 2023: N319 million) for Group and N96 million (December 2023: N304 million) for Company not included in the lease liabilities are included as rent, rates, utilities and other office running cost in other operating costs during the year. In all significant operating lease arrangements in place during the year, the Group acted as the lessee.

32. Financial liabilities at fair value

Deposits held for MoMo customers	1,823	7,601	-	-
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The deposits held for MoMo customers are measured at their carrying amounts considering that these are either due or demandable at short notice. The corresponding assets are held as restricted cash (note 23).

33. Derivatives

Current liabilities: currency swap	30,026	15,912	30,026	15,912
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All gains and losses from changes in the fair value of derivatives are recognised immediately in the profit or loss statement as finance income or cost.

The Group uses derivative financial instruments such as currency swap to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

34. Other non-current liabilities

Share based payment liability

Opening balance	16,910	8,569	16,910	8,569
Share based expense	967	14,574	967	14,574
Share based payments	(41)	(6,233)	(41)	(6,233)
Closing balance	17,836	16,910	17,836	16,910

MTN Nigeria Communications Plc operates a Notional Share Scheme, where qualifying staff receive the increase in a phantom MTN share price at exercise date as compared to the offer price. The scheme is a cash-settled share-based payment scheme. The share based payment liability relates to Locally Aligned Notional (LAN) shares and Group Aligned Notional (GAN) shares. MTN Nigeria also runs an Employee share scheme plan managed by Vetiva Trustee Limited.

The share-based payment liability consists of:

- fair value of options issued to employees under the LAN notional share scheme
- fair value of options issued to employees under the GAN notional share scheme
- the issue of shares held in Trust by Vetiva Trustee for employees under Performance Share Plan (PSP) and Employee Stock Ownership Plan (ESOP).

GAN share options	488	488	488	488
LAN share options	2,814	2,814	2,814	2,814
Group performance share plan	8,257	8,081	8,257	8,081
Performance share plan and ESOP	6,277	5,527	6,277	5,527
	17,836	16,910	17,836	16,910

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Notes to the unaudited condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023

35. Equity

35.1 Share capital Issued and fully paid

20,995,560,103 ordinary shares of N0.02

	420	420	420	420
Opening balance	420	407	420	407
Additional share issue (641,047,053 ordinary shares at N0.02 per share)	-	13	-	13
Closing balance	420	420	420	420

The additional new shares created by the scrip dividend scheme (see note 35.6) has been incorporated into the company's minimum issued share capital as duly approved by Securities and Exchange Commission (SEC) and registered with the Corporate Affairs Commission (CAC).

35.2 Share premium

4,500,000 ordinary shares of N 3,779.89 each
138,960 ordinary shares of N 1,488.15 each
641,047,053 ordinary shares of N233.66 each

17,009	17,009	17,009	17,009
207	207	207	207
149,146	149,146	149,146	149,146
166,362	166,362	166,362	166,362

35.3 Treasury shares

Treasury shares

4,869	4,869	4,869	4,869
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Treasury shares represent 28,809,789 ordinary shares of MTN Nigeria acquired and held in trust by Vetiva Trustee Limited for the purpose of employee share scheme implementation (2023: 28,809,789 ordinary shares).

35.4 Other reserves

Opening balance	701	1,664	708	1,664
Fair valuation loss on investments designated at FVOCI ¹	(516)	(884)	(212)	(877)
Remeasurement gain on employee benefits ²	-	(79)	-	(79)
Closing balance	185	701	496	708

¹Fair valuation loss/gain on financial assets classified as fair value through other comprehensive income (FVOCI) is recognised on Federal Government treasury bills and treasury bonds investments net of tax except for Federal Government bonds, which are exempted from company income tax.

²The remeasurement of gain on employee benefits valuation in accordance with IAS 19 Employee benefits.

35.5 Dividends

Final dividend for 2023: Nil (2022: N10.00 kobo per share)	-	203,375	-	203,375
Interim dividend for 2024: Nil (2023: N5.60 kobo per share)	-	117,481	-	117,481
	-	320,856	-	320,856

35.6 Scrip dividend scheme

In 2023, MTN Nigeria Communications Plc offered a scrip dividend election plan to its shareholders with the option to elect and receive new ordinary shares in the Company instead of receiving the dividend in cash. The scrip dividend election plan was approved by the shareholders at the Annual General Meeting held on 18 April 2023, with the plan being effective for 2022 financial year dividends.

Upon the conclusion of the election period, shareholders elected to receive a total number of 641,047,053 scrip dividend shares. The Corporate Affairs Commission (CAC) authorised the increase of the Company share capital to accommodate the 641,047,053 scrip dividend shares. Those shares were subsequently approved and registered by the Securities and Exchange Commission (SEC).

