



**MTN Nigeria Communications Plc**  
Condensed consolidated and separate financial statements  
for the six months ended 30 June 2025

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

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# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Financial highlights

In millions of Nigerian Naira	Notes	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	% change
Revenue	6	2,377,752	1,539,119	54.49
Operating profit		892,823	304,548	193.16
Profit/(loss) before taxation		622,262	(751,292)	182.83
Profit/(loss) for the period attributable to the owners of the company		414,856	(518,071)	180.08
Basic and diluted earnings/(loss) per share (N)	39	19.78	(24.71)	180.08
		As at 30 Jun 2025	As at 31 Dec 2024	% change
Share capital		420	420	-
Total equity attributable to the owners of the company		(42,451)	(458,007)	90.73
Net liabilities per share (N)		(2.02)	(21.84)	90.73
<b>Stock exchange information</b>				
Market price per share as at period end (N)		357.50	200.00	78.75
Market capitalisation as at period end (N'million)		7,506,070	4,199,200	78.75
Number of shares issued and fully paid as at period end (millions)		20,996	20,996	-

The financial highlights reflect Group numbers only.

## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE MEMBERS OF MTN NIGERIA COMMUNICATIONS PLC

### INTRODUCTION

We have reviewed the accompanying interim condensed consolidated and separate financial statements of MTN Nigeria Communications Plc and its subsidiaries (together "the Group"), which comprise the condensed consolidated and separate statements of financial position as at 30 June 2025, and the condensed consolidated and separate statements of profit or loss, the condensed consolidated and separate statements of other comprehensive income, the condensed consolidated and separate statements of changes in equity and the condensed consolidated and separate statements of cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes. The Directors are responsible for the preparation and fair presentation of this interim financial information in accordance with the IFRS Accounting Standards, IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board.

Our responsibility is to express a conclusion on this interim financial information based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared in all material respects, in accordance with the IFRS Accounting Standards, IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board.

Signed:



Williams .I. Erimona

FRC/2013/PRO/ICAN/004/00000002190

For: Ernst & Young

Lagos, Nigeria

30 July 2025



# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Condensed consolidated and separate statements of profit or loss

	Notes	Group				Company			
		6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024
In millions of Nigerian Naira									
Revenue	6	2,377,752	1,539,119	1,319,779	786,136	2,375,820	1,547,826	1,318,468	788,990
Other income	7	1,622	-	1,622	-	1,622	-	1,622	-
Direct networking operating costs	8	(685,307)	(586,798)	(347,932)	(331,994)	(685,307)	(586,796)	(347,932)	(331,992)
Value added services		(25,600)	(14,849)	(13,656)	(7,983)	(25,600)	(14,849)	(13,663)	(7,983)
Cost of starter packs, handsets and accessories		(22,609)	(22,175)	(10,943)	(9,260)	(22,609)	(22,175)	(10,943)	(9,260)
Interconnect costs		(101,010)	(96,474)	(48,109)	(47,420)	(101,010)	(96,474)	(48,109)	(47,420)
Roaming costs		(6,001)	(6,585)	(3,070)	(2,526)	(6,001)	(6,585)	(3,070)	(2,526)
Transmission costs		(19,382)	(11,739)	(10,388)	(7,526)	(19,382)	(11,739)	(10,388)	(7,526)
Discount and commissions		(109,929)	(73,281)	(60,394)	(36,511)	(109,925)	(71,082)	(60,095)	(35,855)
Advertisements, sponsorships and sales promotions		(20,614)	(25,450)	(11,045)	(12,424)	(19,517)	(16,353)	(10,297)	(8,985)
Employee costs	9	(54,683)	(43,549)	(30,622)	(22,294)	(52,826)	(39,956)	(29,139)	(20,416)
Impairment of financial assets*	10	(3,114)	384	(2,164)	(324)	(3,073)	331	(2,123)	(377)
Other operating expenses*	11	(128,895)	(110,909)	(73,594)	(57,137)	(189,605)	(109,813)	(135,068)	(56,730)
Depreciation of property and equipment	16	(140,731)	(130,462)	(72,434)	(61,839)	(140,731)	(130,462)	(72,434)	(61,839)
Depreciation of right of use assets	17	(126,646)	(69,979)	(65,751)	(35,539)	(126,646)	(69,979)	(65,751)	(35,539)
Amortisation of intangible assets	18	(42,030)	(42,705)	(21,195)	(22,890)	(41,276)	(41,992)	(20,818)	(23,863)
<b>Operating profit</b>		<b>892,823</b>	<b>304,548</b>	<b>550,104</b>	<b>130,469</b>	<b>833,934</b>	<b>329,902</b>	<b>490,260</b>	<b>138,679</b>
Finance income	12	14,414	14,932	7,082	9,596	9,431	14,099	4,539	9,295
Finance costs	13	(279,745)	(183,088)	(137,868)	(84,348)	(279,135)	(182,492)	(137,570)	(84,040)
Net foreign exchange loss	14	(5,230)	(887,684)	295	(231,316)	(5,247)	(887,653)	230	(231,339)
<b>Profit/(loss) before taxation</b>		<b>622,262</b>	<b>(751,292)</b>	<b>419,613</b>	<b>(175,599)</b>	<b>558,983</b>	<b>(726,144)</b>	<b>357,459</b>	<b>(167,405)</b>
Tax (expense)/credit	15	(207,406)	232,234	(138,440)	49,236	(207,323)	224,695	(138,419)	46,420
<b>Profit/(loss) for the period</b>		<b>414,856</b>	<b>(519,058)</b>	<b>281,173</b>	<b>(126,363)</b>	<b>351,660</b>	<b>(501,449)</b>	<b>219,040</b>	<b>(120,985)</b>
<b>Profit/(loss) attributable to:</b>									
Owners of the company		414,856	(518,071)	281,173	(127,402)	351,660	(501,449)	219,040	(120,985)
Non-controlling interest		-	(987)	-	1,039	-	-	-	-
		<b>414,856</b>	<b>(519,058)</b>	<b>281,173</b>	<b>(126,363)</b>	<b>351,660</b>	<b>(501,449)</b>	<b>219,040</b>	<b>(120,985)</b>
<b>Basic and diluted earnings/(loss) per share</b>									
Basic and diluted earnings/(loss) per share (N)	39	19.78	(24.71)	13.41	(6.08)	16.77	(23.91)	10.45	(5.77)

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

\*2024 comparative numbers reclassified, see note 45.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Condensed consolidated and separate statements of other comprehensive income

	Group				Company			
	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024
In millions of Nigerian Naira								
<b>Profit/(loss) for the period</b>	<b>414,856</b>	<b>(519,058)</b>	<b>281,173</b>	<b>(126,363)</b>	<b>351,660</b>	<b>(501,449)</b>	<b>219,040</b>	<b>(120,985)</b>
<b>Items that may be reclassified to profit or loss, (net of taxation):</b>								
Fair valuation gain/(loss) on investments at FVOCI (a)	151	(174)	120	342	157	(174)	119	342
<b>Other comprehensive income/(loss) for the period; net of taxation</b>	<b>151</b>	<b>(174)</b>	<b>120</b>	<b>342</b>	<b>157</b>	<b>(174)</b>	<b>119</b>	<b>342</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>415,007</b>	<b>(519,232)</b>	<b>281,293</b>	<b>(126,021)</b>	<b>351,817</b>	<b>(501,623)</b>	<b>219,159</b>	<b>(120,643)</b>
<b>Attributable to:</b>								
Owners of the company	415,007	(518,245)	281,293	(127,060)	351,817	(501,623)	219,159	(120,643)
Non-controlling interest	-	(987)	-	1,039	-	-	-	-
	<b>415,007</b>	<b>(519,232)</b>	<b>281,293</b>	<b>(126,021)</b>	<b>351,817</b>	<b>(501,623)</b>	<b>219,159</b>	<b>(120,643)</b>

(a) Fair valuation gain/(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.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Condensed consolidated and separate statements of financial position

In millions of Nigerian Naira	Notes	Group		Company	
		30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
<b>Assets</b>					
<b>Non-current assets</b>					
Property and equipment	16	1,667,256	1,248,304	1,667,256	1,248,304
Right-of-use assets	17	1,628,914	1,382,580	1,628,914	1,382,580
Intangible assets	18	419,822	408,783	416,005	404,212
Investments in subsidiaries	19	-	-	40,386	102,950
Deferred tax	20	201,456	321,349	201,439	321,332
Other non-current investments	21.1	14,273	9,068	6,371	6,575
Other non current assets	22	55,608	35,571	55,608	35,571
		<b>3,987,329</b>	<b>3,405,655</b>	<b>4,015,979</b>	<b>3,501,524</b>
<b>Current assets</b>					
Inventories	23	12,513	6,971	11,989	6,395
Trade and other receivables	24	268,350	367,713	313,872	398,966
Current investments	21.2	121,324	52,409	56,032	28,196
Restricted cash	25	118,570	107,023	118,370	106,823
Cash held for MoMo customer	26.1	6,006	3,843	-	-
Cash and cash equivalents	27	257,583	253,377	261,849	232,800
		<b>784,346</b>	<b>791,336</b>	<b>762,112</b>	<b>773,180</b>
<b>Total assets</b>		<b>4,771,675</b>	<b>4,196,991</b>	<b>4,778,091</b>	<b>4,274,704</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	28.1	420	420	420	420
Share premium	28.2	166,362	166,362	166,362	166,362
Treasury shares	28.3	(4,041)	(4,869)	(4,041)	(4,869)
Other reserves	28.4	(12,303)	(12,454)	(29,676)	(29,833)
Accumulated loss		(192,889)	(607,466)	(136,658)	(488,318)
		<b>(42,451)</b>	<b>(458,007)</b>	<b>(3,593)</b>	<b>(356,238)</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	29	495,858	636,590	495,858	636,590
Lease liabilities	30	2,126,698	1,997,744	2,126,698	1,997,744
Provisions	31	56	43	56	43
Employee benefits	32	10,755	9,440	10,755	9,440
Share based payment liability	33	15,505	14,021	15,505	14,021
Other non-current liabilities	34	12,740	8,842	3,933	25
		<b>2,661,612</b>	<b>2,666,680</b>	<b>2,652,805</b>	<b>2,657,863</b>

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Condensed consolidated and separate statements of financial position

In millions of Nigerian Naira	Notes	Group		Company	
		30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
<b>Current liabilities</b>					
Trade and other payables	35	1,307,062	1,191,416	1,304,587	1,183,736
Current tax payable	36	88,279	25,012	87,921	24,713
Borrowings	29	317,913	336,325	317,913	336,325
Lease liabilities	30	267,174	285,680	267,174	285,680
Contract liabilities	37	120,224	117,272	120,224	117,272
Provisions	31	25,575	25,171	22,754	21,754
Employee benefits	32	2,085	1,638	2,085	1,638
Derivatives	38	6,221	1,961	6,221	1,961
Deposit held for MoMo customers	26.2	17,981	3,843	-	-
		<b>2,152,514</b>	<b>1,988,318</b>	<b>2,128,879</b>	<b>1,973,079</b>
<b>Total liabilities</b>		<b>4,814,126</b>	<b>4,654,998</b>	<b>4,781,684</b>	<b>4,630,942</b>
<b>Total equity and liabilities</b>		<b>4,771,675</b>	<b>4,196,991</b>	<b>4,778,091</b>	<b>4,274,704</b>

The condensed consolidated and separate financial statements were approved by the Board of Directors on the 29 July 2025 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 condensed consolidated and separate financial statements.



# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Condensed consolidated and separate statements of changes in equity

	Share capital	Share premium	Total share capital	Treasury shares	Other reserves	Accumulated loss	Total equity attributable to owners of the company	Non-controlling interest	Total equity
In millions of Nigerian Naira									
<b>Group</b>									
<b>Balance at 1 January 2024</b>	<b>420</b>	<b>166,362</b>	<b>166,782</b>	<b>(4,869)</b>	<b>701</b>	<b>(208,018)</b>	<b>(45,404)</b>	<b>4,560</b>	<b>(40,844)</b>
Prior year adjustments - MoMo PSB*	-	-	-	-	-	(772)	(772)	(194)	(966)
Loss for the period	-	-	-	-	-	(518,071)	(518,071)	(987)	(519,058)
Other comprehensive loss	-	-	-	-	(174)	-	(174)	-	(174)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(174)</b>	<b>(518,071)</b>	<b>(518,245)</b>	<b>(987)</b>	<b>(519,232)</b>
Non-controlling interest acquisition	-	-	-	-	(12,970)	-	(12,970)	(3,379)	(16,349)
Other movement	-	-	-	-	-	(309)	(309)	-	(309)
<b>Balance at 30 June 2024</b>	<b>420</b>	<b>166,362</b>	<b>166,782</b>	<b>(4,869)</b>	<b>(12,443)</b>	<b>(727,170)</b>	<b>(577,700)</b>	<b>-</b>	<b>(577,700)</b>
<b>Opening balance as previously reported</b>	<b>420</b>	<b>166,362</b>	<b>166,782</b>	<b>(4,869)</b>	<b>(12,454)</b>	<b>(607,466)</b>	<b>(458,007)</b>	<b>-</b>	<b>(458,007)</b>
Prior year adjustments - MoMo PSB*	-	-	-	-	-	(279)	(279)	-	(279)
<b>Balance at 1 January 2025 as restated</b>	<b>420</b>	<b>166,362</b>	<b>166,782</b>	<b>(4,869)</b>	<b>(12,454)</b>	<b>(607,745)</b>	<b>(458,286)</b>	<b>-</b>	<b>(458,286)</b>
Profit for the period	-	-	-	-	-	414,856	414,856	-	414,856
Other comprehensive income	-	-	-	-	151	-	151	-	151
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>414,856</b>	<b>415,007</b>	<b>-</b>	<b>415,007</b>
Net vested shares**	-	-	-	828	-	-	828	-	828
<b>Balance at 30 June 2025</b>	<b>420</b>	<b>166,362</b>	<b>166,782</b>	<b>(4,041)</b>	<b>(12,303)</b>	<b>(192,889)</b>	<b>(42,451)</b>	<b>-</b>	<b>(42,451)</b>

