



MTN Nigeria Communications Plc

Financial results for the half-year ended
30 June 2024





MTN NIGERIA RELEASES FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2024

Lagos | Nigeria: 30 July 2024

MTN Nigeria Communications Plc ("MTN Nigeria" or the "Company") announces its financial results for the half year ended 30 June 2024.

Salient points:

- Total subscribers increased by 2.9% to 79.4 million
- Active data users increased by 11.1% to 45.6 million
- Active mobile money (MoMo PSB) wallets increased by 73.9% to 5.5 million
- Service revenue increased by 32.6% to N1.5 trillion
- Earnings before interest, tax, depreciation and amortisation (EBITDA) decreased by 10.9% to N547.7 billion
- EBITDA margin decreased by 17.4 percentage points (pp) to 35.6%
- Loss after tax was N519.1 billion
- Profit after tax (PAT) adjusted for the net forex losses was down by 56% to N102.3 billion
- Earnings per share (EPS) was negative N24.7 kobo (positive N4.9 kobo adjusted for the net forex losses, down 56%)
- Closing retained earnings and shareholders' funds of negative N727.2 billion and N577.7 billion, respectively
- Capital expenditure (capex) increased by 19.9% to N319.9 billion (down 17.4% to N145.6 billion, excluding leases)
- Positive free cash flow of N362.5 billion, a decrease of 7.1%

Unless otherwise stated, financial and non-financial information is year-on-year (YoY, H1 2023 versus H1 2024).

MTN Nigeria CEO Karl Toriola comments:

Solid underlying operating performance despite macro headwinds and foreign currency impacts

"The macroeconomic conditions in Nigeria have been challenging during the period. The country has been dealing with rising inflation and the continued depreciation of the naira against the US dollar and other currencies. The inflation rate reached 34.2% in the month of June, with an average rate of 32.8% in the first half of the year; while



the naira closed June 2024 at N1,505/US\$ (December 2023: N907/US\$) at the Nigerian Autonomous Foreign Exchange Market (NAFEM). However, we are encouraged by the improving liquidity in the forex market in the period, which enabled us to reduce our exposure to foreign currency-denominated obligations.

Additionally, the Central Bank of Nigeria (CBN) increased the Monetary Policy Rate (MPR) by 8pp to 26.75% in the first half of the year to control inflation, resulting in higher funding but reduced currency volatility. To ease the burden on consumers, the Federal Government has announced some interventions, including an upward review of the minimum wage, a 150-day duty-free import window for food commodities and other initiatives to increase food supply.

Overall, these headwinds put pressure on consumers and the cost of doing business in the country. This includes, for MTN Nigeria, additional forex losses, leading to pressure on our period-end negative capital position. In this context, the business also continues to manage the effects of the Nigerian Communications Commission's (NCC) industry-wide NIN-SIM directive on our customer base.

Notwithstanding, we continue to prioritise initiatives to mitigate these pressures while accelerating the growth of our business, and we remain encouraged by the robust momentum in the underlying performance of our commercial operations.

Sustained solid commercial momentum despite pressures on earnings

Despite barring 8.6 million subscribers during H1, in line with the NCC directive, we managed to limit the decline in our base to 280k; resulting in a 2.9% YoY increase in our customers to 79.4 million. This outcome was supported by various initiatives we have deployed to retain affected customers, reduce churn and drive gross connections.

Additionally, we recently barred the remaining subscribers with less than five lines linked to unverified NIN in compliance with the 31st of July deadline. However, the NCC subsequently directed operators to reactivate the affected lines to give subscribers more time to go through the verification process, and we have complied.

Active data subscribers increased by approximately a million during H1 to 45.6 million. Despite the challenging macro conditions, we recorded increased voice traffic of 6.4% and data traffic of 42.6%, with data usage (GB per user) growth of 30.5% to 10.6GB. This underscores the resilience in the demand for data.



We are expanding our capacity to meet the increasing demand for our services. This includes the construction of a tier 4 data centre with seven degrees of transmission connectivity, making it the largest and most resilient in West Africa. Once completed, the new data centre will support our growth plan and offer a secure and scalable environment for hosting servers and accessing cloud services.

Within our fintech business, active wallets rose by 135k in H1 to 5.5 million as the business began to recover from the impact of the NIN requirement for KYC validation, which affected approximately a million active wallets in Q1. This helped to boost activity within our fintech ecosystem and spurred pleasing transaction volume growth of 33.4% YoY. We remain focused on driving wallet adoption and the growth of our merchant ecosystem, creating access to financial services and deepening financial inclusion in Nigeria.