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Notes to the unaudited condensed consolidated and separate financial statements

In millions of Nigerian Naira	Notes	Group		Company	
		3 months ended 31 March 2024	3 months ended 31 March 2023	3 months ended 31 March 2024	3 months ended 31 March 2023

36. Earnings per share

(Loss)/profit attributable to owners of the company (N million)		(390,668)	107,621	(380,467)	106,005
Weighted average number of ordinary shares at the end of the period (million)*		20,967	20,967	20,967	20,967
Basic and diluted (loss)/earnings per year (N)		(18.63)	5.13	(18.15)	5.06

Earnings per share (EPS) is calculated by dividing the profit after tax attributable to owners of the company by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares held as treasury shares (31 March 2024: 28,809,789 shares; 31 March 2023: 28,809,789 shares). The number of shares were updated to reflect the additional shares issued, see note 35.6

*The weighted average number of ordinary share as at 31 March 2023 were retrospectively adjusted to reflect the additional shares issued as per IAS 33.64, see note 35.6

37. Cash generated from operations

(Loss)/ profit before taxation		(575,692)	162,914	(558,742)	159,171
Adjustments for non cash items:					
Finance income	7	(5,336)	(6,631)	(4,804)	(6,184)
Finance cost	8.1.1	245,981	45,837	245,693	45,837
Unrealised foreign exchange loss	8.2	476,764	(1,063)	476,727	(1,063)
Depreciation of property and equipment		68,623	49,776	68,623	49,776
Depreciation of right of use assets		34,440	29,048	34,440	29,048
Amortisation of intangible assets		19,816	17,207	18,130	15,877
Amortisation of contract acquisition costs		1,299	1,070	1,299	1,070
Profit on disposal of property and equipment	11	(357)	(61)	(357)	(61)
impairment of property and equipment	11	5	24	5	24
Reversal of credit losses on cash and cash equivalent, treasury bills and bonds	11	(44)	(3)	(44)	(3)
(Reversal of)/credit loss expense on trade and other receivables	11	(663)	991	(663)	991
(Reversal of)/inventory write-down	11	(3,230)	37	(3,230)	37
		261,606	299,146	277,077	294,520

Changes in working capital:

Decrease in inventories		4,736	3,685	5,167	3,685
(Increase)/decrease in trade and other receivables		(114,454)	43,020	(122,478)	43,742
Increase/(decrease) in provision		4,428	(531)	4,394	9,012
Increase/(decrease) in employee benefits		1,278	(208)	1,278	(208)
Increase/(decrease) in trade and other payables		470,575	(53,970)	472,891	(64,352)
Decrease/(increase) in contract liabilities		(8,707)	3,273	(8,707)	3,272
Increase in share based payments		926	1,589	926	1,589
		358,782	(3,142)	353,471	(3,260)
		620,388	296,004	630,548	291,260

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In millions of Nigerian Naira	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023

38. Related party transactions

Related party transactions constitute the transfer of resources, services or obligations between the Group and a party related to the Group, regardless of whether a price is charged or not.

Various transactions are entered into by the Company and its subsidiaries during the year with related parties. The terms of these transactions are at arm's length. Intra-group transactions are eliminated on consolidation.

38.1 Holding and ultimate holding companies

The Company's holding company is MTN International (Mauritius) Limited, a Company incorporated in the Republic of Mauritius and its ultimate holding Company is MTN Group Limited, a Company incorporated in South Africa. MTN Nigeria Communications Plc's subsidiaries are XS Broadband Limited, Yellow Digital Financial Services Limited, Visafone Communications Limited and MoMo Payment Service Bank Limited. Their principal activities are the provision of broadband fixed wireless access service, mobile financial services and high quality telecommunication service respectively.

The following is a summary of transactions between the Group and its related parties during the year and balances due at period/year end:

Parent Company: MTN International (Mauritius) Limited

Dividends paid (excluding withholding tax):

MTN International (Mauritius) Ltd	-	77,664	-	77,664
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38.2 Subsidiaries:

Amount due to related parties

Visafone Communications Limited	-	-	326	337
Yello Digital Financial Services Limited	-	-	-	3,992
MoMo Payment Service Bank Limited	-	-	-	799
	-	-	326	5,128

Amount due from related parties

Visafone Communications Limited	-	-	-	11
XS Broadband Limited	-	-	638	638
Impairment of XS Broadband Limited receivables	-	-	(613)	(613)
Yello Digital Financial Services Limited	-	-	19,156	22,442
MoMo Payment Service Bank Limited	-	-	20,348	13,808
	-	-	39,529	36,286

Net settlement of liabilities by the subsidiary

Visafone Communications Limited	-	-	-	(11)
Yello Digital Financial Services Limited	-	-	-	5,662

MoMo Payment Service Bank Limited

MoMo Payment Service Bank Limited	-	-	7,339	(1,154)
Cost charged for transaction processing	-	-	-	-
Visafone Communications Limited	-	-	56	273

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In millions of Nigerian Naira	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023

38. Related party transactions (continued)

38.3 Related parties under MTN Group

Amounts due to related parties

MTN Cameroon	884	614	884	614
MTN Congo	20	14	20	14
MTN Cote d'Ivoire	268	185	268	185
MTN Dubai	5,274	3,085	5,274	3,085
MTN Ghana	114	100	114	100
MTN Guinea Bissau	5	3	5	3
MTN Holdings	36	26	36	26
MTN International (Mauritius) Limited	98,827	70,770	98,827	70,770
MTN Management Services Co	13,395	9,239	13,395	9,239
MTN Uganda	16	12	16	12
MTN Zambia	16	11	16	11
Bayobab Africa (formerly MTN Global Connect)	15,658	8,896	15,658	8,896
Global Trading Company	13,769	9,481	13,769	9,481
Interserve Overseas Ltd)	11,290	6,194	11,290	6,194
Mobile Telephone Networks Ltd	1,000	693	1,000	693
Progressive Tech Holdings	1	-	1	-
MTN Mobile Money Ghana	18	13	-	-
MTN Mobile Money Uganda Limited	89	65	-	-
MTN Group Fintech (Pty) Ltd	736	460	-	-
	161,416	109,861	160,573	109,323