\* See note 45.2

\*\* See note 28.3

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Condensed consolidated and separate statements of changes in equity

	Share capital	Share premium	Total share capital	Treasury shares	Other reserves	Accumulated loss	Total equity attributable to owners of the company	Non-controlling interest	Total equity
In millions of Nigerian Naira									
<b>Company</b>									
<b>Balance at 1 January 2024</b>	<b>420</b>	<b>166,362</b>	<b>166,782</b>	<b>(4,869)</b>	<b>708</b>	<b>(127,842)</b>	<b>34,779</b>	-	<b>34,779</b>
Loss for the period	-	-	-	-	-	(501,449)	(501,449)	-	(501,449)
Other comprehensive loss	-	-	-	-	(174)	-	(174)	-	(174)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(174)</b>	<b>(501,449)</b>	<b>(501,623)</b>	<b>-</b>	<b>(501,623)</b>
Common control reserve	-	-	-	-	(30,352)	-	(30,352)	-	(30,352)
<b>Balance at 30 June 2024</b>	<b>420</b>	<b>166,362</b>	<b>166,782</b>	<b>(4,869)</b>	<b>(29,818)</b>	<b>(629,291)</b>	<b>(497,196)</b>	<b>-</b>	<b>(497,196)</b>
<b>Balance at 1 January 2025</b>	<b>420</b>	<b>166,362</b>	<b>166,782</b>	<b>(4,869)</b>	<b>(29,833)</b>	<b>(488,318)</b>	<b>(356,238)</b>	-	<b>(356,238)</b>
Profit for the period	-	-	-	-	-	351,660	351,660	-	351,660
Other comprehensive income	-	-	-	-	157	-	157	-	157
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>157</b>	<b>351,660</b>	<b>351,817</b>	<b>-</b>	<b>351,817</b>
Net vested shares*	-	-	-	828	-	-	828	-	828
<b>Balance at 30 June 2025</b>	<b>420</b>	<b>166,362</b>	<b>166,782</b>	<b>(4,041)</b>	<b>(29,676)</b>	<b>(136,658)</b>	<b>(3,593)</b>	<b>-</b>	<b>(3,593)</b>

\*See note 28.3

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Condensed consolidated and separate statements of cash flows

In millions of Nigerian Naira	Notes	Group		Company	
		6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024
<b>Cash flows from operating activities</b>					
Cash generated from operations	40	1,238,834	718,354	1,222,183	709,972
Interest received	12	10,790	13,046	9,756	12,213
Finance cost paid	13	(272,395)	(131,217)	(272,395)	(130,590)
Tax paid		(21,546)	(66,900)	(21,546)	(66,900)
<b>Net cash flows generated from operating activities</b>		<b>955,683</b>	<b>533,283</b>	<b>937,998</b>	<b>524,695</b>
<b>Cash flows from investing activities</b>					
Acquisition of property and equipment		(382,466)	(139,074)	(382,466)	(139,074)
Acquisition of right of use assets		(97,210)	(31,872)	(97,210)	(31,872)
Acquisition of intangible assets		(59,803)	(14,848)	(59,803)	(14,848)
Proceeds from disposal of property and equipment		1,416	574	1,416	574
Purchase of investment in non-current FGN bonds		(5,308)	(4,600)	-	(2,449)
Sale of investment in non-current FGN bonds		-	2,226	-	2,226
Purchase of bonds, treasury bills and foreign deposits		(173,440)	(136,909)	(75,290)	(108,235)
Sale of bonds, treasury bills and foreign deposits		108,287	107,721	47,411	107,721
Purchase of contract acquisition costs		(5,472)	(2,662)	(5,472)	(2,662)
Decrease/(increase) in restricted cash		(9,444)	206,972	(9,444)	206,972
Acquisition of non-controlling interest		-	-	-	(6,950)
(Prepaid)/refunded road investment tax credit cost		(19,345)	9,873	(19,345)	9,873
<b>Net cash flows (used in)/generated from investing activities</b>		<b>(642,785)</b>	<b>(2,599)</b>	<b>(600,203)</b>	<b>21,276</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		29,755	51,554	29,755	51,554
Repayment of borrowings		(192,788)	(622,665)	(192,788)	(622,665)
Repayment on lease liabilities		(147,312)	(106,877)	(147,312)	(106,877)
IFRS 9 financial platform liability		(73)	-	-	-
Acquisition of non-controlling interest		-	(6,950)	-	-
Treasury shares acquired for the employee shares scheme		(509)	-	(509)	-
<b>Net cash flows used in financing activities</b>		<b>(310,927)</b>	<b>(684,938)</b>	<b>(310,854)</b>	<b>(677,988)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
Cash and cash equivalent at the beginning of the period		253,409	345,168	232,832	315,589
Effect of exchange rate fluctuations on cash held		2,219	10,940	2,088	10,940
<b>Cash and cash equivalents at the end of the period</b>	27.1	<b>257,599</b>	<b>201,854</b>	<b>261,861</b>	<b>194,512</b>

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

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### 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, Yello Digital Financial Services Limited, and MoMo Payment Service Bank Limited. XS Broadband Limited provides broadband fixed wireless access services and high-quality telecommunication services, while Yello Digital Financial Services Limited and MoMo Payment Service Bank Limited offer mobile financial services (fintech).

All subsidiaries are currently fully owned by MTN Nigeria following the acquisition of the non-controlling interest in MoMo Payment Service Bank Limited.

### 2. Basis of preparation

These condensed consolidated and separate financial statements for the six months ended 30 June 2025 have been prepared in accordance with IFRS Accounting Standards 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 2024 which has been prepared in accordance with IFRS Accounting Standards 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 (Amended) Act, 2023 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 2024.

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 2025, but do not have an impact on the condensed consolidated and separate financial statements of the Group.

### 3 Additions to material accounting policies

#### 3.1 Government grants

Government grants are recognised in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. Grants are recognised when there is reasonable assurance that MTN Nigeria Communications Plc (MTNN) will comply with the conditions attached to them and that the grants will be received. Government grants related to income, such as those arising from below-market interest rate loans, are recognised at their fair value as deferred grant income and amortised to profit or loss on a straight-line basis over the term of the related loan to offset the interest expense calculated using the effective interest rate method.

As practice demands, deferred grant income is presented as a separate liability, and the amortised deferred income is recognised as a direct off-set against the BOI term loan interest expense in profit or loss.

##### 3.1.1 Nature and Extent of Government Grants and Other Assistance

During the year, MTN Nigeria Communications Plc (MTNN) recognised a government grant arising from below-market interest rate loans under a Loan Agreement with Bank of Industry Limited (BOI), a government-owned development finance institution on 24 February 2025. The agreement comprises Term Loan 1 (N25 billion, funded by CBN Fund), to finance equipment procurement for upgrading and expanding telecommunication infrastructure. The grant represents the difference between the fair value of the loans, calculated using the effective interest rate method with a market interest rate of 21.13% per annum, and the proceeds received.

For the period ending 30 June 2025, MTNN recognised N3.5 billion as deferred grant income (note 34), with N123 million

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

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amortised to profit or loss to offset the interest expense on Term Loan 1 (note 34). No other forms of government assistance and/or grant have been directly benefited from government during the reporting period.

### 3.1.2 Unfulfilled Conditions and Contingencies

The loan obtained from BOI is subject to compliance with conditions stipulating that the loan proceeds be used exclusively for equipment procurement to upgrade and expand MTNN's telecommunication infrastructure, aligning with Nigeria's push for improved digital infrastructure.

As at the period ending 30 June 2025, all conditions have been met, and no unfulfilled conditions or contingencies has arisen from the recognised loan.

## 4. New standards and interpretations

### 4.1 New and amended standards adopted by the Group

Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group. The amendments are set out below:

#### Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require the disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's financial statements.

### 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:

#### a) Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date.

Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments.

Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through OCI.

The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The amendments are not expected to have material impact on the Group and the Group does not plan to adopt the amendments earlier than the effective date.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

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### 4. New standards and interpretations (continued)

#### b) IFRS 18 - Presentation and Disclosure in Financial Statements

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. Among other requirements, this new standard requires:

- income and expenses in the income statement to be classified into three new defined categories—operating, investing and financing—and two new subtotals—"Operating profit or loss" and "Profit or loss before financing and income tax".
- disclosures about management-defined performance measures (MPMs) in the financial statements. MPMs are subtotals of income and expenses used in public communications to communicate management's view of the company's financial performance.
- disclosure of information based on enhanced general requirements on aggregation and disaggregation. In addition, specific requirements to disaggregate certain expenses, in the notes, will be required for companies that present operating expenses by function in the income statement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027. Upon adoption, the Group will change the extent of information disclosed in the notes to the financial statements to include management defined performance measures. The Group will also change the aggregation and disaggregation of certain expenses in the note to the financial statements. However, the standard is not expected to impact on the measurement of items reported in the financial statements. The Group does not plan to adopt the standard earlier than the effective date.

#### c) IFRS 19 - Subsidiaries without Public Accountability: Disclosures

IFRS 19, which permits eligible subsidiaries to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements in IFRS Accounting Standards.

An entity is eligible to apply IFRS 19 in its consolidated, separate or individual financial statements if it meets the eligibility criteria at the end of the reporting period.

The eligibility criteria are:

- the entity is a subsidiary (as defined in Appendix A of IFRS 10 Consolidated Financial Statements);
- the entity does not have public accountability; and
- the entity has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

An intermediate parent that does not have public accountability and meets the above eligibility conditions is permitted to apply IFRS 19 in its separate financial statements even if it does not apply IFRS 19 in its consolidated financial statements.

An entity has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market; or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

The standard is effective for annual reporting periods beginning on or after 1 January 2027. The standard is not expected to have impact on the Group and separate financial statements because the Company is a listed entity.

#### d) Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements) (Amendments to IFRS 9 and IFRS 7)

On 18 December 2024, the IASB issued amendments to enhance the reporting of financial effects from nature dependent electricity contracts, commonly structured as power purchase agreements (PPAs).

These contracts help companies secure electricity from wind and solar sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors related to weather conditions, current accounting requirements may not adequately capture how these contracts affect a company's performance. To address this, the IASB amended IFRS 9 and IFRS 7 to improve disclosure.

Key requirements - The amendments include:

- Clarifying the application of 'own-use' requirements,
- Allowing hedge accounting for these contracts when used as hedging instruments, and
- Introducing new disclosures to help investors assess their impact on financial performance and cash flows.

Transition - The amendments take effect for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted.

Impact - The amendments had no impact on the Group's consolidated and separate financial statements.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

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### 4. New standards and interpretations (continued)

e) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

Key requirements

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

Transition

The amendments must be applied prospectively. Early application is permitted and must be disclosed. Although, the Group plans to defer adoption until the IASB finalises its research project on the equity method.

Impact

The amendments had no impact on the Group's consolidated and separate financial statements.

f) Annual Improvements to IFRS Accounting Standards – Volume 11

i. IFRS 1 First-time Adoption of International Financial Reporting Standards

Hedge Accounting by a First-time Adopter

Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

ii. IFRS 7 Financial Instruments: Disclosures

Gain or Loss on Derecognition

- The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.

iii. Guidance on implementing IFRS 7 Financial Instruments: Disclosures

- The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

iv. Guidance on implementing IFRS 7 Financial Instruments: Disclosures

- Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

v. Guidance on implementing IFRS 7 Financial Instruments: Disclosures

Credit Risk Disclosures

- Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

vi. IFRS 9 Financial Instruments

Lessee Derecognition of Lease Liabilities

- Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9.

Transaction Price

- Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

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### 4. New standards and interpretations (continued)

#### vii. IFRS 10 Consolidated Financial Statements

##### Determination of a 'De Facto Agent'

- Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
- An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

#### viii. IAS 7 Statement of Cash Flows

##### Cost Method

- Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

These amendments are for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. With the exception of IFRS 18, the new standards and annual improvements not yet effective will not materially impact these financial statements.

### 5. Segmental information

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 six months ended 30 June 2025 and 30 June 2024.



# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 5. Segmental information (continued)

In millions of Nigerian Naira	CBU	EBU	WBU	Total
30 June 2025				
Segment revenue	1,946,993	337,218	93,541	2,377,752
Direct costs*	(269,101)	(17,851)	(42,654)	(329,606)
Gross margin	1,677,892	319,367	50,887	2,048,146
30 June 2024				
Segment revenue	1,246,322	241,312	51,485	1,539,119
Direct costs*	(215,286)	(10,776)	(26,812)	(252,874)
Gross margin	1,031,036	230,536	24,673	1,286,245

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

### 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.

In millions of Nigerian Naira	30 June 2025	30 June 2024
Segment gross margin	2,048,146	1,286,245
Less unallocated expenses:		
Operating expenses	(842,802)	(738,935)
Depreciation & amortisation	(309,407)	(243,146)
Impairment in financial assets	(3,114)	384
Finance income	14,414	14,932
Finance expense	(279,745)	(183,088)
Net foreign exchange loss	(5,230)	(887,684)
Profit/(loss) before taxation	622,262	(751,292)

### 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.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group				Company			
	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024

### 6. Revenue

Voice	780,177	541,280	427,050	269,536	780,177	541,280	427,050	269,536
Data (a)	1,228,924	726,565	699,950	377,564	1,228,924	726,565	699,950	377,564
SMS (b)	92,432	71,090	53,513	37,652	93,877	71,090	54,296	37,652
Interconnect and roaming	114,429	101,673	56,812	48,259	114,429	101,673	56,812	48,259
Handsets and accessories	8,532	4,694	3,701	2,573	8,532	4,694	3,701	2,573
Digital (c)	48,448	30,980	22,344	17,071	48,025	30,108	22,134	16,695
Value added services (d)	82,763	47,541	46,896	25,264	79,489	46,746	44,871	24,717
Rental income (f)	48	5,735	(1,352)	3,223	153	6,987	(1,300)	3,279
Other revenues (e)	21,999	9,561	10,865	4,994	22,214	18,683	10,954	8,715
	<b>2,377,752</b>	<b>1,539,119</b>	<b>1,319,779</b>	<b>786,136</b>	<b>2,375,820</b>	<b>1,547,826</b>	<b>1,318,468</b>	<b>788,990</b>

(a) Data revenue includes mobile data, fixed broadband and data bundles. It does not include roaming data, which is reported under the interconnect and roaming revenue stream.

(b) SMS revenue includes bulk SMS and USSD services. It does not include inbound roaming SMS which is reported under interconnect and roaming revenue stream.

(c) Digital revenue includes revenue generated from the distribution of video, music, gaming and lifestyle content and e-commerce activities.

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

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

(f) Rental income comprises of income from sites leased to other telecom operators and office space leased to MoMo PSB.

Other than rental income, other items are revenue from contract with customers.

### 7. Other income

Commission from NIMC (a)	1,479	-	1,479	-	1,479	-	1,479	-
Bad debts recovered (b)	143	-	143	-	143	-	143	-
	<b>1,622</b>	<b>-</b>	<b>1,622</b>	<b>-</b>	<b>1,622</b>	<b>-</b>	<b>1,622</b>	<b>-</b>

(a) This income represents commission received from National Identity Management Commission (NIMC) with respect to National Identification Number (NIN) registration service.

(b) This relates to funds recovered from interconnect debts written off in 2018.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

	Group				Company			
	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024
In millions of Nigerian Naira								

### 8. Direct networking operating costs

Regulatory fees	66,665	41,989	37,905	21,369	66,665	41,989	37,905	21,369
Annual Numbering Plan	1,573	1,753	785	877	1,573	1,751	785	875
BTS leases	516,376	459,487	256,496	265,396	516,376	459,487	256,496	265,396
Network Maintenance	100,693	83,569	52,746	44,352	100,693	83,569	52,746	44,352
	<b>685,307</b>	<b>586,798</b>	<b>347,932</b>	<b>331,994</b>	<b>685,307</b>	<b>586,796</b>	<b>347,932</b>	<b>331,992</b>

Following the adoption of IFRS 16 leases, BTS lease expense relating to the non-lease components (power and maintenance) of the tower lease contracts are recognised as an expense in profit or loss as they are incurred.

### 9. Employee costs

Salaries and wages	41,013	32,753	23,064	16,731	39,475	29,426	21,679	14,992
Pension - Defined contribution plan	2,369	1,750	1,337	986	2,216	1,599	1,255	905
Share-based expense (a)	6,473	4,001	3,248	1,434	6,473	4,001	3,248	3,034
Other staff costs (b)	4,828	5,045	2,973	3,143	4,662	4,930	2,957	1,485
	<b>54,683</b>	<b>43,549</b>	<b>30,622</b>	<b>22,294</b>	<b>52,826</b>	<b>39,956</b>	<b>29,139</b>	<b>20,416</b>

(a) Share-based expense is made up of Notional Share Option (NSO) and Performance Share Plan (PSP) provision: NSO: Nil; PSP: N6.47 billion (30 June 2024: NSO: N0.84 billion; PSP: N3.16 billion).

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

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

	Group				Company			
	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024
In millions of Nigerian Naira								
<b>10. Impairment of financial assets</b>								
Credit loss/(reversal of credit loss) expense on trade receivables	2,979	(350)	2,079	314	2,979	(350)	2,079	314
Credit loss/(reversal of credit loss) expense on other non-current investments	35	(11)	1	(24)	(2)	(11)	1	(24)
Credit loss/(reversal of credit loss) expense on current investments at amortised cost	116	(27)	101	72	116	(27)	61	125
(Reversal of)/credit loss expense on cash and cash equivalents	(16)	4	(17)	(38)	(20)	57	(18)	(38)
	<b>3,114</b>	<b>(384)</b>	<b>2,164</b>	<b>324</b>	<b>3,073</b>	<b>(331)</b>	<b>2,123</b>	<b>377</b>

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group				Company			
	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024
<b>11. Other operating expenses</b>								
Audit fees	355	361	177	231	314	323	157	202
Directors' emoluments	1,133	966	317	552	1,031	931	258	628
Professional fees	39,888	31,447	21,519	12,894	39,028	31,204	21,049	12,772
Impairment of property and equipment	592	80	562	76	592	80	562	76
Impairment on intangibles	-	31	-	31	-	31	-	31
Impairment loss on investment of subsidiaries	-	-	-	-	62,564	-	62,564	-
Inventory write-down/(reversal)	974	(1,315)	872	1,915	974	(1,315)	872	1,915
Provision for litigation costs	814	9,791	-	3,431	814	9,791	-	3,431
Profit on disposal of property and equipment	(1,183)	(422)	(792)	(64)	(1,183)	(422)	(792)	(64)
Maintenance cost- software	39,971	43,495	25,117	24,501	39,971	43,495	25,117	24,501
Maintenance costs - others (a)	19,980	17,545	10,461	10,410	19,980	17,534	10,461	10,410
Rent, rates, utilities and other office running cost	2,195	2,707	1,009	1,490	2,105	2,657	980	1,462
Trainings, travels and entertainment cost	4,497	3,539	2,715	1,822	4,361	3,320	2,637	1,675
Security expenses	1,250	1,279	629	672	1,250	1,279	629	672
Insurance	3,508	3,144	1,777	1,575	3,497	3,144	1,765	1,575
Reversal of VAT assessment cost	-	(4,414)	-	(4,414)	-	(4,414)	-	(4,414)
MTN Foundation	3,527	-	2,200	-	3,527	-	2,200	-
Information technology development levy (ITDL)	5,614	-	3,599	-	5,599	-	3,584	-
National Agency for Science and Engineering Infrastructure levy (NASENI)	1,404	-	900	-	1,400	-	896	-
Other expenses (b)	4,376	2,675	2,532	2,015	3,781	2,175	2,129	1,858
	<b>128,895</b>	<b>110,909</b>	<b>73,594</b>	<b>57,137</b>	<b>189,605</b>	<b>109,813</b>	<b>135,068</b>	<b>56,730</b>

(a) This relates to the maintenance costs on information systems hardware, motor vehicles, buildings and other equipment.

(b) Other expenses includes bank charges, subscriptions, office refreshments, IFRS 9 platform fee, etc.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

	Group				Company			
	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024
In millions of Nigerian Naira								

### 12. Finance income

Interest income on bank deposits	3,156	4,849	1,578	2,509	2,944	4,543	1,578	2,579
Interest income on investments*	10,853	8,212	5,245	5,639	6,082	7,685	2,702	5,268
Net gain on investments at fair value	405	1,871	259	1,448	405	1,871	259	1,448
	<b>14,414</b>	<b>14,932</b>	<b>7,082</b>	<b>9,596</b>	<b>9,431</b>	<b>14,099</b>	<b>4,539</b>	<b>9,295</b>

\*Finance income calculated using effective interest rate method.

#### Included as cash flows for finance expense are:

Interest income on bank deposits	3,156	4,849			2,944	4,543		
Interest income on investments	7,634	8,197			6,812	7,670		
<b>Interest received</b>	<b>10,790</b>	<b>13,046</b>			<b>9,756</b>	<b>12,213</b>		

### 13. Finance costs

Interest expense - leases	194,434	80,235	98,577	40,710	194,434	80,235	98,577	40,710
Interest expense - borrowings*	79,552	66,584	34,686	17,853	79,552	66,584	34,686	17,853
Loss on FVTPL liabilities (a)	4,260	3,491	3,548	(286)	4,260	3,509	3,548	(286)
Other finance charges (b)	1,499	32,778	1,057	26,071	889	32,164	759	25,763
	<b>279,745</b>	<b>183,088</b>	<b>137,868</b>	<b>84,348</b>	<b>279,135</b>	<b>182,492</b>	<b>137,570</b>	<b>84,040</b>

\*Finance costs calculated using effective interest rate method.

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

(b) Other finance charges includes administration cost on letters of credit acquisition, accretion of IFRS 9 platform liability for MoMo PSB, and charges on decommissioning provision.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

	Group				Company			
	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024
In millions of Nigerian Naira								

### 13. Finance costs (continued)

#### Included as cash flows for finance expense are:

Interest expense - borrowings	75,501	80,235			75,501	80,235		
Interest expense - leases	194,434	48,815			194,434	48,815		
Other finance charges	2,460	2,167			2,460	1,540		
<b>Interest paid</b>	<b>272,395</b>	<b>131,217</b>			<b>272,395</b>	<b>130,590</b>		

### 14. Net foreign exchange loss

#### Analysis of exchange differences

Net exchange gain/(loss) on borrowings	162	(321,619)	956	(67,536)	162	(321,619)	956	(67,536)
Net exchange gain/(loss) on trade and other payables	58,847	(235,441)	68,218	(110,737)	58,961	(235,410)	68,202	(110,760)
Net exchange (loss)/gain on trade and other receivables	(71,073)	68,595	(72,266)	75,327	(71,073)	68,595	(72,184)	75,327
Net exchange loss on derivatives	-	(5,816)	-	(5,603)	-	(5,816)	-	(5,603)
Net exchange (loss)/gain on current investments	(1,538)	19,217	(1,193)	4,118	(1,538)	19,217	(1,193)	4,118
Net exchange gain/(loss) on lease liabilities	4,051	(433,638)	6,429	(144,254)	4,051	(433,638)	6,429	(144,254)
Net exchange gain/(loss) on restricted cash	2,102	10,078	(2,402)	11,317	2,102	10,078	(2,402)	11,317
Net exchange gain on cash and cash equivalents	2,219	10,940	571	6,052	2,088	10,940	440	6,052
Net exchange loss on provisions and employee benefits	-	-	(18)	-	-	-	(18)	-
	<b>(5,230)</b>	<b>(887,684)</b>	<b>295</b>	<b>(231,316)</b>	<b>(5,247)</b>	<b>(887,653)</b>	<b>230</b>	<b>(231,339)</b>

Included in the exchange differences are net realised exchange loss of N95.25 billion (30 June 2024: N367.91 billion) for Group and N95.31 billion (30 June 2024: N367.87 billion) for Company.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group				Company			
	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	3 months ended 30 Jun 2025	3 months ended 30 Jun 2024
<b>15. Taxation</b>								
<b>Current tax</b>								
Company income tax	70,448	-	49,222	-	70,448	-	49,222	-
Prior year over provision of company income tax	(3,134)	-	(3,134)	-	(3,134)	-	(3,134)	-
Tertiary education tax	20,159	-	13,773	-	20,088	-	13,759	-
Nigerian police trust fund	31	-	21	-	28	-	18	-
Minimum tax	9	8,251	5	4,444	-	8,239	-	4,439
	<b>87,513</b>	<b>8,251</b>	<b>59,887</b>	<b>4,444</b>	<b>87,430</b>	<b>8,239</b>	<b>59,865</b>	<b>4,439</b>
<b>Deferred tax</b>								
Deferred tax charge/(credit)	119,893	(240,485)	78,553	(53,680)	119,893	(232,934)	78,554	(50,859)
	<b>119,893</b>	<b>(240,485)</b>	<b>78,553</b>	<b>(53,680)</b>	<b>119,893</b>	<b>(232,934)</b>	<b>78,554</b>	<b>(50,859)</b>
	<b>207,406</b>	<b>(232,234)</b>	<b>138,440</b>	<b>(49,236)</b>	<b>207,323</b>	<b>(224,695)</b>	<b>138,419</b>	<b>(46,420)</b>
<b>Tax rate reconciliation</b>								
Profit/(loss) before tax	622,262	(751,292)			558,983	(726,144)		
Tax charge	207,406	(232,234)			207,323	(224,695)		
Effective tax rate	33.33 %	30.91 %			37.09 %	30.94 %		
Tax at standard rate	30.00	30.00			30.00	30.00		
Exempt income	(0.01)	0.16			(0.01)	0.17		
Expenses not allowed	0.15	(0.09)			3.49	(0.01)		
Tertiary education tax	3.75	1.92			4.16	1.98		
Nigerian Police Trust Fund	0.01	-			0.01	-		
Prior year tax (over)/under provision	(0.50)	0.02			(0.56)	(0.07)		
Deferred tax not recognised for the current period	(0.07)	-			-	-		
Minimum tax*	-	(1.10)			-	(1.13)		
<b>Effective tax rate</b>	<b>33.33</b>	<b>30.91</b>			<b>37.09</b>	<b>30.94</b>		

\*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.



# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 16. Property and equipment

#### Group

	Land	Buildings	Information systems, furniture and office equipment	Motor vehicles	Network Infrastructure	Leasehold improvements	Capital - Work in progress	Total
In millions of Nigerian Naira								
<b>31 December 2024</b>								
Cost	27,862	38,048	88,467	17,889	1,773,223	27,899	199,603	2,172,991
Accumulated depreciation and impairment	-	(23,438)	(63,588)	(7,887)	(815,376)	(14,398)	-	(924,687)
	<b>27,862</b>	<b>14,610</b>	<b>24,879</b>	<b>10,002</b>	<b>957,847</b>	<b>13,501</b>	<b>199,603</b>	<b>1,248,304</b>
<b>Cost</b>								
1 January 2025	27,862	38,048	88,467	17,889	1,773,223	27,899	199,603	2,172,991
Additions	-	-	-	-	51,344	-	513,190	564,534
Reclassifications	-	49,709	11,668	2,972	314,162	1,373	(379,884)	-
Disposal	-	-	(2,577)	(258)	(74,946)	-	-	(77,781)
Other movements*	-	-	-	-	(289)	-	(3,738)	(4,027)
<b>At 30 June 2025</b>	<b>27,862</b>	<b>87,757</b>	<b>97,558</b>	<b>20,603</b>	<b>2,063,494</b>	<b>29,272</b>	<b>329,171</b>	<b>2,655,717</b>
<b>Depreciation and impairment</b>								
At 1 January 2025	-	(23,438)	(63,588)	(7,887)	(815,376)	(14,398)	-	(924,687)
Charge for the period	-	(741)	(6,357)	(1,579)	(131,151)	(903)	-	(140,731)
Disposals	-	-	2,547	112	74,890	-	-	77,549
Impairment loss**	-	-	-	-	(592)	-	-	(592)
<b>At 30 June 2025</b>	<b>-</b>	<b>(24,179)</b>	<b>(67,398)</b>	<b>(9,354)</b>	<b>(872,229)</b>	<b>(15,301)</b>	<b>-</b>	<b>(988,461)</b>
<b>Carrying amount</b>								
At 31 December 2024	27,862	14,610	24,879	10,002	957,847	13,501	199,603	1,248,304
At 30 June 2025	27,862	63,578	30,160	11,249	1,191,265	13,971	329,171	1,667,256

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 16. Property and equipment (continued)

#### Company

	Land	Buildings	Information systems, furniture and office equipment	Motor vehicles	Network Infrastructure	Leasehold improvements	Capital - Work in progress	Total
In millions of Nigerian Naira								
<b>31 December 2024</b>								
Cost	27,862	38,048	88,467	17,694	1,773,223	27,899	199,603	2,172,796
Accumulated depreciation and impairment	-	(23,438)	(63,588)	(7,692)	(815,376)	(14,398)	-	(924,492)
	<b>27,862</b>	<b>14,610</b>	<b>24,879</b>	<b>10,002</b>	<b>957,847</b>	<b>13,501</b>	<b>199,603</b>	<b>1,248,304</b>
<b>Cost</b>								
1 January 2025	27,862	38,048	88,467	17,694	1,773,223	27,899	199,603	2,172,796
Additions	-	-	-	-	51,344	-	513,190	564,534
Reclassifications	-	49,709	11,668	2,972	314,162	1,373	(379,884)	-
Disposal	-	-	(2,577)	(258)	(74,946)	-	-	(77,781)
Other movement*	-	-	-	-	(289)	-	(3,738)	(4,027)
<b>At 30 June 2025</b>	<b>27,862</b>	<b>87,757</b>	<b>97,558</b>	<b>20,408</b>	<b>2,063,494</b>	<b>29,272</b>	<b>329,171</b>	<b>2,655,522</b>
<b>Depreciation and impairment</b>								
At 1 January 2025	-	(23,438)	(63,588)	(7,692)	(815,376)	(14,398)	-	(924,492)
Charge for the period	-	(741)	(6,357)	(1,579)	(131,151)	(903)	-	(140,731)
Disposal	-	-	2,547	112	74,890	-	-	77,549
Impairment loss**	-	-	-	-	(592)	-	-	(592)
<b>At 30 June 2025</b>	<b>-</b>	<b>(24,179)</b>	<b>(67,398)</b>	<b>(9,159)</b>	<b>(872,229)</b>	<b>(15,301)</b>	<b>-</b>	<b>(988,266)</b>
<b>Carrying amount</b>								
At 31 December 2024	27,862	14,610	24,879	10,002	957,847	13,501	199,603	1,248,304
At 30 June 2025	27,862	63,578	30,160	11,249	1,191,265	13,971	329,171	1,667,256

Total cash outflow for property and equipment as at 30 June 2025 was N382.47 billion.

Reclassification relates to assets moved from capital work in progress to other categories of property and equipment. Total reclassification for the period was N379.88 billion.

\*Other movement relates to reversals of prior year property and equipment associated costs no longer required. This includes freight, clearing and import charges.

\*\*Impairment relates to loss recognized due to obsolescence and damaged network infrastructure. Technological obsolescence is one of the indicators of impairment according to IAS 36.15b and this occurs frequently in the telecommunications industry. The impairment loss was driven by change in technology which made the carrying amount of the related infrastructure equipment to be written down to nil.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 17. Right-of-use assets

#### Group and Company

In millions of Nigerian Naira	Base station land	Property leases	Motor vehicles	Network infrastructure	Total
<b>31 December 2024</b>					
Cost	14,406	12,067	9,384	1,944,421	1,980,278
Accumulated depreciation and impairment	(9,171)	(7,797)	(7,921)	(572,809)	(597,698)
<b>Carrying amount</b>	<b>5,235</b>	<b>4,270</b>	<b>1,463</b>	<b>1,371,612</b>	<b>1,382,580</b>
<b>Cost</b>					
At 1 January 2025	14,406	12,067	9,384	1,944,421	1,980,278
Additions	818	-	-	372,162	372,980
<b>At 30 June 2025</b>	<b>15,224</b>	<b>12,067</b>	<b>9,384</b>	<b>2,316,583</b>	<b>2,353,258</b>
<b>Depreciation and impairment</b>					
At 1 January 2025	(9,171)	(7,797)	(7,921)	(572,809)	(597,698)
Charge for the period	(1,344)	(639)	(889)	(123,774)	(126,646)
<b>At 30 June 2025</b>	<b>(10,515)</b>	<b>(8,436)</b>	<b>(8,810)</b>	<b>(696,583)</b>	<b>(724,344)</b>
<b>Carrying amount</b>					
<b>At 31 December 2024</b>	<b>5,235</b>	<b>4,270</b>	<b>1,463</b>	<b>1,371,612</b>	<b>1,382,580</b>
<b>At 30 June 2025</b>	<b>4,709</b>	<b>3,631</b>	<b>574</b>	<b>1,620,000</b>	<b>1,628,914</b>

Total cash outflow for prepaid right-of-use assets as at 30 June 2025 is N97.21 billion.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 18. Intangible assets

Group	Goodwill	Licenses	Computer software	Capital work -in-progress	Total
In millions of Nigerian Naira					
<b>At 31 December 2024</b>					
Cost	10,016	549,713	132,466	1	692,196
Accumulated amortisation and impairment	-	(212,663)	(70,750)	-	(283,413)
	<b>10,016</b>	<b>337,050</b>	<b>61,716</b>	<b>1</b>	<b>408,783</b>
<b>Cost</b>					
At 1 January 2025	10,016	549,713	132,466	1	692,196
Additions	-	22,196	-	30,873	53,069
Reclassification	-	(17,727)	48,290	(30,563)	-
Disposal	-	-	(6,252)	-	(6,252)
<b>At 30 June 2025</b>	<b>10,016</b>	<b>554,182</b>	<b>174,504</b>	<b>311</b>	<b>739,013</b>
<b>Amortisation and impairment</b>					
At 1 January 2025	-	(212,663)	(70,750)	-	(283,413)
Charge for the period	-	(28,429)	(13,601)	-	(42,030)
Disposals	-	-	6,252	-	6,252
<b>At 30 June 2025</b>	<b>-</b>	<b>(241,092)</b>	<b>(78,099)</b>	<b>-</b>	<b>(319,191)</b>
<b>Carrying amount</b>					
<b>At 31 December 2024</b>	<b>10,016</b>	<b>337,050</b>	<b>61,716</b>	<b>1</b>	<b>408,783</b>
<b>At 30 June 2025</b>	<b>10,016</b>	<b>313,090</b>	<b>96,405</b>	<b>311</b>	<b>419,822</b>

Total cash outflow for intangible asset as at 30 June 2025 was N59.8 billion for Group and Company.

Reclassification relates to assets moved from capital work in progress to other categories of intangible assets. Total reclassification for the period was N30.56 billion.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 18. Intangible assets (continued)

#### Company

In millions of Nigerian Naira	Goodwill	Licenses	Computer software	Capital work-in-progress	Total
31 December 2024					-
Cost	10,016	549,713	125,012	1	684,742
Accumulated amortisation and impairment	-	(212,663)	(67,867)	-	(280,530)
<b>Carrying amount</b>	<b>10,016</b>	<b>337,050</b>	<b>57,145</b>	<b>1</b>	<b>404,212</b>
<b>Cost</b>					
At 1 January 2025	10,016	549,713	125,012	1	684,742
Additions	-	22,196	-	30,873	53,069
Reclassification	-	(17,727)	48,290	(30,563)	-
Disposal	-	-	(6,252)	-	(6,252)
<b>At 30 June 2025</b>	<b>10,016</b>	<b>554,182</b>	<b>167,050</b>	<b>311</b>	<b>731,559</b>
<b>Amortisation and impairment</b>					
At 1 January 2025	-	(212,663)	(67,867)	-	(280,530)
Charge for the period	-	(28,429)	(12,847)	-	(41,276)
Disposal	-	-	6,252	-	6,252
<b>At 30 June 2025</b>	<b>-</b>	<b>(241,092)</b>	<b>(74,462)</b>	<b>-</b>	<b>(315,554)</b>
<b>Carrying amount</b>					
<b>At 31 December 2024</b>	<b>10,016</b>	<b>337,050</b>	<b>57,145</b>	<b>1</b>	<b>404,212</b>
<b>At 30 June 2025</b>	<b>10,016</b>	<b>313,090</b>	<b>92,588</b>	<b>311</b>	<b>416,005</b>

Total cash outflow for intangible asset as at 30 June 2025 was N59.8 billion for Group and Company.

Reclassification relates to assets moved from capital work in progress to other categories of intangible assets.

Total reclassification for the period was N30.56 billion.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024

### 19. Investment in subsidiaries

The following table lists the entities which are controlled by the Group

XS Broadband Limited	-	-	500	500
Yello Digital Financial Services Limited	-	-	15,000	15,000
MoMo Payment Service Bank Limited	-	-	87,950	87,950
	-	-	103,450	103,450
Impairment of investment in subsidiary	-	-	(63,064)	(500)
	-	-	<b>40,386</b>	<b>102,950</b>

An impairment charge of N62.56 billion was recorded for MTNN's investments in YDFS and MoMo PSB, following a comprehensive impairment assessment.

### 20. Deferred tax

#### 20.1 Deferred tax asset

Opening balance	321,349	151,362	321,332	140,777
Charge/(credit) to profit and loss	(119,893)	170,956	(119,893)	181,540
Transfer from deferred tax liability to deferred tax asset	-	17	-	-
Charge to other comprehensive income	-	81	-	81
Reversal of tax impact on consolidation of Visafone	-	(1,067)	-	(1,066)
<b>Closing balance</b>	<b>201,456</b>	<b>321,349</b>	<b>201,439</b>	<b>321,332</b>

Charge to other comprehensive income (OCI) comes from the deferred tax impact on fair valuation of FVOCI investments and actuarial gains from employee benefits. The deferred tax charge on fair value was not assessed for the period ended and is not material to these financial statements.

#### 20.2 Deferred tax liability

Opening balance	-	1,149	-	-
Transfer from deferred tax liability to deferred tax asset	-	17	-	-
Absorption of Visafone	-	(1,166)	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 21. Current investments

#### 21.1 Other non-current investments

Treasury bonds at amortised cost	14,394	9,154	6,455	6,661
Allowance for expected credit losses	(121)	(86)	(84)	(86)
	<b>14,273</b>	<b>9,068</b>	<b>6,371</b>	<b>6,575</b>

#### 21.2 Current investments

NGN deposits at amortised cost	62,086	23,824	45,237	23,824
Treasury bills held at amortised cost	57,768	11,806	9,273	1,489
Allowance for expected credit losses	(206)	(90)	(154)	(38)
	119,648	35,540	54,356	25,275
Treasury bills and bonds held at FVTPL	183	1,584	183	1,584
Treasury bills and bonds at FVOCI	1,493	15,285	1,493	1,337
	<b>121,324</b>	<b>52,409</b>	<b>56,032</b>	<b>28,196</b>

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Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024

### 22. Other non current assets

Other non-current asset comprises of:

Contract acquisition costs	22.1	10,782	9,344	10,782	9,344
Non-current prepayment	22.2	44,826	26,227	44,826	26,227
		<b>55,608</b>	<b>35,571</b>	<b>55,608</b>	<b>35,571</b>

#### 22.1 Contract acquisition costs

Opening balance		9,344	7,136	9,344	7,136
Additions		5,472	7,246	5,472	7,246
Amortised in the period/year		(4,034)	(5,038)	(4,034)	(5,038)
<b>Closing balance</b>		<b>10,782</b>	<b>9,344</b>	<b>10,782</b>	<b>9,344</b>

Contract acquisition costs are incremental costs of obtaining a contract with a customer that would not have incurred if the contract had not been obtained. They include incremental commission fees paid to trade partners for SIM activations and the costs of virtual NIMC tokenization incurred during customer identity verification exercises at all service touchpoints.

