THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER OR AN INDEPENDENT INVESTMENT ADVISER, REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION ("SEC" OR THE "COMMISSION").

FOR INFORMATION ABOUT RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE QUALIFIED INSTITUTIONAL INVESTORS AND HIGH NET-WORTH INVESTORS, PLEASE REFER TO THE SECTION ON "RISK FACTORS" ON PAGE 80 – 112

INVESTORS MAY CONFIRM THE CLEARANCE OF THE PROSPECTUS AND REGISTRATION OF THE SECURITIES WITH THE SECURITIES & EXCHANGE COMMISSION BY CONTACTING THE COMMISSION VIA SEC@SEC.GOV.NG OR +234 (0) 946 21100; +234 (0) 946 21168

MTN NIGERIA COMMUNICATIONS PLC RC 395010

(incorporated as a Public Limited Liability Company in the Federal Republic of Nigeria)

₦200,000,000,000 BOND ISSUANCE PROGRAMME

This Shelf Prospectus has been issued in compliance with Rule 321 of the Rules and Regulations of the Securities & Exchange Commission ("SEC" or the "Commission") and the listing requirements of the FMDQ Securities Exchange Limited ("FMDQ") contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regards to the Programme.

This Shelf Prospectus is to be read and construed in conjunction with any Supplement thereto and all documents which are incorporated herein, by reference and, in relation to any tranches or series (as defined herein) of instruments, together with the applicable Pricing Supplement. This Shelf Prospectus shall be read and construed on the basis that such documents are incorporated herein and form part of this Shelf Prospectus.

This Shelf Prospectus and the securities that it offers have been registered by the Commission. It is a civil wrong and criminal offence under Sections 85 and 86 of the Investments & Securities Act (No. 29 of 2007) to issue a prospectus which contains false or misleading information. The clearance and registration of this Prospectus and the securities which it offers does not relieve the parties from any liability arising under the act for false and misleading statements contained herein or for any omission of a material fact. The registration of this Shelf Prospectus and any applicable Pricing Supplement thereafter does not in any way whatsoever suggest that the Securities & Exchange Commission endorses or recommends the securities or assumes responsibility for the correctness of any statement made or opinion or report expressed therein.

This Prospectus has been approved by the members of the Board of Directors of MTN Nigeria Communications Plc and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made inquiries which are reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

Investors are advised to note that liability for false or misleading statements or acts made in connection with this shelf prospectus is provided in Sections 85 and 86 of the Investments & Securities Act 2007.

LEAD ISSUING HOUSE/BOOKRUNNER

CHAPEL HILL DENHAM
RC 1381308

JOINT ISSUING HOUSES/BOOKRUNNERS

Stanbic IBTC Capital	DLM Advisory	FBNQuest Merchant Bank	FCMB	RMB Nigeria	VETIVA
RC 1031358	RC 688014	RC 264978	RC 446561	RC 1031371	RC 485600

THIS SHELF PROSPECTUS IS DATED THIS 5TH DAY OF MAY 2021

THIS SHELF PROSPECTUS WILL BE AVAILABLE ON THE FOLLOWING WEBSITES:

www.mtnonline.com www.sec.gov.ng

This Shelf Prospectus is valid until May 5, 2024

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1. IMPORTANT NOTICE

This Shelf Prospectus has been prepared on behalf of MTN Nigeria Communications Plc in connection with its ₦200,000,000,000 Bond Issuance Programme for the purpose of giving information to prospective investors in respect of the Bonds described herein. The Securities and Exchange Commission ("SEC" or the "Commission") has cleared and registered this Shelf Prospectus.

The Board of Directors of the Issuer accepts full responsibility for the information contained in this Shelf Prospectus. The Board of Directors confirms (having taken all reasonable care to ensure that is the case) that the information contained in this Shelf Prospectus is in accordance with the Rules and Regulations of the Commission.

This Shelf Prospectus has been issued in compliance with Part IX of the Act, Part F Rule 279 of the 2013 Rules and Regulations of the Commission and the listing requirements of the FMDQ Securities Exchange Limited ("FMDQ"), and contains particulars which are compliant with the requirements of the Commission for the purpose of giving information with regard to the Bond Issuance Programme.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Shelf Prospectus or any other information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorized by either the Issuer, or any parties to the Programme..

Neither this Shelf Prospectus nor any other information supplied in connection with the Programme:

a. is intended to provide the basis of any credit or other evaluation; or
b. should be considered as a recommendation by either the Issuer or any of the parties to the Programme that any recipient of this Shelf Prospectus or any other information supplied in connection with the Programme should purchase the Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and the creditworthiness of the Issuer.

Each prospective investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Neither this Shelf Prospectus nor any other information supplied in connection with the Issue or the Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Issuing Houses or the Trustee to any person to subscribe for or to purchase the Bonds.

Neither the delivery of this Shelf Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme continues to remain correct as of any time subsequent to the date indicated in the document containing the same.

The Issuing Houses expressly do not undertake to review the financial condition or affairs of the Issuer throughout the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention. The Issuing Houses have not separately verified the information contained in this Shelf Prospectus and accordingly no representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law, no responsibility or liability is accepted whether in contract or otherwise by the Issuing Houses as to the accuracy or completeness of the information contained in this Shelf Prospectus or any other information supplied in connection with the Bonds or their distribution. Each person receiving this Shelf Prospectus acknowledges that such person has not relied on the Issuing Houses or any person affiliated with any of them in connection with its investigation of the accuracy of this Shelf Prospectus or such information or its investment decision. The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from any of the Issuing Houses to any prospective investor. Prospective investors should make their own independent assessment of the merits or otherwise of subscribing for the Debt Securities offered herein and should take their own professional advice in connection with any prospective investment by them.

The distribution of this Shelf Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Shelf Prospectus or any Bonds come must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States of America, the United Kingdom, the European Economic Area, Canada, Japan, Australia, the Republic of South Africa and certain other jurisdictions. The Issuer, Issuing Houses and other professional advisers do not represent that this Shelf Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, nor does it assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Issuing House or the other professional advisers, which would permit a public offering of any Bonds or distribution of this document in any jurisdiction where action for that purpose is required.

Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations.

Certain figures included in this document have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures, which precede them.

Statements in a Pricing Supplement

Following the publication of this Shelf Prospectus, Pricing Supplement(s) will be issued in relation to each Series or Tranche of Bonds that are to be offered for issuance under the Programme. Each applicable Pricing Supplement will be cleared and approved by the SEC.

Specific statements on a Bond as contained in the relevant Pricing Supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statements so modified shall not, except as modified or superseded, constitute a part of the Shelf Prospectus.

Amendments to the Shelf Prospectus

The Issuer, in the event of any significant change, material mistake or inaccuracy relating to information included in this Shelf Prospectus which is capable of affecting the assessment of the Bonds, shall prepare an addendum to this Shelf Prospectus for use in connection with any subsequent issue of Bonds, under the Bond Issuance Programme, which shall be subject to the Commission's clearance.

2. DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

“Agusto & Co”	Agusto & Co. Limited
“Applicable Pricing Supplement” or “Pricing Supplement” or “Supplementary Shelf Prospectus”	The document(s) to be issued pursuant to the Shelf Prospectus which shall provide final terms and conditions of a specific Series or Tranche of Bonds issued under the Programme and read in conjunction with the Shelf Prospectus
“Auditor”	Ernst & Young Professional Services, or any successor auditor which may be appointed in future
“Board” or “Board of Directors” or the “Directors”	Board of Directors of the Issuer as stated on Page 17
“Bonds”	The registered bonds issued by the Issuer from time to time in accordance with the terms of this Shelf Prospectus and any subsequent Pricing Supplement, with aggregate value not exceeding ₦200,000,000,000.
“Bond Issuance Programme” or the “Programme”	The ₦200,000,000,000 Bond Issuance Programme being undertaken by the Issuer as described in this Shelf Prospectus, pursuant to which the Company may issue series and/or tranches of Bonds from time to time, provided however that the aggregate value does not exceed ₦200,000,000,000
“Bondholder”	Any registered owner or beneficial owner of Bond units to be issued under the Programme
“Book Building”	A process of price and demand discovery through which a Book Runner seeks to determine the price at which securities should be issued, based on the demand from Qualified Institutional Investors and High Net Worth Investors
“Book Runner(s)”	The Issuing House(s) duly appointed by the Issuer to manage the order book in respect of the Bonds being sold by way of Book Building
Bond Certificate	The certificate issued to Bondholders in respect of the Bonds issued under the Programme stating the important terms of the bond
“Business Day(s)”	Any day(s) except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Lagos, Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act 2020
“CBN”	Central Bank of Nigeria
“CIT”	Companies Income Tax
“CITA”	Companies Income Tax Act Cap C21, LFN, 2004 as amended by the Companies Income Tax (Amendment Act No. 11 of 2007) and the Finance Act, 2019
“Conditions” or “Terms and Conditions”	Terms and conditions in accordance with which the Bonds will be issued, set out in the section headed “Terms and Conditions of the Bonds” in this Prospectus, the Programme Trust Deed and the relevant Series Trust Deed

"Coupon"	The interest payable to Bondholders as specified in the applicable Pricing Supplement
"Coupon Commencement Date"	The date on which the Coupons on each Bond starts accruing to Bondholders as specified in the applicable Pricing Supplement
"Coupon Payment Date"	The date on which coupon is to be paid to Bondholders as specified in the Applicable Pricing Supplement
"CSCS"	Central Securities Clearing System Plc
"CSD"	CSCS or FMDQ-D or any central securities depository registered or recognized by SEC and appointed by the Issuer or as may be specified in the Applicable Pricing Supplement
"Daily Official List"	A publication of FMDQ, published daily, providing information on all securities quoted on its Exchange
"Debt Securities"	Registered debt instruments separate from the Bonds issued by the Issuer
"Debt Service Reserve Account" or "DSRA"	The debt service reserve account to be established by the Issuer for purposes of servicing the Bond repayment obligations under the Programme; which shall be administered by the Trustee(s) and from which the Trustee shall make payments to Bondholders of Coupon and Principal Amount at the times and in such amounts as are specified in the repayment schedule set out in the relevant Pricing Supplement
"Event of Default"	All such events of default as are defined under the Programme Trust Deed and as stated in a Series Trust Deed
"Exchange"	The FMDQ or any other securities exchange recognized by the Commission
"Federal Government" or "FGN"	Federal Government of Nigeria
"Fixed Rate Bonds"	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis and will not change during the life of the Bonds
"Floating Rate Bonds"	Bonds in respect of which interest is to be calculated and paid on a floating rate basis as prescribed in the applicable Pricing Supplement
"FMDQ"	FMDQ Securities Exchange Limited
"FMDQ-D"	FMDQ Depository Limited
"GCR"	Global Credit Rating Agency
"High Net Worth Investors" or "HNI"	An individual investor with a minimum net worth of ₦100,000,000 (One Hundred Million Naira) (excluding assets such as automobiles, homes and furniture)
"IASB"	International Accounting Standards Board
"IFRS"	International Financial Reporting Standards
"Interest Period"	Interest Period as defined in the applicable Pricing Supplement
"ISA"	Investments and Securities Act (No 29 of 2007) as may be amended from time to time
"Issue Date"	The date for any particular Series of Bonds, or such other date as may be specified in the applicable Pricing Supplement, from which interest on the Bonds begins to accrue to Bondholders as specified in the applicable Pricing Supplement

"Issue Price"	The price at which a Bond is issued as specified in the applicable Pricing Supplement
"Issuing Houses"	Chapel Hill Denham Advisory Limited, Stanbic IBTC Capital Limited, DLM Advisory Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited, Rand Merchant Bank Nigeria Limited and Vetiva Capital Management Limited
"Joint Issuing Houses/Book Runners"	Stanbic IBTC Capital Limited, DLM Advisory Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited, Rand Merchant Bank Nigeria Limited and Vetiva Capital Management Limited
"Lead Issuing House/Book Runner"	Chapel Hill Denham Advisory Limited
"LFN"	Laws of the Federation of Nigeria 2004
"Maturity Date"	The date for any particular Series of Bonds, or such other date as may be specified in the applicable Pricing Supplement, on which the final payment on the Bonds is due to Bondholders as specified in the applicable Pricing Supplement
"MTN Nigeria", "Issuer" or the "Company"	MTN Nigeria Communications Plc
"Naira", "NGN" or "₦"	The Nigerian Naira
"NBS"	National Bureau of Statistics
"Nigeria"	The Federal Republic of Nigeria, and the term "Nigerian" shall be construed accordingly
"OTC"	Over-The-Counter
"PFA"	Pension Fund Administrator
"PIT"	Personal Income Tax
"PITA"	Personal Income Tax Act Cap, P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011), (as amended by the Finance Act).
"Principal Amount"	The nominal amount of each Bond, as specified in the applicable Pricing Supplement
"Professional Parties"	All advisers registered or recognized by SEC and appointed by the Issuer as stated on Pages 18 and 19, or as may be specified in the Applicable Pricing Supplement
"Programme Trust Deed"	The Deed dated May 5, 2021 constituting the Bond between the Issuer and the Trustee
"Qualified Institutional Investor"	As defined in Rule 321 of SEC Rules, institutional purchasers of securities, including Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, Registered and/or Verifiable PE funds and Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, and Stock Broking Firms
"Rating Agencies"	Agusto & Co, GCR or any other rating agency that may be appointed
"Record Date"	The date on which the list of Bondholders is extracted from the Register for the purposes of paying Coupon
"Receiving Bank"	Access Bank Plc, Zenith Bank Plc or any other Receiving Bank appointed by the Issuer from time to time

"Redemption Amount"	The aggregate Principal Amount outstanding in respect of a Bond on the Maturity Date as specified in the applicable Pricing Supplement
"Register"	The Register of Bondholders kept at the specified office of the Registrar in which shall be entered the names, addresses of each Bondholder and the particulars, transfers and redemption of Bonds held by each Bondholder in a Series or Tranche
"Registrar"	Coronation Registrars Limited or any other person so appointed by the Issuer
"Reporting Accountant"	SIAO Partners or any other person that may be appointed as Reporting Accountant
"Reverse Floating Rate"	Bonds in respect of which interest is calculated to have an inverse relationship to the referenced benchmark rate
"SEC Rules" or "Rules and Regulations"	The Rules and Regulations of the Securities & Exchange Commission (2013) issued pursuant to ISA as may be amended and supplemented from time to time
"SEC" or the "Commission"	Securities & Exchange Commission
"Series"	A Tranche of Bonds together with any further Tranche or Tranches of Bonds which are: – expressed to be consolidated and form a single series; and – are identical in all respects (including as to listing) except for their respective Issue Dates, Coupon Payment Dates and/or Issue Prices
"Series Trust Deed"	A Deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer and the Trustee(s) with regards to a specific Series or Tranche and empowering the Trustee(s) to hold, administer and manage the applicable assets
"Shelf Prospectus" or "Prospectus"	This Prospectus that Issuer has filed in accordance with SEC Rules, which contains details of the Bond Issuance Programme
"Solicitors to the Issuer"	Banwo & Ighodalo or any other person so appointed by the Issuer
"Solicitors to the Programme"	Aluko & Oyebode or any other person so appointed by the Issuer
"Solicitors to the Trustees"	The New Practice (TNP) or any other person so appointed by the Issuer
"Tranche"	Bonds which are identical in all respects, except as to listing
"Transaction Documents"	The Shelf Prospectus, Pricing Supplement, Programme Trust Deed, Series Trust Deed and all related documents issued from time to time in respect of a Bond issuance herein
"Trust Deeds"	The Programme Trust Deed and the Series Trust Deed(s)
"Trustees"	ARM Trustees Limited, is granted fiduciary power by the Bondholders to enforce the terms and conditions of the Bond Issuance Programme and such other Trustees that may be appointed from time to time by the Issuer
"Validity Period"	A period expiring three (3) years from the date of SEC approval of this Shelf Prospectus, during which bonds may be issued under the Programme
"VAT"	Value Added Tax
"Zero Coupon Bond"	A Bond issued at a discount to its face value

3. INFORMATION RELATED TO THE SHELF PROSPECTUS

1. Presentation of Information

The information set forth herein has been obtained from official sources that are believed to be reliable, but the fairness, accuracy, completeness or correctness of the information or opinions contained herein have not been verified. The Issuing Houses and Issuer take responsibility for information contained in the Prospectus; and to the best of their knowledge and honest belief, the information provided is accurate. The information and expressions of opinion herein are subject to change and any proposed changes to the information provided in the Prospectus shall be subject to the Commission's prior review and approval. Neither the delivery of this Shelf Prospectus nor any issue made hereunder or any future use of this Shelf Prospectus shall, under any circumstance, create any impression that there has been no change in the affairs of the Issuer since the date hereof.

All financial and other information presented or incorporated by reference in this Shelf Prospectus has been provided by the Issuer from its records, except for information expressly attributed to other sources. The presentation of certain information, including tables of receipts and other revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

2. Financial Information

The Issuer maintains its books of accounts and prepares its statutory financial statements in Naira in accordance with IFRS as promulgated by the IASB.

Unless otherwise indicated, the financial information regarding the Issuer indicated in this Shelf Prospectus has been derived from the Reporting Accountants' Report on the Issuer's audited financial statements for the three years ended December 31, 2019. The Issuer's financial statements for the years ended 31 December 2017, 2018 and 2019 have been prepared in accordance with IFRS as issued by the IASB and are presented in Naira.

3. Rounding

Certain numerical figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

4. Forward-Looking Statements

Certain statements included herein and in any Pricing Supplement may constitute forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward looking statements can be identified by the use of words such as "believes", "expects", "may", "are expected to", "intends", "will", "will continue", "should", "would be", "seeks", "approximately" or "anticipates" or similar expressions or the negative thereof or other variations thereof or comparable terminologies. These forward-looking statements include all matters that are not historical facts and include statements regarding the Issuer's intentions, beliefs or current expectations concerning, amongst other things, the Issuer's operating results, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer's actual results of operations, financial condition and liquidity, and the development of the industry in which the Issuer operates, as this may differ materially from those made in or suggested by the forward-looking statements contained in this Shelf Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized.

The Issuer is not obliged to and does not intend to, update or revise any forward looking statements made in this Shelf Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributed to the Issuer, the Issuing Houses or persons acting on the Issuer's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Shelf Prospectus. A prospective investor of the Bonds should not place undue reliance on these forward-looking statements.

Factors that could cause actual results to differ materially from the Issuer's expectations are contained in the cautionary statements in this Shelf Prospectus and include, among other things, the following:

a. overall political, economic and business conditions in Nigeria;
b. economic and political conditions in international markets, including governmental changes;
c. changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
d. changes in government regulations, especially those pertaining to the Issuer's industry;
e. competitive factors in the industries in which the Issuer and its customers operate;
f. the demand for the Issuer's products and services;
g. interest rate fluctuations and other capital market conditions;
h. Exchange rate fluctuations;
i. the timing, impact and other uncertainties of future actions; and
j. other national emergencies

The sections of this Shelf Prospectus titled "**Risk Factors**", "**Description of MTN Nigeria Communications Plc**" and "**Statutory and General Information**" contain more detailed discussions of the factors that could affect the Issuer's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

5. Third Party Information

The Issuer obtained certain statistical and market information that is presented in this Shelf Prospectus in respect of the Nigerian telecommunications sector, the Nigerian economy and the Nigerian political landscape in general from certain government and other third party sources as identified where it appears herein.

There is not necessarily any uniformity of views among such sources as to such information provided. The Issuer has not independently verified the information included in this section. Some of the information in this Shelf Prospectus have been derived substantially from publicly available information, such as annual reports, official data published by the Nigerian government or regional agencies or other third party sources as indicated in the text. The Issuer has accurately reproduced such information and, so far as the Issuer is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Issuer has relied on the accuracy of this information without independent verification.

Nevertheless, prospective investors are advised to consider these data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. Neither the Issuer nor the Issuing Houses have independently verified the figures, market data or other information on which third parties have based their studies.

Certain statistical information reported herein has been reproduced from official publications of, and information supplied by, a number of government agencies and ministries, and other governmental and intergovernmental organisations, including the Central Bank of Nigeria; the International Monetary Fund; the Debt Management Office; the National Bureau of Statistics and the World Bank.

4. ISSUE OF PRICING SUPPLEMENTS

Following the publication of this Shelf Prospectus, applicable Pricing Supplement(s) shall be prepared by the Issuer and the Issuing Houses for each series of Bonds issued under the Programme in accordance with the SEC Rules and Regulations.

Statements contained in any such applicable Pricing Supplement(s) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Shelf Prospectus.

In the event of any significant new matter, material mistake or inaccuracy relating to the information included in this Shelf Prospectus which is capable of affecting the assessment of the Bonds, the Issuer will prepare an addendum to this Shelf Prospectus or publish a new Shelf Prospectus for use in connection with any subsequent issuances of Bonds.

5. DECLARATION BY THE ISSUER

MTN Nigeria Communications PLC
MTN Plaza, Falomo, Ikoyi, Lagos.
P.M.B. 80147 Adeola Odeku Post Office, Victoria Island, Lagos, Nigeria
Website www.mtnonline.com
RC 395010

3rd December 2020

The Director General
Securities and Exchange Commission
SEC Tower
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Abuja

Establishment of a ₦200 Billion (Two Hundred Billion Naira) Bond Issuance Programme by MTN Nigeria Communications PLC (the "Programme") and subsequent issuances of Notes under the Programme

This Shelf Prospectus has been prepared by the Issuing Houses on behalf of MTN Nigeria Communications PLC (the "Issuer") with a view to providing a description of the relevant aspects of the Issuer's business in connection with the establishment of a ₦200 billion Bond Issuance Programme (the "Programme").

We hereby make the following declarations in respect of the Programme.

1. We confirm that the information contained in this Shelf Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import;
2. There has been no significant change in the financial condition, or material adverse change in the prospects of the Issuer since the date of this document;
3. The Issuer is not in breach of any terms and conditions in respect of borrowed monies, which would result in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of this Shelf Prospectus; and
4. No prosecution has been commenced against the Issuer during the preceding 12 (twelve) calendar months in respect of any breach or contravention of any securities law or the Companies and Allied Matters Act or the listing requirements of a recognized securities exchange.

Signed for and on behalf of

MTN Nigeria Communications PLC

By its duly Authorised Representatives:

Ferdinand Moolman	**Modupe Kadri**	**Uto Ukpanah**
Chief Executive Officer	Chief Financial Officer	Company Secretary

ICN

Directors: Dr. E. Ndukwe OFR (Chairman) *Mr F. Moolman (CEO) Mr. M.K. Ahmed OON Mr M. Ajukwu Mr. A. Ali Dr U. [illegible] Mr. M. Kadri (CFO) Mrs. I. M. Omoigui Okauru MFR Mr. A.B. Mahmoud, SAN OON *Mr. R. Gasant *Mr. R. Mupita [illegible] **Mr J. Schulte-Bockum Mr K. Toriola

*South African **German

Sensitivity: Internal

NOTARISED BY ME

KEHINDE BURAIMOH
NOTARY PUBLIC
7th Floor Mandilas Building
16, Simpson Street, Lagos.
P. O. Box 3363, Marina Lagos

6. THE PROGRAMME

A copy of this Shelf Prospectus, together with the documents specified herein, has been delivered to the SEC for clearance and registration. The registration of this Shelf Prospectus and any subsequent Pricing Supplement shall not be taken to indicate that the SEC endorses or recommends the Bonds to be issued under the Programme or assumes responsibility for the correctness of any statements made or opinions or reports expressed herein.

This Shelf Prospectus is issued in compliance with the ISA, the Rules and Regulations of the Securities & Exchange Commission (the "SEC") and the listing requirements of FMDQ Securities Exchange Limited ("FMDQ") and contains particulars in compliance with the requirements of the SEC for the purpose of giving information to the public with regards to the ₦200,000,000,000 Bond Issuance Programme established by the Issuer. The specific terms of each Series of the Bonds in respect of which this Shelf Prospectus is being delivered will be set forth in the Applicable Pricing Supplement and shall include the specific designation, aggregate principal amount, the currency or currency unit for which the Bonds may be purchased, maturity, interest provisions, authorized denominations, Issue Price, any terms of redemption and any other specific terms. In the event that any issue under the Programme is to be listed, an application will be made to FMDQ for the admission of such Bonds to its official list.

The Directors of the Issuer collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading or untrue.

Investors are advised to note that the liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided Sections 85 and 86 of the Investments & Securities Act 2007.

LEAD ISSUING HOUSE/BOOKRUNNER

CHAPEL HILL DENHAM
RC 1381308

JOINT ISSUING HOUSES/BOOKRUNNERS

Stanbic IBTC Capital	DLM Advisory	FBNQuest Merchant Bank	FCMB	RMB Nigeria	VETIVA
RC 1031358	RC 688014	RC 264978	RC 446561	RC 1031371	RC 485600

on behalf of

MTN NIGERIA COMMUNICATIONS PLC RC 395010

is authorized to issue this Shelf Prospectus

in respect of the

₦200,000,000,000 Bond Issuance Programme

This Shelf Prospectus contains:

1. on page 13, the declaration to the effect that the Issuer did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the twelve calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;
2. on page 135, the Reporting Accountants Report prepared by SIAO Partners for the years ended December 31, 2015 - 2019 audited financial information by the Issuer for incorporation into this Shelf Prospectus;
3. on pages 133-134, an extract of the Rating Report on the Issuer by Agusto and GCR for incorporation in this Shelf Prospectus; and
4. on page 150, the legal opinion issued by the Solicitors to the Issue, on the effect of claims and litigation against the Issuer on the Programme.

Validity Period of the Shelf Prospectus and Delivery of Documents:

This Shelf Prospectus is valid until May 5, 2024. No Bonds shall be issued on the basis of this Shelf Prospectus read together with any Pricing Supplement issued pursuant hereto later than three (3) years after the issue date indicated on the cover of this Shelf Prospectus. This Shelf Prospectus can be obtained at the office of the Issuer and the Issuing Houses throughout its validity period.