Amounts due from related parties

MTN Afghanistan	1	1	1	1
MTN Benin	87	41	87	41
MTN Cameroon	1,163	806	1,163	806
MTN Congo	131	89	131	89
MTN Cote d'Ivoire	563	385	563	385
MTN Dubai	25	315	25	315
MTN Ghana	42	15	42	15
MTN Group Management Services Co	13,832	9,269	13,832	9,269
MTN Guinea Bissau	101	70	101	70
MTN Guinea Conakry	97	67	97	67
MTN International (Mauritius) Limited	15	-	15	-
MTN Kenya	45	44	45	44
MTN Rwanda	1	1	1	1
MTN Zambia	191	132	191	132
Bayobab Africa (formerly MTN Global Connect)	26,063	595	26,063	595
Lonestar Communications Corporations (Liberia)	286	198	286	198
Mobile Telephone Networks (Pty) Ltd	366	232	366	232
MTN Group Fintech (Pty) Limited	995	-	995	-
Progressive Tech Holdings	371	16,464	371	16,464
	44,375	28,724	44,375	28,724

38.4 Summary of amounts due to and due from related parties:

Amount due to:					
Related parties	38.3	161,416	109,861	160,573	109,323
Subsidiaries	38.2	-	-	326	5,128
	24	161,416	109,861	160,899	114,451
Amount due from:					
Related parties	38.3	44,375	28,724	44,375	28,724
Subsidiaries	38.2	-	-	39,529	36,286
	20	44,375	28,724	83,904	65,010

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In millions of Nigerian Naira	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023

38. Related party transactions (continued)

38.5 Purchases and sales from related parties

Purchases from related parties

MTN Benin	-	121	-	121
MTN Cameroon	-	61	-	61
MTN Congo	-	4	-	4
MTN Cote d'Ivoire	-	22	-	22
MTN Cyprus	-	2	-	2
MTN Ghana	-	183	-	183
MTN Guinea Bissau	-	3	-	3
MTN Guinea Conakry	9	3	9	3
MTN Irancell	-	2	-	2
MTN Namibia	-	58	-	58
MTN Rwanda	-	22	-	22
MTN South Sudan	-	5	-	5
MTN Sudan	-	10	-	10
MTN Swaziland	50	-	50	-
MTN Syria	-	1	-	1
MTN Uganda	1	11	1	11
MTN Zambia	56	4	56	4
Bayobab Africa (formerly MTN Global Connect)	20,483	20,483	20,483	20,483
Lonestar Communications Corporations (Liberia)	-	10	-	10
Mobile Telephone Networks (Pty) Ltd	-	63	-	63
MTN Group Fintech (Pty) Limited	1	460	1	-
MTN Mobile Money Uganda Limited	-	65	-	-
MTN Mobile Money Ghana	-	13	-	-

Sales to related parties

MTN Benin	-	252	-	252
MTN Cameroon	84	126	84	126
MTN Congo	2	1	2	1
MTN Cote d'Ivoire	8	18	8	18
MTN Ghana	1	130	1	130
MTN Guinea Conakry	-	1	-	1
MTN Namibia	-	1	-	1
MTN Rwanda	2	4	2	4
MTN South Sudan	1	1	1	1
MTN Uganda	18	3	18	3
MTN Zambia	4	6	4	6
Bayobab Africa (formerly MTN Global Connect)	32,374	32,374	32,374	32,374
Global Trading Company	23	23	23	23
Lonestar Communications Corporations (Liberia)	21	4	21	4
Mobile Telephone Networks (Pty) Ltd	-	32	-	32

The receivables from related parties arise mainly from professional, roaming and interconnect services transactions rendered on behalf of other operations within MTN Group. These are due one month after the date of rendering of service.

Trade payables to related parties arise mainly from professional, interconnect and roaming services rendered on MTN Nigeria's behalf by other operations within the MTN Group and are due one month after the date of purchase.

No allowance for expected credit loss on receivables from related parties because MTN Nigeria is in a net payable position.

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Notes to the unaudited condensed consolidated and separate financial statements

39. Accounting classes and fair values

Group	Amortised costs	FVTPL	FVOCI	Total carrying amount
In millions of Nigerian Naira				
31 March 2024				
Non-current financial assets				
Other Investments	8,076	-	-	8,076
	8,076	-	-	8,076
Current financial assets				
Trade and other receivables	333,183	-	-	333,183
Current investment	60,288	1,172	1,325	62,785
Cash and cash equivalents	191,343	-	-	191,343
Restricted cash	407,256	-	-	407,256
	992,070	1,172	1,325	994,567
	1,000,146	1,172	1,325	1,002,643
Non-current financial liabilities				
Borrowings	531,576	-	-	531,576
Lease liabilities	1,025,525	-	-	1,025,525
	1,557,101	-	-	1,557,101
Current financial liabilities				
Trade and other payables	1,084,258	-	-	1,084,258
Borrowings	611,801	-	-	611,801
Lease liabilities	290,661	-	-	290,661
Cash for MoMo customers	1,823	-	-	1,823
Derivatives	-	30,026	-	30,026
	1,988,543	30,026	-	2,018,569
	3,545,644	30,026	-	3,575,670
31 December 2023				
Non-current financial assets				
Other Investments	6,632	-	-	6,632
	6,632	-	-	6,632
Current financial assets				
Trade and other receivables	118,317	-	-	118,317
Current investment	4,029	205	3,022	7,256
Cash and cash equivalents	345,074	-	-	345,074
Restricted cash	402,010	-	-	402,010
	869,430	205	3,022	872,657
	876,062	205	3,022	879,289
Non-current financial liabilities				
Borrowings	487,817	-	-	487,817
Lease liabilities	813,634	-	-	813,634
	1,301,451	-	-	1,301,451
Current financial liabilities				
Trade and other payables	484,302	-	-	484,302
Borrowings	689,352	-	-	689,352
Lease liabilities	190,777	-	-	190,777
Deposit held for MoMo customers	7,601	-	-	7,601
Derivatives	-	15,912	-	15,912
	1,372,032	15,912	-	1,387,944
	2,673,483	15,912	-	2,689,395