#### 22.2 Non-current prepayment

Prepaid road infrastructure tax credit (a)		38,166	18,820	38,166	18,820
Other non-current prepayments (b)		6,660	7,407	6,660	7,407
		<b>44,826</b>	<b>26,227</b>	<b>44,826</b>	<b>26,227</b>

(a) These 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.

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

### 23. Inventories

Handsets and accessories		8,699	5,893	8,175	5,317
Starter packs		6,172	2,462	6,172	2,462
		<b>14,871</b>	<b>8,355</b>	<b>14,347</b>	<b>7,779</b>
Inventories (write-downs)		(2,358)	(1,384)	(2,358)	(1,384)
		<b>12,513</b>	<b>6,971</b>	<b>11,989</b>	<b>6,395</b>

During the period, there was a write down of N0.97 billion (30 June 2024: reversal of N1.32 billion) for SIM starter packs, handsets and accessories. Inventory write-down/(reversal) is recognised in the other operating expenses line (note 11).

# MTN Nigeria Communications Plc

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## Notes to the condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
<b>24. Trade and other receivables</b>				
Financial instruments:				
Trade receivables	100,296	132,265	100,296	132,265
Trade receivables - related parties	41.2 71,057	77,494	122,452	127,185
Allowance for expected credit losses (a)	(24,050)	(21,071)	(24,050)	(21,071)
	147,303	188,688	198,698	238,379
Other receivables (b)	25,643	55,201	25,587	53,352
	172,946	243,889	224,285	291,731
Non-financial instruments:				
Sundry receivables and advances (c)	1,088	693	965	553
Other non-financial receivables (d)	27,648	69,667	22,749	53,618
Current prepayments (e)	66,668	53,464	65,873	53,064
	95,404	123,824	89,587	107,235
<b>Total trade and other receivables</b>	<b>268,350</b>	<b>367,713</b>	<b>313,872</b>	<b>398,966</b>

(a) There was a credit loss expense of trade receivables of N2.98 billion (30 June 2024: reversal of N0.35 billion) in the period, reported in impairment charge/(reversal) on financial assets (see note 10).

(b) Other receivables includes uninvoiced expenses covered for related parties and subsidiaries.

(c) Sundry receivables and advances includes advances to staff for travel expenses and other work related expenses.

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

(e) Current prepayments includes, prepaid operational costs, short term software licenses and insurance.

## 25. Restricted cash

Restricted cash deposits forwards and letters of credit (a)	97,154	83,507	97,154	83,507
Collateral on borrowings (b)	20,792	22,372	20,792	22,372
Restricted cash - others (c)	624	1,144	424	944
	<b>118,570</b>	<b>107,023</b>	<b>118,370</b>	<b>106,823</b>

(a) This comprises of is the cash build up on forward contracts and the usance letters of credit (LC) that is backed by restricted cash deposit (known as cash collateral) in US\$ and Naira.

(b) Collateral on borrowings include cash invested in marketable securities as part of a loan covenant.

(c) Restricted cash - others comprises of: the retention fee on purchase of Visafone Communications Limited of N378 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.

For the purpose of cash flows, total net cash outflow to banks for restricted cash for Group and Company was N9.44 billion: (30 June 2024: net cash inflow of N206.97 billion).

## 26. Cash and deposits held for MoMo customers

### 26.1 Cash held for MoMo Customer

Cash held for MoMo customers	6,006	3,843	-	-
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Cash held for MoMo PSB customers relates to MoMo customers deposit liability for the period as seen below.



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## Notes to the condensed consolidated and separate financial statements

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### 26. Cash and deposits held for MoMo customers (continued)

#### 26.2 Deposits held for MoMo Customer

Deposit held for MoMo customers	17,981	3,843	-	-
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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.

### 27. Cash and cash equivalents

Bank balances	184,726	214,004	189,031	213,037
Short-term deposits	72,873	39,405	72,830	19,795
	257,599	253,409	261,861	232,832
Allowance for expected credit losses	(16)	(32)	(12)	(32)
	<b>257,583</b>	<b>253,377</b>	<b>261,849</b>	<b>232,800</b>

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

Bank balances	184,726	214,004	189,031	213,037
Short-term deposits	72,873	39,405	72,830	19,795
	<b>257,599</b>	<b>253,409</b>	<b>261,861</b>	<b>232,832</b>

### 28. Equity

#### 28.1 Share capital Issued and fully paid

20,995,560,103 ordinary shares of N0.02	420	420	420	420
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#### 28.2 Share premium

4,500,000 ordinary shares of N 3,779.89 each	17,009	17,009	17,009	17,009
138,960 ordinary shares of N 1,488.15 each	207	207	207	207
641,047,053 ordinary shares of N233.66	149,146	149,146	149,146	149,146
	<b>166,362</b>	<b>166,362</b>	<b>166,362</b>	<b>166,362</b>

#### 28.3 Treasury shares

Opening balance	4,869	4,869	4,869	4,869
Equity settled share based payments for the period	(1,337)	-	(1,337)	-
Additional shares acquired for the scheme	509	-	509	-
<b>Closing balance</b>	<b>4,041</b>	<b>4,869</b>	<b>4,041</b>	<b>4,869</b>

Reconciliation of treasury shares	No. of shares	N'million	Share price
Opening balance	28,810,039	4,869	169.00
Equity settled share based payment for the period	(5,455,425)	(1,337)	245.00
Additional shares acquired for the scheme	2,088,800	509	244.53
	<b>25,443,414</b>	<b>4,041</b>	<b>158.82</b>

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	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024

### 28. Equity (continued)

Treasury shares represent 25,443,414 ordinary shares of MTN Nigeria acquired and held in trust by Vetiva Trustee Limited for the purpose of employee share scheme implementation (2024: 28,809,789 ordinary shares). During the period, a total of 5,455,425 equity-settled shares vested, and an additional 2,088,800 shares were acquired for the scheme.

#### 28.4 Other reserves

Opening balance	(12,454)	701	(29,833)	708
Net fair valuation loss on FVOCI investments (a)	151	(104)	157	(108)
Net remeasurement loss on employee benefits liability (b)	-	(81)	-	(81)
Common control reserve (c)	-	-	-	(30,352)
Non-controlling interest acquisition	-	(12,970)	-	-
<b>Closing balance</b>	<b>(12,303)</b>	<b>(12,454)</b>	<b>(29,676)</b>	<b>(29,833)</b>

(a) Fair 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.

(b) The remeasurement of gain on employee benefits valuation in accordance with IAS 19 Employee benefits.

(c) Common control reserve on the absorption and liquidation of Visafone Communications Limited.

#### 28.5 Dividends

MTN Nigeria did not propose interim dividends for the period ended 30 June 2025 (31 December 2024: nil) in view of the Company's accumulated loss position.

### 29. Borrowings

#### The maturity of the loan is as follows:

Payable within one year (included in current liabilities)*	317,913	336,325	317,913	336,325
More than one year but not exceeding two years	185,655	234,229	185,655	234,229
More than two years but not exceeding five years	165,061	257,109	165,061	257,109
More than five years	145,142	145,252	145,142	145,252
Amounts included in non-current liabilities	495,858	636,590	495,858	636,590
<b>Total borrowings</b>	<b>813,771</b>	<b>972,915</b>	<b>813,771</b>	<b>972,915</b>

\*This includes letters of credit of N1.69 billion (December 2024: N32.32 billion), which includes accruals for interest charges.

#### Borrowings reconciliation

Opening balance	972,915	1,177,169	972,915	1,177,169
Drawdown	29,755	463,348	29,755	463,348
Repayment	(192,788)	(988,674)	(192,788)	(988,674)
Interest payment	(75,501)	(187,632)	(75,501)	(187,632)
Interest charge	79,552	172,073	79,552	172,073
Exchange (gain)/loss	(162)	336,631	(162)	336,631
	<b>813,771</b>	<b>972,915</b>	<b>813,771</b>	<b>972,915</b>

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## Notes to the condensed consolidated and separate financial statements

### 29. Borrowings (continued)

#### 29.1 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	Details	Outstanding balance as at 30 June 2025
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. The total available amount under the loan has been fully drawn. The loan is repayable in six (6) equal semiannual installments from January 2023 to August 2025. As at 30 June 2025, the outstanding principal balance on the facility is N15.58 billion.	N15.58 billion
Access UK facility	US\$66.9 million financing from Access Bank was arranged in 2024. It was drawn in October 2024 to replace the \$66.9m from European investment bank (EIB). It is a floating interest loan linked to the 6 month Term SOFR plus a margin. The repayment of principal is over five (5) equal semi-annual installments which will commence in October 2025. As at 30 June 2025, the facility has an outstanding balance of US\$66.9 million.	US\$66.9 million
Foreign facility Q	US\$150 million from AFC was arranged in 2022 with 2-year moratorium. \$79.19 million of Facility Q was drawn in two tranches based on a floating interest rate of Compounded daily SOFR plus a margin, the repayments commenced in January 2025 and to be paid in six installments yearly. As at 30 June 2025, the facility has an outstanding balance of US\$65.99 million.	US\$65.99 million
Bonds	Under the N200 billion Bond Issuance Programme, two series were issued on 5 May and 4 November 4 2021 comprising of: (a) Series I: N110.001 billion 7 Year 13% Bonds due 2028. (b) Series II: N89.999 billion 10 year 12.75% Bonds due 2031. (c) Series III: -Tranche A - N10 billion 4 year 13.5% bond issued in 29 September 2022 due in 2026. (d) Series III: -Tranche B - N105 billion 10 year 14.5% bond issued on 30 September 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)	The sum of US\$0.98 million is outstanding on the letters of credit established using trade lines with the banks. This balance is backed by fx forwards allocated by the CBN and yet to be delivered.	N1.69 billion
Bilateral loan facility (Bank of Industry)	N25 billion bilateral financing facility was secured with Bank of Industry on February 2025. The interest rate is fixed at 15% per annum. The loan includes a one-year moratorium, followed by 48 equal monthly principal repayment scheduled to begin in 2026. It is also secured with bank guarantees from banks. As at 30 June 2025, the outstanding balance of the loan is N25 billion	N25 billion
Bilateral loan facility (Stanbic Bank)	N60 billion bilateral financing facility was secured with Stanbic Bank in 2024. The interest rate is based on the prevailing Monetary Policy Rate (MPR) and a margin. The loan includes a one year moratorium, with repayments scheduled to begin in 2025 in two equal installments. As at 30 June 2025, outstanding balance of N60 billion.	N60 billion
Bilateral loan facility (Zenith Bank)	N50 billion bilateral financing facility was drawn down with Zenith Bank in 2024 at an interest rate based on the Monetary Policy Rate (MPR) and a margin. The facility includes a one-year moratorium, with repayments beginning in 2026 via two equal installments. As at 30 June 2025, outstanding balance of N50 billion.	N50 billion
Commercial paper	Under the N250 billion commercial paper issuance programme are: - Series XII - issued in November 2024 with a face value of N49.3 billion for 265 days at a discount of 23.9585% maturing in July 2025. - Series XIV - issued in November 2024 with a face value of N51.53billion for 270 days at a discount of 23.8792% maturing in August 2025. - Series XVI - issued in December 2024 with a face value of N39.77billion for 270days at a discount of 23.8780% maturing in September 2025.	N140.65 billion

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## Notes to the condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
<b>30. Lease liabilities</b>				
<b>Lease liability by maturity</b>				
- within one year (included in current liabilities)	267,174	285,680	267,174	285,680
- after one year to two years	245,636	196,138	245,636	196,138
- after two years to five years	927,255	787,677	927,255	787,677
- later than five years	953,807	1,013,929	953,807	1,013,929
Amounts included in non-current liabilities	2,126,698	1,997,744	2,126,698	1,997,744
<b>Total lease liabilities</b>	<b>2,393,872</b>	<b>2,283,424</b>	<b>2,393,872</b>	<b>2,283,424</b>

### Movement schedule

Opening balance	2,283,424	1,004,411	2,283,424	1,004,411
Additions	261,811	135,294	261,811	135,294
Modification*	-	901,334	-	901,334
Interest expense	194,434	250,869	194,434	250,869
Exchange (gain)/loss	(4,051)	446,954	(4,051)	446,954
Payments - principal portion	(147,312)	(204,564)	(147,312)	(204,564)
Payments - interest portion	(194,434)	(250,874)	(194,434)	(250,874)
	<b>2,393,872</b>	<b>2,283,424</b>	<b>2,393,872</b>	<b>2,283,424</b>

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 N240 million (December 2024: N304 million) for Group and N157 million (December 2024: N220 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.

\*Modification relates to the impact of the change in the terms of the negotiated IHS BTS lease contracts in 2024.

### MTNN as a lessor

Leases in which the MTNN does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included as revenue in the statement of profit or loss due to its operating nature.