7. PARTIES TO THE PROGRAMME

Corporate Directory of the Issuer - MTN Nigeria Communications Plc

Head Office:
MTN Plaza
Falomo, Ikoyi
Lagos

Regional Offices:
4 Aromire Road
Ikoyi
Lagos

4 Madeira Street
Maitama
Abuja

5 Benjamin Opara Street
Off Olu Obasanjo Road
Port Harcourt
Rivers State

Website:
www.mtnonline.com

Contact telephone number and email:
(+234) 0803 902 0186
investorrelations.ng@mtn.com

Directors of the Issuer

Ernest Ndukwe, OFR (Chairman) (Nigerian)
MTN Plaza
Falomo, Ikoyi
Lagos

Michael Onochie Ajukwu (Nigerian)
MTN Plaza
Falomo, Ikoyi
Lagos

Hinda M. Gutoigui Okauru, MFR (Nigerian) (Audit Committee Member)
MTN Plaza
Falomo, Ikoyi
Lagos

Mohammad K. Ahmad, OON (Nigerian) (Audit Committee Member)
MTN Plaza
Falomo, Ikoyi
Lagos

Ferdinand Moolman (Chief Executive Officer) (South African)
MTN Plaza
Falomo, Ikoyi
Lagos

Andrew Alli (Nigerian)
MTN Plaza
Falomo, Ikoyi
Lagos

Modupe Kadri (Chief Financial Officer) (Nigerian)
MTN Plaza
Falomo, Ikoyi
Lagos

Omobola Johnson (Nigerian)
MTN Plaza
Falomo, Ikoyi
Lagos

Rhidwaan Gasant (South African) (Audit Committee Member)
MTN Plaza
Falomo, Ikoyi
Lagos

Ralph Mupita (South African)
MTN Plaza
Falomo, Ikoyi
Lagos

Paul Norman (South African)
MTN Plaza
Falomo, Ikoyi
Lagos

Jens Schulte-Bockum (German)
MTN Plaza
Falomo, Ikoyi
Lagos

Karl Toriola (Nigerian)
MTN Plaza
Falomo, Ikoyi
Lagos

Abubakar B. Mahmoud, SAN, OON (Nigerian)
MTN Plaza
Falomo, Ikoyi
Lagos

Company Secretary:

Uto Ukpanah
MTN Plaza
Falomo, Ikoyi
Lagos

AUDIT COMMITTEE

Mr. Oye Hassan-Odukale MFR (Nigerian)
(Shareholder)

Col. Ayegbeni Peters (Rtd.) (Nigerian)
(Shareholder)

Mr. Nornah Awoh (Nigerian)
(Shareholder)

Professional Parties to the Programme

Issuing Houses

Chapel Hill Denham Advisory Limited (Lead)
45 Saka Tinubu Street (1st Floor)
Victoria Island
Lagos

Kemi Awodein

Stanbic IBTC Capital Limited
IBTC Place, Walter Carrington Crescent
Victoria Island
Lagos

Funso Akere

DLM Advisory Limited
66/68 Alexander Road
Ikoyi
Lagos

KENNEDY IKWUDARO

FBNQuest Merchant Bank Limited
10 Keffi Street
South West Ikoyi
Lagos

Boisajiris Fadahunsi

FCMB Capital Markets Limited
First City Plaza (6th Floor)
44 Marina
Lagos

ABIMBOLA KASIKU

Rand Merchant Bank Nigeria Limited
3rd Floor, Wings, East Tower
17A Ozumba Mbadiwe Street
Victoria Island
Lagos

BAYO ADEYEYE

Vetiva Capital Management Limited
266B Kofo Abayomi Street
Victoria Island
Lagos

Dr Gbadebo Adenrele

Trustees

ARM Trustees Limited
1, Mekunwen Road
Off Oyinkan Abayomi Drive
Ikoyi
Lagos

Gbolahan Adeoluwa

Trustees are advised by:

The New Practice (TNP)
49 Raymond Njoku Street
Ikoyi
Lagos

Solicitors to the Issue

Aluko & Oyebode
1 Murtala Muhammed Drive
Ikoyi
Lagos

Ayodele Oyebode

Solicitors to the Issuer

Banwo & Ighodalo
48, Awolowo Road,
South-West, Ikoyi,
Lagos

Ayotunde Owoeye

Stockbrokers

Chapel Hill Denham Securities Limited
45 Saka Tinubu Street (2nd Floor)
Victoria Island
Lagos

Stanbic IBTC Stockbrokers Limited
IBTC Place, Walter Carrington Crescent
Victoria Island
Lagos

Bunmi Olaniyan

Registrar
Cardinalstone Registrars Limited
5 Amodu Ojikutu Street
Victoria Island
Lagos

Bayo Kosfa James-Cole

Reporting Accountant
SIAO Partners
18B Olu Holloway Road (Former Temple Road)
Ikoyi
Lagos

Adetokun Ariyibi

Rating Agencies
Agusto & Co. Limited
UBA House (5th Floor)
57 Marina Rd
Lagos

A. Adeleke

Global Credit Rating Co. Limited
New Africa House (11th Floor)
31 Marina
Lagos

Auditors
Ernst & Young Professional Services
10th Floor, UBA House
57 Marina Road, Lagos Island
Lagos

Femi Ogunbanwo

Receiving Banks
Access Bank Plc
14/15, Prince Alaba Abiodun, Oniru Road
Victoria Island
Lagos

Adekunle Akadeji

Zenith Bank Plc
Plot 85 Ajose Adeogun Street
Victoria Island
Lagos

8. SUMMARY OF THE PROGRAMME

The following information should be read in conjunction with the full text of this Shelf Prospectus, from which it is derived. The information provided below is a brief summary of the key features of the proposed Bonds to be issued under the Programme and a description of the Issuer. This summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Shelf Prospectus as a whole, the Supplementary Prospectus and/or the Pricing Supplement and other documents, if any, incorporated by reference into this Shelf Prospectus.

Terms	Definitions
Issuer	MTN Nigeria Communications Plc
Programme Description	A Bond issuance programme being undertaken by MTN Nigeria Communications Plc pursuant to which Series of Bonds with varying maturities may be issued, the maximum aggregate Principal Amount outstanding of which shall not exceed the Programme Size. Bonds to be offered hereunder are accorded a shelf registration with the SEC for a three (3) year period commencing on the date of the issue of this Shelf Prospectus. No Bonds shall be offered on the basis of this Prospectus after the expiration of the Validity Period. Under the terms of the Programme, Senior Bonds, Subordinated Bonds, Fixed Rate Bonds, Floating Rate Bonds, Zero Coupon Bonds and any combinations thereof may be issued, all of which shall be denominated in Naira or in such other currency as may be agreed between the Issuer and the Issuing Houses and specified in the relevant Pricing Supplement. The Bonds shall be constituted by the Programme Trust Deed. A Series Trust Deed will be issued in respect of each Series.
Programme Limit	₦200,000,000,000 (Two Hundred Billion Naira)
Issuing Houses/Book Runners	Chapel Hill Denham Advisory Limited, Stanbic IBTC Capital Limited, DLM Advisory Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited, Rand Merchant Bank Nigeria Limited and Vetiva Capital Management Limited
Trustees	ARM Trustees Limited
Use of Proceeds	The Issuer seeks to raise medium to long term debt under the Programme. The application of the proceeds of each Series and or Tranche in relation to the above will be specified in the applicable Pricing Supplement
Maturity Date	As specified in the applicable Pricing Supplement
Payment Date	As specified in the applicable Pricing Supplement
Methods of Issue	Bonds under this Programme may be issued and sold by way of a public offer, private placement, Book Building process, or any other methods permitted by the SEC as specified in each relevant Pricing Supplement
Issuance in Series	The Bonds will be issued in Series and each Series may comprise one or more tranches issued on different dates. The Bonds in each Series will be subject to identical terms, whether as to currency or maturity or otherwise, except that the Issue Date, the Issue Price, Coupon Commencement Dates may be different. Details applicable to each Series will be specified in the applicable Pricing Supplement
Coupon Rates	Bonds may be interest-bearing or non-interest bearing. Coupon (if applicable) may be fixed or floating rate as indicated in relevant Pricing Supplement(s)
Currency	The Bonds shall be denominated in Naira (₦) or any other currency as may be agreed between the Issuer and the Issuing House(s) and specified in the applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements

<table>
<tr><td>Fixed Rate Bonds</td><td>Fixed Rate Bonds will bear Coupons which will be payable in arrears on each Coupon Payment Date as may be specified in the relevant Pricing Supplement(s)</td></tr>
<tr><td>Issue Price</td><td>The Bonds may be issued at their Principal Amount or at a premium or discount to their Principal Amount, as specified in the relevant Pricing Supplement(s)</td></tr>
<tr><td>Denominations</td><td>The Bonds will be issued in such denominations as may be agreed between the Issuer and the Issuing Houses and as specified in the relevant Pricing Supplement(s), subject to compliance with all applicable legal and regulatory requirements</td></tr>
<tr><td>Event of Default</td><td>The events of default under this Programme are as specified in the Programme and Series Trust Deeds</td></tr>
<tr><td>Form of Bonds</td><td>The Bonds shall be issued in registered form and shall be transferable. The issue and ownership of the Bonds will be effected and evidenced by the particulars of the Bonds being entered in the Register by the Registrar and the Bonds being electronically registered in the CSD account of the Bondholder</td></tr>
<tr><td>Tenor</td><td>The Bonds will have such maturities as may be agreed between the Issuer and the Issuing Houses, subject to such minimum or maximum maturities as may be allowed or required from time to time by the SEC (or equivalent body) or any laws or regulations applicable to the Issuer. The tenor of a particular series of Bonds shall be specified accordingly in the relevant Pricing Supplement</td></tr>
<tr><td>Other Terms and Conditions</td><td>Terms applicable to each Series as specified in the Pricing Supplement other than those specifically contemplated under this Shelf Prospectus which the Issuer and the Issuing Houses may agree to issue under the Programme subject to compliance with all relevant applicable laws and regulations</td></tr>
<tr><td>Coupon and Principal Payment</td><td>The Issuer may pay coupon and principal on each Series to unit holders the dates stated in the applicable Pricing Supplement</td></tr>
<tr><td>Principal Redemption</td><td>Each Series will be redeemed on the date(s) specified in the relevant Pricing Supplement</td></tr>
<tr><td>Early Redemption</td><td>Early redemption will be permitted only to the extent specified in the relevant Pricing Supplement and then only subject to any applicable legal or regulatory limitations</td></tr>
<tr><td>Redemption Amounts</td><td>The Applicable Pricing Supplement will specify the amount being redeemed or, if applicable the basis for calculating the redemption amounts payable</td></tr>
<tr><td>Frequency</td><td>The frequency of Coupon payment and any other monies due on the Bonds shall be specified in the relevant Pricing Supplement for the Bonds being issued.</td></tr>
<tr><td>Taxation</td><td>The Bonds issued under the Programme are tax exempt in line with the tax exemptions granted by the President of the Federal Republic of Nigeria – as contained in the CIT (Exemption of Bonds and Short Term Government Securities) Order 2011, the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 and PIT (Amendment) Act 2011. The CIT and VAT became effective in 2012 and are valid for a period of ten (10) years while the PIT is indefinite. Please refer to the section on Tax Considerations on page 32 for a detailed description of the tax considerations</td></tr>
<tr><td>Issuer’s Rating</td><td><table>
<tr><th>Rating Agency</th><th>Year</th><th>Credit Rating (Long Term)</th></tr>
<tr><td>Agusto & Co</td><td>2020</td><td>Aa</td></tr>
<tr><td>GCR</td><td>2020</td><td>AA</td></tr>
</table></td></tr>
<tr><td>Bond Ratings</td><td>Ratings for each Series under the Programme will be stated in the relevant Pricing Supplement</td></tr>
</table>

Ranking	The Bonds may be senior or subordinated Bonds as indicated in the relevant Pricing Supplement
Provision of Debt Service Reserve Account or Funding Account	The DSRA may be created in respect of each Tranche or Series in accordance with the provisions of the applicable Series Trust Deed. The DSRA shall be funded from the Issuer's operating cash flows. The DSRA shall be managed by the Trustees
Day Count Convention	Different day count conventions may be stipulated in the relevant Pricing Supplement.
Status of the Bonds	The Programme allows for the issuance of various types of Bonds that can be classified as Senior Bonds or Subordinated Bonds. The Senior Bonds are direct, unconditional, unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise. The payment obligations of the Issuer under the Senior Bonds and in respect of currency of payment, principal and any Coupon thereon shall at all times rank at least equally with all other senior unsecured obligations of the Company, present and future, except for obligations mandatorily preferred by law applying to companies generally or except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment, amounts and terms of issue to be published by the Issuer from time to time by way of a Pricing Supplement. The Subordinated Bonds will rank pari passu without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise with all other subordinated unsecured obligations of the Company, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations. The Senior Bonds will rank in priority of payment to the Subordinated Bonds.
Listing	Each Series of the Bonds will be listed on the FMDQ or as may be agreed between the Issuer and Issuing Houses; as specified in the relevant Pricing Supplement.
Pricing Supplement/Supplementary Shelf Prospectus	The final terms of each Series will be set forth in a Pricing Supplement/ Supplementary Shelf Prospectus
Governing Law	The Bond Issue, the Trust Deed and all related documents (the "Transaction Documents") will be governed by the laws of the Federal Republic of Nigeria.
Statement of Indebtedness	Details of all indebtedness of the Issuer at the time of issuance of any Bonds under the Programme will be disclosed in the applicable Pricing Supplement relating to the Series of Bonds to be issued.
Transaction Documents	▪ Shelf Prospectus ▪ Applicable Pricing Supplement ▪ Programme Trust Deed ▪ Series Trust Deed ▪ Vending Agreement ▪ Reporting Accountants Report ▪ Solicitors' Opinion on Claims and Litigation & Material Contracts ▪ Underwriting Agreement (where applicable) ▪ Rating Reports and any other agreement executed in connection with any Series of Bonds issued pursuant to this Shelf Prospectus.

9. TERMS AND CONDITIONS OF THE PROGRAMME

*The following is the text of the general terms and conditions which, subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Series Trust Deed (the **"Final Terms"**) and, except for the italicised text, will be incorporated by reference into the Bonds and will be endorsed on the back of each Bond Certificate issued in respect of the Bonds.*

*Further information with respect to Bonds of each Series will be given in the relevant Final Terms which will provide for those aspects of these terms and conditions (the "**Conditions**") which are applicable to such Series of Bonds. Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Deed.*

The provisions of these Conditions which are applicable to the Bonds issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Bonds may be issued in separate tranches which together with other tranches, may form a series of bonds. Any provision of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.

The Bonds are constituted by and under the Programme Trust Deed dated on or about the date of this Deed between MTN Nigeria Communications Plc (the "**Issuer**"), and ARM Trustees Limited (the "**Trustee**") as supplemented by the relevant Series Trust Deed between the Parties. The Bondholders are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the relevant Series Trust Deeds applicable to them. Copies of the Trust Deed are available for inspection between the hours of 10:00am and 4:00pm on any Business Day at the designated office of the Trustee at 1, Mekunwen Road Off Oyinkan Abayomi Drive, Ikoyi, Lagos, Nigeria and as specified in the Series Trust Deed.

Any Series of Bonds which is to be created and issued pursuant to the Programme Trust Deed shall be constituted by, be subject to and have the benefit of a Series Trust Deed (the "**Series Trust Deed**") between the Issuer, and the Trustee. The Issuer shall execute and deliver such Series Trust Deed to the Trustee containing such provisions (whether or not corresponding to any of the provisions contained in the Programme Trust Deed) as the Trustee may require. Each Series Trust Deed shall set out the form of the Series of Bonds to be so constituted.

These Conditions include summaries of, and are subject to the detailed provisions of the Programme Trust Deed and the relevant Series Trust Deed. The Bondholders are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the relevant Series Trust Deed applicable to them.

Words and expressions defined in the Trust Deed (as same may be amended, varied, or supplemented from time to time with the consent of the Parties) are expressly and specifically incorporated into and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Programme Trust Deed unless the context otherwise required or unless otherwise stated.

1. **Form, Denomination and Title-**

1.1 Bonds shall be issued in registered form in denominations specified in the Series Trust Deed relating to the relevant Series. The Bonds issued under the Programme may be fixed rate bonds, floating rate bonds, discounted or a combination of such bonds in denominations as may be specified in the relevant Pricing Supplement

1.2. The Bonds will be issued in uncertificated (dematerialised or book-entry) form, which shall be registered with a separate securities identification code with the appropriate CSD.

1.3. A Series of Bonds may be listed on the relevant Exchange, subject to any Applicable Laws. The applicable Pricing Supplement will specify whether or not a Series or Tranche of Bonds will be listed and on which financial exchange(s) they are to be listed (if applicable).

1.4. The title to the Bonds which will be issued in uncertificated form shall be effected in accordance with the rules governing transfer of title in securities held by the CSD. In these Conditions, Bondholders and (in relation to a Bond) holder means the person in whose name a Bond is registered in the Register of Bondholders.

2. **Repayment**

The principal on the Bonds will be repaid on the relevant Maturity Date or on an amortising basis in accordance with the terms of the relevant Series or such date as the Trustee in accordance with the Programme Trust Deed declares the Bonds to have become immediately repayable, together with such premium (if any) agreed in the relevant Series Trust Deed on such Bonds.

3. **Redemption**

3.1 Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Bonds at their Principal amount on such dates as specified in the Series Trust Deed.

3.2 *Redemption by Instalments*

The Bonds may be partially redeemed by instalments on such dates and at such amounts specified in the applicable Final Terms and the payments made in instalments shall reduce the Principal Amount Outstanding on such Bond until fully redeemed at the final Maturity Date.

3.3 *Redemption prior to Maturity*

3.3.1 Subject to the terms of the relevant Series Trust Deed, the Issuer shall be entitled at anytime to redeem the whole or any part of the Bonds upon giving the holders of the Bonds to be redeemed, a minimum of twenty (20) days and maximum of sixty (60) days' notice of its intention to do so. Such notice shall state the amount of the Bond due for redemption, and the condition under which such redemption is to be effected.

3.3.2 The Issuer shall only redeem the Bonds on a Coupon Payment Date and not otherwise.

3.3.3 At the expiration of the notice in Condition 3.3.1 above, the Issuer shall be entitled and bound to redeem the Bonds in respect of which such notice has been given.

3.3.4 Early redemption shall take place on such terms as shall be agreed in the relevant Series Trust Deed

3.3.5 In the case of redemptions made under this Condition, not less than twenty (20) days and not more than sixty (60) days, previous notice in writing of the date fixed for redemption, which shall be a Coupon Payment Date, shall be given by the Issuer to each Bondholder any of whose Bonds is to be redeemed.

3.4 *Redemption for Taxation Reasons*

If the Issuer satisfies the Trustee and Commission immediately before giving of the notice referred to below that:

(a) it has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Nigeria or any political subdivision or any authority having power to tax (other than the expiry of the Companies Income Tax Act 2004 exemption in respect of the Bonds set out in the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 in relation to Bonds with a maturity date later than January 2, 2022), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, having given not less than twenty (20) nor more than sixty (60) days' notice to the Bondholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bonds on the relevant Redemption Date at the Redemption Amount plus accrued interest (if any) to such date, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 3.4, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the requirement referred to in subparagraph (i) above will apply on the next Coupon Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

4. **Purchase of Bond by the Issuer**

The Issuer may at any time and from time to time purchase any part of the Bonds through the relevant Exchange, but not otherwise. Any Bond so purchased will be cancelled and will not be available for re-issue.

5. **Status of the Bonds**

Unless otherwise provided in the Final Terms, the Bonds are direct, unsecured, senior or subordinated (as the case may be) and unconditional obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and in respect of Principal and any Coupon on the Bonds shall at all times rank at least equally with all senior or subordinated (as the case may be) unsecured obligations of the Issuer, present and future except for obligations mandatorily preferred by law applying to companies generally.

6. **Negative Pledge**

For as long as any of the Bonds are outstanding, the Issuer shall not:

6.1. create (without the prior written consent of the Trustee, such consent not to be unreasonably withheld) any Security Interest to secure any Financial Indebtedness, unless the Issuer's obligations under the Bonds are secured equally and rateably with the said obligations or have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem not to be materially less beneficial to the Bondholders **PROVIDED THAT** the restrictions in this Condition 6.1 will not apply to Permitted Indebtedness.; and

6.2. directly or indirectly secure any other Financial Indebtedness represented by bonds or any other debt securities which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or similar securities market without the prior consent of the Trustee, **PROVIDED THAT** the restrictions in this Condition 6.2 will not apply to Permitted Indebtedness.

7. **Coupon**

The Bonds of any Series which bear Coupon shall from the Coupon Commencement Date bear Coupon at the Coupon rate(s) specified in or determined in accordance with the specific Pricing Supplement and such coupon will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the Pricing Supplement. The Coupon payable on the Bonds of any Series for a period other than a full Coupon Period shall be determined in accordance with the Pricing Supplement.

7.1. *Fixed Rate Bonds*

7.1.1 The fixed rate Bonds (being those Bonds that specify that Coupon is payable at a fixed rate) shall bear Coupon on the Principal Amount Outstanding at the Coupon rate specified in the Final Terms from (and including) the Coupon Commencement Date to (but excluding) the Maturity Date. Coupon shall be payable in arrears on the Coupon Payment Date in each year.

7.1.2 If Coupon is required to be calculated for a period other than a full year, such Coupon shall be calculated on the basis of the actual number of days elapsed divided by three hundred and sixty-five (365) or such other method as described in the Pricing Supplement.

7.2. *Coupon on Floating Rate Bonds*

7.2.1. The floating rate Bonds (being those Bonds that specify that coupon is payable at a floating rate) shall bear coupon on its principal amount on such basis as may be described in the Prospectus or Series Trust Deed by reference to a specified floating rate benchmark plus a margin.

7.2.2. Coupon on the floating rate Bonds shall accrue from (and including) the Coupon Commencement Date and the Coupon payable from time to time in respect of each of the floating rate Bonds will be determined in the manner specified in the Final Terms.

8 Cancellation of Bonds

Any part of the Bonds redeemed or purchased shall be cancelled and the Issuer shall not keep such Bonds valid for the purpose of re-issue. For so long as the Bond is admitted to listing and or trading on the Exchange and the rules of the Exchange require, the Registrar shall promptly inform the Exchange of the cancellation of any Bonds under this Condition 8.

9 Trusts

9.1 Except as required by law or as ordered by a court of competent jurisdiction the Issuer will recognise the Bondholder of any Bond as the absolute owner of such Bond and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bond may be subject.

9.2 The receipt by a Bondholder for the time being of any Bond (or in the case of joint registered holders, the payment to the joint Bondholder whose name stands first in the Register) of the Principal of such Bond or of any other money payable in respect of the Bond shall be good discharge of the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to such Principal, Coupon or other money. No notice of any trust whether express, implied or constructive shall (except as provided by statute or as required by a court of competent jurisdiction) be entered on the Register in respect of any Bond.

10 Freedom from Equities

Every Bondholder will be recognised by the Issuer as entitled to his Bond, free from any equities, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of the Bond.

11 Registration and Transfer of Bonds

11.1. *Registration of Bonds*

11.1.1. A Register of the Bonds shall be kept by the Registrar at its office, and there shall be entered in such Register:

(i) The names and addresses of the holders for the time being of the Bonds;
(ii) The amount of the units of Bonds held by every registered holder;
(iii) The account number of the Bondholder; and

(vi) The date at which the names of every registered holder is entered in respect of the Bond standing in his name.

11.2. *Transfer of Bonds*

11.2.1. The Bond is transferable in amounts or integral multiples of an amount specified in the Series Trust Deed.

11.2.2. Transfers of the Bond shall be by an instrument in writing in the form approved by Issuer and the Trustee.

11.2.3. If the Bonds are listed, the Bonds shall be transferred on the FMDQ or other exchange specified in the Final Terms in accordance with the relevant rules.

11.2.4. Every instrument of transfer must be signed by or on behalf of the transferor or where the transferor is a corporation, properly executed according to its constitutional documents, and the transferor shall be deemed to remain the owner of the Bonds until the name of the transferee is entered in the Register.

11.2.5. Every instrument of transfer must be left for registration at the place where the Register is kept accompanied by such evidence as the Issuer may require to prove the title of the transferor or his right to transfer the Bond and (if the instrument of transfer is executed by some other person on his behalf) the authority of that person so to do.

11.2.6. The Issuer and Registrar shall retain all instruments of transfer after registration.

11.2.7. Registration of any Bond transfer shall not be carried out within fifteen (15) days ending on the due date for any payment of principal or Coupon on that Bond.

12 **Transmission**

12.1 In the case of the death of a Bondholder, the survivor(s) (where the deceased was a joint holder) and the executor or administrator of the deceased where he was a sole or only surviving holder shall be the only person(s) recognised by the Issuer as having any title to such Bond.

12.2 Any person becoming entitled to any Bond in consequence of the death or bankruptcy of any Bondholder or of any other event giving rise to the transmission of such Bond by operation of law may upon producing such evidence of his title as the Registrar(s) shall think sufficient, be registered as the holder of the Bond or subject to Condition 11 may transfer the Bond without being registered as the holder of such Bond.

13 **Method of Payment of Principal Money, Coupon and Premium**

13.1 Payment of the Principal, Coupon and premium (if any) due on all or any part of the Bond will be credited to the bank account nominated for this purpose by the Bondholder (or in the case of joint registered Bondholders) by the joint Bondholders or in case of any eventualities, any other method as the Trustees may determine

13.2 Whenever any part of the Bond is redeemed, a proportionate part of each holding of the Bond shall be repaid to the Bondholders.

13.3 The Registrar shall give to the Bondholders not less than [one (1) month's] notice in writing of the time and mode for repayment of the Bonds to be redeemed and each such notice shall state the amount of the Bond for redemption.

13.4 At the time and place so fixed for redemption, each Bondholder shall, where applicable, deliver to the Registrar evidence of title to the Bonds issued by the CSD in order that the same may be cancelled together with a receipt for the redemption moneys payable in respect of the Bonds, and upon such delivery, the Trustee acting through the Registrars shall pay the Bondholder the amount payable to him in respect of such redemption, together with all accrued coupon.

13.5 If, on the Maturity Date, any Bondholder whose Bonds are liable to be redeemed fails or refuses to accept payment of the redemption moneys payable in respect of the Bond, the moneys payable to such Bondholder shall be paid to the Trustee and the Trustee shall hold the moneys in trust for such Bondholder and Coupon on such Bonds shall cease to accrue as from the date fixed for redemption of the Bond and the Issuer shall subsequently be discharged from all obligations in connection with such Bonds. If the Trustee places the moneys so paid to it on deposit at a commercial bank or invests the same in the purchase of securities for the time being authorised by law for the investment of trust funds, the Trustee shall not be responsible for the safe custody of such moneys or for interest on the same, except such interest (if any) as the said money may earn whilst on deposit or investment, less any expenses incurred by the Trustee.

14 Receipts for Money Paid

If several persons are entered in the Register as joint holders of any Bond, then the receipt by any such persons for any Coupon or Principal or other money payable on or in respect of such Bond shall be as effective a discharge to the Issuer as if the person signing such receipt were the sole registered holder of such Bond.

15 Events of Default

15.1 If any of the following events stated in this Condition 15 ("Events of Default") has occurred and is continuing in accordance with the time frame set out below, the Trustee may at its discretion or shall, if so requested in writing by the Majority Bondholders; or if so directed by a Special Resolution of the Bondholders, give written notice to the Issuer declaring the Bonds to be immediately repayable, after which, subject to the applicable Final Terms, the Principal Amount Outstanding on the Bonds together with accrued Coupon shall become immediately due and repayable. The Trustee may, at its discretion and shall upon the request in writing of the Majority Bondholders, or upon being so directed by a Special Resolution and without further notice institute such proceedings as they may think fit to enforce the repayment of the Bonds and/or to enforce the other obligations of the Issuer under this Deed.

15.1.1 *Non-Payment*

If the Issuer fails to pay any sums representing Principal, Coupon and premium (if any) on the Bonds or any fees or other sums within twenty (20) Business Days after the Payment Date.

15.1.2 *Cross Default*

If any Financial Indebtedness of the Issuer of a value exceeding fifty percent (50%) of the Outstanding Principal Amount and Coupon at the relevant time (or its equivalent in any other currency) in aggregate (for the avoidance of doubt, any amounts being contested in good faith shall not be counted towards such value) is not paid when due or within twenty (20) Business Days of: (i) its due date; or (ii) the end of any applicable period of grace, whichever is the later.

15.1.3 *Insolvency*

If:

a) the Issuer is unable, for the purposes of CAMA, to pay their debts, or admit inability to pay their debts as they fall due, suspend making payments on any of its debts and for this purpose debt shall mean an amount not less than fifty percent (50%) of the Outstanding Principal Amount and Coupon at the relevant time (or its equivalent in any other currency);

b) a moratorium is declared in respect of any Financial Indebtedness of the Issuer, and such moratorium is not discharged within thirty (30) Business Days after it was declared. Provided that the Issuer is able to show to the satisfaction of the Trustee within ten (10)

Business days after such moratorium is declared that it is in good faith negotiating the lift of the moratorium;

c) any corporate action or legal proceeding is concluded and judgment of the High Court or Federal High Court or if that judgment is appealed, the judgment of the Court of Appeal, or Supreme Court as the case may be is given against the Issuer in relation to:

i. a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer other than a solvent liquidation or any reorganisation of the Issuer;

ii. the appointment of a liquidator (other than in respect of a solvent liquidation) receiver, administrator, administrative receiver or other similar officer in respect of the Issuer or any of its assets; or

iii. any analogous procedure or step is taken in any jurisdiction, and such proceeding is not dismissed or terminated on or before the forty-fifth (45^{th}) Business Day (which would exclude days on which Nigerian courts are on vacation) after the order is made or if any such dismissal or stay ceases to be in effect (or such longer period as the Trustee may permit). Provided that the Issuer have within ten (10) Business Days filed in good faith legal proceedings in the relevant court for the order to be set aside, dismissed or stayed.