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39. Accounting classes and fair values (continued)

Company	Amortised costs	FVTPL	FVOCI	Total carrying amount
In millions of Nigerian Naira				
31 March 2024				
Non-current financial assets				
Other Investments	7,459	-	-	7,459
	7,459	-	-	7,459
Current financial assets				
Trade and other receivables	193,882	-	-	193,882
Current investment	50,317	1,172	1,325	52,814
Cash and cash equivalents	176,616	-	-	176,616
Restricted cash	400,569	-	-	400,569
	821,384	1,172	1,325	823,881
	828,843	1,172	1,325	831,340
Non-current financial liabilities				
Borrowings	531,576	-	-	531,576
Lease liabilities	1,025,525	-	-	1,025,525
	1,557,101	-	-	1,557,101
Current financial liabilities				
Trade and other payables	757,005	-	-	757,005
Borrowings	611,801	-	-	611,801
Lease liabilities	290,661	-	-	290,661
Derivatives	-	30,026	-	30,026
	1,659,467	30,026	-	1,689,493
	3,216,568	30,026	-	3,246,594
31 December 2023				
Non-current financial assets				
Other Investments	6,632	-	-	6,632
	6,632	-	-	6,632
Current financial assets				
Trade and other receivables	150,796	-	-	150,796
Current investment	923	205	1,491	2,619
Cash and cash equivalents	286,313	-	-	286,313
Restricted cash	394,209	-	-	394,209
	832,241	205	1,491	833,937
	838,873	205	1,491	840,569
Non-current financial liabilities				
Borrowings	487,817	-	-	487,817
Lease liabilities	813,634	-	-	813,634
	1,301,451	-	-	1,301,451
Current financial liabilities				
Trade and other payables	467,128	-	-	467,128
Borrowings	689,352	-	-	689,352
Lease liabilities	190,777	-	-	190,777
Derivatives	-	15,912	-	15,912
	1,347,257	15,912	-	1,363,169
	2,648,708	15,912	-	2,664,620

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40. Fair value estimation

Where a financial asset or liability is carried on the statement of financial position at fair value, additional disclosure is required. In particular, the fair values need to be classified in accordance with the fair value hierarchy. This fair value hierarchy distinguishes between different fair value methodologies based on the level of subjectivity applied in the valuation. The fair value hierarchy is split into the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (e.g. the price quoted on a stock exchange for a listed share),

Level 2: Valuation techniques with 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) (e.g. a valuation that uses observable interest rates or foreign exchange rates as inputs),

Level 3: Valuation techniques with inputs that are not based on observable market data (that is, unobservable inputs) (e.g. a valuation that uses the expected growth rate of an underlying business as input).

The financial instruments measured at fair value are presented below.

In millions of Nigerian Naira	Level 1	Level 2	Level 3	Total
Group and Company				
31 March 2024				
Financial assets				
Treasury bills at FVTPL	1,172	-	-	1,172
Treasury bills at FVOCI	6,925	-	-	6,925
	8,097	-	-	8,097
Financial liabilities				
Derivatives	-	30,026	-	30,026
	-	30,026	-	30,026
31 December 2023				
Financial assets				
Treasury bills at FVTPL	205	-	-	205
Treasury bills at FVOCI	3,022	-	-	3,022
	3,227	-	-	3,227
Financial liabilities				
Derivatives	-	15,912	-	15,912
	-	15,912	-	15,912

Financial assets and financial liabilities at amortised cost – The carrying value of current receivables and liabilities measured at amortised cost approximates their fair value.

41. Financial instruments and risk management

41.1 Capital risk management

The Group seeks to optimise its capital structure by ensuring adequate gearing levels taking into consideration working capital, cash flow, existing loan covenants, operational requirements, business plan and broader macro-economic conditions.

It maximizes external borrowings on the back of its strong cash generating capacity. In line with its funding policy, the Group diversifies funding sources across local and international markets and ensures that new facility conditions comply with existing loan covenants.

Management monitors net debt to EBITDA and EBITDA to net interest in line with the financial covenants in the loan agreement while it seeks to limit refinancing risk by controlling the concentrations of maturing obligations in the short end of maturity profile. Equity approximates share capital and reserves attributable to the equity holders of the company. EBITDA is defined as earnings before interest, tax, depreciation, amortisation and goodwill impairment/losses.

Gross debt relates to MTN Nigeria syndicated medium term loan and commercial paper, net debt is the gross debt less cash and cash equivalents and total funding is gross debt plus equity.