Foreign exchange volatility impacts on earnings

We delivered service revenue growth of 32.6%, broadly in line with the average inflation rate in H1. This was driven by data and supported by voice, fintech and digital services.

Despite the strong topline performance, the higher general inflation and significant naira depreciation impacted our cost profile and eroded earnings. Consequently, EBITDA came under pressure, declining by 10.9%, and the EBITDA margin decreased by 17.4pp to 35.6%. Adjusting for the effects of forex on our operating costs, the EBITDA margin would have been 50.9%.

The depreciation of the naira between the periods ended December 2023 and June 2024 also resulted in materially higher net forex losses of N887.7 billion (H1 2023 restated: N454.7 billion), arising from the revaluation of foreign currency-denominated obligations. This led to a loss after tax of N519.1 billion compared to a restated loss of N85.6 billion in H1 2023 and a negative retained earnings and shareholders' equity of N727.2 billion and N577.7 billion, respectively. Adjusting for the net forex losses, PAT would have been N102.3 billion (down by 56%). Further adjusting for the impact of forex in our opex, PAT would have been up by 11.3% to N267.5 billion.



Creating shared value in our communities

We have made significant progress in rehabilitating the 110-kilometre Enugu-Onitsha Expressway as part of our efforts to build sustainable societies. This was achieved through the Road Infrastructure Tax Credit (RITC) scheme. The project has reached 44% completion, marking a crucial milestone in enhancing the transportation infrastructure in the region. Once completed, this initiative will have a transformative impact on the lives of Nigerians.

In addition, we continue to invest in community development through MTN Nigeria Foundation despite economic challenges. We have committed more than N1 billion to support initiatives that align with national priorities and enrich lives. These include the ongoing revitalisation of 52 primary health centres across Nigeria to enhance healthcare delivery at the grassroots level.

Other projects include our Y'ellopreneur programme focused on reducing women's unemployment in Nigeria, the ongoing renovation of 26 science and technology laboratories in public schools, the teacher's fellowship program to equip them with skills to improve student learning and our anti-substance abuse campaign programmes.

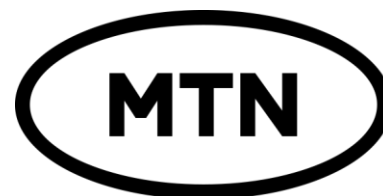
Outlook

As we continue to navigate the ongoing macroeconomic headwinds affecting businesses, we are focused on initiatives to accelerate our earnings recovery profile, strengthen our balance sheet, and restore our net asset position faster."

Progress on initiatives to improve MTN Nigeria's negative capital position

We made progress on the initiatives to accelerate revenue growth, improve margins, and strengthen our balance sheet position. These were outlined at our Extraordinary General Meeting held on 30 April 2024.

- **Regulated tariff increase** – We remain deeply engaged with the authorities, through our industry body, on tariff increases to manage the effects of the challenging operating conditions and support the long-term sustainability of the industry.
- **Driving margin recovery** – We continued to accelerate the momentum in our commercial operations, with robust growth in data traffic that underpinned the



32.6% expansion in our service revenue. Furthermore, we continued our relentless focus on expense efficiencies, delivering N15.8 billion in savings in the first half. The increase in our underlying operating expenses (excluding the impacts of forex in our opex, higher energy costs and VAT on tower leases) was limited to 31.7% – below the prevailing inflation in the economy. These efforts lay a solid foundation to restore our operating profitability.

- **Optimise capex** – Capex deployment was well-managed in H1, with an intensity of 9.5%. This has enabled us to substantially reduce our exposure to US dollar obligations.
- **Reduce US\$ exposure** – We have made significant progress in reducing the outstanding letters of credit (LC) US\$ obligations, which contribute to the volatility in our earnings through forex losses. On the back of our capex optimisation and improved forex liquidity in the market, we reduced the balance of outstanding LC obligations ahead of plan to approximately US\$100 million as at the end of June 2024. This was down from the US\$416.6 million reported as at December 2023 and funded through the restricted cash balances held in naira to support the LC obligations. The reduction led to a realised forex losses of N310.5 billion but helped to reduce the effect of future naira depreciation and attendant finance costs.
- **Review of tower lease contracts** – As part of our strategic efforts to manage our tower lease contracts, we are in ongoing renegotiation of certain commercial terms of the lease agreements with IHS Towers. If successful, this will help mitigate macro risks affecting our business and support margin recovery.