15.1.4 *Cessation of Business*

If the Issuer ceases to conduct all or substantially all of its business, as it now conducts or the Issuer changes all or substantially all of the nature of its business or merges or consolidates with any other entity during the Programme (the "Cessation)

PROVIDED THAT this Clause 15.1.4 shall not constitute an Event of Default where the Issuer can demonstrate to the reasonable satisfaction of the Trustee within a reasonable time after the Cessation that;

(i) given the assets, business, financial condition and any other relevant circumstance of the continuing entity, the Cessation will not be prejudicial to the interest of Bondholders;

(ii) the continuing entity has obtained all necessary consents necessary for its assumption of liability as Issuer under this Deed and such approval are at the time of substitution and or addition in full force and effect;

15.1.5 *Winding-up*

Where an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or where the Issuer shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threaten to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by a Special Resolution of the Bondholders.

15.1.6 If a Material Adverse Effect has occurred;

15.1.7 *Enforcement Proceedings*

If any distress, execution or other process shall be levied or enforced upon or against any material assets and having an aggregate value of fifty percent (50%) of the Outstanding Principal Amount and Coupon at the relevant time of the Issuer and is not discharged, or stayed within forty-five

(45) Business Days of service by the relevant officer of the court of such attachment, execution or other legal process, or if there is an Encumbrance or a Receiver is appointed over any material assets of the Issuer and such event is certified in writing by the Trustee to be in its opinion materially prejudicial to the interests of the Bondholders. Provided That the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal within (10) Business Days of becoming aware of the order or action.

15.1.8 *Breach of Other Obligations*

If the Issuer defaults in the performance or observance of any covenant, condition, provision or agreement including the representations and warranties, (other than any covenant for the payment of any sum owing on any part of the Bond) binding on them under this Deed and which default will affect the capacity of the Issuer to perform its payment obligations under this Trust Deed, and the Issuer fails to perform fully or make good the breach of such covenant, condition, provision or agreement within thirty (30) days from receipt of notice in writing by the Trustee.

15.1.9 *Seizure/Compulsory Acquisition of Assets*

If any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer.

16. Notices

16.1. Any notice or other document may be given to or served on any Bondholder either personally or by sending it by electronic mail or by post in a prepaid envelope or delivering it addressed to him at his registered address or (if he desires that notices shall be sent to some other persons or address) to the person at the address supplied by him to the Issuer for giving of notice to him. In addition to the provisions of this Condition 16.1, notices may also be publicised in any two national newspapers.

16.2. In the case of joint registered holders of any Bond, a notice given to the Bondholder whose name stands first in the Register shall be sufficient notice to all the joint holders.

16.3. Any notice or other document duly served on or delivered to any Bondholder under these conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the Register as the holder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond.

16.4. Any notice shall be deemed to have been served on the fifth (5^{th}) day following the day which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

17. Prescription

Claims against the Issuer in respect of the Bonds shall be void unless presented for payment as required by Condition 13 within six (6) years from the due date for payment of any amount due on such Bonds.

16 **Taxation**

All payments of Principal, Coupon and any other sum due in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any Taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria or any political subdivision or any authority having power to tax, unless such withholding or deduction is required by law. In that event, no additional amounts shall be paid to the Bondholders as a result of such deduction or withholding. Provided however that the Bonds shall enjoy the benefits of the provisions of the Tax Exemptions, and such extension, amendments and modifications the same.

18. Meetings of Bondholders

The rights and duties of the Bondholders in respect of attendance at meetings of Bond holders are set out in the Second Schedule (Provisions for Meetings of Bondholders). Decisions taken at Bondholders meetings may only be exercised by the Trustee in accordance with the Programme Trust Deed or under these Conditions. For the avoidance of doubt, the Conditions of the Bond can only be amended with the consent of the Parties as that term is defined in the Programme Trust Deed.

19. Governing Law

The Bonds are governed by and shall be construed in accordance with the laws of the Federal Republic of Nigeria. .

10. TAX CONSIDERATION

The summary below does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective investor in the Bonds issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Bonds issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Bonds issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Bonds may vary. Any actual or prospective purchaser of the Bonds who intends to ascertain his/her tax position should seek independent professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Bonds bearing in mind his/her peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Bonds in any manner for placing reliance upon the contents of this section.

Except as otherwise indicated, this summary only addresses Nigerian tax legislation, as in effect and in force at the date hereof, as interpreted and applied by the courts or tax authorities in Nigeria, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Under Nigerian law, income accruing in, derived from, brought into, or received in Nigeria in respect of dividends, interest, royalties, discounts, charges or annuities is subject to tax. Interest shall be deemed to be derived from Nigeria if (a) there is a liability to payment of the interest by a Nigerian company or a company in Nigeria regardless of where or in what form the payment is made, or (b) the interest accrues to a foreign company or person from a Nigerian company or a company in Nigeria regardless of whichever way the interest may have accrued. Consequently, interest payments on the Bonds derived from Nigeria and accruing to both Nigerian investors and non-Nigerian investors would ordinarily be subject to withholding tax in Nigeria at the applicable rate of 10 percent or 7.5 percent if the foreign company or person to whom the interest accrues is resident in a country with which Nigeria has a double taxation treaty (which has been ratified by the Nigerian National Assembly) and the Company would be required to withhold tax on such payments and remit same to the appropriate tax authorities. Furthermore, in accordance with the provisions of the Finance Act, any expense incurred in deriving tax exempt income would not be deductible for the purpose of arriving at taxable profit

However, under current legislation in Nigeria, an investment in the Bonds to be issued under the Programme is generally exempt from all forms of taxes. These include exemptions from CIT, VAT and PIT, by virtue of the CIT (Exemption of Bonds and Short Term Government Securities) Order 2011 ("CIT Order"), the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 ("VAT Order") and the Personal Income Tax (Amendment) Act 2011. The CIT Order and VAT Order became effective on January 2, 2012 and are valid for a period of ten years from that date. The exemption under PITA is indefinite.

Where the maturity of any Bonds issued under the Programme exceeds January 1, 2022, the treatment of withholding of tax on the interest payments for periods beyond this date will be stated in the applicable Pricing Supplements.

In addition, the Bonds qualify for a waiver from Capital Gains Tax by virtue of the proposed ten-year tax waiver approved by the Federal Government in March 2010. However, the necessary legislative and administrative processes for the effectiveness of this waiver have not yet been completed. This implies that investors may benefit from the waiver from Capital Gains Tax only when the requisite exemption is gazetted and the necessary amendments made to the enabling law. The Capital Gains Tax Act, Chapter C1 LFN 2004 ("CGT Act") provides that any gain paid, used or enjoyed in or in any manner or form transmitted or brought to Nigeria shall be treated as being derived from Nigeria for the purposes of the CGT Act. In the case of an individual who is in Nigeria for a temporary purpose only and does not have any view or intent to establish his residence in Nigeria, such gain will be subject to tax if the period or sum of the periods for which he is present in Nigeria in that year of assessment exceeds 182 days.

11. OVERVIEW OF THE NIGERIAN ECONOMY

*The information in this section has been extracted from documents and other publications released by various officials and other public and private sources, such as the CBN, the International Monetary Fund ("**IMF"**), the Nigerian Debt Management Office ("**DMO**"), the National Bureau of Statistics ("**NBS**"), the Nigerian Federal Ministry of Finance ("**FMF**") and the Organization of Petroleum Exporting Countries ("**OPEC**"), as indicated herein. There is not necessarily any uniformity of views among such sources as to such information provided. We have not independently verified the information included in this section. The information in this section has been derived substantially from publicly available information, such as annual reports, official data published by the Nigerian government or regional agencies or other third party sources as indicated in the text.*

Introduction

Nigeria is the largest economy in Africa by GDP. In 2019, Nigeria's nominal GDP was US$446.5billion, GDP per capita was US$2,400.5 and real GDP growth was 2.27%. Nigeria ranks 24 out of 192 countries in the world in terms of GDP on purchasing power parity (PPP) basis.

With an estimate of over 214 million people, Nigeria is the most populous country in Africa and the 7th most populous country in the world. The country's population is forecast to grow at an average of 2.75% annually with its total population expected to reach 230 million by 2025. The NBS also estimates a working age population of 116.9 million, with an average life expectancy of 55 years, according to the United Nations Population Fund (UNFPA).

The country has the 9th largest proven crude oil and natural gas reserves in the world. According to OPEC, Nigeria is the fourteenth largest oil producing country globally. Nigeria is also a significant exporter of cocoa, rubber and cassava, in addition to other significant natural resources.

Economy

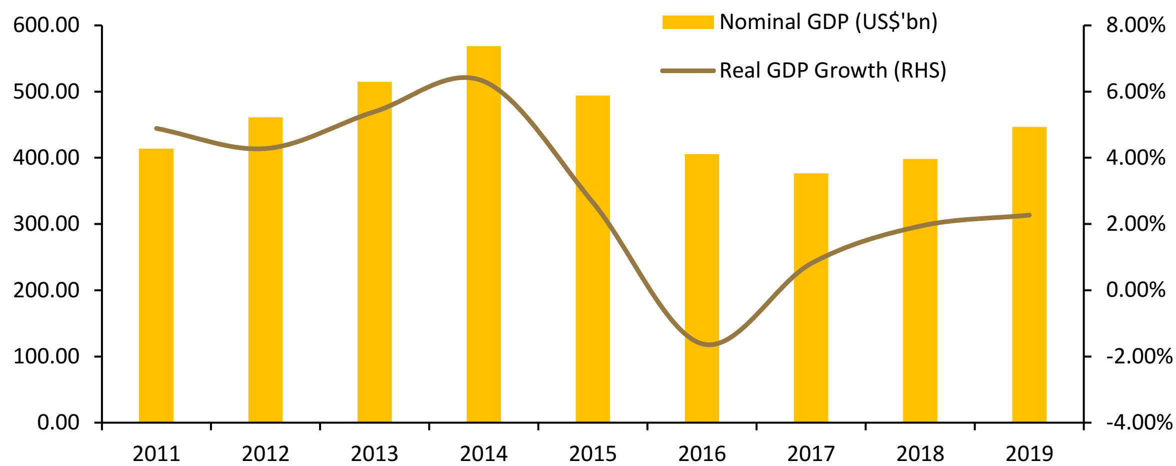
The transition to a multi-party democracy in 1999 ushered in a period of improved political stability, economic liberalisation reforms and macroeconomic stability. The economy enjoyed sustained high economic growth for more than a decade between 2000 and 2014, with annual real GDP growth averaging about 7.7% within the period. The non-oil sector was the major driver of growth, supported by liberalisation reforms in the telecommunications and financial services sectors, as well as a commodity price boom which buoyed consumption expenditure.

In April 2014, Nigeria rebased its GDP from the 1990 base year to 2010. As a result of the rebasing, Nigeria became the largest economy in Africa (surpassing South Africa) and the 26th largest economy in the world, with a nominal GDP of US$568.5 billion in 2014. In addition, real GDP growth post-rebasing was 6.3% in 2014. In 2014, services contributed about 52%; while manufacturing and agriculture, respectively contributed about 9% and 23% to GDP.

Growth momentum has slowed significantly since 2014, partly due to a commodity price slump and attacks on oil production facilities in the Niger Delta region. Improvements in hydraulic fracturing technology helped enable oil and gas producers to tap reserves in shale formations across North America. As a result of the shale oil boom which boosted global crude oil supply, oil prices fell from US$114.60 per barrel in June 2014 to a low of US$30.66 per barrel in January 2016.

Nigeria's crude oil production (including condensates) also fell from 2.21 million barrels per day in 2014 to 1.81 million barrels per day in January 2016 after renewed attacks on oil facilities in oil producing communities in the Nigeria Delta. The oil & gas sector accounted for over 90% of exports and 70% of Federally Collected Revenue in 2014. As such, the decline in oil production and prices led to a twin shock in the current and fiscal accounts, with feedback effects on foreign exchange liquidity and consumption spending. Consequently, real GDP growth weakened to 2.65% in 2015 and the economy slipped into its first recession since 1991 in 2016 as GDP contracted by 1.62%.

Figure 1: Nigeria Nominal GDP and Real GDP Growth



In response to the drop in oil prices and widening current account deficit, the CBN initially responded pro-cyclically by raising interest rate and devaluing the USD/NGN rate twice between October 2014 and February 2015. The CBN later changed its strategy in H2-2015 by loosening monetary policy. The exchange rate was also pegged at the interbank market despite investors' concern on overvaluation of the Naira and weak foreign exchange (FX) liquidity.

The CBN also introduced capital control policies to reduce pressure on the trade account and allocate scarce foreign exchange. The CBN's policy barring certain importers from accessing foreign exchange and classifying their goods as 'not valid for FX' was among certain currency control measures introduced by the Apex Bank particularly aimed at curbing "speculative activities". Other measures include restrictions on foreign currency cash deposits into domiciliary accounts and restrictions on foreign currency loans granted to firms earning local currency revenue.

A fallout of these activities were varying-market shaping events that included, the phasing out of FGN sovereign bonds from the JP Morgan Emerging Market Bond Index, the difficulty in accessing foreign exchange by investors who tracked its GBI-EM series and an equity market dip as foreign portfolio investors stalled in returning to the Nigerian Capital Market even after the peaceful outcome of the May 2015 general elections, one of many reasons why they initially pulled out. Consequently, capital importation into Nigeria slumped by 54% in 2015 and 47% in 2016 to US$9.6 billion and US$5.1 billion, respectively.

The CBN eventually introduced a more investor-friendly foreign exchange policy between 2016 and 2017. The cornerstone of the FX policy reforms was the establishment of the Investors' and Exporters' foreign exchange window (I&E Window) in April 2017 to allow investors and non-oil exporters trade and access foreign exchange without restrictions. The CBN had earlier introduced monthly Naira-settled OTC FX Futures (non-deliverable forwards) contracts to help investors' and domestic corporates with foreign currency loans hedge against devaluation, thus reducing the incentive for frontloading FX demand and hoarding.

The pro-market FX market reform introduced by the CBN, as well as tightening of monetary policy, was the major catalyst for improvement in foreign investors' appetite for Nigerian assets in 2017. Capital importation more than doubled to US$12.2bn in 2017. The balance of payment was further supported by improvement in current account surplus to 2.8% of GDP from 0.7% of GDP in 2016, following recovery in oil prices and domestic crude oil production. Average crude oil prices strengthened by 23.3% in 2017 in response to the decision of OPEC and key non-OPEC countries, including the Russian Federation, to cut oil production. Crude oil production (including condensates) also rose by 4.5% in 2017 to 1.89 million barrels per day after the Federal Government negotiated a ceasefire with militant groups.

Nigeria was able to achieve macroeconomic stability in 2017 on the back of the improvement in foreign exchange liquidity and rebound in crude oil production. In addition, growth has also been buoyed by the development and implementation of the Economic Recovery and Growth Plan (ERGP) which has focused on economic diversification, infrastructure development, amongst others. The economy exited recession in 2017 and grew by 0.81% in 2017 in real terms compared to a contraction of -1.62% in 2016. Growth momentum quickened to 1.91% in 2018, driven by recovery in the manufacturing and telecommunications and information services sectors. Real GDP growth picked up marginally to 2.27% in 2019, supported by improvements in industry (2.31%), agriculture (2.36%) and services (2.22%).

However, the onset of the COVID-19 health pandemic in Q1-2020 has weakened global growth prospects. Authorities have adopted some strict social distancing measures, including lockdowns, to curb the spread of the virus, which has had negative feedback effects on global trade and mobility, economic output and oil prices. In response to the collapse in crude oil prices, OPEC members and some non-OPEC nations including Russia, eventually agreed on an oil production cut agreement in April 2020 after a destructive oil price war sent oil prices to multi-year lows. The domestic economy is not immune to the impact of deteriorating global macros and collapse of major commodity prices. The Nigerian economy is expected to enter a recession in 2020 on weakness in both oil and non-oil sectors. Outlook for oil sector is subdued due to the OPEC+ production cut agreement which capped Nigeria's oil production below 1.41mb/d between May and July 2020 and 1.50mb/d between August and December. The non-oil sector is also expected to contract, as a result of weak foreign exchange liquidity and supply chain distortions.

The economy shrank by 6.10% yoy in Q2-2020, as a result of lower oil production and impacts of the COVID-19 restrictions and scarce foreign exchange liquidity. The IMF expects the economy to contract by 5.4% in 2019, while the World Bank is more optimistic at -3.2%. Chapel Hill Denham research estimates a 3.0% contraction.

There is a strong prospect of rebound in economic activities in 2021, enabled by strong fiscal and monetary responses to limit the downside risks of the pandemic on business and households, as well as gradual reopening of the economy. The federal government has unveiled the Nigerian Economic Sustainability Plan (NESP) to support the economy with N2.3tn or 1.5% of GDP. The CBN has also announced different stimulus measures, which could be estimated at N3.5tn or 2.4% of GDP. In addition, the government has gradually lifted lockdown restrictions since May, while the COVID-19 infection curve has begun to subside.

Nonetheless, the Nigerian economy faces the risk of being stuck in a low-growth environment over the medium term. Real GDP growth has consistently fallen short of the 2.75% population growth rate, implying that per-capita income, measured in real terms, in on the decline. The economic recovery is also yet to be broad-based, with the telecommunications and information services sector accounting for over 45% of GDP growth in 2019 based on attribution analysis. More importantly, the labour market remains slack with unemployment rate rising to a record high of 27.1% in Q2-2020. President Muhammadu Buhari successfully renewed his mandate for a second four-year in February 2019 and faces a challenge of lifting growth back to trend level, generating employment for the teeming labour force, confronting the security risks and reducing poverty headcount.

Nigerian security forces have made some gains against Boko Haram insurgents in the North East region, but challenges remain. The government pronounced the insurgents "technically defeated" in 2015 but the group has continued to claim responsibility for random guerrilla attacks on military formations and civilian population in the North East region. There is also the rising threat of secession with some groups in the South East of Nigeria clamouring for secession to form their own nation called 'Biafra'. These groups are the 'Movement for the Actualization of the Sovereign State of Biafra' (MASSOB) and the 'Indigenous People of Biafra' (IPOB).

Key Macroeconomic Indicators

Table 1: Macro Economic Data

Economic Indicators	2019	2020F	2021F	2022F	2023F	2024F
GDP at current prices (US$ billions)	446.5	445.5	508.0	560.0	660.0	742.9
Real GDP growth (%)	2.27%	-3.00%	2.60%	2.60%	2.40%	2.50%
GDP per capita (US$ market exchange rates)	2,222	2,095	2,091	2,146	2,197	2,252
Average Consumer Price Index (CPI) (%)	11.39%	12.80%	12.37%	11.20%	11.00%	10.80%
Monetary policy rate (%)	13.5%	12.5%	12.0%	13.0%	13.0%	13.0%
Current account/GDP (%)	-3.6%	-3.3%	-2.5%	-2.0%	-1.5%	-1.4%
Population (million)	201.0	206.1	211.4	216.7	222.2	227.7
Total external debt (US$ billions)	27.4	27.4	31.2	34.4	40.5	45.6
Total external debt (% of GDP)	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
Exchange rate US$/N (average)*	360.7	385.0	400.0	410.0	420.0	430.0

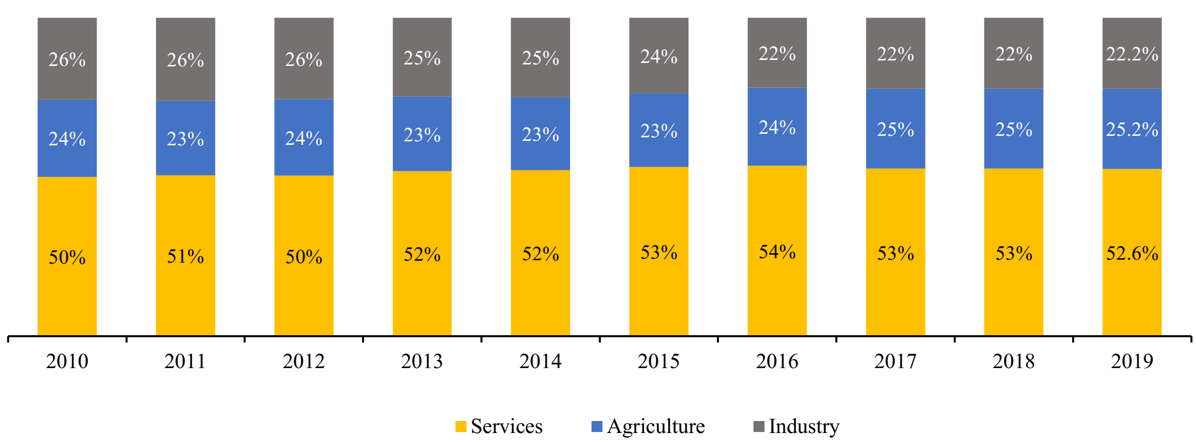
Source: IMF, DMO, Chapel Hill Denham Research

** refers to I&E Window rate*

2019 GDP By Sector Contribution

According to NBS, the Services sector contributed the largest percentage to Nigeria's real GDP as at FY-2019, accounting for 52.60% of aggregate GDP. Services sector is dominated by Trade, Information & Communications and Real Estate. The Agriculture sector trailed with a contribution of 25.16%. The Agriculture sector is dominated by Crop Production. The Industrial Sector followed with 22.25%, comprised mainly of Oil & Gas, Manufacturing and Construction. A breakdown of GDP contribution by sector is given below.

Figure 2: Sectoral Contributions to GDP



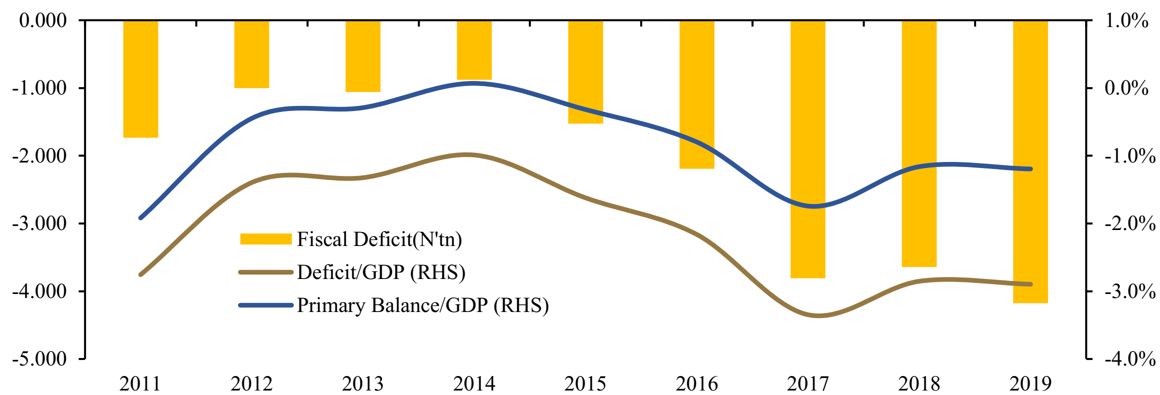
Fiscal Deficit

The Federal Government of Nigeria's fiscal deficit increased by 14.6% to a record ₦4.2 trillion (2.9% of GDP) in 2019 from ₦3.6 trillion (2.9% of GDP) in 2018, according to Budget Office. Over the past four budget cycles, fiscal deficits have significantly missed targets due to ambitious revenue estimates and expenditure pressure. The deficit in 2019 was 69% above the target of ₦2.5 trillion.

At the start of the fiscal year 2020, the government implemented some major fiscal policies. On the expenditure side, the government began implementing the new minimum wage law, which prescribes an upward review of minimum wage to ₦30,000 per month from ₦18,000 per month. The Labour Union and the Federal Government have also negotiated a consequential adjustment in wages of civil servants across all levels. The revenue measures include: (1) the Deep Offshore and Inland Basin Production Sharing Contract (PSC) Act which improves the fiscal terms for deep offshore fields, and (2) the Finance Act 2019, which, amongst other provisions, prescribes an upward review of Value Added Tax (VAT) rate to 7.5% from 5.0%.

However, the COVID-19 induced economic slowdown has rendered most assumptions in the 2020 budget signed in December 2019 unrealistic. As a result, the Ministry of Finance acted swiftly to revise the 2020 budget. In July 2020, President Muhammadu Buhari signed the revised 2020 Budget into law, after undergoing series of adjustments to better reflect current realities in the economy. The revised budget lowered the aggregate revenue target by 34% to N5.6 trillion from ₦8.4 trillion (including revenue from top 10 Government Owned Enterprises), largely due to adjustments made to oil revenue (-62% to ₦1.0 trillion). The large adjustments in oil revenue was on the back of more prudent assumptions, with oil production and prices adjusted to 1.7mb/d and US$28/b from 2.18mb/d and US$57/b, respectively. On the expenditure side, the government made little changes in line with its expansionary fiscal policy to support the economic recovery. Gross expenditure is projected at ₦10.8 trillion (up 2% from ₦10.5 trillion previously). Against this backdrop, fiscal deficit has been revised higher to ₦5.2 trillion or 3.3% of GDP, from ₦2.2 trillion or 1.4% of GDP.

Figure 3: Nigeria's Fiscal Deficit



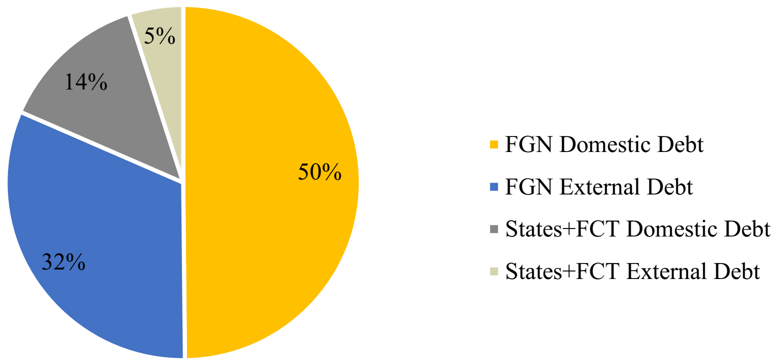
Public Debt

As at June 2020, Nigeria's total public debt was US$85.9 billion (₦31.0 trillion or 20.59% of GDP) according to the DMO. Of the outstanding public debt, the external component was US$31.5 billion, having increased from US$10.7 billion in 2015 after the DMO started implementing a new medium term (2016-2019) debt management strategy. The 2016-2019 debt management strategy targets a debt composition of 60:40 for domestic and external debt, respectively, as against 83:17 at end-2015, to reduce the cost of servicing while taking into consideration the need to moderate foreign exchange risk. The domestic debt stood at ₦19.6 trillion (US$54.4 billion), having increased from ₦10.5 trillion (US$54.7 billion in 2015). The sharp increase in external borrowings has altered the debt mix to 67:33 for domestic and external debt, respectively, in June 2020. The DMO's new medium term (2020 – 2023) borrowing strategy targets a debt mix of 70:30 for domestic and external debt respectively, implying the government plans to increase the stock of domestic debt relative to external debt.

The DMO's new medium term (2020 – 2023) borrowing strategy also targets a domestic debt mix of 75:25 for long and short-term debts, respectively, from 69:31 actual as at end-2015, with the objective of reducing debt service cost and rollover risk. The Federal Government has subsequently reduced its Treasury bills liabilities and achieved the objective of lengthening the maturity profile of its domestic debt. As at June 2020, the domestic debt mix of the Federal Government's debt stood at 82:18 for long and short-term debts, respectively.

Although Nigeria's public debt burden (at 20.59% of GDP based on the DMO's data) is low in comparison to peers, focus has shifted to weak debt affordability as indicated by high debt service cost to revenue ratio. The ratio of debt service cost to revenue increased from 38% in 2015 to 60% in 2019. As such, despite the moderate public debt level, fiscal space is considerably limited without revenue reforms to improve debt affordability and reduce debt sustainability risk.