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41. Financial instruments and risk management (continued)

In millions of Nigerian Naira		Group		Company	
		31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Revenue	6	752,983	2,468,847	758,837	2,472,473
Operating expenses excluding depreciation and amortisation		(456,023)	(1,266,318)	(446,423)	(1,242,381)
EBITDA		296,960	1,202,529	312,414	1,230,092
Gross debt	28	1,143,377	1,177,169	1,143,377	1,177,169
Cash and cash equivalents	22	(191,343)	(345,074)	(176,616)	(315,548)
Net debt		952,034	832,095	966,761	861,621
Gross debt	28	1,143,377	1,177,169	1,143,377	1,177,169
Equity attributable to owners of the company		(437,064)	(45,404)	(345,900)	34,779
Total funding		706,313	1,131,765	797,477	1,211,948
Gross debt: Total funding		162 %	77 %	143 %	74 %
Net debt: Total funding		135 %	60 %	121 %	59 %
Net debt: EBITDA		321 %	88 %	309 %	89 %

41.2 Credit risk

Credit risk or the risk of financial loss to the Group due to customers or counter parties not meeting their contractual obligations and is managed through the application of credit approvals, limits and monitoring procedures.

The Group's maximum exposure to credit risk is represented by the carrying amount of the financial assets that are exposed to credit risk.

The following instruments give rise to credit risk:

In millions of Nigerian Naira	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Other investments	8,076	6,632	7,459	6,632
Cash and cash equivalents	191,343	345,074	176,616	286,313
Trade and other receivables	333,183	215,414	52,850	239,692
Restricted cash	407,256	402,010	400,569	394,209
Current investments	62,785	7,256	52,850	2,619
	1,002,643	976,386	690,344	929,465

Cash and cash equivalents and restricted cash

The Group's exposure and the credit ratings of its counter parties are continuously monitored and the aggregate values of investment portfolio is spread amongst approved financial institutions, which are lending institutions to the Group. The Group's cash investment activity is based on the SLY (Safety, Liquidity and Yield) principle while it also limits its cash holdings in a financial institution to a maximum of 20% of total investment portfolio to manage concentration risk. The exposure is controlled by a right of setoff and counter party exposure limits.

The National Long Term credit ratings of the counterparty financial institutions where we have bank deposits and restricted cash range from AAA to BBB-.

Expected Credit Losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. In determining the cash flows that the Group expects to receive, the Group apply the probability of default (default rate) based on rating by international credit rating agencies like S&P, Moody's and Fitch as well as local ratings by Augusto and Co.

Total estimated credit loss as at 31 March 2024 stood at N56 million (31 December 2023: N94 million) while reversal of credit loss to income statement for the period is N38 million (March 2023: credit loss expense of N111 million).

The credit ratings of the counterparty financial institutions where we have bank deposits and restricted cash range from B- to B.

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41. Financial instruments and risk management (continued)

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Group: ECL for gross trade receivables of N95.89 billion (December2023: N73.61 billion) was N13.99 billion (December2023: N14.65 billion);

Company: ECL for gross trade receivables of N95.62 billion (December2023: N73.34 billion) was N13.57 billion (December2023: N14.23 billion).

The Group holds collateral as security for trade receivables relating to trade partners. These are bank guarantees held with banks with credit ratings of AAA to BBB-. A total of N4.90 billion was held as collateral for the same value of receivables as at 31 March 2024 (December 2023: N4.90 billion). Trade partners are to pay within seven days of credit advanced. In the event of default, the bank guarantee is recalled immediately to offset the credit.

Current and other investments

Current and other investments are all liquid assets that consist of marketable securities. They are primarily selected based on the funding and liquidity plan of the Group and from issuers with the least known credit and default risk. In connection with investment decisions, priority is placed on the issuer's very high creditworthiness and the present yield/interest rates offered. In this assessment, the Group also considers the credit risk assessment of the issuer by the rating agencies such as Fitch, Standards and Poor (S&P). The Federal Government of Nigeria (FGN) has one of the lowest credit risks known in the country and in a possibility of default, it could simply increase the circulation of money in the country or borrow from international sources to pay off its local debt. In line with the Group's risk policy, its investments in treasury bills have no historical rate of default and the investments can be liquidated and sold at the prevalent market rates at that point in time. The international rating for the FGN is B-, a speculative grade, for its Short-Term Local Currency Issuer Default Rating (IDR) which is a stable rating but not yet at the investment grade level which is hardly given to African Countries. Current investments are thus not subject to a material credit risk and are allocated to stage 1 of the impairment model.

The National Long Term credit ratings of the counterparty financial institutions where we have current investments range from AAA to BBB-.

Expected Credit Losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. In determining the cash flows that the Group expects to receive, the Group apply the probability of default (default rate) based on rating by international credit rating agencies like S&P, Moody's and Fitch as well as local ratings by Agosto and Co.

Total estimated expected credit loss as at 31 March 2024 stood at N186 million (31 December 2023: N191 million) while the reversal of credit loss for the period stood at N5 million (31 March 2023: reversal of credit loss of N133 million).

The credit ratings of the counterparty financial institutions where we have current investments range from B- to B.