The strides achieved in executing these interventions are encouraging and set the business up well to improve our profitability and negative net asset position. As previously indicated, we will keep evaluating the conditions and developments in our operating environment and adjust our approach to address the negative capital position as needed.



Key financial highlights

| Items (in millions) | H1 2024 | H1 2023 (Restated)* | YoY | Q2 2024 | Q2 2023 (Restated)* | YoY |
|---|------------------|------------------------|--------------|----------------|------------------------|--------------|
| Total Revenue | 1,539,119 | 1,158,739 | 32.8% | 786,136 | 590,605 | 33.1% |
| Service Revenue | 1,528,376 | 1,152,671 | 32.6% | 781,059 | 586,735 | 33.1% |
| Voice | 632,378 | 562,685 | 12.4% | 313,454 | 285,074 | 10.0% |
| Data | 727,329 | 470,015 | 54.7% | 377,815 | 242,200 | 56.0% |
| Digital | 30,444 | 15,310 | 98.9% | 16,841 | 8,099 | 107.9% |
| Fintech | 48,413 | 43,602 | 11.0% | 25,567 | 20,914 | 22.2% |
| Other Service Revenue | 89,812 | 61,060 | 47.1% | 47,382 | 30,448 | 55.6% |
| Expenses | 991,425 | 544,289 | 82.2% | 535,399 | 278,800 | 92.0% |
| Cost of Sales | 252,874 | 189,058 | 33.8% | 123,862 | 97,072 | 27.6% |
| Operating Expenses | 738,551 | 355,231 | 107.9% | 411,537 | 181,728 | 126.5% |
| EBITDA | 547,694 | 614,450 | (10.9%) | 250,737 | 311,805 | (19.6%) |
| EBITDA Margin | 35.6% | 53.0% | (17.4pp) | 31.9% | 52.8% | (20.9pp) |
| Depreciation & Amortisation | 243,146 | 193,408 | 25.7% | 120,268 | 97,380 | 23.5% |
| Net Finance Costs | 168,156 | 85,810 | 96.0% | 74,752 | 46,604 | 60.4% |
| Finance Income | 14,932 | 16,392 | (8.9%) | 9,596 | 9,761 | (1.7%) |
| Finance Costs - leases | 80,235 | 43,687 | 83.7% | 40,710 | 31,668 | 28.6% |
| Finance Costs - borrowings | 66,584 | 51,623 | 29.0% | 17,853 | 20,139 | (11.4%) |
| Finance Costs - other | 36,269 | 6,892 | 426.2% | 25,785 | 4,558 | 465.7% |
| Net foreign exchange losses | 887,684 | 454,665 | 95.2% | 231,316 | 450,165 | (48.6%) |
| Realised foreign exchange losses | 367,912 | 21,677 | 1597.2% | 188,308 | 16,115 | 1068.5% |
| Unrealised foreign exchange losses | 519,772 | 432,988 | 20.0% | 43,008 | 434,050 | (90.1%) |
| PBT | (751,292) | (119,433) | 529.0% | (175,599) | (282,344) | (37.8%) |
| Taxation | 232,234 | 33,839 | 586.3% | 49,236 | 88,320 | (44.3%) |
| PAT | (519,058) | (85,594) | 506.4% | (126,363) | (194,024) | (34.9%) |
| Profit attributable to: | | | | | | |
| Owners of the company | (518,071) | (85,689) | 504.6% | (127,402) | (193,307) | (34.1%) |
| Non-controlling interest | (987) | 95 | (1138.9%) | 1,039 | (717) | (244.9%) |
| PAT | (519,058) | (85,594) | 506.4% | (126,363) | (194,024) | (34.9%) |
| Capital Expenditure | 319,915 | 266,773 | 19.9% | 140,182 | 146,227 | (4.1%) |
| Capital Expenditure excluding Right of Use Assets | 145,634 | 176,295 | (17.4%) | 13,071 | 133,925 | (90.2%) |
| Capex Intensity | 20.8% | 23.0% | (2.2pp) | 17.8% | 24.8% | (6.9pp) |
| Capex Intensity excluding Right of Use Assets | 9.5% | 15.2% | (5.8pp) | 1.7% | 22.7% | (21pp) |
| Free cash flow^ | 362,470 | 390,370 | -7.1% | 172,776 | 124,144 | 39.2% |
| Mobile Subscribers | 79.4 | 77.1 | 2.9% | 79.4 | 77.1 | 2.9% |
| Data Subscribers | 45.6 | 41.0 | 11.1% | 45.6 | 41.0 | 11.1% |
| MoMo Wallets | 5.5 | 3.1 | 73.9% | 5.5 | 3.1 | 73.9% |
| Ayoba | 9.1 | 7.2 | 26.7% | 9.1 | 7.2 | 26.7% |

*Restated to reflect the impact of unrealised forex losses on our tower lease contract liabilities.