### 31. Provisions

#### Split between non-current and current portions

Non-current liabilities	56	43	56	43
Current liabilities	25,575	25,171	22,754	21,754
	<b>25,631</b>	<b>25,214</b>	<b>22,810</b>	<b>21,797</b>

#### Movement schedule

Opening balance	25,214	28,262	21,797	27,233
Additions	13,063	50,452	13,063	48,063
Unused amounts reversed	-	(27,386)	-	(27,385)
Utilised	(12,646)	(26,129)	(12,050)	(26,129)
Revaluation	-	15	-	15
<b>Closing balance</b>	<b>25,631</b>	<b>25,214</b>	<b>22,810</b>	<b>21,797</b>

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### 31. Provisions (continued)

#### Provisions are made up of:

Decommissioning provision	56	43	56	43
Litigation provision	2,285	1,671	2,285	1,671
Bonus provision	16,439	17,226	15,870	15,951
Other provisions	6,851	6,274	4,599	4,132
	<b>25,631</b>	<b>25,214</b>	<b>22,810</b>	<b>21,797</b>

Other provisions include provisions for some regulatory and tax matters, other consultancy and strategic advisory services payable to various consultants and legal advisers.

### 32. Employee benefits

#### Split between non-current and current portions

Non-current liabilities	10,755	9,440	10,755	9,440
Current liabilities	2,085	1,638	2,085	1,638
	<b>12,840</b>	<b>11,078</b>	<b>12,840</b>	<b>11,078</b>

MTN Nigeria Communications Plc operates 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 is carried out annually by Alexander Forbes Consulting Actuaries Nigeria (FRC/2012/000000000504) signed by Wayne van Jaarsveld (FRC/2021/002/00000024507).

#### Employment benefits comprise of the present values of :

Defined Benefit Obligation- retirement benefits	7,093	5,778	7,093	5,778
Long service award	5,747	5,300	5,747	5,300
	<b>12,840</b>	<b>11,078</b>	<b>12,840</b>	<b>11,078</b>

#### Employee benefits reconciliation

Opening balance	11,078	9,703	11,078	9,703
Current service cost	2,505	3,045	2,505	3,045
Benefits paid	(743)	(1,670)	(743)	(1,670)
<b>Closing balance</b>	<b>12,840</b>	<b>11,078</b>	<b>12,840</b>	<b>11,078</b>

The current service cost and interest cost are recognised in the employee costs line.

### 33. Share based payment liability

Opening balance	14,021	16,910	14,021	16,910
Share based expense	6,473	8,420	6,473	8,420
Equity settled share based payments for PSP and ESOP	(1,337)	-	(1,337)	-
Cash settled share based payments for PSP and ESOP	(2,417)	-	(2,417)	-
Share based payments	(1,235)	(11,309)	(1,235)	(11,309)
	<b>15,505</b>	<b>14,021</b>	<b>15,505</b>	<b>14,021</b>

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### 33. Share based payment liability (continued)

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).

#### Share based liability is made up of:

GAN share options	115	115	115	115
LAN share options	135	153	135	153
Group performance share plan	8,694	6,527	8,694	6,527
Performance share plan and ESOP	6,561	7,226	6,561	7,226
	<b>15,505</b>	<b>14,021</b>	<b>15,505</b>	<b>14,021</b>

#### Vested Shares under the MTNN Employee Share Scheme

As at 30 June 2025, a total of 15,322,519 shares under the MTNN Share Scheme vested during the period under review. This comprised 9,867,094 shares that were cash-settled at a price of N245 per share, resulting in a total cash payout of N2.42 billion. The remaining 5,455,425 shares were designated as equity settled.

### 34. Other non-current liabilities

IFRS 9 platform liability (a)	8,807	8,293	-	-
Deferred grant income (b)	3,392	-	3,392	-
Other non-current liabilities	541	549	541	25
	<b>12,740</b>	<b>8,842</b>	<b>3,933</b>	<b>25</b>

(a) This relates to the non-current portion of the MoMo PSB's payable liability that related to its intangible assets. The outstanding payable balance, contractually due over several years, includes a financing component. Its accretion is reported within finance expenses, while platform fee charges are detailed in the other operating expenses notes

(b) This relates to the grant on BOI term loan priced below market interest rate (see note 3.1.1).

#### Deferred grant income schedule

Opening balance	-	-	-	-
Additions to deferred grant income	3,515	-	3,515	-
Deferred income charged	(123)	-	(123)	-
Closing balance	<b>3,392</b>	<b>-</b>	<b>3,392</b>	<b>-</b>
due within 1 year	1,136	-	1,136	-
due after 1 year	2,256	-	2,256	-
	<b>3,392</b>	<b>-</b>	<b>3,392</b>	<b>-</b>

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	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024

### 35. Trade and other payables

#### Financial instruments:

Trade payables		250,176	223,185	248,303	220,897
Trade payables - related parties	41.2	139,255	186,013	144,147	193,487
Other accrued expenses (a)		597,128	519,211	595,538	510,287
		<b>986,559</b>	<b>928,409</b>	<b>987,988</b>	<b>924,671</b>

#### Non-financial instruments:

Other non-financial accrued expenses (b)		232,623	151,777	232,232	151,986
Sundry payables (c)		8,878	7,905	5,484	4,097
Other payables (d)		79,002	103,325	78,883	102,982
		<b>320,503</b>	<b>263,007</b>	<b>316,599</b>	<b>259,065</b>
		<b>1,307,062</b>	<b>1,191,416</b>	<b>1,304,587</b>	<b>1,183,736</b>

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

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

(c) Sundry payables includes security deposits and advance payments from some enterprise and wholesale business customers.

(d) Other non-financial instrument payables include withholding and value added tax liabilities.

### 36. Current tax payable

Opening balance		25,012	157,971	24,713	157,669
Provision for the period/year - company income tax		70,448	-	70,448	-
Provision for the period/year - prior year over provision		(3,134)	-	(3,134)	-
Provision for the period/year - tertiary education tax		20,159	3,568	20,088	3,568
Provision for the period/year - Nigerian Police Trust Fund		31	-	28	-
Minimum tax		9	17,497	-	17,472
Absorption of Visafone		-	31	-	31
Tax paid		(21,546)	(126,620)	(21,546)	(126,620)
Road investment tax credit utilised		-	(21,197)	-	(21,197)
Withholding tax credit utilised		(2,700)	(6,238)	(2,676)	(6,210)
<b>Closing balance</b>		<b>88,279</b>	<b>25,012</b>	<b>87,921</b>	<b>24,713</b>

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	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
<b>37. Contract liabilities</b>				
Opening balance	117,272	102,796	117,272	102,414
Payments received in advance of delivery of performance obligations	2,282,077	3,182,400	2,282,077	3,182,400
Revenue recognised on delivery of goods/services:				
-In relation to carry forward balance recognised	(117,272)	(102,796)	(117,272)	(102,414)
-Recognised on delivery of goods/services during the period/year	(2,161,853)	(3,065,128)	(2,161,853)	(3,065,189)
Absorption of Visafone	-	-	-	61
<b>Closing balance</b>	<b>120,224</b>	<b>117,272</b>	<b>120,224</b>	<b>117,272</b>

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

### 38. Derivatives

Current liabilities: forward contract	6,221	1,961	6,221	1,961
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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 forward contracts 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.



# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

	Group		Company	
	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024
In millions of Nigerian Naira				

### 39. Basic and diluted earnings/(loss) per share

Profit/(loss) attributable to owners of the company (N million)	414,856	(518,071)	351,660	(501,449)
Weighted average number of ordinary shares at the end of the period (million)	20,970	20,970	20,970	20,970
Basic and diluted earnings/(loss) per share (N)	19.78	(24.71)	16.77	(23.91)

Earnings/(loss) per share (EPS) is calculated by dividing the profit/(loss) 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 (30 June 2025: 25,443,414 shares; 31 December 2024: 28,809,789 shares). EPS for the period ended 30 June 2024 has been adjusted to reflect the change in treasury shares (note 28.3)

### 40. Cash generated from operations

Profit/(loss) before taxation		622,262	(751,292)	558,983	(726,144)
<b>Adjustments for non-cash items:</b>					
Finance income	12	(14,414)	(14,932)	(9,431)	(14,099)
Finance costs	13	279,745	183,088	279,135	182,492
Net foreign exchange losses	14	5,230	887,684	5,247	887,653
Depreciation of property and equipment		140,731	130,462	140,731	130,462
Depreciation of right of use assets		126,646	69,979	126,646	69,979
Amortisation of intangible assets		42,030	42,705	41,276	41,992
Amortisation of contract acquisition costs		4,034	2,656	4,034	2,656
Profit on disposal of property and equipment	11	(1,183)	(422)	(1,183)	(422)
Impairment of property and equipment	11	592	80	592	80
Impairment in intangible assets	11	-	31	-	31
Credit loss expense/(reversal of credit loss expense) on financial assets	10	3,114	(384)	3,073	(331)
Inventory write-down/(reversal of inventory write-down)	11	974	(1,315)	974	(1,315)
Impairment on investment in subsidiaries		-	-	62,564	-
Platform fee		249	-	-	-
		1,210,010	548,340	1,212,641	573,034
<b>Changes in working capital:</b>					
(Increase)/decrease in inventories		(6,517)	362	(6,568)	823
Decrease/(increase) in trade and other receivables		21,412	(79,594)	7,230	(91,180)
Increase in provision		416	1,605	1,011	1,571
Increase in employee benefits		1,762	882	1,762	882
Increase/(decrease) in trade and other payables		5,158	255,448	(486)	233,149
Increase/(decrease) in contract liabilities		2,952	(3,125)	2,952	(2,743)
Increase/(decrease) in share based payments		3,641	(5,564)	3,641	(5,564)
		28,824	170,014	9,542	136,938
<b>Cash generated from operations</b>		<b>1,238,834</b>	<b>718,354</b>	<b>1,222,183</b>	<b>709,972</b>

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## Notes to the condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024

### 41. 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 period/year with related parties. The terms of these transactions are at arm's length. Intra-group transactions are eliminated on consolidation.

#### 41.1 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, Yello Digital Financial Services Limited, and MoMo Payment Service Bank Limited. XS Broadband Limited provides broadband fixed wireless access services and high-quality telecommunication services, while Yello Digital Financial Services Limited and MoMo Payment Service Bank Limited offer mobile financial services (Fintech).

#### 41.2 Transactions with related parties

##### Amounts due to related parties

###### Subsidiaries

Yello Digital Financial Services Limited	-	-	6,933	5,829
MoMo Payment Service Bank Limited	-	-	409	3,451
	-	-	7,342	9,280

###### Related parties under MTN Group

MTN Cameroon	1,039	1,036	1,039	1,036
MTN Congo	23	23	23	23
MTN Dubai	571	375	571	375
MTN Ghana	166	163	78	74
MTN Group Fintech (Pty) Ltd	2,177	1,580	-	-
MTN Holdings	45	42	45	42
MTN International (Mauritius) Limited	73,519	119,149	73,519	119,149
MTN Management Services Co	16,330	16,000	16,330	16,000
MTN Mobile Money Ghana	126	87	-	-
MTN Mobile Money Uganda Limited	36	27	-	-
MTN Rwanda	(1)	-	(1)	-
MTN Uganda	25	40	2	17
MTN Zambia	19	19	19	19
Bayobab Africa (formerly MTN Global Connect)	38,612	45,727	38,612	45,727
Global Trading Company	5,742	904	5,742	904
Mobile Telephone Networks Ltd	826	841	826	841
	139,255	186,013	136,805	184,207
<b>35</b>	<b>139,255</b>	<b>186,013</b>	<b>144,147</b>	<b>193,487</b>

##### Amounts due from related parties

###### Subsidiaries

XS Broadband Limited	-	-	638	638
Impairment of XS Broadband Limited receivables	-	-	(638)	(638)
Yello Digital Financial Services Limited	-	-	25,387	25,200
MoMo Payment Service Bank Limited	-	-	26,008	24,491
	-	-	51,395	49,691

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## Notes to the condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
<b>41. Related party transactions (continued)</b>				
<b>Related parties under MTN Group</b>				
MTN Benin	187	163	187	163
MTN Cameroon	1,359	1,364	1,359	1,364
MTN Congo	167	162	167	162
MTN Cote d'Ivoire	396	377	396	377
MTN Dubai	-	255	-	255
MTN Ghana	49	50	49	50
MTN Group Fintech (Pty) Limited	2,055	1,686	2,055	1,686
MTN Group Management Services Co	17,485	17,058	17,485	17,058
MTN International (Mauritius) Limited	17	17	17	17
MTN Kenya	88	78	88	78
MTN Mobile Money Ghana	1	1	1	1
MTN Sudan	3	1	3	1
MTN Zambia	223	224	223	224
Bayobab Africa (formerly MTN Global Connect)	47,290	54,635	47,290	54,635
Lonestar Communications Corporations (Liberia)	334	336	334	336
Mobile Telephone Networks (Pty) Ltd	1,091	776	1,091	776
Progressive Tech Holdings	312	311	312	311
	<b>71,057</b>	<b>77,494</b>	<b>71,057</b>	<b>77,494</b>
<b>24</b>	<b>71,057</b>	<b>77,494</b>	<b>122,452</b>	<b>127,185</b>

### 41.3 Purchases and sales from related parties

#### Purchases from related parties

MTN Benin	168	225	168	225
MTN Cameroon	86	142	86	142
MTN Congo	4	5	4	5
MTN Cote d'Ivoire	32	56	32	56
MTN Ghana	262	341	262	341
MTN Guinea Bissau	-	2	-	2
MTN Guinea Conakry	-	4	-	4
MTN Irancell	1	3	1	3
MTN Namibia	1	11	1	11
MTN Rwanda	26	41	26	41
MTN South Sudan	3	6	3	6
MTN Uganda	11	19	11	19
MTN Zambia	-	5	-	5
Bayobab Africa (formerly MTN Global Connect)	33,821	61,398	33,821	61,398
Lonestar Communications Corporations (Liberia)	8	14	8	14
Mobile Telephone Networks (Pty) Ltd	101	146	101	146