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41. Financial instruments and risk management (continued)

Reconciliation of gross carrying amount and related ECL

In millions of Nigerian Naira	Cash and cash equivalent	Current investments	Other investments	Total ECL
Group				
Balance as at 1 January 2023	339,549	6,217	10,585	(501)
Net movement during the year	46,717	-	-	-
Purchase	-	9,387	-	-
Sale/matured	-	(12,194)	(4,066)	-
Remeasurement to profit or loss account	-	-	1	-
Exchange (loss)/gain	(78,336)	709	-	-
Credit loss expense reversal	194	(91)	113	216
Balance as at 31 December 2023	308,124	4,028	6,633	(285)
Net movement during the year	(134,048)	-	-	-
Purchase	-	41,179	1,380	-
Remeasurement to profit or loss account	-	-	40	-
Exchange gain/(loss)	4,888	15,099	-	-
Credit loss reversal/(expense)	38	(18)	23	43
	12,341	-	-	-
Balance as at 31 March 2024	191,343	60,288	8,076	(242)
Company				
Balance as at 1 January 2023	324,244	5,600	10,585	(501)
Net movement during the year	69,393	-	-	-
Purchase	-	5,349	-	-
Sale	-	(12,194)	(4,066)	-
Remeasurement to profit or loss account	-	-	1	-
Exchange (loss)/gain	(78,336)	2,223	-	-
Credit loss expense reversal	247	(55)	113	305
Balance as at 31 December 2023	315,548	923	6,633	(196)
Net movement during the year	(156,199)	-	-	-
Purchase	-	-	804	-
Sale/matured	-	34,349	-	-
Remeasurement to profit or loss account	-	-	(1)	-
Exchange gain	4,888	15,099	-	-
Credit loss reversal/(expense)	38	(18)	23	43
	12,341	-	-	12,341
Balance as at 31 March 2024	176,616	50,353	7,459	12,188

41.3 Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its obligations as they become due. The Group's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures it has sufficient cash on demand (currently the Group is maintaining a positive cash position) or access to facilities to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the liquid resources:

In millions of Nigerian Naira	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Cash and cash equivalents	191,343	345,074	176,616	315,548
Current investments	62,785	7,256	52,850	2,619
Restricted cash	407,256	402,010	400,569	394,209
Trade and other receivables	153,493	118,317	193,882	150,796
	814,877	872,657	823,917	863,172

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41. Financial instruments and risk management (continued)

The following are the contractual maturities of financial liabilities

Group

In millions of Nigerian Naira	Notes	Carrying amount	Payable within one month or on demand	More than one month but not exceeding three months	More than three months but not exceeding one year	More than one year but not exceeding two years	More than two years but not exceeding five years	More than five years	Total
31 March 2024									
Trade and other payables	24	783,066	133,121	375,870	274,072	-	-	-	783,063
Cash from MoMo customers	32	1,823	1,823	-	-	-	-	-	1,823
Derivatives	33	30,026	-	-	-	-	-	-	30,026
Borrowings	28	1,143,377	12,620	93,437	618,237	141,285	346,950	306,602	1,519,131
Lease liability	31	1,316,186	78,727	39	238,841	301,937	869,431	211,179	1,700,154
		3,274,478	226,291	469,346	1,131,150	443,222	1,216,381	517,781	4,034,197
31 December 2023									
Trade and other payables	24	484,302	86,294	232,359	165,649	-	-	-	484,302
Deposit held for MoMo customers	32	7,601	7,601	-	-	-	-	-	7,601
Derivatives	33	15,912	-	-	15,912	-	-	-	15,912
Borrowings	28	1,177,169	15,528	57,474	670,018	110,642	308,856	301,672	1,464,190
Lease liability	31	1,004,411	71,873	122	206,675	262,882	755,703	247,100	1,544,355
		2,689,395	181,296	289,955	1,058,254	373,524	1,064,559	548,772	3,516,360

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41. Financial instruments and risk management (continued)

Company

In millions of Nigerian Naira	Notes	Carrying amount	Payable within one month or on demand	More than one month but not exceeding three months	More than three months but not exceeding one year	More than one year but not exceeding two years	More than two years but not exceeding five years	More than five years	Total
31 March 2024									
Trade and other payables	24	757,005	129,710	366,241	267,051	-	-	-	763,002
Derivatives		30,026	-	-	30,026	-	-	-	30,026
Borrowings	28	1,143,377	12,620	93,437	618,237	141,285	346,950	306,602	1,519,131
Lease liability	31	1,316,186	78,727	39	238,841	301,937	869,431	211,179	1,700,154
		3,246,594	221,057	459,717	1,154,155	443,222	1,216,381	517,781	4,012,313
31 December 2023									
Trade and other payables	24	467,128	79,374	224,116	163,638	-	-	-	467,128
Derivatives		15,912	-	-	15,912	-	-	-	15,912
Borrowings	28	1,177,169	15,528	57,474	670,018	110,642	308,856	301,672	1,464,190
Lease liability	31	1,004,411	71,873	122	206,675	262,882	755,703	247,100	1,544,355
		2,664,620	166,775	281,712	1,056,243	373,524	1,064,559	548,772	3,491,585

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41. Financial instruments and risk management (continued)

41.4 Interest rate risk

Interest rate risk is the risk that the cash flow or fair value of an interest bearing financial instrument will fluctuate because of changes in market interest rates.

Financial assets and liabilities that are sensitive to interest rate risk are cash and cash equivalents, short term investments and borrowings. The interest rates applicable to these financial instruments are on a combination of floating and fixed basis in line with those currently available in the market.