Figure 4: Public Debt Profile as at June, 2020



Capital Markets

Sentiment for Nigerian equities improved significantly in 2017 following the pro-market FX reforms by the CBN and the economic recovery. The All Share Index returned 42.3% in the year to emerge as one of the best performing in the world. The ASI lost momentum in 2018, shedding 17.8% in 2018, partly due to a global risk aversion for emerging and frontier markets (EM/FM) assets, as well as idiosyncratic domestic factors ranging from increase in political risk premium ahead of the 2019 general elections to the weak momentum of the economic recovery.

Despite a broad-based recovery in EM/FM risk appetite in 2019, the Nigerian equity market extended its losing streak into the year with the All share index losing 14.6%, ranking amongst the worst performing stock exchanges in the world. Despite seemingly low valuation of equities and dovish policy outlook of key central banks in Europe and the U.S, foreign portfolio investors inflow into the equity market was weak in 2019 due to weak growth momentum and subdued earnings outlook. The primary market has, however, witnessed a boom with two large equity listings in 2019. Nigeria's largest telecommunications company, MTN Nigeria Communications Plc, listed by introduction in May 2019. Airtel Africa Plc followed in July 2019 with an Initial Public Offering (IPO) and secondary listing on the Nigerian Stock Exchange. Both listings have boosted equity market capitalization, which was up 10.6% in 2019.

Investor sentiments in the equity market has been broadly bullish thus far in 2020, as a result of increased allocation to risk assets by local investors due to low yields in the fixed income market. As at October 2020, the All Share Index of the Nigerian Stock Exchange (NSE) has appreciated by 13.74% year-to-date.

Similar to the equity market, sentiments in the fixed income market turned bullish in 2017 as yields compressed by 305bps on the sovereign yield curve to an average of 13.93% on 29 December 2017, due to the rebound in foreign portfolio inflows following the CBN's pro-market foreign exchange policy. The DMO's strategy to reduce domestic debt issuance in favour of external debt also supported the bullish sentiment in the fixed income market in 2017. The market turned bearish in mid-2018 due to risk aversion for emerging and frontier markets assets, weaker oil prices and escalation of the trade conflict between the U.S and China. The CBN also tightened its balance sheet policy in response to rising domestic political risk premium ahead of the 2019 elections. The market turned bullish in 2019, as the sovereign yield curve moved lower by over 5.0ppts to an average of 9.55%, thanks to the interest rate cut by the CBN in March (-50bps to 13.50%) and the unexpected change in the structure of the fixed income market, particularly the decision by the CBN to restrict non-bank local investors from the market for Open Market Operation (OPO). In 2019, the Nigerian bonds returned 35% compared to the broader emerging markets universe of 12%.

The Nigerian local currency bond market has continued to outperform peers in 2020, aided by the liquidity glut in the money market and risk aversion by domestic institutional investors. Despite record bond issuance by the DMO to fund the widening budget deficit, Nigerian bonds have delivered outstanding returns thus far in 2020, due to the dovish tilt of the central bank. The CBN has trimmed its benchmark Monetary Policy Rate (MPR) twice this year by 100bps each, to 11.50%. %. Its balance sheet policy has also been dovish, with issuances of open market operation bills by the Bank tracking at an 8-year low. As at October 2020, Nigerian bonds gained 55.7%, while the benchmark bond yield curve compressed by an average of 689bps to 4.06%.

Foreign Reserves

As at June 2020, Nigeria's foreign reserves stood at US$35.7 billion compared to US$38.6 billion at the beginning of the year and US$40.5bn in October 2019, representing a 7.5% year-to-date and 11.8% year-on-year decline respectively. External reserves reached a low of US$33.4bn in April, but have rebounded recently, thanks to the US$3.4bn IMF Rapid Financing Instrument (RFI) disbursement to Nigeria and US$288.5mn loan from the AfDB. The decline in external reserves is against the backdrop of imbalances in the current account, estimated at -3.6% of GDP or -US$17.0bn in 2019 by the CBN. The current account has come under further pressure in 2020, as a result of a significant decline in oil prices due to the outbreak of COVID-19. Brent crude oil has fallen to 43% year-to-date to US$37.46 per barrel as at October 2020.

Foreign portfolio inflows largely funded the deficit in the current account up until August 2019 when outflows increased due to large maturities of CBN bills and low interest rates environment. Foreign portfolio investors held a record US$17.8billion of CBN bills in June 2019. The external holdings of OMO bills dropped to US$14.6 billion in December 2019. Foreign interest in OMO bills has fallen further to US$11.2bn as of June 2020 according to data from the CBN. The government launched a security operation in August 2019 to reduce the pressure in the current account and support local industry. The operation includes a partial land blockade with neighboring countries such as Niger, Benin Republic and Cameroon. This was done to reduce the illegal export of highly subsidised petrol from Nigeria and smuggling of banned items into Nigeria.

Foreign Exchange

The CBN has intensified efforts to converge Nigeria's multiple exchange rates in a bid to reduce arbitrage incentives and round tripping. In 2019, the CBN adjusted the retail and wholesale intervention USD/NGN rate to ₦358 from ₦330 in August 2018. Also, the CBN adjusted the foreign exchange rate for computing customs duty to ₦326 from ₦306. The USD/NGN rate in the Investors' and Exporters' Window (I&E Window), which is most flexible of the multiple exchange rates, closed flat year-on-year in 2019 at ₦364.70 The currency initially strengthened following the conclusion of the 2019 Presidential election in February 2019, but gave up gains towards the end of the year due to capital outflow pressures.

The USD/NGN rate traded range bound in the Investors' and Exporters' Window (I&E Window), until the COVID-19 shock in March 2020. The I&E Window rate depreciated to ₦386 from ₦360, while liquidity has weakened substantially in the window due to lack of flexibility by the regulator. The CBN also devalued the official FX rate to ₦379 from ₦305 to ensure greater convergence with the I&E Window rate. However, the dollar trades at a substantial premium in the parallel market due to lack of liquidity and speculation. The currency trades within a band of ₦470 – ₦480 per dollar in the parallel market (as at 19 November 2020).

The CBN is expected to continue to favour maintaining the value of the local currency within a narrow band, with weekly intervention through the wholesale secondary market intervention sales (SMIS) and the small & medium enterprise (SMEs) and autonomous windows. However, the CBN's stance and by extension its ability to maintain the country's currency exchange rates will be tested in coming months, as the economy continues to reopen to travel and trade.

Inflation

The 3-year long disinflationary trend in consumer price inflation reversed in the third quarter of 2019 as a result of a food price shock triggered by security measures to tighten Nigeria's border control. Headline inflation rate rose for 14 consecutive months to a 32-month high of 14.23% (yoy) in October 2020, from a 43-month low of 11.02% yoy in

August 2019, mainly driven by increase in Food inflation as a result of the partial closure of Nigeria's land borders to trade, supply chain challenges and weak harvest.

Food inflation accelerated to a 32-month high of 17.38% yoy in October 2020, from trough of 13.17% yoy in August 2019, reflecting the impact of the partial border closure and other structural challenges in the food value chain. Core inflation has also come under pressure, rising to a 31-month high of 11.14% yoy in October 2020, from a trough of 8.68% in August 2019. Core inflation has once again entered double-digit territory, on the back of renewed foreign exchange liquidity challenges and COVID-19 induced supply chain disruptions.

Upside risks to consumer prices are elevated, from demand-pull factors and supply-push factors. From the demand side, strong growth in private sector credit and the implementation of the new minimum wage could have inflationary impacts. From the supply side, fiscal adjustments from the government, including increase in VAT rate to 7.5% from 5.0%, increase in electricity tariff by the Nigerian Electricity Regulatory Commission (NERC), and the recent removal of petrol subsidy are headwinds to inflation rate. The weaker exchange rate at all segments of the FX market could also have a pass-through to inflation.

12. OVERVIEW OF THE NIGERIAN TELECOMMUNICATIONS SECTOR

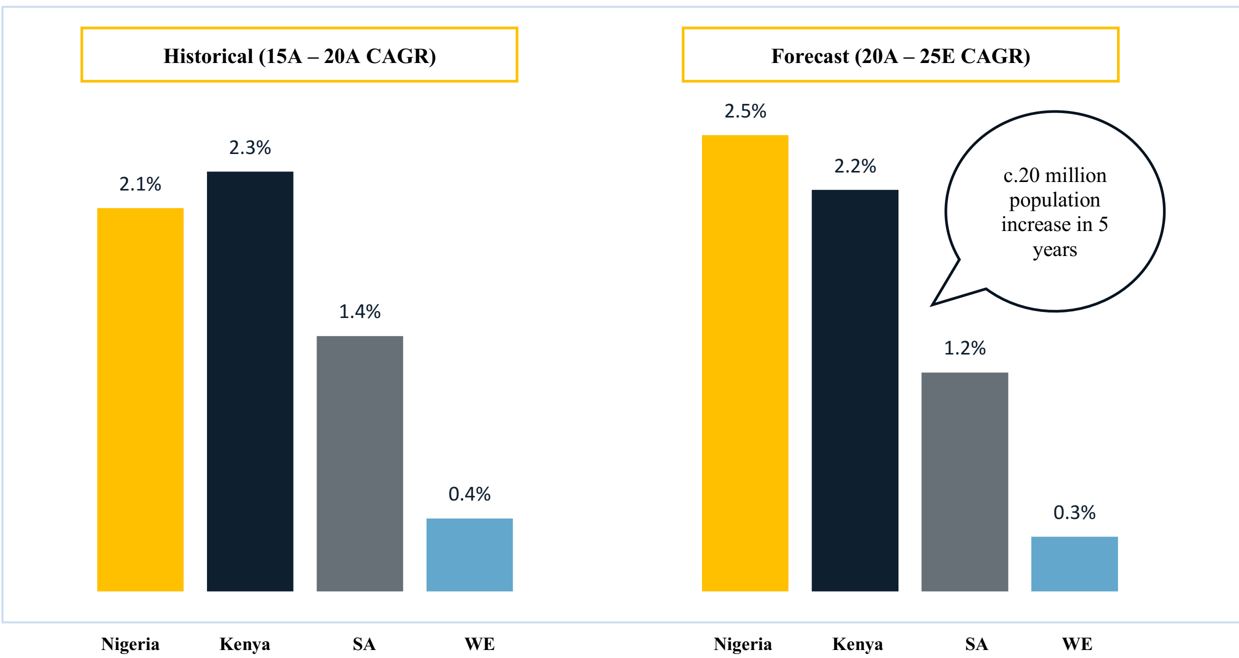
The following information relating to Nigeria and the telecommunications industry has been extracted from a variety of sources released by public and private organisations. The information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Investors should read this section in conjunction with the more detailed information contained elsewhere in this Shelf Prospectus.

The Nigerian Telecommunications Industry

Mobile market overview

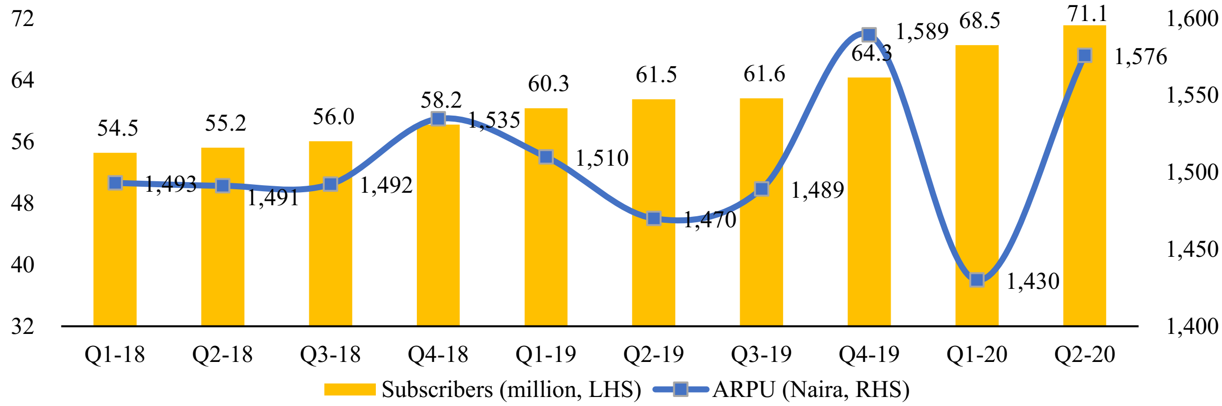
Nigeria is the largest mobile telecommunications market in Africa by subscribers with approximately 199 million mobile subscribers (source: NCC) as of 31 July 2020 and has the largest population in Africa. The Country's population is expected to increase by approximately 2.5% (being the compound annual growth rate) from 2020 to 2025 (source: Worldometers). The diagram below reflects Nigeria's rapid population growth forecast:

Figure 5 – Population CAGR growth rates (Historical and Forecast)



There has been rapid growth in the number of mobile users in Nigeria, partly in response to the shortcomings of the fixed-line network. MTN Nigeria seeks to be the leading telecommunications company in Nigeria with best-in-class distribution capabilities to benefit from these trends. As a result, the telecommunications market is dominated by the mobile segment and the rapid growth of mobile handsets as the market is switching to smartphones. Smartphone penetration increased from 19% in 2015 to 31% in 2017 and 44% as at June 2020 (source: Company Data), and the Company believes there is significant potential for future data growth. Data has been and is expected to continue to be a major contributor to mobile growth, as mobile voice growth is slowing down due to cannibalisation by data and OTT services. The Company's ARPU grew by 7.2% to ₦1,576 in Q2-2020 from ₦1,472 in Q2-2019. MTN Nigeria's ARPU growth has been driven by increased data penetration and usage, and customer value management initiatives.

Figure 6: MTN Nigeria subscriber and ARPU trend



Additionally, there is potential for increase in mobile penetration in Nigeria. As of 30 June 2020, the mobile penetration rate was 90.59% (source: Company data) and is expected to increase to 96% by 2024. In addition, Nigeria recorded a data revenue contribution of 30.54% as of 30 June 2020 (source: WCIS).

Mobile money market overview

Nigeria's mobile money market is still at a nascent stage, with rapid transformation expected in the coming years because of the Payment Service Banking regulation issued by the CBN in October 2018 and revised in August 2020, which enables mobile operators to offer mobile money services. One of the key factors behind the relatively slow uptake of mobile money in Nigeria is that the country has historically adopted a bank-led mobile money system in contrast to a telecommunications operator-led system, as with some other African markets. According to the NBS, the telecommunications & information services sector contributed 14.3% to Nigeria's GDP and grew by 18.10% in the second quarter of 2020 from a contribution of 10.9% and growth of 9.71% in the first quarter of the same year.
According to EFInA, there were approximately 48.4 million banked customers in Nigeria (including customers served by commercial and microfinance banks and Mobile Money Operators) in Nigeria as of 31 December 2018. Mobile financial services fundamentals in Nigeria are expected to improve as the number of agents increases in the future. The payments service and mobile money sector in Nigeria is generally governed by the CBN, which is responsible for issuing licences for the provision of MFS such as mobile money payments and acceptance of deposits.

Other players in the mobile market include Airtel, Globacom and 9Mobile. However, MTN Nigeria is the largest telecommunications player in Nigeria by subscriber base, market share of revenue and spectrum range. Also see: *"Regulatory Framework for the MFS Sector"* section below regarding the regulatory framework for the payments service and mobile money sector in Nigeria.

Nigeria plans to deliver data download speeds of about 25Mbps and 10Mbps in urban and rural areas respectively and targets covering at least 90% of the population and penetration rate of 70% by 2025 at a price not more than ₦390 per 1GB (source: NCC). The increasing presence of OTT players, data (3G and 4G) network expansion and smartphone penetration is expected to continue to drive data usage and revenues. Intense competition is expected to remain in the data space, though data margins will remain a concern. New entrants and smaller players in the telecommunications market are expected to continue to advocate for a data price floor to be imposed on the bigger players to gain further market share. Furthermore, MTN Nigeria expects the telecommunications market to be driven by strategic partnerships among operators.

Network and Infrastructure

In Nigeria, MTN Nigeria holds the largest spectrum with most of those spectrums being in high bands. With MTN Nigeria's wide range of spectrum holdings, it is the only Mobile Network Operator ("**MNO**") with 2,600MHz spectrum and 3,500MHz spectrum with nationwide coverage. The Company has also unlocked its 800MHz spectrum and undertook a massive roll-out of its 4G LTE services across Nigeria in several states including Lagos, Abuja and Port Harcourt in 2019 which resulted in MTN Nigeria's 4G LTE services reaching over 40% of the Nigerian population. Based on the foregoing and following the Company's successful demonstration of its 5G network, it is well-positioned to provide 5G and other value-added services in Nigeria in the future. With regard to future spectrum, the Company is confident that, subject to obtaining relevant approvals, it is in a position to further expand its spectrum capacity.

Table 2: Spectrum holdings of major players in the telecommunications sector

The table below reflects the spectrum holdings of major players in the sector as of 31 December 2019:

Frequency	MTN	9mobile	glo	airtel	ntel	Intercellular	smile
3,500MHz	1x30					2x30	
2,600MHz	2x30						
2,100MHz	2x10	2x10	2x10	2x10			
1,800MHz	2x15	2x15	2x15	2x15	2x15		
900MHz	2x5	2x5	2x5	2x15	2x5		
800MHz	2x10					2x10	2x10
700MHz	2x10		2x10				

Telecommunications regulation in Nigeria

MTN Nigeria is subject to the policy and regulatory supervision of the Federal Ministry of Communications and Digital Economy, the Nigerian Communications Commission, the National Broadcasting Commission and the Central Bank of Nigeria.

Federal Ministry of Communications and Digital Economy

The Federal Ministry of Communications and Digital Economy is responsible for policy formulation as it pertains to the information and communications technology sector. Its policy direction drives activities and developments within the sector. This Ministry is mandated to facilitate universal, ubiquitous and cost-effective access to communications infrastructure and to utilise information and communications for job creation, economic growth and transparency in governance.

Nigerian Communications Commission

The NCC is the independent national regulatory authority for the telecommunications industry in Nigeria. It is responsible for stimulating investments in the sector and creating an enabling environment for competition among operators in the industry. The NCC is mandated to monitor all significant matters relating to the performance of all licenced telecommunications service providers and publish annual reports. The powers of the NCC range from the issuance of various licences relating to the provision of communications services, equipment and products, to regulating competition, issuing spectrum and numbering resources for the industry.

The NCC was established pursuant to the Nigerian Communications Act 2003 ("**NCC Act**"). Other pertinent sector regulators are the National Information Technology Development Agency and the NBC. The NCC's mandate includes: (i) protection and promotion of the interests of consumers against unfair practices; (ii) promotion of fair competition in the communications industry; (iii) granting and renewing communications licences and enforcing compliance with licence terms and conditions by licensees; (iv) fixing and collecting fees for grant of communication operations and spectrum licences and other regulatory services provided by the NCC; (v) development and monitoring of performance standards and indices relating to the quality of telephone and other communications services and facilities supplied to consumers; (vi) management and administration of frequency spectrum for the telecommunications sector; and (vii) preparation and implementation of programmes and plans that promote and ensure the development of the communications industry. The NCC enforces the NCC Act and regulations made pursuant to the NCC Act.

National Broadcasting Commission

The NBC is responsible for enabling the emergence of a sustainable broadcasting industry by regulating the broadcasting industry in Nigeria. The NBC is a parastatal of the Federal Government established by the National Broadcasting Commission Act, Chapter N11, LFN 2004 and it advises the Federal Government in connection with the implementation of the National Mass Communication Policy and radio and television services within Nigeria. The NBC is also responsible for undertaking research in the broadcast industry and setting standards with regards to the contents and quality of all broadcast material. The NBC is empowered to receive, process and consider applications for the ownership of radio and television stations including cable television services direct satellite broadcast and any other medium of broadcasting, amongst others.

Central Bank of Nigeria

The CBN was established pursuant to the Central Bank Act of 1958. As a result of various amendments to the original act, the CBN was placed under the authority of the Ministry of Finance. Today, the CBN operates as an independent body in the discharge of its functions pursuant to the Central Bank of Nigeria Act No 7 of 2007 (the "**CBN Act**"), which repealed the earlier act and all of its amendments. Pursuant to the CBN Act, the CBN was established as an independent body in the discharge of its functions thereunder and in accordance with the Banks and Other Financial Institutions Act, Chapter B3, LFN, 2004 (as amended) ("**BOFIA**"), with the objective of ensuring monetary and price stability, the issuance of legal tender currency in Nigeria, the maintenance of external reserves and the promotion of a sound financial system. Pursuant to the BOFIA, the CBN also has the power to issue licences to banks, regulate and supervise banks and to withdraw licenses of distressed banks and appoint liquidators of such banks.

Regulatory Matters

Below is a summary of regulatory matters which have impacted or may impact the Company in the future.

Regulatory framework for the Telecommunications Sector

- **Context and overview of the NCC Act:** The primary statute and set of regulations governing the telecommunications sector in Nigeria is the NCC Act. Also relevant are the Wireless Telegraphy Act 1966, as amended (the "**WT Act**"), Cybercrimes (Prohibition Prevention, Etc.) Act 2015, the National Information Technology Development Agency Act 2007 and, to the extent that telecommunications companies may wish to use spectra ordinarily reserved for broadcast, the National Broadcast Commission Act 1992 and the respective regulations made under these statutes. The NCC is charged with the responsibility of granting and renewing communications spectrum and operating licences and the promotion of fair competition in the communications industry. With regard to its consumer protection, anti-trust and anti-competition related activities, the FCCPC established pursuant to the FCCPA is the supervening regulator in Nigeria responsible for regulating competition related issues, transactions and arrangements in Nigeria.
  The NCC has rule-making powers imposed on it pursuant to the NCC Act and the power to enforce such regulations and rules made by it. The Federal Government's role, as it relates to the telecommunications sector, is restricted to policy formulation and sector regulation. This has in turn resulted in massive private sector involvement and investment in the sector and improved availability and quality of services. Policies established by the NCC and the FCCPC aim to engender a competitive market and to prevent monopolies and the abuse of dominant position by any telecommunications company.

- ***Anti-Money Laundering Act and Anti-Money Laundering Regulations***: Section 1 of the Money Laundering (Prohibition) Act, 2011 (as amended) (the "**MLA**") provides that no body corporate shall, except in a transaction concluded through a financial institution, make or accept cash payment of a sum exceeding ₦10 million (approximately U.S.$27,000). The MLA also imposes reporting obligations on bodies corporate transferring funds or securities exceeding U.S.$10,000 or its equivalent to or from a foreign country. The relevant body corporate is required to report in writing, within seven days of the transaction, to the CBN, SEC and relevant financial crimes agencies in Nigeria.

Licensing Framework for the Telecommunications Sector

The NCC Act empowers the NCC to issue communication licences for the operation and provision of communication services or facilities by way of class or individual licence on such terms and conditions as the NCC may from time to time determine. No person can operate telecommunications facilities or provide communications services in Nigeria unless authorised to do so by the NCC. The NCC also issues an 'international sub-marine cable infrastructure landing station services licence', which allows the licensee to land, install, operate and manage submarine cable infrastructure in Nigeria. The licence is typically valid for a period of 20 years or such other period as may be imposed by the regulator.

Key industry regulatory issues

- **Spectrum allocation**: The NCC Act, the WT Act and the respective regulations made thereunder govern the allocation of spectrum licences to telecommunications service providers in Nigeria. The NCC Act and the WT Act confer on the NCC the exclusive power to manage and administer the frequency spectrum for telecommunications in Nigeria, to grant spectrum licences to operators and to regulate the use of frequency spectrum. However, failure to obtain the prior consent/approval of the NCC where so required incurs a fine of ₦100,000 (approximately U.S.$275) per day from the date the transaction is consummated and payable for as long as the contravention persists. A frequency spectrum licensee must submit an annual report on the usage of the frequency spectrum it has been allocated or assigned. Every frequency spectrum allocated by the NCC shall be utilised or used up within a period of one year or such other validity period as the NCC may specify. Accordingly, any spectrum frequency not utilised in the designated manner may be revoked by the NCC. Any licence fee paid in respect of a revoked spectrum licence is not refundable. The NCC Spectrum Trading Guidelines, 2018 (the "**Spectrum Guidelines**") governs spectrum transfer, leasing and sharing by telecommunication operators. The Spectrum Guidelines permit spectrum trading between licensees subject to the NCC's written consent and compliance with the provisions of the Spectrum Guidelines.

- **Interconnection**: Interconnection among telecommunications operators in Nigeria is governed by the NCC Act and regulations issued by the NCC from time to time. The NCC Act mandates all service or facility providers to accede to requests for interconnection from other licensees pursuant to the terms and conditions negotiated by the parties in good faith. The Telecommunication Networks Interconnection Regulations 2007 (the "**Interconnection Regulations**") state that a licenced telecommunications operator shall, for each geographic tier for which it has been allocated coverage by the NCC, designate a minimum of one point of interconnection located in each geographic tier by a notice in writing to the NCC. Further, interconnection agreements between licensees must be in writing and comply with the NCC Act and the Interconnection Regulations.

- **Tariff setting:** The NCC Act regulates tariff setting by telecommunication service providers and prohibits licensees from imposing tariffs or charges for the provision of services unless the NCC has approved such tariff rates and charges. Licensees shall provide services in conformity with tariffs and charges set by the NCC from time to time and shall not depart therefrom without the prior written approval of the NCC. Licensees are required to publish the tariff rates charged by them and any modifications thereto as may be approved by the NCC from time to time. Tariff setting shall be guided by the principles of fairness and non-discrimination and shall be cost-oriented.

- **Technical Standards and duties to end customers:** The NCC is also empowered to publish technical codes and specifications for telecommunication equipment and facilities to be used in Nigeria. The NCC regularly publishes technical standards applicable to telecommunications equipment to be used in Nigeria on its website, as well as other equipment that has been tested and approved by the NCC for use in Nigeria.

- **Universal service obligations**: The NCC Act empowers the NCC to design, manage and implement a universal service system that promotes widespread availability and usage of network services and application services throughout Nigeria. The NCC furthers this objective by encouraging the installation of network facilities and the provision of network services and applications to institutions in underserved areas and communities. A Universal Services Provision Fund (the "**USP Fund**") is established under the NCC Act to be funded from contributions from the NCC based on the annual levies payable by licensees, amongst others. The Universal Access and Universal Service Regulations, 2007 empowers the NCC to establish a fee to be called the Universal Services Provision Levy (the "**USP Levy**") where it determines that its contributions to the USP Fund are insufficient to meet the financing needs of the USP Fund. The USP Levy shall not exceed 1% of the net revenues of the licensees from which the NCC collects annual levies.

- **Approvals and/or consents to be obtained from the NCC**: Section 38 of the NCC Act provides that the prior written approval of the NCC must be obtained for any transfer or assignment of a licence.

- **Regulatory Framework for the MFS Sector:** The payments service and mobile money sector in Nigeria is generally governed by the CBN in accordance with the CBN Act, 2007, the CBN Guidelines on Mobile Money Services in Nigeria, 2015 and the Guidelines for Licensing and Regulation of Payment Service Banks in Nigeria, 2020. These regulations empower the CBN to issue licences to companies to set up subsidiaries which the CBN may grant licences to for the provision of services including mobile money payments and acceptance of deposits.

  The CBN and the NCC regulate entities that render mobile financial services in Nigeria. Whilst the CBN is responsible for the issue of a mobile money licence, the NCC assigns unique short codes to licensees. The provision of mobile money services in Nigeria may require a mobile money licence, a payment service provider licence, a payment service bank licence and an international mobile money service licence. The requirements for the issuance of a mobile money licence are provided for in the CBN Guidelines on Mobile Money Services in Nigeria. The PSB Guidelines seek to promote the provision of MFS in rural or unbanked areas with a view to improving financial inclusion. Other licensing regimes regulated by the CBN relate to the provision of direct payment and settlement system, inbound and outbound remittance of money and the provision of credit, microloans or other financial services.