^EBITDA less capex but excludes non-cash-related capex

Operational and financial review

We are pleased with the strong commercial momentum in our connectivity business and platforms supported by the growth in the user base, which has enabled us to deliver service revenue growth of 32.6%. This growth was bolstered by some favourable base effects (particularly in Q1) but underscored the resilience in the demand for our data, voice, fintech and digital services; each delivering double-digit growth.



Our **voice** revenue rose by 12.4% due to base growth and increased customer usage. This was driven by our successful CVM initiatives, revamped voice propositions and enhanced quality service for our valued customers.

We delivered strong growth of 54.7% in **data** revenue, driven by an expansion in user base and data usage. This was also supported by enhancements in service quality and strong demand for data and bolstered by the price optimisation implemented across some of our data bundle offerings in Q4 2023. We still see significant growth opportunities in data and are evaluating the quality and capacity requirements of our network on an ongoing basis.

Our 4G network population coverage was 82%, up marginally by 0.5pp from December 2023, and 5G was 12.7% (up by 1.5pp). Smartphone penetration was 55.9% (up by 2.9pp YoY), underpinning strong data usage (GB per user) growth of 30.5% to 10.6GB and data traffic growth of 42.6%.

During H1, we added over 600k home broadband subscribers, bringing our total base to over 2.6 million. We are working to enhance home broadband access to support the growing use cases for digital adoption, using 5G fixed wireless access devices, mobile broadband solutions, and fibre-to-the-home connectivity to capture a significant share of market growth.

Fintech revenue grew double digits to 11.0%, with a pleasing acceleration in Q2 growth (+22.2%). This was primarily due to our airtime lending product, Xtratime, as we saw an encouraging growth in the adoption of our MoMo services. The number of active wallet users increased by 135k to 5.5 million (a 701k increase in Q2). We are pleased with the momentum in wallet adoption in Q2 following the pressure in Q1 from the NIN requirement for KYC validation, which affected approximately a million active wallets.

The total number of MoMo agents, including those facilitating OTC transactions, was 302.8k, representing a decrease of approximately 24k in H1 as the uptake of wallets and self-service channels grew. Excluding OTC transactions, the number of MoMo agents was relatively flat at 239k. We onboarded over 174k new merchants, bringing the total number of merchants within our ecosystem to approximately 498k. The growing adoption and increased activity within our fintech ecosystem spurred a



growth of 33.4% YoY in transaction volume. We will leverage the momentum in Q2 to accelerate the development of wallets and MoMo PSB app adoption as we expand our merchant ecosystem.

Our **digital services** revenue accelerated its growth trajectory, increasing by 98.9% in H1 due to the increasing adoption of our digital products and expanding partnerships with content providers. We achieved this through user journey optimisation, revamped digital offers, and expanded active user base, which increased by 5.6 million to 19.6 million.

Our instant messaging platform, Ayoba, accounted for 46.5% of the active base with 9.1 million monthly users. Subscriptions for rich media services, including music, video, and gaming make up 53.5% of the active base. We continue to onboard new partners to our digital ecosystem and expand the range of service offerings to sustain the growth of the business.

The **enterprise** business recorded a 63.7% increase in revenue, driven by higher adoption of our services. Our mobile and fixed connectivity services and unified communications were the main growth drivers as we expanded our offerings in new areas. This was aided by our expanding 5G network, which positions us for new opportunities.

Several factors contributed to a 107.9% increase in **opex**. These included the depreciation of the naira, higher energy costs, and the introduction of VAT on tower leases in September 2023. However, when excluding these effects, opex increased by 31.7%, below the average inflation rate of 32.8%. This demonstrates the efforts made to improve expense efficiencies. Although constrained by macro headwinds, our expense efficiency programme delivered N15.8 billion in cost savings in H1.