The Group's interest rate risk arises from the repricing of the Group's floating rate debt, incremental funding or new borrowings, the refinancing of existing borrowings and the magnitude of the significant cash balances which exist. The Group manages its debt on an optimal mix of local and foreign borrowings and fixed and floating interest rates.

Profile

At the reporting date the interest rate profile of the Group's financial instruments is as follows:

In millions of Nigerian Naira	31 March 2024			31 December 2023		
	Fixed rate instruments	Variable rate instruments	Non interest bearing	Fixed rate instruments	Variable rate instruments	Non interest bearing
Group						
Financial assets						
Cash and cash equivalents	191,343	-	-	345,074	-	-
Current investments	62,785	-	-	49,559	-	-
Restricted cash	14,657	-	392,599	22,111	-	379,899
Trade and other receivables	-	-	163,599	-	-	118,317
Other investments	8,076	-	-	6,632	-	-
	276,861	-	556,198	423,376	-	498,216
Financial liabilities						
Trade payables	-	-	176,676	-	-	146,881
Other accrued expenses	-	-	444,855	-	-	227,416
Other payables	-	-	119	-	-	144
Amounts due to related parties	-	-	-	-	109,861	-
Deposit held for MoMo customers	-	-	1,823	-	-	7,601
Current borrowings	241,977	369,824	-	283,888	405,464	-
Non-current borrowings	340,989	190,587	-	356,506	131,311	-
	582,966	560,411	623,473	640,394	646,636	382,042
Company						
Financial assets						
Cash and cash equivalents	176,616	-	-	286,313	-	-
Current investments	52,850	-	-	44,921	-	-
Restricted cash	6,902	-	393,667	22,111	-	372,098
Trade and other receivables	-	-	209,393	-	-	150,796
Other investments	7,459	-	-	6,632	-	-
	243,827	-	603,060	359,977	-	522,894
Financial liabilities						
Trade payables	-	-	167,280	-	-	137,043
Other accrued expenses	-	-	428,707	-	-	215,490
Other payables	-	-	119	-	-	144
Amounts due to related parties	-	-	-	-	114,451	-
Current borrowings	241,977	369,824	-	283,888	405,464	-
Non-current borrowings	340,989	190,587	-	356,506	131,311	-
	582,966	560,411	596,106	640,394	651,226	352,677

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41. Financial instruments and risk management (continued)

Interest rate sensitivity

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

The Group has used a sensitivity analysis technique that measures the estimated change to profit or loss of an instantaneous increase or decrease of 1% (100 basis points) in market interest rates, from the rate applicable as at the end of the period/year, for each class of financial instrument with all other variables remaining constant.

The Group is mainly exposed to fluctuations in the following market interest rates: LIBOR and NIBOR. Changes in market interest rates affect the interest income or expense of floating rate financial instruments. Changes in market interest rates only affect profit or loss in relation to financial instruments with fixed interest rates if these financial instruments are recognised at their fair value.

A change in the above market interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below.

The analysis has been performed on the basis of the change occurring at the reporting date and assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for prior year.

Group and Company	31 March 2024			31 December 2023		
	Increase/(decrease) in profit before tax					
	Change in interest rate	Upward change in interest rate	Downward change in interest rate	Change in interest rate	Upward change in interest rate	Downward change in interest rate
	%	N'million	N'million	%	N'million	N'million
SOFR (formerly LIBOR)	1	(1,395)	1,395	(983)	(983)	983
NIBOR	1	(4,081)	4,081	(4,483)	(4,483)	4,483

Company	31 March 2024			31 December 2023		
	Increase/(decrease) in profit before tax					
	Change in interest rate	Upward change in interest rate	Downward change in interest rate	Change in interest rate	Upward change in interest rate	Downward change in interest rate
	%	N'million	N'million	%	N'million	N'million
Expense						
SOFR (formerly LIBOR)	1	(1,395)	1,395	(983)	(983)	983
NIBOR	1	(4,081)	4,081	(4,483)	(4,483)	4,483

Currency risk

Currency risk is the exposure to exchange rate fluctuations that have an impact on cash flows and financing activities. The Group manages foreign currency risk on major foreign denominated purchase orders through the use of Letters of Credit. The Group has also entered into a currency swap arrangement to enhance dollar liquidity to address critical operational requirements.

Sensitivity analysis

The Group is mainly exposed to fluctuations in foreign exchange rates in respect of the US Dollar, being the significant foreign denominated currency.

The Group has used a sensitivity analysis technique that measures the estimated change to the income statement of an instantaneous 5% strengthening and 10% weakening in the Nigerian Naira against the US Dollar, from the rate applicable as at period/year end, for each class of financial instrument with all other variables, in particular interest rates, remaining constant.

A change in the foreign exchange rates to which the Group is exposed at the reporting date would have increased/(decreased) profit before tax by the amounts shown below.

The analysis has been performed on the basis of the change occurring at the start of the reporting period. The analysis is performed on the same basis for the Company.

Transactions in foreign currencies other than US Dollars were not significant.

