



Lagos | Nigeria: 2 May 2024

**OUTCOMES OF THE EXTRAORDINARY GENERAL MEETING OF MTN NIGERIA COMMUNICATIONS PLC HELD ON 30 APRIL 2024.**

This is to inform the Nigerian Exchange Limited (NGX) and the investing public that the Extraordinary General Meeting (EGM) of MTN Nigeria Communications Plc (“MTN Nigeria” or the “Company”) was duly convened and held at The Rooftop Event Centre, MTN Plaza, Falomo, Ikoyi, Lagos on Tuesday, 30 April 2024, at 11:00 a.m.

In line with the requirements of section 137 of the Companies and Allied Matters Act 2020 (as amended), the EGM was convened to articulate the Company’s plan to address the Group’s negative net asset position, as reported in the audited financial statement for the period ending 31 December 2023. As disclosed in the Company’s full-year 2023 audited financial statements published in February this year, MTN Nigeria reported negative retained earnings and net asset position of NGN208 billion and N40.8 billion, respectively. This was mainly driven by the net foreign exchange losses of NGN740 billion reported in the period (85.9% of which was unrealised), as well as higher net forex losses from prior years, which were restated higher by N25.6 billion.

In this context, the Board believes that the Company’s fundamentals and prospects remain strong and has approved the implementation of several initiatives to safeguard this position and the business as a whole. These initiatives are geared towards accelerating revenue growth development, restoring profitability and rebuilding reserves to strengthen business resilience and boost shareholder returns.

The aforementioned interventions include the following, many of which have already been ongoing for some time:

1. Regulated tariff increase –Engagement with the authorities, through the industry body, on tariff increase to manage the effects of the challenging operating conditions. Importantly, appropriate tariff increases will be necessary to support continued investment and the long-term sustainability of the industry. This will support commercial interventions to accelerate topline growth.

**MTN Nigeria Communications PLC**

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RC 395010

Directors: Dr. E. Ndukwe, OFR (Chairman) Mr. K. Olutokun Toriola (CEO) Mr. M. Kadri (CFO) Mr. M.K. Ahmad, OON Mr. M. Ajukwu Mr. A. Alli Dr. O. Johnson Mrs. I. M. Omoigui Okauru, MFR Mr. A.B. Mahmoud, SAN OON \*\*\*Mr. M. Mroue \*Mr. R. Gasant \*Ms. T. Molefe \*Mr. F. Moolman \*Mr. R. Mupita \*\*Mr. J. Schulte-Bockum

*\*South African \*\*German \*\*\*Lebanese*



2. **Driving margin recovery** – Focus on initiatives to accelerate revenue growth and improve operational efficiency, with a disciplined focus on the Company’s expense efficiency programme and value-based capex allocation.
3. **Optimise capex** – with consistent and extensive investment in MTN Nigeria’s network over the past few years, including the acquisition of additional spectrum, there is flexibility to optimise capex deployment. In this regard, CAPEX will be reduced (excluding leases) for FY 2024 and aim for a capex intensity in the upper single digits. The Company will optimise latent capacity and implement radio planning strategies to minimise potential impacts and disruptions to MTN’s network quality. This will ensure that the Company continues to provide its customers with reliable connectivity and support its growth ambitions.
4. **Reduce US\$ exposure** – MTN Nigeria is focused on reducing the various exposures the business has to US\$ volatility. One key area is the Company’s outstanding letters of credit (LC) obligations, which contribute to the volatility in its earnings through FX losses reported in the Company’s income statement. These obligations were incurred in support of capex requirements which are largely foreign currency denominated.

In this regard, the Company has utilised the improved liquidity in the FX market to reduce the balance of outstanding LC obligations to US\$243.4 million as at 31 March 2024, from US\$416.6 million as at 31 December 2023. This was funded using restricted cash balances held in Naira to support LC obligations. As CAPEX is optimised, these balances will be minimised and the Company will continue to deploy resources to reduce these US\$ obligation exposures.

5. **Review of tower lease contracts** – MTN Nigeria is considering strategic options to manage its tower lease contracts. As previously reported, constructive discussions are on with key towerco service providers regarding changes to the existing tower lease contracts. If successful, these negotiations could result in improvements that will help the Company to mitigate macro risks impacting its business, including FX. This would supplement the aforementioned initiatives to accelerate the recovery profile of the Company’s earnings and restore its net asset position faster.

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If the discussions do not yield the desired outcomes, the business will continue to drive the operational and commercial strategies outlined. MTN Nigeria believes the strategies will enable the Company to improve its profitability and trade out of the negative net asset position over time.

The Company will continue to evaluate the conditions and developments in its operating environment and evolve its approach to address the negative capital position as required. MTN Nigeria obtained the necessary accommodations from its lenders, as pertains to any impacts on loan agreements in regard to the restatement of the Company's financial results. The Company also has in place accommodations relating to any potential breaches in covenants occasioned by the major currency devaluation and the resultant negative net asset position. This will enable the Company to continue executing its strategy and implement the interventions outlined.

Based on the Company's current assessment of macroeconomic and operating conditions and the initiatives approved by the Board, the business will remain in a negative net asset position in 2024 but with improvements expected in 2025. Updates will be provided to shareholders as appropriate.

In addition, MTN Group is committed to supporting MTN Nigeria throughout this process and continues to stand by the Company. MTN Group has reiterated its long-term commitment to Nigeria and believes in its potential and prospects.

Finally, MTN Nigeria is deeply committed to supporting the growth and development of the economy through ongoing investment in the country. MTN Nigeria's unwavering commitment to delivering exceptional services to its customers remains unchanged as the Company strives to contribute to Nigeria's socioeconomic development.

A handwritten signature in black ink, appearing to read "Uto Ukpanah".

**Uto Ukpanah FCIS**  
**Company Secretary**

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## About MTN Nigeria

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

Visit [www.mtn.ng](http://www.mtn.ng) for more information.

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