Consequently, **EBITDA** declined by 10.9%, with a 17.4pp decline in EBITDA margin to 35.6%, broadly in line with our guidance range. Adjusting for the effects of forex (15.3pp), the EBITDA margin for H1 2024 would have been 50.9%. Also affecting the performance were VAT on the tower leases (2.7pp) and the impact of higher energy costs, which reduced the underlying EBITDA margin by 0.8pp. Excluding the combined effect of these items, the EBITDA margin would have been 54.4%.



Depreciation and amortisation increased by 25.7%, arising mainly from investment in network infrastructure. The underlying **net finance cost**, excluding the net forex losses, rose by 96% to N168.2 billion. This included higher finance costs on leases, borrowings and other derivative liabilities net of finance income from short-term money market investments.

The net forex losses increased 95.2% to N887.7 billion (H1 2023: N454.7 billion), mainly due to the significant naira depreciation in H1. This resulted in higher lease liabilities, accounting for approximately 49% of the net forex losses.

We took advantage of the improved liquidity in the forex market to reduce the outstanding LC obligations by 76% to approximately US\$100 million. These obligations contributed to the volatility in our earnings through forex losses. The reduction was the key driver behind the realised net forex losses of N367.9 billion recorded in the period; while the remaining N519.8 billion (58.6% of the overall forex losses) was unrealised.

Regarding our debt metrics, approximately 48% of our debts have fixed interest rates, while 52% are floating. Our debt mix is 59% local currency denominated (up 3pp versus FY 2023) and 41% foreign currency. Our net debt-to-EBITDA ratio of 1.1 times remains within our financial covenant levels, supported by a cash balance of N201.8 billion at the end of the period.

The effective tax rate increased by 2.7pp to 31%, driven mainly by the reported loss before tax and the deferred education tax arising from the unrealised forex losses disallowed for tax purposes. Overall, we recorded a **loss after tax** of N519.1 billion.

Capex increased by 19.9% to N319.9 billion, while core capex, excluding leases, declined by 17.4% to N145.6 billion, with a capex intensity of 9.5% in line with our guidance. The optimisation of core capex enabled us to accelerate the reduction of forex exposure arising from our LC-backed obligations and its impact on the business. We achieved a positive free cash flow of N362.5 billion. Notwithstanding the near-term pressure, the fundamentals of our business and our cash flow generation during the period remained strong.



Outlook

As we look ahead to the second half of the year, MTN Nigeria remains focused on navigating the challenging economic landscape in Nigeria and seizing growth opportunities. We are committed to implementing strategic initiatives to enhance our performance and strengthen our position in the market.

Furthermore, we are steadfast in our efforts to accelerate the growth of our commercial operations, optimising our operational efficiency and bolstering our balance sheet. We will continue efforts to navigate the effects of the NIN-SIM directive on our business while seeking to deliver quality service to our customers.

MTN Nigeria will remain engaged with the appropriate authorities to make tariff adjustments that support the long-term sustainability of the industry and continued investment.

In our fintech business, we will build on the momentum in Q2 to drive wallets and MoMo PSB app adoption and the growth of our merchant ecosystem. This will enable us to expand access to financial services and deepen financial inclusion in Nigeria.

Moving forward, our approach to capex optimisation will be carefully balanced to align with the growth opportunities presented by increasing demand for data and sustained traffic growth. We are monitoring these developments closely to ensure that our investment in network infrastructure supports business growth and maintains our competitive position in the market.

The further depreciation of the naira in H1 has materially impacted our financial position. As stated earlier, the ongoing renegotiation with IHS Towers, if successful, will support our margin recovery.

In terms of our FY 2024 single-year guidance, EBITDA margin is anticipated to be in the range of 33-35%, capex intensity in the upper single digits, and service revenue growth in the 'high-20% to low-30%' range. This single-year guidance assumes no tariff increase, no successful renegotiation of tower agreements as well as average exchange rates of between N1,400 and N1,700/US\$. We will continue to monitor developments in our trading environment and their impacts on the growth of the business and, if necessary, provide an update in Q3 2024.

Overall, MTN Nigeria is committed to navigating economic challenges and regulatory dynamics in Nigeria while driving sustainable growth and value creation. We will



continue to pursue initiatives to improve financial performance and enhance operational capabilities to create long-term value for our stakeholders and the Nigerian economy as a whole.

A handwritten signature in black ink, appearing to read "Karl Olutokun Toriola".