13. DESCRIPTION OF MTN NIGERIA COMMUNICATIONS PLC

About MTN Nigeria

Globally, mobile telecommunications have brought about radical changes in the way people live, learn, work and conduct business. The Company believes that telecommunications (mobility and high-speed internet access in particular) has a major role to play in solving the world's major challenges – ending poverty and hunger, ensuring universal access to basic services and making the transition to a low-carbon economy. The Telecommunications & Information Services sector has over the years, driven socio-economic growth in Nigeria and is reported to have grown by 18.10% in the second quarter of 2020 from 9.71% in the first quarter of 2020, and 11.34% in the second quarter of 2019, according to the National Bureau of Statistics ("NBS"). With approximately 76 million mobile subscribers as of May 2020 (according to the NCC), 29 million active data users and approximately 29,500km of fibre network coverage as of December 2019, MTN Nigeria has one of the largest mobile networks in Africa and is a market leader in the telecommunications industry. MTN Nigeria believes that everyone deserves the benefits of a modern connected life. The Company is guided by its vision to deliver a bold, new digital world to its customers, and buoyed by its purpose - to make its customers' lives brighter.

A proudly Nigerian company, MTN Nigeria is deeply committed to the growth of the Nigerian economy and the progress of its people. Anchored in the philosophy of shared prosperity, the Company understands that the success and growth of its business is tied to the success and growth of Nigeria and Nigerians. Following the Company's successful Listing by Introduction on the Premium Board of The Nigerian Stock Exchange ("The NSE"), the Offer marks an important milestone towards expanding the Company's investor reach, deepening the Nigerian capital markets, and further developing the Nigerian economy. By leveraging the Company's scale and continuing to enhance its offerings, MTN Nigeria is well placed to make the most of the country's favourable demographics, low broadband data penetration and usage, as well as the significant potential for media-rich services.

MTN Nigeria recognises its ability and responsibility to assist in building a vibrant digital economy, creating jobs and enriching lives. For example, through the Company's subsidiary - Y'ello Digital Financial Services Limited ("YDFS"), MTN Nigeria is building an agent network to extend the frontier of financial services it provides to the over 50 million unbanked customers in Nigeria, and also empowers thousands of people with jobs as agents in their communities. As of 30 June 2020, the Company employed 1,885 people. The Company also indirectly provides employment to more than 500,000 Nigerians through its supply chain network. In addition, our technology has empowered millions of people and businesses in rural and urban areas. The Company believes this has helped to fuel innovation, expand market access, build capability, enhance local content and drive prosperity, social inclusion and sustainability in Nigeria.

Over the past 19 years, the Company has developed one of sub-Saharan Africa's largest telecommunications network and the Company's extensive ICT infrastructure is the backbone that powers various critical sectors of the Nigerian economy such as banking, insurance, e-commerce and oil and gas. Thus far, MTN Nigeria has invested more than ₦2.5 trillion (source: Company data) into the Nigerian economy and will continue investing to meet the changing, growing and dynamic needs of its customers, its communities and Nigeria.

MTN Nigeria believes that it is indeed a critical enabler of socio-economic growth and a significant contributor to the Nigerian economy. Factors underscoring MTN Nigeria's central role in the country's development include:

The country's largest provider of access to communication services and ICT solutions through the Company's 2G, 3G and 4G LTE services;

First telecommunications network in Nigeria to successfully demonstrate 5G network capability. The Company successfully conducted 5G network trials using temporary spectrum allocated to it by the NCC;

The Company's 2G, 3G and 4G network reaches approximately 87.8%, 78.2% and 44% of the population across 223 cities and towns in Nigeria (source: Company data), enabling Nigerians to start, build and maintain relationships with one another and the world;

As a critical enabler of business, the Company has built one of the largest fibre networks in Africa spanning over 29,500km;

The Company's innovative products and services continue to improve the way Nigerians live, work and play;

Since incorporation, the Company has paid more than ₦1.7 trillion in taxes, levies and other regulatory fees;

Through the MTN Nigeria Foundation Limited by Guarantee ("MTNF"), the Company has invested approximately N21 billion in corporate social responsibility initiatives supporting health, empowerment, arts and culture in Nigeria;

The Company donated ₦1 billion to the Coalition Against COVID-19 (CACOVID) and also delivered N250 million worth of personal protective equipment to the Nigeria Centre for Disease Control through the MTN Nigeria Foundation.

As one of the largest corporate donors in Nigeria, the Company's initiatives have impacted the lives of millions of people across Nigeria.

At the heart of the Company is a diverse group of committed directors, senior management staff and employees. The Company's people drive its success and exemplify leadership, innovation, relationships, integrity and a 'can-do' spirit – MTN's core values.

History of MTN Nigeria

MTN Nigeria, which was incorporated in 2000, is part of the MTN Group, Africa's leading cellular telecommunications company. In 2001, MTN Nigeria acquired a digital mobile licence which had embedded frequency spectrum in the 900MHz and 1,800MHz spectrum bands. This allowed MTN Nigeria to commence providing mobile services in Nigeria. On 16 May 2001, the Company became the first GSM network to make a call following the Nigerian GSM auction conducted by the Nigerian Communications Commission ("NCC") earlier in the year. Thereafter, MTN Nigeria launched full commercial operations beginning with Lagos, Abuja and Port Harcourt. In 2003, MTN Nigeria reached over one million subscribers, increasing to over 10 million subscribers in 2006 and over 50 million subscribers by 2013. In 2007, MTN Nigeria acquired a 3G spectrum licence and was awarded a Unified Access Service Licence (UASL) in 2006 for a period of ten years, providing an international gateway. The UASL was renewed for a further period and will expire in 2021. In 2010, the Company acquired an International Submarine Cable Infrastructure and Landing Station Licence for a duration of 20 years to expire in 2029. MTN Nigeria has been a major contributor to the development of the Nigerian telecommunications infrastructure since 2001. The Company undertook capital expenditures of almost ₦1 trillion across Nigeria between 2015 and 2019.

MTN Nigeria's digital microwave transmission backbone, which stretches over 2,900 km, was commissioned by then President Olusegun Obasanjo in January 2003 and represents extensive digital microwave transmission infrastructure. MTN Nigeria has also expanded its network capacity to include a new numbering range1, making it the first GSM network in Nigeria to have adopted an additional numbering system, having exhausted its initial subscriber numbering ranges.

In April 2013, the NCC declared that MTN Nigeria was a "dominant operator" in the retail and wholesale mobile voice segment of the Nigerian telecommunications market. This placed certain obligations on the Company, including the requirement that the Company refrain from offering differential on-net and off-net pricing for mobile voice services while non-dominant operators were not restricted from offering differential prices thereby placing the Company at a competitive disadvantage relative to some of its competitors. Similarly, in 2013 MTN Nigeria and Globacom (another GSM operator in Nigeria) were designated by the NCC as "jointly dominant" in the upstream segment of the Nigerian telecommunications market, where the NCC noted that both companies dominated the wholesale leased lines and transmission capacity market (Source: NCC). As a result, a cost-based regime with price caps was imposed on the Company's service offerings in that segment.

In October 2015, the NCC imposed a N1.04 trillion fine on the Company in connection with the Company's failure to timeously disconnect 5.1 million individuals' mobile telephone lines following the NCC's introduction of a SIM registration process. In June 2016, MTN Nigeria reached a negotiated resolution with the Nigerian authorities (under

1 MTN Nigeria, since the launch of its 0803 numbering range, has expanded its network capacity to the following number ranges: 0703, 0903, 0806, 0706, 0813, 0810, 0814, 0816 and 0704.

the auspices of the NCC) whereby the fine was reduced to a total cash amount of ₦330 billion. As of the date of this Prospectus, the NCC fine has been fully discharged, as the final instalment was paid in May 2019.

In the second quarter of 2016, Visafone submitted an application to the NCC for the transfer of its spectrum to MTN Nigeria. The NCC approved said application and the Company is now in a position to further leverage its service offerings using this spectrum. After securing the requisite approvals from both the NCC and the SEC in December 2015, the Company acquired a 100% equity interest in Visafone Communications Limited ("Visafone"), which holds an assignment in the 800MHz spectrum band, ultimately enabling MTN to leverage this spectrum to offer ICT and infrastructure, device, leased line and other services nationwide. The Company undertook a massive roll-out of its 4G LTE services across Nigeria in states including Lagos, Abuja and Port Harcourt in 2019 which resulted in MTN Nigeria's 4G LTE services reaching over 40% of the Nigerian population. The Company also operates one of the largest fibre networks in Africa with over 29,500 km of fibre to support its 4G LTE services and mobile broadband growth.

In June 2016, MTN Nigeria submitted a bid for the 2.6GHz band and was subsequently awarded the 2x 30MHz band in the 2.6GHz spectrum as the sole approved bidder. Furthermore, the Company's subsidiary, YDFS obtained regulatory approval from the CBN in 2019 as a Super-Agent. This Super-Agent licence will assist the Company in establishing an agent network and in extending financial services to the huge unbanked segment in Nigeria. MTN Nigeria, in a bid to ensure consumer satisfaction and consumer-friendly products and services, revamped its data prices in 2019, resulting in increased usage of data by new and existing customers.

MTN Nigeria converted from a private limited liability company to a public limited liability company in April 2019 and in May 2019 became the first telecommunications company to be listed on the Premium Board of The NSE. The Company paid its first dividend as a public limited liability company in the third quarter of 2019.

In 2019, MTN Nigeria obtained investment grade credit ratings from Agusto & Co. (AA+) and Global Credit Rating Co. (AA+) and was also included in the Morgan Stanley Capital International Frontier Index in the third quarter of 2019.

In addition, the Company launched its music-streaming platform, MusicTime, which offers users a listening experience in local and international music and allows users to instantly stream music even without data on their mobile phones. The Company also launched its own instant messaging application, Ayoba, which also allow users to join any channel for trending news updates, covering topics ranging from food to music and sports.

To improve corporate governance, MTN Nigeria's pioneer chairman and five other non-executive directors retired from the Board following the expiration of their tenure in September 2019. With regard to the Company's shareholding structure, the Board in April 2019 authorised the redemption of all the Preference Shares in the share capital of the Company and upon receiving relevant regulatory approvals, the Company redeemed the Preference Shares and paid the redemption amount on 30 December 2019. The Company has continued to bolster its service offerings and also promote corporate social responsibility initiatives in Nigeria. Since its launch in August 2001, MTN Nigeria has steadily deployed its services across Nigeria. It now provides services across more than 10,000 villages and communities and a growing number of highways across the country, spanning the 36 states of the Federal Republic of Nigeria and the Federal Capital Territory, Abuja. Many of these villages and communities are being connected to the world of telecommunications for the first time ever. MTN Nigeria's overriding mission is to improve its customers' quality of life by delivering relevant, accessible, high-quality telecommunications solutions whilst acting as a catalyst for Nigeria's economic growth. We also seek to achieve this through the provision of world-class communications and innovative and sustainable corporate social responsibility ("CSR") initiatives.

Corporate Structure of MTN Nigeria

MTN Nigeria has three subsidiaries, namely: XS Broadband Limited, YDFS and Visafone Communications Limited ("Visafone"). The Company also established the MTNF in 2004 for the purpose of undertaking relevant CSR initiatives aimed at reducing poverty and fostering sustainable development in Nigeria.

The MTN Nigeria Group's holding company is MTN International (Mauritius) Limited, and its ultimate holding company is MTN Group, a company incorporated in South Africa.

Competitive Strengths

The following reflect what MTN Nigeria believes are its key competitive strengths:

Largest African economy and telecommunications market: According to the CIA World Factbook, as of July 2020, Nigeria had a population of approximately 214 million people, making it the most populated country in Africa. This figure is expected to increase by approximately 2.5% (being the compound annual growth rate) from 2020 to 2025 (source: Worldometers). According to the NBS, in 2019, Nigeria's GDP grew by 2.3% year-on-year compared to 2018 which recorded a GDP growth rate of 1.9%. Nigeria's aggregate GDP for the fourth quarter of 2019 stood at approximately ₦39.6 trillion compared to ₦39.2 trillion for the fourth quarter of 2018. Real GDP growth is projected to rise to 2.9% in 2020 and 3.3% in 2021 (source: Africa Development Bank). In the second quarter of 2020, Nigeria's GDP decreased by 6.10% (year-on-year) in real terms. The decline was largely attributable to significantly lower levels of both domestic and international economic activity during the quarter, which resulted from nationwide shutdown efforts aimed at containing the COVID-19 pandemic. As of 30 June 2020, Nigeria recorded a mobile penetration rate of 90.59% compared to 90% as of December 2019 and 88.1% as of December 2018 (source: WCIS). Nigeria is the largest mobile telecommunications market in Africa, with total mobile subscribers estimated at approximately 196 million as of 30 June 2020, according to the NCC.

Largest distribution network in Nigeria: As of 31 December 2019, MTN Nigeria had the largest distribution network in Nigeria with over one million retail touchpoints (source: Company Data). This further enables the Company to take advantage of subscriber acquisition strategies which can be leveraged across all its business segments. The Company also has a fast-growing digital distribution network and leverages avenues such as POS terminals, ATMs, USSD and the myMTN App to provide customer-friendly digital services.

Market leader in mobile services in Nigeria: MTN Nigeria is associated with high quality, availability, competitive pricing, customer service and innovation. The Company has, over the years, introduced effective, affordable and reliable products and service offerings tailored to the Nigerian market. MTN Nigeria is the largest commercially owned telecommunications service provider in Nigeria by number of customers, with approximately 78.7 million mobile subscribers in Nigeria as of 30 June 2020 (source: NCC). MTN Nigeria had a market share of approximately 40% (by number of subscribers) as of 30 June 2020 according to the NCC. As of 30 June 2020, the Company also had 42.3% of the market share by data users, according to the NCC. The Company's size and market share offer significant benefits and allow it to leverage economies of scale through various means, including without limitation, centralisation of procurement functions and standardisation of technology and back-office functions, without increasing costs and therefore reducing margins.

Fast-growing young population and mobile penetration upside: Nigeria is at a relatively early stage of telecommunications usage with a young population and low mobile data penetration versus European peers. Nigeria is beginning to shift from a voice-centric to data-centric market, which provides the Company with further growth opportunities. In Nigeria, data usage is shifting towards global trends in which data traffic is dominated by content such as video, music and other digital content. CIA World Factbook estimated a median age of 18.6 years as of 2020 for the Nigerian population. This relatively young population, supported by growing population density and urbanisation, creates significant potential for customer and revenue growth and the rapid adoption of mobile and digital services.

Significant mobile penetration growth driven by rural expansion: As of December 2019, approximately 98.1 million people in Nigeria live in rural areas, which are currently underpenetrated by mobile voice and data access, creating opportunities for significant future expansion into these areas (source: World Bank). As of 31 December 2019, 75% of the Company's mobile subscribers and 76% of its data subscribers were located in urban areas, with the remainder of its customer base located in rural areas. The Company also leverages on its partnerships with third parties in rural areas in order to provide services to Nigerians who previously had no access to any of the mobile networks in Nigeria.

Data usage upside driven by growth from smartphone and mobile data: MTN Nigeria had approximately 60.6 million data users (source: NCC) (including active, incidental and dormant data users) and approximately 31 million smartphone users as of 30 June 2020. The Company recorded a growth in data usage (MB per active user per month) from 1,460 in the first half of 2019 to 2,579 in the second half of 2020, representing a 76.6% growth rate. The Company in the first half of 2020 achieved a 4G coverage by population of ~48.6% and a smartphone penetration of 43.5%, and expects further increases in mobile data penetration, data usage per user and increasing smartphone adoption in the near future. The limited to fixed broadband penetration in Nigeria provides MTN Nigeria with an opportunity to use mobile to rapidly expand.

Fintech and digital present a key opportunity for MTN Nigeria: Beyond its growth in mobile telephony, data and new technologies, MTN Nigeria is positioned to address the gap in inclusive banking in Nigeria. For example, as at 2018, approximately 60.3% of the Nigerian adult population did not have bank accounts. However, mobile phone ownership was 68.9% (source: EFInA). Although the CBN has targeted an 80% inclusion rate by 2020, as of February 2020, according to EFInA 36.8% of the Nigerian population remains unbanked. MTN Nigeria's subsidiary, YDFS currently extends access to basic financial services to customers in Nigeria, with about 550,000 unique customers using its agent network in December 2019 alone. As of 30 June 2020, MTN Nigeria had approximately 220,000 agents. These agents processed about 14.6 million transactions during the first half of 2020.

Furthermore, YDFS aims to capture opportunities in financial services through strategic and scalable rollout of the MoMo Agent network and expansion of the service offerings to include transfer services, airtime/data sales and other e-commerce services. MoMo Agents are retail outlets which provide agency financial services to customers by sending and receiving money everywhere in Nigeria without the need for a bank account. As of 30 June 2020, the Company had 2.2 million MoMo subscribers.

Leading Nigerian mobile and fibre network coverage and high-quality network: MTN Nigeria's network was ranked #1 in net promoter score, among its peers in June 2019 (source: Company data) reaching approximately 88.26% (2G) of the population across 223 cities and towns in Nigeria (source: Company data). The Company also provides 3G and 4G coverage to approximately 79.53% and 48.58% of the Nigerian population, respectively, and has a 4G LTE spectrum advantage over its peers, being the only GSM operator with allocated 700MHz and 800MHz spectrum licences. This has allowed the Company to roll out a competitive range of 4G LTE services in over 149 cities in Nigeria. The Company believes that its infrastructure and access to the 3.5GHz spectrum, as well as its successful 5G network demonstrations using temporary spectrum allocated to it by the NCC, give it a competitive edge to provide 5G services in the long term. MTN Nigeria has one of the largest fibre networks in Africa with over 29,500km of fibre, nearly three times larger in terms of on-land fibre kilometres than its closest competitor in Nigeria. MTN Nigeria's competitive position is enhanced through its on-going investment in infrastructure. The Company's capital expenditure programme seeks to improve network quality, further coverage and capacity, and support higher voice and data traffic and to produce data solutions and digital services beyond traditional voice offerings.

Leading brand in Africa: The Company's marketing campaigns are transmitted via TV, radio, print, outdoor signage, digital and social media advertising, flyers, word of mouth and sponsorship. MTN Nigeria regionally differentiates its marketing (by ethnicity, language and relevant local themes) to maximise brand appeal and impact. Additionally, the Company employs strategic marketing, particularly in respect of the mass market, which requires a targeted approach. The Company believes its marketing and customer service initiatives have resulted in a positive and improving market perception. The Company's high impact visibility and purposeful CSR initiatives have also further enhanced its brand for premium positioning in the market. The Company has received numerous awards in recognition of its brand excellence and operational feats such as the Telco Partner of the year award for the year 2019 granted by the CBN & NIBSS. The Company was also recently awarded the Best Innovation for Enterprise Service (2019) and Social Impact Award (2019) by the Nigeria Tech Innovation and Telecom Awards (NTITA).

Loyal, high-value customer base: MTN Nigeria's focus on high-value customers has driven high returns per customer, with an ARPU of ₦1,501 as of 30 June 2020. MTN Nigeria's ARPU growth has been driven by increased data penetration and usage, improvement in MTN Nigeria's share of wallet as well as customer value management. The Company's 2G data users also provide a significant customer segment to whom the Company can provide 3G and faster data services in the future.

Commercial fundamentals in place for future growth: The Company has adopted an optimised consumer proposition that it believes will enable it to benefit from future industry growth. Accessibility through an extensive distribution network aids MTN Nigeria in customer retention, innovation and growth in the prepaid mobile market. The Company has a wide distribution network, with the majority of its airtime sold through physical locations, including approximately 500 stores, 51,000 activation points and more than 1,000,000 retail touchpoints, as of 30 June 2020. Additionally, the Company distributes its products through digital distribution networks, including the MTN on

Demand (4%), Bank on Demand (38%), myMTN app/web (0.5%) and point-of-sale terminals (2%). The shift to digital distribution benefits customers through ease of use, convenience and reduced top-up times. About 60% of product distribution is done through the Company's 45 trade partners, operating in over 60 territories. These trade partners have extensive distribution footprints and service over one million retailers nationwide. In addition to sale of airtime and data products, the trade partners are involved in customer acquisition, data and device activation, mobile electricity and agency banking services. Most of these services are done through the New Dawn Shops – a service/data experience shop owned by each of the trade partners.

17 convenience channel partners offer direct to consumer sales using banking channels, USSD, web, POS Terminals and apps and they contributed about 40% of electronic airtime sales of the Company for the year ended 31 December 2019. Furthermore, the Company has over 200 data trade partners who are seasoned and experienced resellers of data devices. In partnership with MTN Nigeria, these data trade partners are responsible for device activation on the network. The Company, as of December 2019, had about 45 SIM registration agencies spread over Nigeria who are responsible for over 83% of new customer acquisition. MTN Nigeria's operations benefit from extensive use of automation, using telecommunications industry-specific platforms for both billing and charging. The billing of post-paid voice and data services is performed using a single application, which is completely integrated into the charging platform. The Company also offers customer support through social media i.e. Facebook, Instagram, Twitter, LinkedIn, TikTok and YouTube, where it engages with a total of approximately 7.1 million followers, as of 30 June 2020.

Strong Financial Profile and Growth Potential: The Company believes that it is well-positioned to deliver cash flow growth, benefiting from increasing net customer addition and strong expected growth in data revenue. In this regard, some of the Company's key highlights include the increase of its customer base by 6.1 million in 2019. As of 30 June 2020, MTN Nigeria had increased its smartphone users by 6.8 million to 30.9 million representing an increase of 28.2%. The Company aims to continue to invest strongly in its capital expenditure programmes to support and grow its operations. For the years ended 31 December 2017, 2018 and 2019, the Company's capital expenditures were ₦225 billion, ₦184 billion and ₦208.3 billion, respectively. The Company's well-invested network and rapid revenue growth allow it to reduce capital expenditure intensity while maintaining investments.

In 2019, the Company increased its voice traffic by 7.6%, data usage per active user by 37.6% and its overall data traffic by 85.8%. Other positives for the Company include double-digit revenue growth of 12.6%, a 63.4% increase in data revenue and 27.4% increase in Fintech revenue, in 2019; as well as a 121.8 % increase in digital revenue in the first half of 2020. The Company also witnessed an 8.4% growth in voice revenue. Ultimately, the Company's improved performance reflected in its total dividend pay-out of ₦7.92 per share in 2019 representing a year-on-year increase in dividend pay-out by 120.8%. Overall, MTN Nigeria has demonstrated strong operational execution and believe that it is on the path to sustainable growth.

Strong management team: MTN Nigeria has a seasoned management team comprising personnel with extensive telecommunications industry experience and a track-record of operational excellence in developing markets. The management team of the Company has over the years helped drive its robust transformation. The Company believes that its management team's composition and organisation place MTN Nigeria in a strong position to successfully implement its growth strategy and focus on improving the business performance of the Company while retaining appropriate levels of oversight of the Company's operations. Significant improvements in corporate governance policies of the Company coupled with a highly experienced board of directors, strategically positions MTN Nigeria to be an industry leader.

MTN Nigeria also benefits from the strong support and expertise of MTN Group, a leading telecommunications service provider operating in 21 markets across Africa and the Middle East, with over 257 million subscribers. MTN Nigeria leverages MTN Group's scale, technological innovation, efficient procurement and talent management, among other benefits. MTN Nigeria remains a key market for the MTN Group.

BRIGHT Strategy

MTN Nigeria's BRIGHT strategy is aimed to wholly express the Company's mission to make the lives of its customers a whole lot brighter. BRIGHT stands for (a) Best customer experience; (b) Returns and efficiency focus; (c) Ignite commercial performance; (d) Growth through data and digital services; (e) Hearts and minds; and (f) Technological excellence. Its core emphasis is a customer-centric business model where the entire enterprise is aligned to exceed customers' expectation across all the value delivery chains. The MTN BRIGHT strategy is strongly hinged on execution excellence, with an inspiring philosophy that is clearly situated within the daily operations of the business in ways that seek to drive measurable impact on revenue, cost and efficiency. The operationalisation of this strategic thrust is geared to deliver value to customers with a focus on quality, deliver the best-in-class customer experience and ignite commercial performance, in each case underpinned by a market-leading network and team.

This approach aims to further strengthen the Company's positioning while maintaining profitability by investing in and improving its current assets and offerings. The BRIGHT strategy is further simplified into an experiential essence of what it means to the customer at the last mile through the concept of "EPIC" customer proposition: Easy, Personalised, In-control and Connected. The Company's focus is to entrench a pro-consumer approach across all functions of MTN Nigeria in order to ensure a holistic customer experience at all touchpoints. Given the fact that there are commonalities in the industry in technology and suppliers, MTN Nigeria intends to enhance brand differentiation and efficiency for its customers.

The Company aims to provide the best network coverage and quality, innovation, value offerings, superior customer experiences while winning the hearts and minds of customers and end-users of its products and service offerings. MTN Nigeria's strategy is to create distinctive customer advantages in these categories by ensuring it provides tailored offerings that give value for money, innovative product designs that are simple to use as well as digitizing its entire customer journeys for increased customer satisfaction and convenience. MTN Nigeria aims to continuously provide an intuitive and appealing customer experience through easy access to products and services via its numerous points of sale, direct sales channels and most importantly the convenience of accessing the Company's range of affordable prepaid and post-paid offerings. The Company believes that accessibility through an extensive distribution network coupled with process improvements are key to customer retention, innovation and growth in a predominantly prepaid mobile market.

Best customer experience

The Company has tailored the BRIGHT strategy to provide a distinct and differentiated experience for its customers. MTN Nigeria intends to strengthen its market position further while maintaining profitability by investing in and improving its current offerings with a view to digitising the customer experience for increasing customer convenience and satisfaction. The Company aims to continue providing an intuitive, value-oriented and appealing customer experience through easy access to its products via its numerous points of sale, increasing its direct sales channels as well as its range of affordable prepaid and post-paid offerings and retaining and continuously improving its simple activation processes.

Returns and efficiency focus

BRIGHT supports sustainable value creation by providing levers of operational efficiency and optimal return for the Company's stakeholders, including investors and employees. By ensuring that its operations are managed cost-effectively and efficiently in terms of operating costs, cash flow financing costs and capital expenditures, the Company aims to generate sustainable returns for its stakeholders within a prudent capital structure. MTN Nigeria also expects to further focus on developing new digital and fintech offerings for its customers and continue to improve its customer service performance.

Ignite commercial performance

The BRIGHT strategy is a value-maximizing business model that is geared towards accelerated business growth and market leadership hinged on innovation, customer personalization and customized experience. The Company intends to continue driving sustainable growth through new product offerings, revision of its cost structures, new data and digital services offerings and by further utilising real-time predictive analytics to strengthen the customer experience. MTN Nigeria plans to support its infrastructure by investing in network improvements in high-value urban areas first, as well as expanding its fibre-optic networks.

In recent years, the Company has made progress on cost optimisation across the business. A number of initiatives recently implemented have already resulted in cost benefits including, for example, the realignment of the Company's airtime distributor commission structure.

Growth through data and digital services

MTN Nigeria's customer-centric strategy drives a proactive integration of data, digital and fintech offerings to meet and exceed the lifestyle needs of its customers across all demographic segments. The Company aims to increase the number of customers using data services, as well as the speed of its data services and the amount of data consumption per customer. MTN Nigeria believes that the market and demographic dynamics in Nigeria support this growth. Nigeria is at a relatively early stage of telecommunications usage in terms of its mobile penetration compared to it African peers, and is beginning to shift from a voice-centric to data-centric market, which provides the Company with an excellent base for further growth.