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## Notes to the condensed consolidated and separate financial statements

In millions of Nigerian Naira	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
<b>41. Related party transactions (continued)</b>				
<b>Sales to related parties</b>				
<b>Subsidiaries</b>				
Yello Digital Financial Services Limited	189	-	189	-
MoMo Payment Service Bank Limited	1,256	-	1,256	-
<b>Related parties under MTN Group</b>				
MTN Benin	289	568	289	568
MTN Business Kenya Limited	15	96	15	96
MTN Cameroon	207	420	207	420
MTN Congo	1	1	1	1
MTN Cote d'Ivoire	12	20	12	20
MTN Ghana	161	351	161	351
MTN Guinea Conakry	-	1	-	1
MTN Namibia	-	1	-	1
MTN Rwanda	5	8	5	8
MTN South Sudan	1	2	1	2
MTN Uganda	11	18	11	18
MTN Zambia	2	5	2	5
Bayobab Africa (formerly MTN Global Connect)	26,584	64,756	26,584	64,756
Lonestar Communications Corporations (Liberia)	5	10	5	10
Progressive Tech Holdings	550	692	550	692
Mobile Telephone Networks (Pty) Ltd	47	116	47	116

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.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 42. Accounting classes and fair values

Group In millions of Nigerian Naira	Amortised cost	FVTPL	FVOCI	Total carrying amount
<b>30 June 2025</b>				
Non-current financial assets				
Other non-current investments	14,273	-	-	14,273
	14,273	-	-	14,273
Current financial assets				
Trade and other receivables	172,946	-	-	172,946
Current investment	119,648	183	1,493	121,324
Restricted cash	118,570	-	-	118,570
Cash held for MoMo customer	6,006	-	-	6,006
Cash and cash equivalents	257,583	-	-	257,583
	674,753	183	1,493	676,429
	689,026	183	1,493	690,702
Non-current financial liabilities				
Borrowings	495,858	-	-	495,858
Lease liabilities	2,126,698	-	-	2,126,698
Other non-current liabilities	12,740	-	-	12,740
	2,635,296	-	-	2,635,296
Current financial liabilities				
Trade and other payables	986,559	-	-	986,559
Borrowings	317,913	-	-	317,913
Lease liabilities	267,174	-	-	267,174
Deposits held for MoMo customers	17,981	-	-	17,981
Derivatives	-	6,221	-	6,221
	1,589,627	6,221	-	1,595,848
	1,589,631	6,221	-	1,595,852
<b>31 December 2024</b>				
Non-current financial assets				
Other non-current investments	9,068	-	-	9,068
	9,068	-	-	9,068
Current financial assets				
Trade and other receivables	243,889	-	-	243,889
Current investment	35,540	1,584	15,285	52,409
Restricted cash	107,023	-	-	107,023
Cash held for MoMo customer	3,843	-	-	3,843
Cash and cash equivalents	253,377	-	-	253,377
	643,672	1,584	15,285	660,541
	652,740	1,584	15,285	669,609
Non-current financial liabilities				
Borrowings	636,590	-	-	636,590
Lease liabilities	1,997,744	-	-	1,997,744
Other non-current liabilities	8,842	-	-	8,842
	2,643,176	-	-	2,643,176

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 42. Accounting classes and fair values (continued)

In millions of Nigerian Naira	Amortised cost	FVTPL	FVOCI	Total carrying amount
<b>Current financial liabilities</b>				
Trade and other payables	928,409	-	-	928,409
Borrowings	336,325	-	-	336,325
Lease liabilities	285,680	-	-	285,680
Deposits held for MoMo customers	3,843	-	-	3,843
Derivatives	-	1,961	-	1,961
	1,554,257	1,961	-	1,556,218
	1,554,257	1,961	-	1,556,218
<b>Company</b>				
<b>30 June 2025</b>				
<b>Non-current financial assets</b>				
Other non-current Investment	6,371	-	-	6,371
	6,371	-	-	6,371
<b>Current financial assets</b>				
Trade and other receivables	224,285	-	-	224,285
Current investment	54,356	183	1,493	56,032
Restricted cash	118,370	-	-	118,370
Cash and cash equivalents	261,849	-	-	261,849
	658,860	183	1,493	660,536
	665,231	183	1,493	666,907
<b>Non-current financial liabilities</b>				
Borrowings	495,858	-	-	495,858
Lease liabilities	2,126,698	-	-	2,126,698
Other non-current liabilities	3,933	-	-	3,933
	2,626,489	-	-	2,626,489
<b>Current financial liabilities</b>				
Trade and other payables	987,988	-	-	987,988
Borrowings	317,913	-	-	317,913
Lease liabilities	267,174	-	-	267,174
Derivatives	-	6,221	-	6,221
	1,573,075	6,221	-	1,579,296
	4,199,564	6,221	-	4,205,785
<b>31 December 2024</b>				
<b>Non-current financial assets</b>				
Other non-current investments	6,575	-	-	6,575
	6,575	-	-	6,575
<b>Current financial assets</b>				
Trade and other receivables	291,731	-	-	291,731
Current investment	25,275	1,584	1,337	28,196
Restricted cash	106,823	-	-	106,823
Cash and cash equivalents	232,800	-	-	232,800
	656,629	1,584	1,337	659,550
	663,204	1,584	1,337	666,125

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 42. Accounting classes and fair values (continued)

In millions of Nigerian Naira	Amortised cost	FVTPL	FVOCI	Total carrying amount
<b>Non-current financial liabilities</b>				
Borrowings	636,590	-	-	636,590
Lease liabilities	1,997,744	-	-	1,997,744
Other non-current liabilities	25	-	-	25
	<b>2,634,359</b>	<b>-</b>	<b>-</b>	<b>2,634,359</b>
<b>Current financial liabilities</b>				
Trade and other payables	924,671	-	-	924,671
Borrowings	336,325	-	-	336,325
Lease liabilities	285,680	-	-	285,680
Derivatives	-	1,961	-	1,961
	<b>1,546,676</b>	<b>1,961</b>	<b>-</b>	<b>1,548,637</b>
	<b>4,181,035</b>	<b>1,961</b>	<b>-</b>	<b>4,182,996</b>

### 43. 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
<b>Group - 30 June 2025</b>				
<b>Financial assets</b>				
Treasury bills at FVTPL	183	-	-	183
Treasury bills at FVOCI	1,493	-	-	1,493
	<b>1,676</b>	<b>-</b>	<b>-</b>	<b>1,676</b>
<b>Financial liabilities</b>				
Derivatives	-	6,221	-	6,221
	<b>-</b>	<b>6,221</b>	<b>-</b>	<b>6,221</b>
<b>Group - 31 December 2024</b>				
<b>Financial assets</b>				
Treasury bills at FVTPL	1,584	-	-	1,584
Treasury bills at FVOCI	15,285	-	-	15,285
	<b>16,869</b>	<b>-</b>	<b>-</b>	<b>16,869</b>
<b>Financial liabilities</b>				
Derivatives	-	1,961	-	1,961
	<b>-</b>	<b>1,961</b>	<b>-</b>	<b>1,961</b>

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## Notes to the condensed consolidated and separate financial statements

### 43. Fair value estimation (continued)

In millions of Nigerian Naira	Level 1	Level 2	Level 3	Total
<b>Company - 30 June 2025</b>				
<b>Financial assets</b>				
Treasury bills at FVTPL	183	-	-	183
Treasury bills at FVOCI	1,493	-	-	1,493
	<b>1,676</b>	<b>-</b>	<b>-</b>	<b>1,676</b>
<b>Financial liabilities</b>				
Derivatives	-	6,221	-	6,221
	<b>-</b>	<b>6,221</b>	<b>-</b>	<b>6,221</b>
<b>Company - 31 December 2024</b>				
<b>Financial assets</b>				
Treasury bills at FVTPL	1,584	-	-	1,584
Treasury bills at FVOCI	1,337	-	-	1,337
	<b>2,921</b>	<b>-</b>	<b>-</b>	<b>2,921</b>
<b>Financial liabilities</b>				
Derivatives	-	1,961	-	1,961
	<b>-</b>	<b>1,961</b>	<b>-</b>	<b>1,961</b>

Financial asset at amortised cost and financial liabilities at amortised cost - The carrying value of current receivables and liabilities measured at amortised cost approximates their fair value. The fair values of the majority of the non-current liabilities measured at amortised cost are also not significantly different from their carrying values.

Treasury bills are valued at market prices listed on FMDQ daily quotation list while the fair valuation of the derivatives is derived by valuation models and consensus pricing information from third party pricing services and quotes to determine an appropriate valuation.

The Group and Company consider the carrying amounts of lease liabilities, loans, and other non-current borrowings to approximate their fair value.

#### FX Forward Derivative

The Group enters into forward exchange contracts with counterparties. At the reporting date, the Group estimates the fair value of derivatives transacted with the counterparties using the discounted mark-to-market technique. All significant inputs into the valuation techniques are wholly observable. The derivative financial instruments are in level 2.

### 44. Financial instruments and risk management

#### 44.1 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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## Notes to the condensed consolidated and separate financial statements

### 44. Financial instruments and risk management (continued)

In millions of Nigerian Naira	Notes	Group		Company	
		30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Revenue	6	2,377,752	3,358,462	2,375,820	3,363,514
Other income		1,622	2,369	1,622	2,369
Operating expenses excluding depreciation and amortisation		(1,177,144)	(2,047,429)	(1,234,855)	(2,023,018)
<b>EBITDA</b>		<b>1,202,230</b>	<b>1,313,402</b>	<b>1,142,587</b>	<b>1,342,865</b>
Gross debt	29	813,771	972,915	813,771	972,915
Cash and cash equivalents	27	(257,583)	(253,377)	(261,849)	(232,800)
<b>Net debt</b>		<b>556,188</b>	<b>719,538</b>	<b>551,922</b>	<b>740,115</b>
Gross debt	29	813,771	972,915	813,771	972,915
Equity		(42,451)	(458,007)	(3,593)	(356,238)
<b>Total funding</b>		<b>771,320</b>	<b>514,908</b>	<b>810,178</b>	<b>616,677</b>
Gross debt: Total funding		106 %	189 %	100 %	158 %
Net debt: Total funding		72 %	140 %	68 %	120 %
Net debt: EBITDA		46 %	55 %	48 %	55 %

#### 44.2 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	Notes	Group		Company	
		30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Other investments	21.1	14,273	9,068	6,371	6,575
Trade and other receivables	24	172,946	243,889	224,285	291,731
Current investments	21.2	121,324	52,409	56,032	28,196
Restricted cash	25	118,570	107,023	118,370	106,823
Cash held for MoMo customers	26.1	6,006	3,843	-	-
Cash and cash equivalents	27	257,583	253,377	261,849	232,800
		<b>690,702</b>	<b>669,609</b>	<b>666,907</b>	<b>666,125</b>

#### 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.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

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### 44. Financial instruments and risk management (continued)

For Group, total estimated credit loss as at 30 June 2025 stood at N16 million (30 June 2024: N32 million) while credit loss reversal to profit or loss for the period is N16 million (30 June 2024: credit loss expense of N4 million).

For Company, credit loss as at 30 June 2025 stood at N12 million (30 June 2024: N32 million) while reversal credit loss expense to profit or loss for the period is N20 million (30 June 2024: credit loss expense of N57 million).

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

#### 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.

For Group and Company: ECL for gross trade receivables of N100.30 billion (December 2024: N132.27 billion) was N24.05 billion (December 2024: N21.07 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 N- billion was held as collateral for the same value of receivables as at (December 2024: N- 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 non-current 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.

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.

For Group, total estimated expected credit loss for current and other non-current investments as at 30 June 2025 stood at N327 million (31 December 2024: N176 million) while the credit loss for the period stood at N111 million (30 June 2024: reversal of credit loss expense of N38 million).

For Company, total estimated expected credit loss as at 30 June 2025 stood at N238 million (31 December 2024: N124 million) while the reversal of credit loss for the period stood at N114 million (30 June 2024: reversal of credit loss expense of N38 million).