Karl Olutokun Toriola
Chief Executive Officer

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About MTN Nigeria

MTN Nigeria is one of Africa's largest providers of communications services, connecting over 79 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 18 countries in Africa and the Middle East.



Condensed consolidated and separate statement of profit or loss

| | Group | | | | Company | | | |
|--|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
| | 6 months ended 30 | 6 months ended 30 | 3 months ended 30 | 3 months ended 30 | 6 months ended 30 | 6 months ended 30 | 3 months ended 30 | 3 months ended 30 |
| | 30 June 2024 | June 2023 restated* | 30 June 2024 | June 2023 restated* | 30 June 2024 | June 2023 restated* | 30 June 2024 | June 2023 restated* |
| | N million | N million | N million | N million | N million | N million | N million | N million |
| Revenue | 1,539,119 | 1,158,739 | 786,136 | 590,605 | 1,547,826 | 1,158,273 | 788,990 | 590,597 |
| Direct network operating costs | (586,798) | (276,958) | (331,994) | (140,313) | (586,796) | (276,812) | (331,992) | (140,244) |
| Value added services costs | (14,849) | (11,036) | (7,983) | (5,148) | (14,849) | (11,036) | (7,983) | (5,148) |
| Costs of SIM starter packs, handsets and accessories | (22,175) | (12,983) | (9,260) | (6,672) | (22,175) | (12,983) | (9,260) | (6,672) |
| Interconnect costs | (96,474) | (76,964) | (47,420) | (39,790) | (96,474) | (76,964) | (47,420) | (39,790) |
| Roaming costs | (6,585) | (3,873) | (2,526) | (2,342) | (6,585) | (3,873) | (2,526) | (2,342) |
| Transmission costs | (11,739) | (4,842) | (7,526) | (2,755) | (11,739) | (4,842) | (7,526) | (2,755) |
| Discounts and commissions | (73,281) | (55,374) | (36,511) | (28,595) | (71,082) | (53,325) | (35,855) | (27,584) |
| Advertisements, sponsorships and sales promotions | (25,450) | (19,417) | (12,424) | (10,050) | (16,353) | (12,646) | (8,985) | (5,926) |
| Employee costs | (43,549) | (28,471) | (22,295) | (16,370) | (39,956) | (26,232) | (20,417) | (15,380) |
| Other operating expenses | (110,525) | (54,371) | (57,461) | (26,765) | (109,482) | (63,163) | (57,107) | (26,382) |
| Depreciation of property and equipment | (130,462) | (98,409) | (61,839) | (48,633) | (130,462) | (98,409) | (61,839) | (48,633) |
| Depreciation of right of use assets* | (69,979) | (58,378) | (35,539) | (29,331) | (69,979) | (58,378) | (35,539) | (29,331) |
| Amortisation of intangible assets | (42,705) | (36,621) | (22,890) | (19,416) | (41,992) | (33,962) | (23,863) | (18,086) |
| Operating profit | 304,548 | 421,042 | 130,468 | 214,425 | 329,902 | 425,648 | 138,678 | 222,324 |
| Finance income | 14,932 | 16,392 | 9,596 | 9,761 | 14,099 | 15,668 | 9,295 | 9,484 |
| Finance cost* | (183,088) | (102,202) | (84,348) | (56,365) | (182,492) | (102,202) | (84,040) | (56,365) |
| Net foreign exchange loss* | (887,684) | (454,665) | (231,316) | (450,165) | (887,653) | (454,665) | (231,339) | (450,165) |
| Loss before taxation | (751,292) | (119,433) | (175,600) | (282,344) | (726,144) | (115,551) | (167,406) | (274,722) |
| Tax credit* | 232,234 | 33,839 | 49,236 | 88,320 | 224,695 | 32,714 | 46,420 | 85,880 |
| Loss for the period | (519,058) | (85,594) | (126,364) | (194,024) | (501,449) | (82,837) | (120,986) | (188,842) |
| Loss attributable to: | | | | | | | | |
| Owners of the company | (518,071) | (85,689) | (127,403) | (193,307) | (501,449) | (82,837) | (120,986) | (188,842) |
| Non-controlling interest | (987) | 95 | 1,039 | (717) | - | - | - | - |
| | (519,058) | (85,594) | (126,364) | (194,024) | (501,449) | (82,837) | (120,986) | (188,842) |
| Basic and diluted loss per share (N) | (24.71) | (4.09) | (6.08) | (9.22) | (23.92) | (3.95) | (5.77) | (9.01) |