Hearts and minds

At the core of strategy are MTN Nigeria's skilled employees who are motivated by their work and driven by the Company's objective to lead the delivery of the new bold digital world. The Company therefore strives to be an employer of choice to attract candidates and retain key staff and skilled personnel. MTN Nigeria aims to foster an inclusive and dynamic working environment to enhance productivity in the workforce. The Company recognises that the diversity of its people is a constant source of inspiration, creativity, learning and innovation, and believes that the health, knowledge, skills, experience, drive and inventiveness of its employees are key to its success. MTN Nigeria's employees are offered competitive pay and compensation benefits.

In addition, the Company believes that governance and control are critical to maintaining profitability and business continuity, and therefore strives to maintain and enhance sound governance practices that reflect prevailing international governance standards and the evolving legislative landscape. These practices are founded on values of responsibility, accountability, fairness and transparency. The Company is fully committed to implementing best practice and corporate governance standards.

Technological excellence

MTN Nigeria's BRIGHT strategy is enabled and facilitated by world-class and cutting-edge technologies that delight the customers with ease, speed and simplicity. The Company aims to provide its customers with the most technologically advanced telecommunication services appropriate to the Nigerian market by investing in and upgrading its infrastructure. In this regard, MTN Nigeria seeks to improve the quality, coverage and reliability of its services and provide customers with reliable data access, additional digital and financial services and complementary products and services based on the Nigerian market's need.

MTN Nigeria believes that its innovative digital services and its customer-focused solutions underpin its strong market position. The Company aims to leverage its experience to anticipate the needs of its customers and to develop innovative products and services tailored to meet those needs.

Overview of MTN Nigeria's Business

MTN Nigeria has been offering mobile communications services in Nigeria for 19 years and has leveraged its relationship with MTN Group to expand its product, service and technology offerings. The Company offers an integrated suite of communications products and services to its customers, including mobile voice, data and digital services, with 2G, 3G and 4G LTE technology available in Nigeria.

In November 2019, MTN Nigeria became the first telecommunications network provider in Nigeria to demonstrate successfully the capacity of 5G technology. The Directors of the Company believe that the mobile communications services industry in Nigeria will continue to grow due to a combination of factors, including limited fixed-line coverage and penetration, the relatively high cost of fixed-line infrastructure deployment and low current mobile data penetration, setting the stage for increased mobile penetration in the future. The Company operates a predominantly prepaid business with approximately 99% of its customers on prepaid plans as at 31 December 2019.

MTN Nigeria aims to significantly expand the revenue contribution of data access and digital services in Nigeria as the market for these services continues to grow. To achieve this, the Company is investing and growing its 3G and 4G LTE capacity and coverage to provide data solutions to its subscribers and support growing data traffic, with an increasing focus on high-value customers. The Company's spectrum licence holdings have given it a clear 4G spectrum advantage over its peers. The Company operates the largest fibre network in Nigeria and one of the largest fibre networks in Africa with over 29,500 km of fibre covering all major cities in Nigeria, supporting 4G and mobile broadband growth. Furthermore, the Company continues to benefit from the extensive investments it has made in its network in Nigeria including improving data network speeds in major cities, which has resulted in improved network quality for its customers.

The telecommunications environment in Nigeria is rapidly changing. There has been a significant increase in the number of non-conventional and Over-the-Top ("OTT") players (internet-based alternatives to traditional telephony services) in the market such as social networking sites and messaging applications, and this poses a threat to traditional telecommunications revenue streams such as voice subscriptions. However, the advent of new technologies and services has also provided the Company with an opportunity to pursue long-term sustainable growth through the provision of both digital and financial services, as well as the potential for strategic partnerships with OTT players.

MTN Nigeria offers digital services, region-specific content, entertainment, lifestyle and general content and e-commerce, directly and via strategic partners. The Company offers a range of digital and financial services to its customers by leveraging its technology and distribution footprint to maximise the opportunity presented by low internet penetration in Nigeria. In 2019, MTN Nigeria launched a digital transformation strategy, "OXYGEN", aimed at driving technological excellence and efficiency on the journey to becoming a true digital operator. This strategy adopts the use of a digital workspace to leverage on unified communication and collaboration and a paperless environment.

As at 30 June 2020, MTN Nigeria employed 1,885 people. The Company offers an integrated suite of communications products and services to its customers, including mobile voice, data and digital services, fintech and business solutions with 2G, 3G and 4G LTE technology available in Nigeria. MTN Nigeria is well-positioned as the network with the widest voice and data network coverage underpinning its brand tagline "Everywhere you go".

MTN Nigeria believes that the mobile communications services industry in Nigeria will continue to grow due to a combination of factors, including limited fixed-line coverage and penetration, growing youth population, the relatively high cost of fixed-line infrastructure deployment and currently low mobile (data) penetration, setting the stage for increased mobile penetration in the future. The Company operates a predominantly prepaid business with approximately 99% of its customers on prepaid plans as of 31 December 2019. MTN Nigeria plans to invest and grow its 3G and 4G LTE capacity and coverage, as well as continue investing in advanced technologies to provide data solutions to its subscribers and support growing data traffic, with an increasing focus on high-value customers and youths in the longer term.

The table below presents certain key financial and operating measures and data of MTN Nigeria:[2]

(₦ billion, unless otherwise indicated)	Six months ended 30 June (Unaudited) 2020	2019	Year ended 31 December 2019	2018	2017
Active mobile subscribers (million)	71.1	61.5	64.3	58.2(1)	52.3
Churn (% of active mobile subscribers)	2.4%	2.4%	2.3%	2.1%	2.2%
ARPU (N per user)	1,501	1,498	1,519	1,503	1,411
Revenue(2)	638.1	566.9	1,169.7	1,039.1	887.2
Voice revenue	432.2	420.6	848.3	782.3	657.6
Data revenue	154.1	97.8	219.9	154.4	107.3
Digital revenue	4.3	1.9	4.6	20.0	60.3
Fintech revenue	21.3	16.5	35.2	28.6	21.5
Wholesale revenue	5.8	6.3	12.1	5.5	4.6
Other revenue(3)	19.3	22.8	49.7	48.3	35.9
EBITDA	327.1	302.4	629.9	433.9	345.6
EBITDA margin (% of revenue)	51.3%	53.3%	53.9%	41.8%	39.0%
Capital expenditure	134.1(4)	112.9(4)	251.9(4)	184.2	225.4
Capital expenditure margin (% of revenue)	21.0%	19.9%	21.5%	17.7%	25.5%
AFCF(5)	251.2	203.7	423.6	223.3	143.0
AFCF margin (% of revenue)	39.4%	35.9%	36.2%	21.5%	16.2%

Notes:

1. In June 2017, MTN Nigeria implemented an active subscriber redefinition to accurately reflect the Group's active customer base and to exclude customers whose transactions are limited to incoming SMS messages, incoming calls on its network and airtime refills from the "active subscriber" definition.
2. MTN Nigeria presents revenue segmentation in its audited accounts by the nature of the product or service in accordance with the "Annual Operating Levy Regulations" issued by the NCC in 2014, which require separate disclosure of the portion of the revenue generated from VAS payable to VAS providers. The revenue segmentation reflected in the MTN Nigeria Group's internal financial systems, and here presented, reflects the MTN Nigeria Group's revenue by six key revenue sources and, the Board believes, is a useful metric for understanding how the MTN Nigeria Group monitors its revenue generation. For a comparison to the revenue segmentation included in the MTN Nigeria Group's audited accounts, see the discussion of revenue in "Results of Operations" below.
3. Includes revenue from SMS, ICT and infrastructure, handsets, accessories and other non-service revenues.
4. On an IFRS 16 basis (excluding the impact of IFRS 16, ₦208.3 billion (2019); ₦96.1 billion (H1 2019) and ₦76.0 billion (H1 2020).
5. AFCF excludes non-cash transactions.

[2] 2018 and 2019 accounts of the Company have different accounting bases as the 2019 accounts reflect the adoption of accounting policies upon the adoption of IFRS 16.

As at 30 June 2020, the Company had a total of 1,885 full-time equivalent employees ("FTEs"), complimented by outsourced and managed services. The table below sets forth details of MTN Nigeria's FTEs as at the periods indicated in the table below:

30 June 2020	31 December 2019	31 December 2018	31 December 2017
1,885	1,870	1,698	1,551

The Company recognises the importance of skilled and talented employees. As such, it has implemented several strategic recruitment and retention initiatives to ensure that it attracts and retains talent, including:

the design and implementation of a robust Employee Value Proposition ("EVP"), aimed at optimising the "MTN" brand within the labour market. The Company's EVP encapsulates its brand strength and leadership, the investments in staff, diversity and inclusion and total reward. Consistent focus has been given to ensure that the Company's EVP is constantly refreshed with attractive initiatives that aim to make MTN Nigeria a "Great Place to Work";

the implementation of a Graduate Development Programme, as part of an MTN Group initiative designed to refresh and build a long-term sustainable talent and leadership pipeline to achieve MTN Nigeria's vision and mission.

a continuous focus on the enhancement of people management practices and standards, which has enabled the Company to achieve a platinum-level accreditation from "Investors in People" a UK-based organisation which recognises the strength of the Company's people management practices.

Products and services

The Company operates across 6 main business service lines, namely: voice, data, digital, financial technology services, wholesale and enterprise business.

Voice

The Company's comprehensive voice offerings target the full spectrum of subscribers, from high value to mass market and youth segment. MTN Nigeria's voice services include local, national and international calls. The Company provides clearly defined tariff plans tailored to the needs of the three key segments: High value, Youth and Mass. Apart from person to person voice call service, MTN Nigeria also provides the following additional voice-based services:

Call forwarding;
International;
Roaming;
Call me back; and
Conference call

Service Plans

Prepaid services require the prepayment of a fee (that includes connection charges and a charge for a SIM card). Prepaid customers pay in advance for a fixed amount of airtime and services and recharge their account when they run out of airtime. There are various methods through which customers can purchase airtime, including physical distribution (e.g. through the purchase of vouchers that provide a PIN that the customer enters into his or her phone in order to purchase airtime), and digital distribution (e.g. through his or her MTN account, bank channels and debit cards). The Company also regularly offers both SIM card and airtime promotions to its customers. For the Company's post-paid services, the customer is billed on a monthly basis (including a monthly subscription charge which is dependent upon the plan to which the customer subscribes). The Company provides different incentives and seeks to drive smartphone adoption and penetration including but not limited to data bonus for new smartphones users and device financing schemes, but no subsidies.

Data

The Company's data services include all data communication services using 2G, 3G and 4G LTE technologies, and other value-added services for mobile subscribers. MTN Nigeria's mobile data service offerings focus on mobile broadband offerings over its 3G and 4G networks, which may be bundled with its voice service offerings. The customer can use mobile broadband either on a prepaid basis or under a mobile data post-paid subscription package. Data services are increasingly important contributors to the Company's mobile business, as digitisation accelerates rapidly in Nigeria, driven by video and social media, messaging and Voice Over Internet Protocol (VoIP) services. The Company's data strategy is designed to increase value for existing users while encouraging non-data customers to become data customers using dual data strategy. The Company's dual data strategy involves increasing usage for existing active data users whilst procuring non-data users / incidental users to become active data users through targeted data packages and bundles. The Company aims to deliver high capacity 4G services in cities and 3G coverage in rural areas thereby addressing the high-value data segment (typically high-end smartphone users) and the mass market (typically low-cost handset users).

The Company focuses on maximising utility for existing data users, growing usage for incidental data users and converting non-data users into first-time data users. The Company seeks to achieve this by offering lifestyle bundles, affordable smart feature phones, campaigns to trigger conversions (such as free data, discounted bundles, etc.) and awareness campaigns and consumer education. MTN Nigeria also offers targeted, apps-specific bundles (e.g. bundles which allow a customer to use discounted data for a specific app such as YouTube).

The diagrams below reflect (i) the Company's total data users as of 30 June 2019 and 2020; and (ii) active data usage (MB per user per month) for the same periods:

Figure 7: MTN total data users and active data usage (mb) per month

Digital and VAS

The Company provides its customers with a variety of entertainment, information and lifestyle digital content solutions. The Company's digital portfolio comprises of 4 key categories, namely: Music, Video, Gaming and Infotainment and lifestyle-based services.

In 2019, the Company launched MusicTime, a flagship digital service that offers time-based music streaming services to customers. The MusicTime service had digital subscriptions of about 2.1 million users as at 31 December 2019 and enables customers to download and stream music from their mobile devices for a fixed subscription fee. Music offering is typically bundled with mobile data to enable a seamless customer music experience. Customers are able to select and listen from a wide range of musical genres including local and international music contents.

The MTN Video service allows customers to stream and download a wide range of local and international movies and video content on their mobile devices. Through partnership with relevant content owners and aggregators, the service offers rich video contents covering entertainment, documentary, drama and information. The service is supported by the extensive 3G and 4G data network to provide entertainment to the Company's customers.

In partnership with the Company's ecosystem partners, MTN Nigeria's gaming services provide a rich array of basic and premium rated games. The Company offers regular promotions and application development contests to drive adoption and penetration. MTN Nigeria continues to explore opportunities in order to improve its rich media services and grow its presence and market share. The Company seeks to develop a compelling value proposition for consumers and enterprises alike, to grow its digital services and VAS business.

Further to the issuance of a Value Added Services Aggregator Framework (the "Framework") by the NCC, network operators are obliged to provide connectivity and access to their customers for the licenced aggregators. The implementation of the Framework could negatively impact the revenue of the Company generated from its digital service offerings. The Company leverages its relationship with its community of partners to bring innovative services to its customers. The Company's infotainment and lifestyles services include caller tunes, mobile news, sport betting and lottery services. These services are delivered through access channels such as USSD, SMS, IVR and the myMTN app.

The Company has partnerships with independent developers such as Jumia, one of Africa's leading e-commerce platforms with over 40,000 active merchants and 1.2 billion consumers in Africa. The Company's partnership with Jumia allows for direct launches and distribution of MTN devices through the Jumia platform, as well as cross-selling and cross-marketing exposure. Additionally, the Lumos Mobile Electricity service, an initiative birthed from a partnership between MTN Nigeria and Nova Lumos, provides solar-powered electricity and enables payments to be made via mobile phone. This service had over 125,000 subscribers as of 30 June 2020. The Company also offers the following services to its customers:

Information and Communications Technology ("ICT") and infrastructure services: The Company is a provider of ICT enterprise services to corporate and government customers in Nigeria; and

Roaming and devices: The Company's other business line also includes revenue generated from providing roaming services to other telecommunications providers and from bundled device sales.

Fintech

In 2019, MTN Nigeria's subsidiary, YDFS, was granted approval from the CBN to operate as a Super-Agent which allows MTN Nigeria, through YDFS, to build and manage an agent network that offers financial service products to both banked and unbanked customers, on behalf of partner banks and other financial institutions. The Super-Agent licence expired in July 2020. YDFS applied for a renewal of the Super-Agent licence by filing an application for renewal with the CBN in March 2020 and awaits the CBN's approval of the renewal.

Furthermore, following the release of the Payment Service Bank ("PSB") guidelines by the CBN, the Company applied for a PSB licence which will allow it to undertake broader financial service operations, in accordance with the relevant CBN guidelines. The Company's application is being processed by the CBN.

Enterprise and Wholesale Services

The Company is a provider of mobile and fixed connectivity information and communication technology solutions and services to corporate, wholesale, SME and government entities in Nigeria, delivering end-to-end solutions and serving as the single point of contact for all their telecommunication needs. The Company offers a full suite of enterprise services, including corporate data solutions, connectivity, infrastructure, networking, unified communications, system security, internet of things and cloud computing. The Company leverages its mobile network operations, which offer a state-of-the-art national and international long-distance network infrastructure, including submarine cables, fibre and microwave infrastructure, to provide connectivity services to its business customers within Nigeria and internationally. In the markets the Company serves, it strives to be more than a solution provider but a partner for growth through market and/or geographical expansion.

The Company's enterprise offerings bring together technology, solutions development, business intelligence and customer management functions to enable its customers achieve their business objectives. The Company's unique positioning as the only network operator which provides services across the information and communication technology value chain allows it to be its customers preferred end-to-end communications solutions provider.

MTN Nigeria's offerings for its enterprise and wholesale customers include:

Enterprise and wholesale plans and bundles: post-paid tariff plans and bundle offerings customised to the needs of the customer;

Add-on services: including tariffs, data plans and smart devices which strengthen the Company's offerings and cater to the voice and data needs of its customers;

Fixed connectivity solutions: including VPN, IP/MPLS, dedicated internet, LAN/WAN, Wi-Fi and E1-PRI;

Cloud and Data Hosting Services: including cloud-based infrastructure, platforms and databases; and

Mobile Advertising: The Company's mobile advertising service offers certain MTN communications channels (SMS, USSD and notifications, as well as other digital channels), as an advertising medium for enterprises to serve and reach their customers. This is achieved through strategic (user) analytics. These channels have also been integrated into a self-service platform for easy access and flexible campaign management by SMEs, corporates and media agencies.

Further, MTN Nigeria's dedicated business solutions unit works closely with key enterprise customers across its operations and acts as a communications consultant for its corporate and SME clients. With MTN Nigeria's services designed to deepen market access, improve productivity, drive operational efficiencies and deliver consistent quality of experience to its business customers, its goal is to remain the partner of choice in the delivery of bespoke technology solutions to the enterprise market.

Operations

Pricing and customers

The Company believes that it offers a significant value proposition in the Nigerian telecommunications market. The core principles of the Company's pricing are simplicity, freedom, flexibility and ease of communication. The Company's operational philosophy is centred on providing its subscribers with higher network functionality as compared to its competitors, including network quality, coverage and capacity. The Company services high value, mid-market & youth and mass-market as well as corporate and SME customers. The Company's pricing strategy varies for each customer segment.

High-value customers include the top 20% of subscribers. For high-value customers, the Company's focus is on convenience, service quality and personalised offers including international roaming. These customers are quality conscious and tend to prefer consumer-focused service. These customers also engage in significant digital activity and tend to utilize a number of internet services.

Nigeria is one of the fastest growing youth markets in Africa. For MTN Nigeria's mid-market & youth customers, the Company offers competitive, value-based offers with a strong focus on data services. Most of the Company's customers in this segment are millennials who require a lot of data for their OTT applications. The Company also focuses on data as an "anchor" product, with lifestyle and digital service bundles increasing in importance. Customers in this segment also heavily consume content in all formats and are generally quick adopters of new technologies.

The Company also has a huge segment of mass-market customers who tend to be highly price-conscious and have limited spending power. This segment is more voice-service driven and aspire to go online. For this segment, bonus and value are major drivers. Most of the customers within this segment live in non-urban areas where MTN Nigeria has used innovative and regional pricing to cater to their needs.

The Company's customer acquisition strategy focuses on compliance with regulatory requirements, reaching out to rural areas and providing a data-led ecosystem. This is supported by a well-trained team and appropriate governance. Additionally, the Company's customer relationship platform enables comprehensive and efficient customer management through big data systems. The Company partners with leading data analytics providers to develop highly targeted, personalised offers.

Marketing

MTN Nigeria runs innovative marketing and promotional campaigns (such as bonuses and bundle options) across Nigeria. The Company continually reviews and refreshes promotional offers to engage subscribers to purchase airtime, data and additional services. The Company tailors its marketing approach to the following customer and demographic segments: high-value, mid-market & youth and the mass market, advertising certain services to specific demographics, for example, music and video services to the mid-market & youth segment. MTN also strongly believes in giving tailor-made offers to every customer through the MTN4me platform.

The Company seeks to connect with its customers through engaging and thematic marketing content which aims to build deep, emotional connections by focusing on the relevant themes of family, female empowerment, religion and football. The Company also engages with consumers through its campaign of giving back to the community via the MTNF and its Season of Surprises giveaways to citizens across Nigeria (including, for example, giveaways of free toll gate access, bus and train tickets and supermarket vouchers).

The Company's marketing campaigns are transmitted via TV, radio, print, outdoor signage, digital and social media advertising, flyers, word of mouth and sponsorship. MTN Nigeria regionally differentiates its marketing (by ethnicity, language and relevant local themes) to maximise brand appeal and impact. Additionally, the Company employs strategic marketing, particularly in respect of the mass market, which requires a targeted approach. The Company believes its marketing and customer service initiatives have resulted in a positive and improving market perception.

Below are some of MTN Nigeria's brand awards:

Most Valuable Multinational Brand in Nigeria (2019) and Most Valuable Telecoms in Nigeria (2019)

Top 50 Brands Nigeria

Best Innovation for Enterprise Service (2019) and Social Impact Award (2019)

Nigeria Tech Innovation and Telecom Awards (NTITA)

Telco Partner of the Year (2019)

Central Bank of Nigeria (CBN)

Technology Excellence Award 2019

Presented by MTN Group

Table 3: Awards received by MTN Nigeria from 2017 - 2019

Furthermore, below is a table of the awards received by MTN Nigeria from 2017 to 2019:

CAMPAIGN/PRODUCT	DESCRIPTION OF AWARD	CATEGORY	LOCATION
Telco Partner for the Year	Award presented by NIBSS for Outstanding Performance, 2019	N/A	Lagos, Nigeria
Payment Innovation Driver: Telecom of Year	Award presented by Interswitch Limited, 2019	N/A	Lagos, Nigeria
Platinum Investor in People	Award presented by IPP, 2019	N/A	Lagos, Nigeria
HR Champion	Award presented by Peoples Awards, 2019	N/A	Lagos, Nigeria
HR Leader of the Year	Award presented by Peoples Awards, 2019	N/A	Lagos, Nigeria
Social Impact Award	Nigerian Tech Innovation and Telecom (NTITA) Awards 2019	N/A	Lagos, Nigeria
Best Innovation for Enterprise Services	Nigerian Tech Innovation and Telecom (NTITA) Awards 2019	N/A	Lagos, Nigeria
Corporate Social Responsibility	ADVAN Awards for Marketing Excellence (ADVAN), 2018	Silver	Lagos, Nigeria
Mobile Operator of the Year	Nigerian Tech Innovation and Telecom (NTITA) Awards 2017	N/A	Lagos, Nigeria
LTE/4G Provider of the Year	Nigerian Tech Innovation and Telecom (NTITA) Awards 2017	N/A	Lagos, Nigeria
Customer Experience	Nigerian Tech Innovation and Telecom (NTITA) Awards 2017	N/A	Lagos, Nigeria
Innovative Project of the Year	Nigerian Tech Innovation and Telecom (NTITA) Awards 2017	N/A	Lagos, Nigeria
Best Innovation	ADVAN Awards for Marketing Excellence (ADVAN), 2017	Gold	Lagos, Nigeria

Corporate Social Responsibility	ADVAN Awards for Marketing Excellence (ADVAN), 2017	Silver	Lagos, Nigeria

Voice and data technology

MTN Nigeria's mobile network currently utilises 2G, 3G and 4G LTE technology. MTN Nigeria started its operations with 2G Technology (which was primarily voice-driven), General Packet Radio Service ("GPRS"), Enhanced Data Rates for GSM evolution ("EDGE") and EDGE Evolution. The Company officially launched its 3G and 4G technologies in Nigeria in 2008 and 2016, respectively whilst the rollout of its 4G LTE services commenced in 2019. MTN Nigeria's 3G technology has enabled it to offer its users a wide range of advanced services, including data services, such as mobile broadband while achieving greater network capacity through improved spectral efficiency. 3G enables MTN Nigeria to offer new services to its users like video calls, mobile broadband data and a full internet experience with richer mobile content. The Company's 3G networks also give it more capacity to provide data and voice services than its 2G networks using its current spectrum. MTN Nigeria's 3G networks are normally co-located with existing 2G infrastructure allowing faster and cost-effective network deployment. MTN Nigeria has also expanded its 3G networks using high-speed uplink packet access ("HSUPA"), high-speed downlink packet access ("HSDPA") and evolved high-speed packet access ("HSPA+") technologies with speeds of up to 42Mbps. Additionally, MTN Nigeria has over 29,500 km of fibre supporting its network with further support provided through third party partnerships. The Company's network equipment is supplied by leading telecommunication manufacturers.

The Company has implemented a cost-efficient radio access network which minimises the impact of network infrastructure on the environment by utilising extended cell features that require fewer base stations per cell, as well as technologies that conserve energy by shutting down hardware during periods of low mobile traffic. In addition, the Company aims to reduce its dependency on diesel, which is generally used to power the network when grid power is unavailable, by introducing hybrid power solutions to replace generators and connecting rural base stations to the national power grid.

MTN Nigeria's 4G technology has allowed it to offer faster upload and download speeds as compared to its 3G technology. 4G enables MTN Nigeria to offer its users fast access to high definition video streaming, video conferencing, multiple chatting, instant uploading of photos and other data-intensive applications. The Company believes that with additional availability of 4G LTE enabled handsets in the market, the rollout of 4G is supporting a "data revolution" in Nigeria, driving fundamental changes in lifestyles, business and society and will also support economic growth in rural areas by enhancing the reach of e-governance, e-health and e-education services, and will be a significant source of revenue in the longer term.

In 2019, MTN Nigeria, in partnership with Huawei, ZTE and Ericsson (multinational networking and telecommunications companies) conducted 5G network trials with live demonstrations including speed tests and fixed wireless access tests as well as other real-life use cases, using temporary spectrum allocated to it by the NCC. 5G technology offers tremendous benefits in terms of speed, latency (less delays) and efficiency.

Network Infrastructure

As of June 2020, MTN Nigeria had the leading 3G and 4G LTE download speeds in Nigeria (including in Lagos and other major cities), according to an independent audit carried out in the second quarter of 2020 by a third-party professional company. The Company continues to focus on its operational assurance as well as its ongoing 3G densification and 4G LTE rollout.

Table 4: MTN Nigeria's key areas of network investment

The table below sets out MTN Nigeria's key areas of network investment from 2017 to 2019:

	2017	2018	2019
2G and 3G	2G and 3G coverage expansions Add sectors for existing 3G sites	2G and 3G coverage expansions Focus on U900 Additional 3G sectorisation Capacity enhancement Network modernisation	2G and 3G coverage expansions Focus on U900 Multi-sectors on 3G Network modernisation
4G	Trial for L2600 and Roll-out for L800 bands	4G coverage expansion and Spectrum refarming	L1800 re-farming L800 activation and expansion L2600 expansion Carrier aggregation (4G+)
Spectrum			NCC approves use of Visafone 800 MHz Spectrum for MTN 4G Subscribers.
Fibre network	Added 3,404km of fibre Connected 440 sites to fibre	Added 493km of fibre Connected 490 sites to fibre	Added 3,435 km of fibre Connected 374 sites to fibre.
Other	Lagos: Facility infrastructure and network elements deployment Abuja: Network elements Port Harcourt: Facility infrastructure	Lagos: Facility infrastructure and network elements deployment Abuja: Network elements Port Harcourt: Facility infrastructure	

Rural Telephony Initiative

MTN Nigeria launched the Rural Telephony project in the fourth quarter of 2018 in order to provide coverage to over 2,000 villages using a mix of revenue sharing, capital expenditures and operating expenditures with third-party partners. The Company plans to deploy 1,100 sites using the revenue share model in 2020. As of 31 December 2019, 91 villages have been covered using innovative low-cost coverage solutions which operate and are powered by solar energy. This initiative provides services to Nigerians who hitherto had no access to any of the mobile networks in Nigeria.