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41. Financial instruments and risk management (continued)

Group and Company	31 March 2024		31 December 2023	
	Increase/(decrease) in profit after tax 20% weakening in Naira, resulting in a decrease in profit after tax	5% strengthening in Naira, resulting in an increase in profit after tax	Increase/(decrease) in profit after tax 20% weakening in Naira, resulting in a decrease in profit after tax	5% strengthening in Naira, resulting in an increase in profit after tax
In millions of Nigerian Naira				
Denominated: Functional US\$:NGN	(389,210)	97,303	(299,462)	74,866

42. Commitments for the acquisition of property, equipment and software

In millions of Nigerian Naira	Group		Company	
	31 March 2024	31 Dec 2023	31 March 2024	31 Dec 2023
Contracted for	270,874	97,381	270,874	97,381
Approved but not contracted for	178,397	349,241	178,397	349,241
Total commitments for property and equipment, software and intangibles work in progress	449,271	446,622	449,271	446,622

This committed expenditure relates to acquisition of property and equipment, software and intangibles work in progress.

Capital expenditure will be funded from operating cash flows, existing borrowing facilities and, where necessary, by raising additional facilities.

43. Going concern

In accordance with the requirements of IAS 1.25, the Board of Directors of MTN Communications Nigeria Plc have performed an assessment of the entity's ability to continue as a going concern when preparing financial statements. The Board has considered whether:

- there is an intention to liquidate MTN Nigeria.
- there is an intention to cease operations.
- MTNN has no realistic alternative but to liquidate or cease operations.

Furthermore, we have considered the various events and conditions below that may exist and impact the business individually or collectively may cast significant doubt on the entity's ability to continue as a going concern such as:

- There are no fixed-term borrowings approaching maturity without realistic prospects of renewal or repayment. We are currently complying with all loan agreements and no loans have been renegotiated.
- There are currently no changes in legislation or government policy expected to adversely affect MTN Nigeria communications Plc.
- There is no significant deterioration in the value of assets used to generate cash flows, however there is a substantial operating loss arising from net foreign exchange loss being a major impact of forex deterioration. The net foreign exchange loss became material following the effect of the Naira devaluation against the US Dollar, which saw the Naira plummet from N907.11/\$ to N1309.39/\$ on 31st March 2024. There is an ongoing effort to re-denominate some categories of foreign denominated expenditure to local currency. This strategic move aims to reduce exposure to exchange rate volatility
- In addition, an assessment of forecast cash flows and projections has been performed, including potential impact of external/internal variations, uncertainties and sensitivity of expenditure plans. We are satisfied that the business continuity is not hindered in any way or manner
- MTN Nigeria has the continuing support from MTN Group.

The accumulated loss and negative shareholders fund position is being addressed by the Board of directors, and an Extraordinary General Meeting (EGM) will be convened in compliance with Companies and Allied Matter Acts (CAMA) 2020, Section 137.

Based on the factors considered above and taking account of reasonable possible changes in trading performance and the current financial position, the going concern basis has been adopted in preparing the consolidated financial statements. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

MTN Nigeria Communications Plc

Unaudited condensed consolidated and separate financial statements for the three months period ended 31 March 2024

Notes to the unaudited condensed consolidated and separate financial statements

44. Securities trading policy

MTN Nigeria Communications Plc has in place a Securities Trading Policy which guides the Board and employees when effecting transactions in the Company's shares. The policy provides for periods for dealing in shares and other securities, established communication protocols on periods when transactions are not permitted to be effected on the Company's shares as well as disclosure requirements when effecting such transactions.

Insiders covered in this policy have not notified the Company of any dealing in the Company's securities within this period and the Company is not aware of any breach of this policy within the period.

45. Shareholders and their interest

Share range	Number of shareholders	% of shareholder	Number of holdings	% shareholding
1 - 10,000	133,855	94.7478	84,387,273	0.40
10,001 - 50,000	5,101	3.6107	100,664,983	0.47
50,001 - 100,000	873	0.6179	58,764,284	0.27
100,001 - 500,000	996	0.7050	208,120,500	0.99
500,001 - 1,000,000	155	0.1097	111,169,118	0.53
1,000,001 - 5,000,000	180	0.1274	411,014,837	1.96
5,000,001 - 10,000,000	49	0.0347	328,739,850	1.57
10,000,001 - 50,000,000	50	0.0354	1,004,151,649	4.78
50,000,001 - 100,000,000	3	0.0021	183,597,241	0.87
100,000,001 - 500,000,000	9	0.0064	1,728,857,317	7.77
500,000,001 - 1,000,000,000	3	0.0021	1,955,776,419	9.32
1,000,000,001 - Above	1	0.0007	14,820,316,632	70.59
	141,275	100	20,995,560,103	100

As at 31 March 2024, MTN International (Mauritius) Limited with total interest of 73.39% shareholding (31 December 2023: 73.39%) held more than 5% of the issued share capital of the Company.

46. Free Float information

MTN Nigeria Communications Plc with a free float value of N626,098,834,304 as at 31 March 2024 (31 March 2023: N709,890,039,600) is compliant with the Exchange's requirements for free float for companies listed on the Premium Board.

47. Contingent liabilities

Contingent liabilities represent possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

The Group has N0.99 billion (December 2023: N0.99 billion) contingent liabilities arising from claims and litigations in the ordinary course of business and the Group is defending these actions. During the quarter, the facts and evidence before the court regarding those cases were reassessed and based on the best estimates, the value of possible obligation from those cases amounted to N0.99 billion. These matters are currently being considered by various courts and the timing of the judgements are unknown. In the opinion of the directors, which is based on advice from the legal counsels, no material loss is expected to arise from these claims and litigations.

48. Events after the reporting period

There were no subsequent events that materially impact these financial statements.