Note: 2023 numbers have been restated, see note 43 of the full financial statements

Condensed consolidated and separate statement of other comprehensive income

| | Group | | | | Company | | | |
|--|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
| | 6 months ended 30 | 6 months ended 30 | 3 months ended 30 | 3 months ended 30 | 6 months ended 30 | 6 months ended 30 | 3 months ended 30 | 3 months ended 30 |
| | 30 June 2024 | June 2023 restated* | 30 June 2024 | June 2023 restated* | 30 June 2024 | June 2023 restated* | 30 June 2024 | June 2023 restated* |
| | N million | N million | N million | N million | N million | N million | N million | N million |
| Loss for the period | (519,058) | (85,594) | (126,364) | (194,024) | (501,449) | (82,837) | (120,986) | (188,842) |
| Items that may be reclassified to profit or loss | | | | | | | | |
| Fair valuation (loss)/gain on investments designated at FVOCI* | (174) | (1,179) | 342 | 16 | (174) | (1,179) | 342 | 16 |
| Other comprehensive (loss)/income for the period net of taxation | (174) | (1,179) | 342 | 16 | (174) | (1,179) | 342 | 16 |
| Total comprehensive loss for the period | (519,232) | (86,773) | (126,022) | (194,008) | (501,623) | (84,016) | (120,644) | (188,826) |
| Attributable to: | | | | | | | | |
| Owners of the company | (518,245) | (86,868) | (127,061) | (193,291) | (501,623) | (84,016) | (120,644) | (188,826) |
| Non-controlling interest | (987) | 95 | 1,039 | (717) | - | - | - | - |
| | (519,232) | (86,773) | (126,022) | (194,008) | (501,623) | (84,016) | (120,644) | (188,826) |



Condensed consolidated and separate statement of financial position

| | Group | | Company | |
|---|---------------------------|--------------------------|---------------------------|--------------------------|
| | 30 June 2024 N million | 31 Dec 2024 N million | 30 June 2024 N million | 31 Dec 2024 N million |
| Assets | | | | |
| Non-current assets | | | | |
| Property and equipment | 1,095,895 | 1,095,111 | 1,095,895 | 1,095,111 |
| Right-of-use assets | 583,127 | 478,826 | 583,127 | 478,826 |
| Intangible assets | 418,301 | 447,599 | 413,316 | 426,300 |
| Investments in subsidiaries | - | - | 72,950 | 100,378 |
| Deferred tax asset | 390,796 | 151,362 | 372,643 | 140,777 |
| Other investments | 9,017 | 6,632 | 6,866 | 6,632 |
| Other non-current assets | 22,841 | 33,516 | 22,841 | 33,516 |
| | 2,519,977 | 2,213,046 | 2,567,638 | 2,281,540 |
| Current assets | | | | |
| Inventories | 6,980 | 6,027 | 6,519 | 6,027 |
| Trade and other receivables | 329,600 | 215,414 | 365,462 | 239,692 |
| Current investments | 37,379 | 7,256 | 24,088 | 2,619 |
| Restricted cash* | 187,436 | 394,409 | 187,236 | 394,209 |
| Cash held for MoMo customer* | 2,147 | 7,601 | - | - |
| Cash and cash equivalents | 201,756 | 345,074 | 194,414 | 315,548 |
| | 765,298 | 975,781 | 777,719 | 958,095 |
| Total assets | 3,285,275 | 3,188,827 | 3,345,357 | 3,239,635 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Share capital | 420 | 420 | 420 | 420 |
| Share premium | 166,362 | 166,362 | 166,362 | 166,362 |
| Treasury shares | (4,869) | (4,869) | (4,869) | (4,869) |
| Other reserves | (12,373) | 701 | (29,818) | 708 |
| Accumulated loss | (727,240) | (208,018) | (629,291) | (127,842) |
| Equity attributable to owners of the company | (577,700) | (45,404) | (497,196) | 34,779 |
| Non-controlling interest | - | 4,560 | - | - |
| | (577,700) | (40,844) | (497,196) | 34,779 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Borrowings | 560,909 | 487,817 | 560,909 | 487,817 |
| Lease liabilities | 1,122,616 | 813,634 | 1,122,616 | 813,634 |
| Deferred tax liability | - | 1,149 | - | - |
| Provisions | 42 | 46 | 42 | 46 |
| Employee benefits* | 8,968 | 8,429 | 8,968 | 8,429 |
| Share based payment liability | 11,346 | 16,910 | 11,346 | 16,910 |
| Other non-current liabilities* | 7,634 | 8,267 | 24 | - |
| | 1,711,515 | 1,336,252 | 1,703,905 | 1,326,836 |
| Current liabilities | | | | |
| Trade and other payables* | 1,158,790 | 699,520 | 1,149,502 | 693,435 |
| Current tax payable | 99,355 | 157,971 | 99,039 | 157,669 |
| Borrowings | 384,537 | 689,352 | 384,537 | 689,352 |
| Lease liabilities | 350,962 | 190,777 | 350,962 | 190,777 |
| Contract liabilities | 99,671 | 102,796 | 99,671 | 102,414 |
| Provisions | 39,319 | 28,216 | 38,258 | 27,187 |
| Deposit held for MoMo customers | 2,147 | 7,601 | - | - |
| Employee benefits | 1,617 | 1,274 | 1,617 | 1,274 |
| Derivatives | 15,062 | 15,912 | 15,062 | 15,912 |
| | 2,151,460 | 1,893,419 | 2,138,648 | 1,878,020 |
| Total liabilities | 3,862,975 | 3,229,671 | 3,842,553 | 3,204,856 |
| Total equity and liabilities | 3,285,275 | 3,188,827 | 3,345,357 | 3,239,635 |