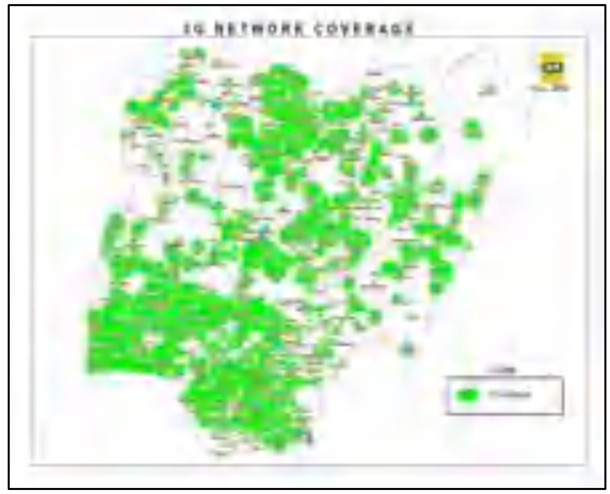
Mobile network

MTN Nigeria's mobile infrastructure is designed using standardised technologies specifically tailored to be upgradable along an evolutionary path towards developing technologies such as 4G LTE, LTE-Advanced and 5G. The Company has implemented the latest high-performance mobile data technologies including HSDPA, HSUPA, HSPA+, and Dual Carrier HSPA+ on its 3G network, and GPRS and EDGE on its 2G network and has also launched LTE in major cities. MTN Nigeria has designed sustainable cost-efficient radio access networks, which aim to minimise adverse impact on the environment by utilising extended cell features that require fewer base stations per cell, as well as technologies that conserve energy by operating at ambient temperatures without the need for air conditioning. Further cost saving is achieved by the automatic shutting down of hardware during periods of low mobile traffic.

MTN Nigeria uses common hardware technology platforms and has deployed over 45,000 radio base stations (in addition to 13 switch sites and 1 landing station), as of December 2019, of which a high percentage is software definable in terms of its assortment of 2G, 3G and 4G LTE capabilities, thereby minimising disruptions to subscribers during network upgrades. Co-locating radio base stations for 2G, 3G and 4G LTE capability reduces capital expenditure and operating expenditure, as well as power consumption and the physical impact on the environment.

Figure 8: MTN Nigeria’s 2G, 3G and 4G LTE coverage across Nigeria

The maps below show the Company’s 2G, 3G and 4G LTE coverage by population across Nigeria as at December 2019:



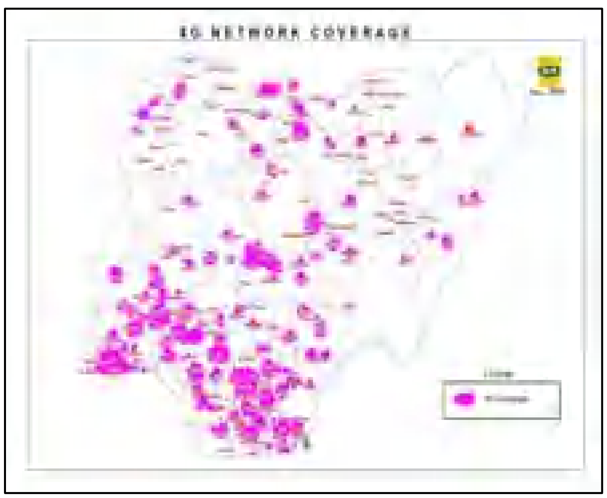


Table 5: MTN Nigeria’s network population coverage across Nigeria (2017 – Q2 2020)

Additionally, the table below shows the Company’s network population coverage across Nigeria from 2017 to the 2nd quarter of 2020:

KPI	Dec-17	Dec-18	Dec-19	June 2020
2G Sites	13,439	13,906	14,945	15,159
3G Sites:	12,185	14,484	15,641	16,146
4G Sites	2,360	3,691	7,125	8008
Fibre to the Site (FTTS)	1,731	2,271	2,622	2,628
Fibre Long-haul (KM)	24,558	26,055	29,520	29,551
2G POP Cov (%)	89.7%	90.1%	**87.8%	88.26%
3G POP Cov (%)	68.8%	70%	78.2%	79.53%

4G POP Cov (%)	13.4%	15%	43.8%	48.58%

** 2018 Fibre (KM) updated to reflect actual KMs.*
*** 2G POP Company for Dec-19 updated to reflect the new population censor calculation.*

4G Advantage
4G LTE deployment is a priority for MTN Nigeria as it will improve overall data network performance and will drive data volume growth. The Company's 4G LTE services launched in 2016 using its 2600MHz spectrum advantage and LTE1800 was launched in 2019 by refarming 2 x 5MHz of the existing 1800MHz spectrum. Following the approval of the transfer of Visafone's 2 x 10MHz in the 800MHz spectrum band, MTN Nigeria commenced offering of 4G LTE services on the said band. As of June 2020, MTN Nigeria had about 7.7 million 4G users, representing 48.58% of the population (source: Company data). MTN Nigeria expects to further benefit from its 800MHz spectrum holding in the future.

Fixed-line and internet networks
In order to ensure fast connectivity between the Company's base stations and the rest of the network, the Company operates on one of the largest fibre networks in Africa. The Company has multiple long-distance fibre connections between cities in various operations. The Company intends to expand its rural coverage with over 1,100 rural telephone sites along its microwave transmission backbone, which stretches over 2,900 km. The Company also leases fibre to other telecommunications operators. As MTN Nigeria utilises less than 37% of its current backbone capacity, the Company is able to monetise and sell excess capacity to other telecommunications operators. Through MTN Nigeria's ICT enterprise business, last-mile fibre installations are built to connect corporations, business campuses and office parks. The chart below shows the coverage of the Company's fibre network.

Satellite connectivity
MTN Nigeria's satellite capacity is procured through MTN Group's global carrier services capability based in Dubai and directly from Intelsat, which provides mainly C-band capacity. Satellite capacity is used for connectivity to remote locations.

Backbone network and supporting infrastructure
MTN Nigeria has deployed a state-of-the-art next-generation Multiprotocol Label Switching ("MPLS") network that ensures improved quality of service, high reliability and simplified operation, and most importantly, provides low latency scalable networks. MTN Nigeria's MPLS network delivers dynamic, secured and future-ready services with both centralised and de-centralised network applications, both locally and internationally. As of 31 December 2019, MTN Nigeria had 13 switching centres across Nigeria, including its data centres in Ojota, Ikoyi and Owo.

Other network partners
MTN Nigeria generally outsources the management and operation of its infrastructure to the OEM or technology provider, who is contractually obligated to meet specified performance targets and to scale its operations within

defined parameters to align with the Company's strategy. The management service contracts with MTN Nigeria's OEMs and technology providers are typically for durations of three to five years, and MTN Nigeria has the ability to terminate if certain criteria are not met.

Equipment and technology partners

MTN Nigeria has forged long-term strategic partnerships with other businesses in its sector, including equipment and technology companies at the forefront of technologies that are critical to its business. The Company believes that its strategy of engagement has enabled it to partner with global leaders who share its objective of co-creating innovative and tailor-made solutions for Nigeria. MTN Nigeria has maintained strategic partnerships with several organisations for its business and enterprise IT system needs, including Ericsson, Huawei and Microsoft, amongst others.

Customer care partners

MTN Nigeria's customer care partners help it provide an excellent customer experience across various channels including self-care applications, digital channels, contact centres and stores. Its customer care partners include ISON BPO International, Tecnotree and Nokia, amongst others. ISON BPO is the Company's call centre strategic partner, managing multilingual call centres across the country to support the Company's customers. Tecnotree provides MTN Nigeria with an innovative convergent billing and customer management platform that is able to fully service convergent products and services. Nokia provides customer experience management solutions to help the Company and support customer experiences with great detail. MTN Nigeria also has a network of franchised customer care/retail centres operated by local franchise partners.

Content and VAS partners

MTN Nigeria works with leading organisations such as Huawei, IMIMobile, Rembrandt, OnMobile and Twinpine, providing each of its customers with a unique experience in VAS such as caller ring back tone, music on demand, email services and other applications. The Company has revenue-sharing agreements in place with most of these content partners. MTN Nigeria also has partnerships with independent developers including, as previously noted, a partnership with Jumia, one of the world's largest e-commerce-focused venture capital firms. MTN Nigeria believes these relationships will be valuable as it continues to increase its presence in the digital space.

Table 6: Licences

The table below sets forth details of the spectrum licences held by the Company as at the date of the Shelf Prospectus:

Frequency Band / Bandwidth	Spectrum Acquisition	Current / Future Usage	Comment
3,500MHz / 30MHz	In 2007, MTN Nigeria obtained WiMAX 3.5GHz Spectrum which is renewable annually	Fixed Broadband Services (LTE/WiMAX)	Required to be renewed 31 December each year.
2600MHz / 30MHz (Jul 2026)	In June 2016, through official auction, NCC declared MTN Nigeria as the winner of the 2.6GHz Spectrum auction	Mobile LTE – broadband services	Current deployment utilises 20MHz Required to be renewed by 31 July 2026.
2,100MHz / 10MHz (Apr 2022)	In 2007, 3G licence awarded to MTN Nigeria and renewed in 2015	MBB services, WCDMA	This is the main 3G spectrum used by MTN Nigeria Required to be renewed by 30 April 2022.
1,800MHz / 15MHz (Sep 2021)	In 2014, NCC renewed MTN Nigeria's 1,800 MHz frequency bands	Voice and GSM services and potentially MBB, WCDMA, Mobile LTE broadband services	Approval obtained to refarm 5MHz of the spectrum for LTE nationwide. Licence required to be renewed by 31 August 2021.
900MHz / 5Mhz (Sep 2021)	In 2014, MTN continued to operate 900 MHz frequency bands by gaining a further renewal by NCC	Voice and GSM services and potentially MBB and WCDMA services	Required to be renewed by 31 August 2021.
800MHz / 10MHz (Dec 2025)	In 2016, MTN Nigeria acquired LTE-suitable frequencies in the 800MHz via the takeover of CDMA network operator Visafone Communications Limited	Mobile and, potentially, Fixed LTE broadband services	Approval recently obtained to transfer the spectrum licence to MTN Nigeria. Licence required to be renewed by 31 December 2025.
700MHz / 10MHz	In September 2015, NBC awarded spectrum in the 700MHz band to MTN Nigeria	Mobile LTE broadband services, Digital TV Broadcast, Video on Demand service	Licence regularised for use to provide telecommunication services. Licence tenor communicated by the NBC was 5 years in the first instance and automatic renewal for another 5 years.

In 2015, the NBC issued MTN Nigeria a national DTT in consideration for a N34.1 billion licence fee. In May 2016, the Company launched and transmitted a broadcasting service which jointly operated on the broadband network and a terrestrial broadcast network. In 2018, following consultation with the NBC, NCC and NFMC, the 700MHz allocated by the NBC for the broadcasting service was regularized for the provision of telecommunications services by the NCC. The 700MHz spectrum is however encumbered as existing broadcasting licensees are yet to vacate the spectrum. MTN Nigeria is currently engaging relevant regulatory agencies on the clearance of the 700MHz spectrum to enable it utilize the spectrum in the deployment of broadband services.

Information technology

The Company has invested substantially in its state-of-the-art IT infrastructure and believes that its network is both scalable and adaptable to its commercial strategy and new business activities. MTN Nigeria's IT systems and services comprise operational support systems (which support its telecommunications network and includes processes such as maintaining network inventory, provisioning services, configuring network components and managing faults) and business support systems (which support processes related to the Company's customers, such as taking orders, processing bills, collecting payments and customer relationship management, etc.).

MTN Nigeria also maintains disaster recovery systems to enable the recovery and continuation of its technology infrastructure following potential disruptive events, such as power outages, natural disasters or terrorism. The Company also has procedures in place to either back-up critical data on-site and automatically copy this backed-up data to off-site storage; or to back-up and replicate critical data directly to off-site storage. Ensuring business resilience is an important aspect of the IT operations and delivery functions of the Company.

A number of key programmes are in progress and planned as part of the Company's investment in digital transformation, focusing on delivering on a scalable IT architecture through a set of defined objectives to improve the customer experience and customer interactions with MTN Nigeria. These include the transformation to a digital service provider with specific focus on customer management, product lifecycle management, order management and billing lifecycle management, adoption of a cloud-first storage plan and the implementation of an open source big data platform to deliver on real-time analytics in support of the Company's BRIGHT strategy.

Insurance

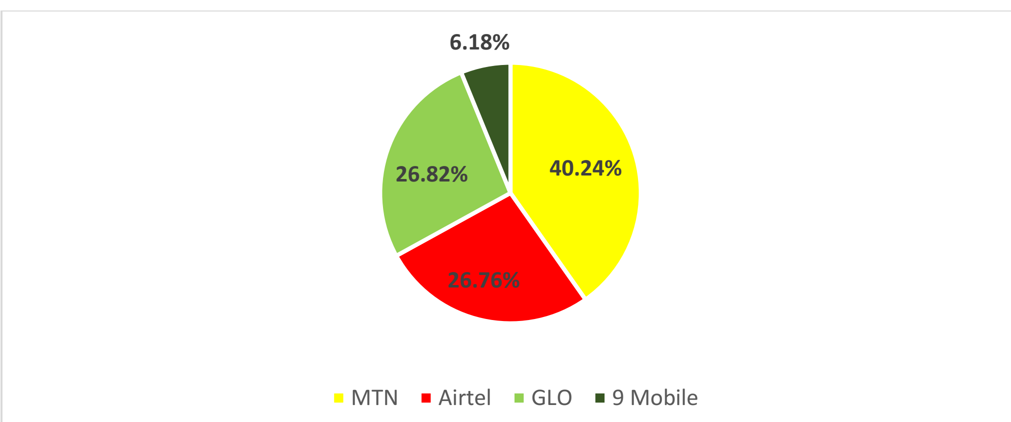
MTN Nigeria's operations are subject to a wide variety of operational and other risks, including accidents, fire and weather-related hazards. In mitigating these risks, the Company maintains various types of insurance policies customary to the industry in which it operates, to protect against financial impact arising from unexpected events when the amount of the potential loss would be significant enough to prevent normal business operations. MTN Nigeria believes that its existing insurance is sufficient in light of identified risks and is consistent with industry standards based on the scope of its operations.

Competition

MTN Nigeria and the former Econet Wireless Nigeria Limited (now Airtel) were the first two operators to launch GSM services in 2001. Over the years, the number of telecom operators has increased to 4 mobile GSM/3G operators, as well as several small players offering a range of services including voice, data, digital and enterprise services.

The chart below shows the market share of MTN Nigeria and its competitors as of June 2020 according to the NCC:

Figure 9: Market Share of Mobile Subscribers by Operator (GSM)



Due to price competition, pricing levels have generally declined over the last five years as operators employ various pricing levers (promotions, discounts, free trials, etc.) in a bid to gain market share. Looking ahead, the Company does not expect any significant price cuts on voice as the current voice rates are already close to the price floor. With regards to data, there has been steady decline in prices to drive deeper penetration and stimulate additional usage. This trend is expected to continue in the short to medium term which is expected to help unlock more usage and adoption.

Furthermore, the Nigerian Federal Competition and Consumer Protection Act, 2018, which seeks to regulate commercial activities within or having effect within Nigeria was enacted in January 2019. This legislation established the Federal Competition and Consumer Protection Commission, a regulatory body having supervening powers with respect to anti-competitive practices, pricing and mergers and acquisitions in Nigeria amongst others; and which could further restrict actions by the Company and other players in the market relating to pricing or other competition and consumer-related matters. See Part 16 (Risk Factors) - "Current and future antitrust and competition laws may limit the Company's growth and subject it to antitrust and other investigations or legal proceedings" for more information in this regard.

Property, Plants and Equipment
The property, plant and equipment that MTN Nigeria owns include administrative and commercial office buildings, business centres and technical properties, such as switching centres, data centres, international exchanges, transmission equipment, mobile base stations, cabling and other technical equipment. Other properties include retail stores, warehouses and technical workshops. The properties the Company considers material to its business are its 13 switching centres in Nigeria including the three data centres in Ojota, Ikoyi and Owo. MTN Nigeria also has a disaster recovery centre in Owo to ensure business continuity in the event of network outages.

Corporate Social Responsibility
In 2004, MTN Nigeria established the MTNF for the purpose of driving its CSR efforts aimed at contributing to the reduction of poverty and fostering sustainable development in Nigeria. Prior to starting MTNF, MTN Nigeria consulted with a broad group of stakeholders across Nigeria. This process enabled the development of a focused strategy under the following thematic areas: education, health and economic empowerment.
Together with local and international partner organisations, MTN Nigeria has remained committed to implementing projects and initiatives that positively impact the lives of communities while creating economic value. As of 31 December 2019, MTN Nigeria had invested approximately ₦21 billion to fund various corporate social responsibility initiatives across Nigeria. These projects which have benefited over 900 communities across the country range from provision of community development projects (such as electricity transformers, water supply equipment, healthcare and school support infrastructure and medical outreaches) youth empowerment initiatives (i.e. scholarship schemes, IT and business trainings) and Arts and Culture programmes. MTNF has been recognised for its contributions to society, as evidenced in the numerous awards it has received over the years such as:

- MUSON Diploma Students Association, Appreciation Award, to the Board of Trustees, MTNF, 2019;
- AFRISAFE Campaign of the year award 2019 for exemplary contribution towards the improvement of Health, Safety, Environment and Wellbeing in Africa, 2019;
- Award in recognition of MTNF's contribution to Music Education in Nigeria (MUSON), 2018;
- Award of Honour in the pursuit of excellent standards in Maternal and Child Health in Abia State (Abia State Ministry of Health), 2018;
- Award in recognition of MTNF's valuable support to CEAFON and her activities in improving the state of Cancer Care in Nigeria (Cancer Education and Advocacy Foundation of Nigeria), 2018;
- Outstanding Organisation Award for the HIV & AIDS Response in Lagos State on the 1st LSACA Awards and Dinner (Lagos State AIDS Control Agency – LSACA), 2018;
- Corporate Support Recognition for support of their annual brain bowl (DeltaAfrik Charitable Foundation), 2018;
- Award of excellence in humanitarian service (Matured Minders Initiative), 2018;
- Award of excellence for support in the reawakening of Arts and Culture in Nigeria (Legends), 2018; and
- Beeta Recognition award for immense contribution to the development of Arts and Culture in Nigeria (Beeta Universal Arts Foundation), 2018.

Environmental matters

MTN Nigeria has not been subject to any material fines or regulatory action involving non-compliance with environmental regulations. Other than claims by NESREA (See Part 11 (Risk Factors) – "Environmental Disputes and Claims", the Company is not aware of any non-compliance in any material respect with applicable environmental regulations The Company maintains environmental regulatory standards as they pertain to its business. Also see Part 11 (Risk Factors) – "Changes in relevant and applicable Nigerian laws, regulations or policies could materially adversely affect the Company's business, financial condition, results of operations and prospects".

Profile of MTN Nigeria's Directors

The MTN Nigeria Board has broad experience across geographies and sectors and is well-placed to provide guidance and oversight to the Company. MTN Group representation on the MTN Nigeria Board signals commitment to MTN Nigeria and reflects the importance of MTN Nigeria to MTN Group. Recent changes to the Board have sought to improve overall corporate governance and oversight. The directors have undergone specific and relevant corporate governance training.

In compliance with relevant codes of corporate governance including but not limited to the National Code of Corporate Governance, 2018, the Company ensures that the Board is accountable and responsible for the affairs of the Company in conducting all its operations and transactions in a transparent manner on terms that are commercially at arm's length. Furthermore, to ensure alignment with the tenure and other board composition requirements of the NCC Code of Corporate Governance for the telecommunications industry, the Board ensures continuity and periodic rotation to the membership of the Board. The Company has a compliance and ethics team, responsible for ensuring that the Company complies with applicable laws, regulations, directives and both internal and external policies.

The Board adopts good corporate governance practices by ensuring effective communication with its shareholders, ensuring that ethical standards are maintained and putting in place sufficient internal control systems to assure effective running of the Company's day-to-day activities, amongst others.

The Board is currently comprised of 13 Non-Executive Directors and 2 Executive Directors. Of the 13 Non-Executive Directors, there are 4 Independent Directors. Pursuant to the Company's Articles of Association, the Directors retire by rotation in accordance with the provisions of the CAMA.

1. Dr. Ernest Ndukwe, OFR (Chairman)(Nigerian)

Dr. Ndukwe is the Chairman of Openmedia Group as well as a part-time member of the Faculty at the Lagos Business School, where he heads the Centre for Infrastructure Policy, Regulation and Advancement. He is a Fellow of the Nigerian Society of Engineers; Nigerian Institute of Management and Nigerian Academy of Engineers. Dr. Ndukwe serves on several boards including Access Bank Plc and Systemspecs Limited and served as Executive Vice Chairman and Chief Executive Officer of the Nigerian Communications Commission (2000 to 2010). He obtained a Bachelor of Science (B.Sc) degree in Electronic/Electrical Engineering from Obafemi Awolowo University, Ile Ife in 1975; Certificate in Satellite Communication (1975) and an Advanced Certificate in Satellite Communication (1977) from Harris Corporation Training School, Melbourne, Florida; Chief Executive Programme (CEP) at Lagos Business School (1994). He began his professional career with Radio Communications Nigeria (RCN) Limited in 1976 where he rose to the position of a maintenance supervisor in 1978 and later assistant engineering manager in 1979. He later joined GEC Telecommunications as Engineering Manager in 1980 and quickly rose to become the Commercial Director of the company in 1988 and Managing Director in 1989. He subsequently served as President of the Association of Telecommunications Companies of Nigeria (ATCON). Dr. Ndukwe has received various awards from several local and global organisations including the International Telecommunications Union (ITU) for his contributions to the communications industry. He joined the Board in June 2018.

2. **Ifueko M. Omoigui Okauru, MFR (Nigerian)**

Mrs. lfueko M. Omoigui Okauru, MFR is a Chartered Accountant, Chartered Tax Practitioner and Management Consultant. She served as Executive Chairman of the FIRS and as the Chairman, Joint Tax Board between 2004 and 2012. She also served as a Member and Coordinator, Sub-Committee on Capacity Building; United Nations Committee of Experts on International Cooperation in Tax Matters (August 2008 - July 2012). She is the Founder and Director of ReStraL Limited (Leadership and Management Consultants) as well as Managing Partner of Compliance

Professionals Plc. Mrs. Okauru serves as an Independent Non-Executive Director on the boards of Nigerian Breweries Plc and SEPLAT Petroleum Development Company Limited. She is also the Chief Program Officer, Dagomo Foundation Nigeria Ltd/Gte. Mrs. Okauru is currently engaged as an associate with the Harvard University Faculty of Arts and Science (FAS) undertaking research in Leadership, Social Enterprise, Culture and the Nigerian Nation. She is a graduate of the University of Lagos, Nigeria, Imperial College, London and Harvard Kennedy School of Government.

3. Ferdinand Moolman (Chief Executive Officer) (South African)

Mr. Moolman was appointed to the Board in July 2014 and has been MTN Nigeria's Chief Executive Officer since December 2015. He has served in various executive roles within the MTN Group, including as Chief Financial Officer of MTN Nigeria and Chief Operating Officer of MTN Irancell until 2014, where he was responsible for overseeing the Network Group, Information Systems (IS), Capital Programme Group (CPG) and Consumer Relations (CR) functions. Earlier in his career, Mr. Moolman was a senior manager at PricewaterhouseCoopers, an internal audit manager at Momentum Life and an assistant auditor at the office of the Auditor General, South Africa. Mr. Moolman holds a Bachelor's degree in Commerce from the University of Pretoria (1987), a Bachelor's degree in Accounting Science and a diploma in Accounting Theory from the University of South Africa (1990). He is a certified member of the South African Institute of Chartered Accountants.

4. Modupe Kadri (Chief Financial Officer) (Nigerian)

Mr. Kadri was appointed Chief Financial Officer of MTN Nigeria, effective March 2, 2020. Prior to this, he was with MTN Ghana as the Chief Financial Officer since August 2014. He previously joined MTN Nigeria in September 2007 as the General Manager Financial Operations and then General Manager Financial Planning. Prior to his career with MTN, he worked at Lafarge Africa PLC (WAPCO Nigeria) from 2003 to 2007. In 1988 Mr Kadri obtained a Bachelor's degree in Economics (with honours) from University of Lagos and a Master's degree in Management from the same university. He is a Fellow of both the Association of Chartered Certified Accountants (ACCA) and Institute of Chartered Accountants of Nigeria (ICAN). He is an alumnus of INSEAD, Columbia Business School and IMD Business School. Mr. Kadri serves on the Boards of Scancom Plc (MTN Ghana) and MTN Mobilemoney Limited (Ghana). He also sits on the boards of MTNF and YDFS.

5. Ralph Mupita (South African)

Mr Mupita was appointed MTN Group President and CEO effective 1 September 2020. Mr. Mupita was previously Group Chief Financial Officer and has been Executive Director of the MTN Group since April 2017. He is a former Chief Executive Officer of Old Mutual Emerging Markets (2012 to 2017) and has extensive experience in financial services operations in Africa, Asia and Latin America markets. Mr. Mupita currently serves on the board of several of MTN Group's subsidiaries and is an independent non-executive director of Rand Merchant Investment Holdings Limited and Rand Merchant Bank Holdings Limited. He previously served on the boards of various Old Mutual entities and joint ventures, as well as industry bodies such as Business Leadership South Africa, Association of Savings and Investments South Africa and UCT Graduate School of Business. Mr. Mupita holds a Bachelor's Degree in Engineering (Hons) and Masters in Business Administration, both from the University of Cape Town (1996 and 2000, respectively). He is an alumnus of executive programs at London Business School, INSEAD and Harvard Business School (2007). He joined the Board in April 2017.

6. **Paul Norman (South African)**

Mr. Norman has been Group Chief Human Resources and Corporate Affairs Officer of the MTN Group since 1997. He has more than 20 years of experience in the field of human resources, with extensive experience in the transport and telecommunications industries. Mr. Norman serves as Trustee of Chartered Accountants Medical Aid Fund (CAMAF)) and has been awarded several accolades for his service, including HR Practitioner of the Year in 2003 by the Institute for People Management. Mr. Norman holds a Master's degree in psychology from Rhodes University, South Africa and an Executive Masters in Business Administration degree in Business Administration and Management from the IMD Business School, Switzerland. He is a registered psychologist and has completed various executive development programmes at Wits Business School and IMD in Switzerland (2013). He initially served on the Board of MTN Nigeria from May 2005 to April 2015. He was re-appointed to the Board of the Company in February 2016.

7. Karl Olutokun Toriola (Nigerian)

Mr. Toriola served as Chief Executive Officer of MTN Cameroon from December 2011 to March 2015. Prior to joining MTN Group, Mr. Toriola was the chief operations and regional officer for Vmobile Nigeria (now Airtel Nigeria) from April 2004 to July 2006. In this role, he was responsible for operations which included network rollout, network planning and optimisation, maintenance, site acquisition and property development. Mr. Toriola holds a Bachelor's degree in Electronic and Electrical Engineering from the University of Ife, Ile-Ife in 1994 and a Master's degree in Communication Systems from the University of Wales, Swansea (1996). He is an alumnus of the London Business School (2009), the Harvard Business School (2008), and the Institute of Management Development in Switzerland (2006). He joined the Board in January 2016.

8. Michael Onochie Ajukwu (Independent) (Nigerian)

Mr. Michael Onochie Ajukwu has over 21 years of experience in the banking industry with specialty in the Energy and Multinational sectors. He has extensive business experience in Africa and particularly in Nigeria. Mr. Ajukwu served as Executive Director, Corporate Banking of United Bank for Africa PLC up till 2002 and thereafter served as a Director of Keystone Bank Limited. Mr. Ajukwu has extensive board experience and serves as Chairman of Altech West Africa Limited, Munca Properties Limited and Mobax Nigeria Ltd. Mr. Ajukwu has been an Independent Director of Sterling Bank Plc since June 2018 and of Tiger Brands Limited since 31 March 2015. He also sits as a Non-Executive Director on the boards of lntafact Beverages Ltd, a subsidiary of SABMiller in Nigeria and Novotel, a member of Accor Hotels group. Mr. Ajukwu holds a B.Sc. in Finance from the University of Lagos and an MBA in Accounting and Finance from New York University.