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

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 44. Financial instruments and risk management (continued)

#### Reconciliation of gross carrying amount and related ECL

In millions of Nigerian Naira	Cash and cash equivalent	Current investment	Other non- current investments	Total ECL
<b>Group</b>				
Balance as at 1 January 2024	345,074	4,029	6,632	(285)
Net movement during the year	(106,338)	-	-	-
Purchase	-	112,953	2,434	-
Sale/matured	-	(99,733)	-	-
Exchange gain	14,579	18,278	-	-
Credit loss expense reversal	62	13	2	77
Balance as at 31 December 2024	253,377	35,540	9,068	(208)
Net movement during the period	1,971	-	-	-
Purchase	-	185,324	5,309	-
Sale/matured	-	(105,067)	-	-
Remeasurement to profit or loss account	-	5,505	(69)	-
Exchange gain/(loss)	2,219	(1,538)	-	-
Credit loss reversal/(expense)	16	(116)	(35)	(135)
<b>Balance as at 30 June 2025</b>	<b>257,583</b>	<b>119,648</b>	<b>14,273</b>	<b>(343)</b>
<b>Company</b>				
Balance as at 1 January 2024	315,548	923	6,632	(196)
Net movement during the year	(97,336)	-	-	-
Purchase	-	105,778	-	-
Sale/matured	-	(99,733)	-	-
Remeasurement to profit or loss account	-	-	(59)	-
Exchange gain	14,579	18,278	-	-
Credit loss reversal	9	29	2	40
Balance as at 31 December 2024	232,800	25,275	6,575	(156)
Net movement during the period	26,941	-	-	-
Purchase	-	73,230	-	-
Sale/matured	-	(44,190)	-	-
Remeasurement to profit or loss account	-	1,695	(206)	-
Exchange gain	2,088	(1,538)	-	-
Credit loss reversal/(expense)	20	(116)	2	(94)
<b>Balance as at 30 June 2025</b>	<b>261,849</b>	<b>54,356</b>	<b>6,371</b>	<b>(250)</b>

#### 44.3 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.

In millions of Nigerian Naira	Notes	Group		Company	
		30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Cash and cash equivalents	27	257,583	253,377	261,849	232,800
Current investments	21.2	121,324	52,409	56,032	28,196
Cash held for MoMo customers	26.1	6,006	3,843	-	-
Restricted cash	25	118,570	107,023	118,370	106,823
Trade and other receivables	24	172,946	243,889	224,285	291,731
		<b>676,429</b>	<b>660,541</b>	<b>660,536</b>	<b>659,550</b>

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 44. 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
<b>30 June 2025</b>									
Trade and other payables	35	986,559	164,256	463,779	358,524	-	-	-	986,559
Deposit held for MoMo customers	26.2	17,981	17,981	-	-	-	-	-	17,981
Derivatives	38	6,221	-	6,221	-	-	-	-	6,221
Other non-current liabilities	34	12,740	-	-	-	10,897	2,231	-	13,128
Borrowings	29	813,771	2,484	58,776	347,908	207,458	276,890	179,521	1,073,037
Lease liabilities	30	2,393,872	81,921	447	435,031	1,150,568	1,089,920	1,172,554	3,930,441
		<b>4,231,144</b>	<b>266,642</b>	<b>529,223</b>	<b>1,141,463</b>	<b>1,368,923</b>	<b>1,369,041</b>	<b>1,352,075</b>	<b>6,027,367</b>
<b>31 December 2024</b>									
Trade and other payables	35	928,409	157,838	445,661	324,910	-	-	-	928,409
Deposit held for MoMo customers	26.2	3,843	3,843	-	-	-	-	-	3,843
Derivatives	38	1,961	-	1,961	-	-	-	-	1,961
Other non-current liabilities	34	8,842	-	-	-	6,668	4,463	-	11,131
Borrowings	29	972,915	38,615	2,447	213,505	311,348	375,671	196,477	1,138,063
Lease liabilities	30	2,283,424	120,521	39	400,996	525,883	1,557,725	1,338,267	3,943,431
		<b>4,199,394</b>	<b>320,817</b>	<b>450,108</b>	<b>939,411</b>	<b>843,899</b>	<b>1,937,859</b>	<b>1,534,744</b>	<b>6,026,838</b>

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 44. 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
<b>30 June 2025</b>									
Trade and other payables	35	987,988	163,530	461,678	362,780	-	-	-	987,988
Derivatives	38	6,221	-	6,221	-	-	-	-	6,221
Other non-current liabilities	34	3,933	-	-	-	3,933	-	-	3,933
Borrowings	29	813,771	2,484	58,776	347,908	207,458	276,890	179,521	1,073,037
Lease liabilities	30	2,393,872	81,921	447	435,031	1,150,568	1,089,920	1,172,554	3,930,441
		<b>4,205,785</b>	<b>247,935</b>	<b>527,122</b>	<b>1,145,719</b>	<b>1,361,959</b>	<b>1,366,810</b>	<b>1,352,075</b>	<b>6,001,620</b>
<b>31 December 2024</b>									
Trade and other payables	35	924,671	157,166	443,858	323,647	-	-	-	924,671
Derivatives	38	1,961	-	1,961	-	-	-	-	1,961
Other non-current liabilities	34	25	-	-	-	25	-	-	25
Borrowings	29	972,915	38,615	2,447	213,505	311,348	375,671	196,477	1,138,063
Lease liabilities	30	2,283,424	120,521	39	400,996	525,883	1,557,725	1,338,267	3,943,431
		<b>4,182,996</b>	<b>316,302</b>	<b>448,305</b>	<b>938,148</b>	<b>837,256</b>	<b>1,933,396</b>	<b>1,534,744</b>	<b>6,008,151</b>

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 44. Financial instruments and risk management (continued)

#### 44.4 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	30 June 2025			31 December 2024		
	Fixed rate instruments	Variable rate instruments	Non interest bearing	Fixed rate instruments	Variable rate instruments	Non interest bearing
<b>Group</b>						
<b>Financial assets</b>						
Cash and cash equivalents	257,583	-	-	253,377	-	-
Current investments	121,324	-	-	52,409	-	-
Cash held for MoMo customers	6,006	-	-	3,843	-	-
Restricted cash	20,792	-	97,777	22,750	-	84,273
Trade and other receivables	-	-	172,946	-	-	243,889
Other non-current investments	14,273	-	-	9,068	-	-
	<b>419,978</b>	<b>-</b>	<b>270,723</b>	<b>341,447</b>	<b>-</b>	<b>328,162</b>
<b>Financial liabilities</b>						
Trade payables	-	-	250,176	-	-	223,185
Amounts due to related parties	-	139,255	-	-	186,013	-
Other accrued expenses	-	-	597,128	-	-	519,211
Derivatives	-	-	6,221	-	-	1,961
Deposit held for MoMo customers	-	-	17,981	-	-	3,843
Borrowings	480,807	332,964	-	682,594	290,321	-
Other non-current liabilities	-	-	12,740	-	-	8,842
	<b>480,807</b>	<b>472,219</b>	<b>884,246</b>	<b>682,594</b>	<b>476,334</b>	<b>757,042</b>
<b>Company</b>						
<b>Financial assets</b>						
Cash and cash equivalents	261,849	-	-	232,800	-	-
Current investments	56,032	-	-	28,196	-	-
Restricted cash	20,792	-	97,777	22,750	-	84,073
Trade and other receivables	-	-	224,285	-	-	291,731
Other non-current investments	6,371	-	-	6,575	-	-
	<b>345,044</b>	<b>-</b>	<b>322,062</b>	<b>290,321</b>	<b>-</b>	<b>375,804</b>
<b>Financial liabilities</b>						
Trade payables	-	-	248,303	-	-	220,897
Amounts due to related parties	-	144,147	-	-	193,487	-
Other accrued expenses	-	-	595,538	-	-	510,287
Derivatives	-	-	6,221	-	-	1,961
Borrowings	480,807	332,964	-	682,594	290,321	-
Other non-current liabilities	-	-	3,933	-	-	25
	<b>480,807</b>	<b>477,111</b>	<b>853,995</b>	<b>682,594</b>	<b>483,808</b>	<b>733,170</b>

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 44. 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: SOFR (formerly 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	30 June 2025			31 December 2024		
	Increase/(decrease) in profit before tax			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	1	(1,441)	1,441	1	(1,594)	1,594
NIBOR	1	(4,268)	4,268	1	(4,836)	4,836

#### 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 20% 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.

Group and Company	30 June 2025		31 December 2024	
	Increase/(decrease) in profit before tax		Increase/(decrease) in profit before tax	
	20% weakening in Naira resulting in a decrease in profit before tax	5% strengthening in Naira resulting in an increase in profit before tax	20% weakening in Naira resulting in a decrease in profit before tax	5% strengthening in Naira resulting in an increase in profit before tax
In millions of Nigerian Naira				
Denominated: Functional USD:NGN	(365,942)	91,485	(379,745)	94,936

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 45. Reclassification of comparative amounts and other adjustments

#### 45.1 Reclassification of comparative amounts

Reclassification was made for the period ended 30 June 2025, with comparative figures for the 2024 financial year adjusted in accordance with IAS 1, paragraph 41. The Group had previously presented certain expenses within the statements of profit or loss, however, management considers it to be more relevant if these items are presented as a separate line item on the statement of profit or loss.

Summary of adjustments	Group			Company		
	As previously reported N'million	Reclass N'million	As represented N'million	As previously reported N'million	Reclass N'million	As represented N'million
6 months ended June 2024						
Impairment of financial assets	-	(384)	(384)	-	(331)	(331)
Other operating expenses	110,525	384	110,909	109,482	331	109,813
3 months ended June 2024						
Impairment of financial assets	-	324	324	-	377	377
Other operating expenses	57,461	(324)	57,137	57,107	(377)	56,730

#### 45.2 Prior year audit adjustments - MoMo PSB

During the audit of MoMo PSB 31 December 2023 financial statements in March 2024, additional impairment of N966 million was made on other receivables as required by Central Bank of Nigeria (CBN). The audit adjustment is not material to qualify as a restatement under IAS 10, therefore MTNN is not required to present a third statement of financial position as at 1 January 2024.

During the audit of MoMo PSB 31 December 2024, financial statements in March 2025, additional audit adjustments of N279 million which relates to accruals of operational expenses.

### 46. Commitments for the acquisition of property, equipment and software

In millions of Nigerian Naira	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Approved but not contracted	58,548	-	58,548	-
Contracted but not capitalised	375,230	641,616	375,230	641,616
<b>Total commitments for property and equipment, software and intangibles work in progress</b>	<b>433,778</b>	<b>641,616</b>	<b>433,778</b>	<b>641,616</b>

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.

### 47. Going concern

During the reporting period, the Company revenue grew by 53.49% year on year, an increase of N827.99 billion and operating profit grew by 152.78% year on year to N833.93 billion, and made a profit after tax of N351.66 billion (30 June 2024: N501.45 billion loss after tax), improving the total negative shareholders' funds to N3.59 billion (31 December 2024: N356.24 billion). The current liabilities exceeded current assets by N1.23 trillion after excluding inventory, derivatives, contract liabilities and provisions (31 December 2024: N1.10 trillion).

The Board believes that the Company's fundamentals and prospects remain strong and to address its impaired shareholders fund, the shareholders at its Extraordinary General Meeting (EGM) held in 2024 approved the implementation of several initiatives to improve the operational and financial performance of the Company. These initiatives are designed to improve both operational and financial performance by driving revenue growth, restoring profitability, and rebuilding reserves. The results for the second quarter of 2025 indicate that these initiatives are yielding positive outcomes, thereby enhancing the business resilience.



# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

### 47. Going concern (continued)

The Board of Directors of MTN Nigeria Communications Plc has assessed the Company's ability to continue as a going concern when preparing the financial statements. In performing this assessment, the Board has considered various events and conditions that may exist and, individually or collectively, cast significant doubt on the entity's ability to continue as a going concern, such as:

- It is unlikely that fixed-term borrowings approaching maturity lack 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 are no substantial operating losses or significant deterioration in the value of assets used to generate cash flows. Though, the foreign exchange rate depreciated marginally from N1,529.71/\$ to N1,536.82/\$ for the six months ended 30 June 2025. Nevertheless, there is an ongoing effort to re-denominate some categories of foreign denominated expenditure to local currency. This strategic move aims to mitigate the risk associated with fluctuations in exchange rates.
- MTN Nigeria has secured tripartite set-off arrangements with Group entities to reduce intercompany payables.

In addition, an assessment of forecast cash flows and projections has been performed, including potential impact of external and internal variations, uncertainties and sensitivity of business plans. We are satisfied that the business is expected to continue its operations over the next twelve months.

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

### 48. 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.

### 49. Shareholders and their interest

Share range	Number of shareholders	% of shareholder	Number of holdings	% shareholding
1 - 10,000	147,699	95.0640	87,846,454	0.42
10,001 - 50,000	5,271	3.3926	106,562,590	0.51
50,001 - 100,000	926	0.5960	63,665,844	0.30
100,001 - 500,000	1,016	0.6539	209,195,434	1.00
500,001 - 1,000,000	160	0.1030	114,480,519	0.55
1,000,001 - 5,000,000	184	0.1184	426,928,335	2.03
5,000,001 - 10,000,000	51	0.0328	346,753,004	1.65
10,000,001 - 50,000,000	43	0.0277	893,083,275	4.25
50,000,001 - 100,000,000	8	0.0051	555,149,023	2.64
100,000,001 - 500,000,000	7	0.0045	1,519,009,867	7.23
500,000,001 - 1,000,000,000	2	0.0013	1,263,399,757	6.02
1,000,000,001 - above	1	0.0006	15,409,486,001	73.39
	155,368	100	20,995,560,103	100

As at 30 June 2025, MTN International (Mauritius) Limited with total interest of 73.39% shareholding (31 December 2024: 73.39%) held more than 5% of the issued share capital of the Company.

# MTN Nigeria Communications Plc

Condensed consolidated and separate financial statements for the six months ended 30 June 2025

## Notes to the condensed consolidated and separate financial statements

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### 50. Free float information

MTN Nigeria Communications Plc with a free float value of N1,345,591,392,145 as at 30 June 2025 (30 June 2024: N629,664,097,784) is compliant with the Exchange's requirements for free float for companies listed on the Premium Board.

### 51. 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 in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

As at 30 June 2025, the Group has N0.88 billion (December 2024: N3.99 billion) contingent liabilities arising from claims and litigations in the ordinary course of business, representing a significant reduction from prior period. The decrease is primarily attributable to the resolution of some legal claims.

Pending litigation and legal claims against the Group are being vigorously defended in various courts, and in the opinion of the directors, based on legal advice, are not expected to result in material liabilities. Accordingly, no provision has been made in these financial statements.

### 52. Events after the reporting period

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