Condensed consolidated and separate statement of cash flows

| | Group | | Company | |
|---|--|---|--|---|
| | 6 months ended 30 30 June 2024 N million | 6 months ended 30 June 2023 restated* N million | 3 months ended 30 30 June 2024 N million | 3 months ended 30 June 2023 restated* N million |
| Cash flows from operating activities | | | | |
| Cash generated from operations | 718,354 | 719,238 | 709,972 | 733,002 |
| Finance cost paid | (131,217) | (81,305) | (130,590) | (81,305) |
| Interest received | 13,046 | 14,695 | 12,213 | 13,972 |
| Dividends paid | - | (61,250) | - | (61,250) |
| Tax paid | (66,900) | (76,958) | (66,900) | (76,958) |
| Net cash flows generated from operating activities | 533,283 | 514,420 | 524,695 | 527,461 |
| Cash flows from investing activities | | | | |
| Acquisition of property and equipment | (139,074) | (142,619) | (139,074) | (142,619) |
| Acquisition of intangible assets | (14,848) | (75,410) | (14,848) | (75,410) |
| Acquisition of right of use assets | (31,872) | (6,472) | (31,872) | (6,472) |
| Proceeds from disposal of property and equipment | 574 | 420 | 574 | 420 |
| Purchase of investment in non-current FGN bonds | (4,600) | (42) | (2,449) | (42) |
| Sale of investment in non-current FGN bonds | 2,226 | - | 2,226 | - |
| Purchase of bonds, treasury bills and foreign deposits | (136,909) | (37,634) | (108,235) | (37,505) |
| Sale of bonds, treasury bills and foreign deposits | 107,721 | 22,662 | 107,721 | 22,662 |
| Purchase of contract acquisition costs | (2,662) | (2,010) | (2,662) | (2,010) |
| Decrease/(increase) in non-current prepayments | 9,873 | (11,901) | 9,873 | (11,901) |
| Decrease/(increase) in restricted cash | 206,972 | (100,780) | 206,972 | (100,779) |
| Acquisition of non-controlling interest | | | (6,950) | |
| Net cash flows (used in)/from investing activities | (2,599) | (353,786) | 21,276 | (353,656) |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings | 51,554 | 196,144 | 51,554 | 196,144 |
| Repayment of borrowings | (622,665) | (149,183) | (622,665) | (149,183) |
| Repayment on lease liabilities | (106,877) | (80,847) | (106,877) | (80,847) |
| Acquisition of non-controlling interest | (6,950) | - | | - |
| Net cash flows used in financing activities | (684,938) | (33,886) | (677,988) | (33,886) |
| Net (decrease)/increase in cash and cash equivalents | (154,254) | 126,748 | (132,017) | 139,919 |
| 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 | 10,940 | 22,845 | 10,940 | 22,845 |
| Cash and cash equivalents at the end of the period | 201,854 | 499,381 | 194,512 | 487,296 |

Note: 2023 numbers have been restated, see note 43 of the full financial statements