9. Muhammad K. Ahmad, OON (Independent) (Nigerian)

Mr. M.K Ahmad is a seasoned public sector executive with over 35 years of experience traversing the financial services industry and the public sector. He actively advocates and supports institution building based on the highest corporate governance and ethical standards and has served on various boards and committees, including banks and not for profit organizations. He was a pioneer staff of the Nigeria Deposit Insurance Company (NDIC) where he rose to become a Director. He later served as the pioneer Director-General and Chief Executive Officer of the National Pension Commission (PENCOM). Mr. Ahmad worked at the Central Bank of Liberia as the Advisor and Technical Director on Bank Supervision under an International Monetary Fund (IMF) Programme. He coordinated the development of the Federal Government strategy document for the rebuilding of the North East that led to the constitution of the Presidential Committee on the North-East Initiative (PCNI). Mr. Ahmad served as Chairman, Technical Committee on the Nigerian Code of Corporate Governance 2018 and currently chairs the boards of Polaris Bank (former Skye Bank); Taj Bank, Credent Capital Advisory and FATE Foundation. He serves on the Interim Board of International Energy Assurance Plc. He is the founder of Jewel Development Foundation, a graduate assistance programme; and Certium Consulting, a strategic advisory and business applications company. Mr. Ahmad holds a BSc. in Accounting from Ahmadu Bello University and a Masters Diploma in Innovation & Strategy, University of Oxford. He is an Associate, Toronto Center for Global Leadership in Financial Supervision, Canada.

10. Andrew Alli (Nigerian)

Mr. Andrew Alli qualified as a Chartered Accountant with Coopers & Lybrand (PricewaterhouseCoopers) in the United Kingdom. He worked for over a decade at the International Finance Corporation ("IFC") in different positions including Country Manager for Southern Africa and Nigeria. During that period, he represented the IFC on the board of MTN Nigeria. He was subsequently appointed CEO of the nascent Africa Finance Corporation ("AFC"), which he built into a robust development finance institution focusing on African infrastructure, natural resources and heavy industry sectors. During his tenure as CEO, AFC made cumulative investments of over USD4 billion in 30 African countries and achieved the second-highest credit rating for an African lending institution. In December 2018, Mr. Alli was appointed CEO of SouthBridge, a Pan-African financial services firm focused on Investment Banking and Sovereign advisory, as well as on serving African and global corporates. He served as Non-Executive Director on the boards of ARM Cement Limited (October 2012 - March 24, 2017) and Guaranty Trust Bank Plc (June 2008 - June 30, 2016). He currently serves as an Independent Non-Executive Director, Development Bank of Nigeria. He is a

Member of the Advisory Board, Lagos Business School. He holds a BEng in Electronics and Electrical Engineering from King's College, University of London, and an MBA from INSEAD, France.

11. Dr. Omobola Johnson (Nigerian)

Dr. Omobola Johnson served as Nigeria's Minister of Communication and Technology from 2011 to 2015. She pioneered the Federal Government's involvement in a venture capital fund and a network of start-up incubators and participated in the launching and execution of the National Broadband Plan. Prior to her Ministerial appointment, she was country Managing Director for Accenture. She currently chairs the board of Custodian and Allied Insurance Limited and sits on the boards of Guinness Nigeria Plc as well as World Wide Web Foundation. Dr. Johnson is the founding Chairperson of Women in Management and Business. She is a member of the World Economic Forum's Global Agenda Council on Africa; UNDP's Broadband Commission Working Group on Gender and the International Telecommunication Union's Powering Development Advisory Board. Since 2015, she has served as Honorary Chairperson of the Global Alliance for Affordable Internet. Dr. Johnson attended the University of Manchester where she obtained BEng, Electrical and Electronic Engineering and King's College London (MSc, Digital Electronics). She has a Doctorate in Business Administration from Cranfield University and is a Fellow of the Aspen Global Leadership Network.

12. Rhidwaan Gasant (South African)

Mr. Gasant is a director of Rapid African Energy Holdings, a start-up oil and gas exploration company focused on Africa. Prior to that, he was the Managing Director and Chief Executive Officer of Energy Africa Limited, an oil and gas exploration and production group. Mr. Gasant also served as Finance Director of Engen Limited. He currently serves on the boards of a number of companies within the MTN Group, as well as on the board of AngloGold Ashanti Limited and Edcon Limited. Mr. Gasant is a chartered accountant in South Africa and a chartered management accountant in the United Kingdom. He completed the Executive Development Program at the University of the Witwatersrand in 1980. He was appointed to the Board of MTN Nigeria in April 2015.

13. Jens Schulte-Bockum (German)

Mr. Schulte-Bockum has extensive experience in the consumer business, as well as the area of large scale transformation in a convergent operation. He held various executive roles at Vodafone, including Chief Executive Officer of Vodafone GmbH, Germany, Chief Executive Officer of Netherlands at Vodafone Libertel BV and Chief Operating Officer of Vodafone Germany. Before joining Vodafone, Mr. Schulte-Bockum was a partner at McKinsey & Company and served as the office manager of its Hamburg office. He is a member of the advisory board of Delta Comfort BV, a regional Dutch cable and multi-utility provider held by EQT Partners, a Trustee of the Bankinter Foundation of Innovation, Madrid, and a member of the advisory board to the School of Business and Economics at Maastricht University, The Netherlands. Mr. Schulte-Bockum holds a Master's degree in Economics from The University of Chicago (1993), a Diplom-Volkswirt in Economics from Christian Albrechts Universität Kiel (1992) and studied Liberal Arts at Emory University (1987). He was appointed to the Board of MTN Nigeria in April 2017.

14. Abubakar B. Mahmoud, SAN (OON) (Nigerian)

Mr. Mahmoud (SAN) is the Managing Partner and one of the founding partners of the law firm of Dikko & Mahmoud. He was elevated to the rank of Senior Advocate of Nigeria in 2001 and is a Life Bencher of the Body of Benchers. A former Kano State Attorney General and Commissioner for Justice, he was in the public service from 1979 to 1993 during which time he held various positions including Director Litigation, Public Prosecution and Solicitor-General at the Ministry of Justice, Kano. Mr. Mahmoud (SAN) is the immediate past President of the Nigerian Bar Association, a Member of the International Chamber of Commerce (ICC), London Court of International Arbitration (LCIA) and was accepted into the Energy Arbitrators List (EAL) in 2013. He is a Council Member of The NSE. He chaired the Committee that drafted the SEC Code of Corporate Governance for Public Companies 2011. Mr. Mahmoud SAN sits on the boards of various companies and charities including Stanbic IBTC Pension Managers Limited and Aliko Dangote Foundation. He holds LL.B and LL.M (Company and Labour Law) degrees from Ahmadu Bello University. In addition, he attended the Summer Institute in Corporate Law and Business, Northwestern University School of Law. He also obtained a Certificate in Techniques of Privatization, Harvard Institute of International Development as well as Certificate in Law and Development, International Development Law Institute.

Currently, Ralph Mupita, Jens Shulte-Bockum, Ferdinand Moolman, Paul Norman and Karl Toriola act as representatives of MTN Group on the Company's Board of Directors.

Corporate Governance Statement

The Company is fully committed to implementing best practice corporate governance standards. The Company recognises that corporate governance practices must achieve two goals: protecting the interest of Shareholders and guiding the Board and management to direct and manage the affairs of the Company effectively and efficiently. The Board has committed substantial time and resources towards the development and implementation of a Code of Corporate Business Principles for directors, managers and employees of MTN Nigeria, which incorporates best practice principles.

To enhance corporate governance, the Board has established the following committees with delegated authorities:

- The Board Audit Committee is headed by Rhidwaan Gasant. Other members of this committee are Muhammad K. Ahmad, OON, Ifueko M. Omoigui Okauru MFR and Karl Olutokun Toriola.
- The Risk Management and Compliance Committee is headed by Dr. Omobola Johnson. Other members of this committee are Andrew Alli, Rhidwaan Gasant, Michael Ajukwu and A.B. Mahmoud, SAN (OON).
- The Remuneration, Human Resources and Social and Ethics Committee is headed by Muhammad K. Ahmad, OON. Other members of this committee are Ifueko M. Omoigui Okauru MFR, Ralph Mupita, Paul Norman, Andrew Alli and Jens Schulte-Bockum.
- The Board Nomination and Governance Committee is headed by Mr. Michael Ajukwu with A.B. Mahmoud, SAN (OON). Other members of this committee are Dr. Omobola Johnson, Ralph Mupita and Paul Norman.

Board committees are constituted to assist the Board properly assess management reports, proposals, effectively exercise oversight functions and make recommendations to the Board. In addition to its overall responsibility for corporate governance, the Board's duties include setting the Company's strategy and values and overseeing and supporting the management team in its day-to-day running of the business. The Company believes that the Board has the requisite knowledge, diversity, skills and independence to enable it to successfully discharge its duties. The Company is dedicated to the protection and promotion of shareholders' interests and recognises the importance of the adoption of superior management principles, its valuable contribution to long-term business prosperity and accountability to its shareholders.

The Board recognises the need for the directors, managers and employees of MTN Nigeria, as well as external consultants and contractors that may from time to time be engaged by MTN Nigeria, to observe the highest standards of behavior and business ethics. The Board has adopted a formal code of conduct applying to the Board and all managers, employees and external consultants and contractors, requiring them to act in accordance with the highest ethical standards. The Board takes ultimate responsibility for these matters.

In compliance with relevant codes of corporate governance including the National Code of Corporate Governance, 2018, the Company ensures that the Board is accountable and responsible for the affairs of the Company in conducting all its operations and transactions in a transparent manner on terms that are commercially at arm's length. The Board adopts good corporate governance practices by ensuring effective communication with its shareholders, ensuring that ethical standards are maintained and putting in place sufficient internal control systems to assure effective running of the Company's day-to-day activities, amongst others.

In order to uphold global corporate governance practices, the Board comprises of a mix of executive and non-executive directors and is headed by a chairman. Also, all directorships held by members of the Board on the boards of other companies are disclosed to the Board. Furthermore, the Company Secretary, Mrs. Uto Ukpanah, possesses the relevant competence and skill to discharge the duties of her office.

The Board meets at least once every quarter to deliberate and address relevant issues which affect the Company's affairs and business. The Board, in carrying out its functions requires that Directors disclose any real or potential conflict of interest where such arises.

In furtherance of its aim of reducing overall corporate management risks, in 2016, the NCC made compliance with its Code of Corporate Governance for the Telecommunications Industry mandatory for all licensees that meet certain criteria, including MTN Nigeria. The Company has a compliance and ethics team, responsible for ensuring that the Company complies with laws, regulations, directives and both internal and external policies.

Management

All members of the Company's senior management team and management team have substantial breadth and depth of experience in various areas including stakeholder management, internal consulting, corporate financial management, analytics and digital. Together, they have a combined experience of over 180 years, with 82 years within MTN Group.

In addition to its Chief Executive Officer (Ferdinand Moolman) and Chief Financial Officer (Modupe Kadri), MTN Nigeria is managed by the following senior management team. The senior management team reports directly to the Chief Executive Officer:

1. Mazen Mroue (Chief Operating Officer)

Mr. Mroue was appointed Chief Operating Officer of MTN Nigeria effective August 2018. He joined MTN Ghana in 1998 as Business Support Manager and rose to the position of IT Director and subsequently Chief Information Officer & Head of Enterprise Business. Mr. Mroue was appointed CEO of MTN Liberia in April 2011 and CEO of MTN Uganda from June 2012 to June 2014. He served as COO MTN Irancell from July 2014 to July 2018 and also served concurrently as a Non-Executive Director of MTN Cyprus from 2015 to July 2018. He began his career in 1996 as a Systems Engineer. In 1996 Mr. Mroue obtained a Master's Degree in Engineering, Intellectual Systems and Networks from the National Aviation University, Ukraine, and is certified in Leadership Development and Finance from Harvard Business School and INSEAD respectively. In September 2018, Mr. Mroue was appointed as a member of the board of the MTNF.

2. Uto Ukpanah (Company Secretary)

Mrs. Ukpanah was appointed as Company Secretary for MTN Nigeria in July 2005. Prior to that, she was Assistant Company Secretary for United Bank for Africa Plc, a company she worked for from 1998 to June 2005. She was a Senior Associate at Paul Usoro & Co, a law firm in Nigeria, from 1997 to 1998. She is a Fellow and Member of the Council of the Chartered Institute of Secretaries and Administrators of Nigeria (2014 to date). Mrs. Ukpanah served as a member of the Committee that drafted the Securities and Exchange Commission Code of Corporate Governance for Public Companies 2011. She was a member of the Technical Committee on the Nigerian Code of Corporate Governance set up by the Financial Reporting Council of Nigeria (2018). In 1989 Mrs. Ukpanah obtained a Bachelor of Laws degree from the University of Cross River State (now University of Uyo) and was called to the Nigerian Bar in 1990.

3. Tobechukwu Okigbo (Chief Corporate Services Officer)

Mr. Okigbo was appointed as Chief Corporate Services Officer for MTN Nigeria in 2017. Previously, he was the Chief Corporate Services Officer for Smile Communications (2015 to 2017). Prior to that he was the General Manager, Government and Environmental Affairs at Airtel Nigeria (2010 to 2014). He also held various leadership positions from 2003 to 2010 at Vmobile, Celtel and Zain. He worked with the Negotiation & Conflict Management Group (NCMG) as the manager responsible for Northern Nigeria between 2003 and 2005. Mr. Okigbo obtained a Bachelor of Laws degree from the University of Maiduguri in 1989 and was admitted to the Nigerian Bar in 1990. He obtained a Master's in Business Administration in 2010 from the University of Liverpool. In September 2017 and March 2018, Mr, Okigbo was appointed to the boards of MTNF and YDFS, respectively. He is a certified dispute resolution professional.

4. Esther Akinnukawe (Chief Human Resources Officer)

Mrs. Akinnukawe was appointed as Chief Human Resources Officer in December 2017. She joined MTN Nigeria in 2012 as General Manager Business Partnering and Services. Prior to that, she was the Head of HR Services at First City Monument Bank Plc from 2010 to 2012, a Lecturer at Lagos Business School (Pan African University) (2003 to 2009) and Head of Human Capital Management at Trust Bank for Africa from 2001 to 2003. She began her career in

1993 with Andersen Consulting (now Accenture). Mrs. Akinnukawe obtained a B.Sc in International Relations from Obafemi Awolowo University, Ile-Ife, Osun State in 1991.

5. Cyril Ilok (Chief Risk and Compliance Officer)

Mr. Ilok was appointed as Chief Risk and Compliance Officer on 3 December 2018. Prior to that, he was General Manager, Business Risk Management from 2014 to November 2018. He joined MTN Nigeria in 2002 as Senior Internal Auditor and rose through the ranks to the position of Senior Manager, Process Audit (2007 to 2013) and Senior Manager, Enterprise Risk Management at MTN Nigeria (2013 to 2014). Prior to joining MTN Nigeria in 2002, Mr. Ilok worked with Standard Trust Bank Ltd (now UBA Plc) between 1999 and October 2002, where he served as Regional Manager, Internal Control for the Western Region. Mr. Ilok obtained a B.Sc in Accounting from the University of Calabar in 1992 and an MBA from University of Benin in 2002. Mr. Ilok is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation of Nigeria (CITN). He is also a Certified Member of the Institute of Risk Management (UK), a Certified Compliance Officer (GAFM) (USA) and a Certified Ethics Officer of the Ethics Institute, South Africa.

6. Ibe Etea (General Manager, Internal Audit and Fraud Management)

Mr. Etea was appointed General Manager, Internal Audit & Fraud Management of MTN Nigeria in August 2019. He started his career in 2003 as an Executive Trainee with the now defunct Intercontinental Bank, before joining KPMG as a Senior Auditor that same year. In this role, he was seconded to MTN Nigeria as a Project Consultant from July to September 2004. Between 2008 and 2013, he worked with Helios Towers Nigeria as Head, Internal Audit. In October 2013, Mr. Etea joined Siemens as Regional Compliance and Data Privacy Officer responsible for the Nigerian and Ghana Operations from where he joined MTN Nigeria in August 2019. At Siemens, he was the pioneer Head of Sustainability/CSR. Mr. Etea holds a B.Sc. in Biochemistry from the University of Lagos and a Master's in Business Administration, specializing in Strategic Planning, from Heriot Watts University, Edinburgh, UK. He is a certified fraud examiner, certified internal auditor, forensic accountant, certified information systems auditor, certified risk management professional and a chartered accountant.

The following management team members report to the Chief Operating Officer:

7. Olubayo Adekanmbi (Chief Transformation Officer)

Mr. Adekanmbi was appointed as Chief Transformation Officer for MTN Nigeria in January 2017. He joined MTN Nigeria in April 2011 as Senior Manager Customer Insight & Information Management. He also served the Company as the General Manager, Business Intelligence and Chief Marketing Officer, MTN Nigeria (2014 to 2016). Prior to joining MTN Nigeria, he was the Global Marketing Strategist with the MTN Group. He began his career in 1999 as a DNA/Biomolecular Research Statistician and Perl Programmer at Union Beverages. He is a Chartered Marketer of South Africa (CMSA). In 2013, Mr. Adekanmbi obtained an MBA from the University of Reading in the United Kingdom.

8. Adekunle Adebiyi (Chief Sales and Distribution Officer)

Mr. Adebiyi was appointed Chief Sales and Distribution Officer for MTN Nigeria in March 2018. He joined MTN Nigeria in 2012 as General Manager Sales in the Sales & Distribution Division. Since then, he has served as the General Manager, Regional Operations, Northern Region and General Manager, Enterprise Sales in the Enterprise Business Unit. Prior to his career with MTN Nigeria, he was the Sales Director Visafone Communications Limited (2007 to 2012) and Head of Commercial in Econet Wireless up until 2007. He started his career at Pfizer Products Plc from 1993 to 2001. In 1991, Mr. Adebiyi obtained a Bachelor’s degree in Agriculture from Obafemi Awolowo University, Ile-Ife and a Master’s in Business Administration from the University of Benin.

9. Mohammed Rufai (Chief Technical Officer)

Mr. Rufai was appointed Chief Technical Officer of MTN Nigeria in April 2019. He has over 18 years’ professional experience in Information and Communication Technology, of which 12 years were at senior management roles in MTN Group including network planning, services and operations. He joined MTN Nigeria in 2002 as a RF/BTS Support Engineer where he was responsible for operating and maintaining all transmission (PDH and SDH) and BTS (Ericsson and RBS and Huawei BTS) equipment in the Kano region. He progressed through several career roles over an 18-year period rising to become General Manager Technology, South-East Africa and Ghana (SEAGHA) with MTN Group in 2018. Mr. Rufai obtained a B.Sc (Hons) Degree in Computer Science from Abubakar Tafawa Balewa

University and has undertaken several leadership development programmes from institutions including DUKE CE, Cranfield University, UK and the Lagos Business School. In both 2017 and 2018, he was adjudged CTO of the Year at the Ghana IT and Telecoms awards.

10. Srinivas Rao (Chief Digital Officer)

Mr. Rao was appointed Chief Digital Officer of MTN Nigeria in June 2019 and has over 20 years' experience in Executive Management, Information Technology, Digital Transformation & Business Strategy, 17 years of which have been in the Telecoms Sector. He served as the Chief Information Officer (ITS Division) and Innovation & Development Director with one of the largest operations of MTN in the Middle East. Before that he was the General Manager, Infrastructure Operations in MTN Ghana. Mr. Rao graduated from Delhi University, India with B. Com (H) Degree in Commerce in 1999 and also obtained a Diploma from the National Institute of Information Technology, Delhi, India. He also holds an Advanced Diploma in Accounting and Business from ACCA, UK. He is a certified Project Manager, and also holds certifications from Oracle, Microsoft and Cisco.

11. Lynda Saint-Nwafor (Chief Enterprise Business Officer)

Mrs. Saint-Nwafor was appointed Chief Enterprise Business Officer of MTN Nigeria in June 2016. Prior to that, she was the Chief Technical Officer from December 2011 to May 2016. She joined MTN Nigeria in 2002 as Systems Planning Engineer in Networks Division. Prior to her career with MTN Nigeria, in 2001, she was Head of Department Engineering, Development & Project Management at EMIS Telecoms Nigeria. She also worked at Data Sciences, UNDP as Systems Engineer 1994 to 1997. She began her career in 1994 as a Trainee System Analyst with DATA Sciences Nigeria Limited. In 1996, Mrs. Saint-Nwafor obtained a Bachelor of Engineering degree from Enugu State University.

12. Rahul De (Chief Marketing Officer)

Mr. De was appointed Chief Marketing Executive for MTN Nigeria in August 2015. Before this appointment, he was the CMO MTN Ghana from June 2011 to July 2015. Prior to his MTN Nigeria career, he was the Marketing Head at Reliance Communications in India from March 2010 to 2011. Prior to that he held leadership positions in India such as Head Retail at Airtel Limited from November 2008 to March 2010, Head Prepaid & Retail Marketing at MAXIS Communications Berhad, 2006 to 2008 and Head Marketing at Airtel Limited from September 2004 to September 2006. He began his career with Berger Paints Limited India as an Area Sales Manager in July 1996. In 1996, Mr. De obtained a Master's Degree in International Business from the Symbiosis Institute of Foreign Trade, India.

13. Randy Bikraj (Chief Information Officer)

Mr. Bikraj was appointed Chief Information Officer in MTN Nigeria in February 2016. Prior to that, he was the CIO of MTN IT Shared Services from July 2011 to January 2016 and CIO MTN Irancell from July 2008 to July 2011. Before then, he served as GM IS Services and GM IS Infrastructure MTN Nigeria from April 2002 to July 2008. Prior to his MTN Nigeria career, he worked at Telkom Ltd SA as Systems Manager and Specialist. He began his career at AUTOS British Technician in 1988. In 1997 Mr. Bikraj obtained a national diploma in datametrics from University of South Africa.

14. Ugonwa Nwoye (Chief Customer Relations Officer)

Ms. Nwoye was appointed Chief Customer Relations Officer of MTN Nigeria in February 2014. She joined MTN Nigeria as Product & Services Manager in 2003 and rose to the level of General Manager Products & Services MTN Nigeria in 2008. Prior to that, she worked at Bain & Company Inc. SA as a Strategy Consultant. Ms. Nwoye also worked at Harvard Kennedy School of Government in the United States as Researcher and Associate at Mercer Management Consulting in San Francisco, California in the summers of 2000 and 2001 respectively. In her early career, she worked as a Senior Field Engineer at Schlumberger (Gabon, Nigeria & Indonesia) from 1995 to 1999. Ms. Nwoye has a Bachelor of Engineering Degree from the University of Nigeria, and a Masters in Business Administration from Harvard Business School.

15. Kolawole Oyeyemi (General Manager, Customer Experience)

Mr. Oyeyemi was appointed General Manager Customer Experience MTN Nigeria in September 2017. Prior to that, he was the General Manager, Business Development in the Sales & Distribution division from November 2014 to 2017 and General Manager Consumer Marketing in the Marketing function from 2007 to 2014. He joined MTN Nigeria in March 2002 as Brand Manager Business Market, Marketing Division. Prior to his career with MTN Nigeria, he worked at Cadbury Nigeria Plc from 1996 to 2000 and Sunrise Marketing Communications Ltd from 1992 to 1996. He began his career at The Quadrant Company as a Media Relations Executive in 1991. In 1989, Mr. Oyeyemi obtained a bachelor's degree in English Studies from Obafemi Awolowo University, Ile-Ife. Mr. Oyeyemi has various post-graduate executive education qualifications in Management and Leadership. He is an alumnus of Columbia Business School, Cranfield School Of Management and Lagos Business School. He is also a fellow of the Marketing Institute in Nigeria

16. Usoro Anthony Usoro (General Manager, Fintech)
Mr. Usoro joined MTN Nigeria as General Manager, Mobile Money in October 2011 and was appointed as the Chief Executive Officer of YDFS in September 2019. Prior to his MTN career, he was the Head, Cards at Stanbic IBTC Bank Plc from 2010 to 2011. Before this time, he held leadership roles in other financial institutions in Nigeria including United Bank for Africa Plc, Standard Trust Bank Plc and Diamond Bank Plc. He began his career in 2000 with Diamond Bank Plc as a System Administrator. Mr. Usoro obtained a BSC in Computer Science from the University of Uyo and is an alumnus of the Lagos Business School and IMD Business School, Switzerland. He is also an associate member of the Institute of Directors of Nigeria.

MTN Nigeria has, in the past, undertaken broad restructuring of its management structure and reporting channels, for example, by including direct reporting of the management team to the MTN Nigeria Board to improve management efficiency. Additionally, pursuant to this restructuring, the Company Secretary now continually reports to the Board and the CEO with a view to maximising compliance with all corporate and regulatory frameworks. Also, in accordance with the governance requirements of the Company, the General Manager (Internal Audit and Fraud Management) reports directly to the CEO. Furthermore, the Company's Compliance and Ethics function seeks to ensure proactive exposure management and full compliance with applicable laws and regulations.

15. USE OF PROCEEDS

The Pricing Supplement for each Series or Tranche under the Programme will specify the details of the use of proceeds of that particular Series or Tranche.

16. RISK FACTORS

Investment in Bonds involves certain risks. Accordingly, prospective investors should carefully consider, amongst other things, the risk factors described below, together with all of the detailed information set out elsewhere in this Shelf Prospectus and reach their own views before making an investment decision. The following section does not describe all the risks of an investment in the Bond. Additional risks and uncertainties not presently known to the Issuer, or that it currently believes is immaterial, could also impair the Issuer's business operations and as a result, the ability of the Issuer to service its obligations under any Bonds. Investors should reach their own views or obtain such professional advice as they deem appropriate, before making an investment decision in respect of the Bonds.

General Bond Related Risks

i. Structural Risks

a. The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes in the regulatory environment in which the Company operates, changes in financial estimates by securities analysts and the actual or expected sale or purchase of a large number of bonds. Each investor needs to assess the market prior to trading their Bonds

b. Bonds may be subject to optional redemption by the Issuer

An optional redemption feature in the Bonds may negatively affect their market value. During any period when the Issuer may elect to redeem Bonds, the market value of those Bonds generally will not rise substantially above the price at which it can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a lower rate.

c. Referencing to an index may subject the Bonds to additional risk

The Issuer may issue Bonds with Principal repayment or Interest payments determined by reference to an index (or formula), to changes in the prices of the securities or commodities or other relevant factors.
Potential investors should be aware that:

- they may receive no interest;
- they may lose all or a substantial portion of their principal;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices; and
- timing of changes in a Relevant Factor may affect the actual yield to investors, even if the actual level is consistent with their expectations; i.e., in general, the earlier the change in the Relevant Factor, the greater the effect on yield.

d. The Credit ratings may not reflect all risks

The Bonds will be assigned a rating by at least one Ratings Agency. The ratings may not reflect all the risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. The ratings may also not reflect all the risks that a potential investor may be seeking clarity on. A credit rating is not a recommendation.

e. Credit Risk

Bonds issued under the Programme will be general obligation bonds backed by the full faith and credit of the Issuer. If a prospective investor purchases Bonds, it is relying solely on the creditworthiness of the Issuer. In addition, an investment in the Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the Bonds.

f. Legal Investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are legal investment for it, (ii) Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

ii. Market Risks

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

a. Liquidity risk for the Bonds

There may not be very active two-way quote trading in the Bonds once issued, although the listing or quoting of the bonds on an Exchange increases the possibility of trading activity. The liquidity of the Bonds may be somewhat limited and investors may not be able to trade the Bonds actively; although there are a number of initiatives aimed at developing and deepening the debt capital market and creating liquidity and a vibrant, tradable bond market, the impact of these initiatives on the trading Bonds cannot be assessed immediately.

b. Currency (Exchange Rate) Risk

Payments of principal and interest on the Bonds will be made in Naira. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency other than the Naira. These include the risk that exchange rates may significantly change, including changes due to the devaluation of Naira or revaluation of the investor's currency.

c. Changes in interest rates may affect the price of the Bonds

When securities such as bonds are offered with a fixed interest rate, such securities are subject to price fluctuations; as such securities may vary inversely with changes in prevailing interest rates. That is, where interest rates rise, prices of fixed rate securities fall and when interest rates drop, the prices increase. Accordingly, the extent of the fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Bonds.

The Bonds may, in the event of a change in market conditions which result in an adverse change in interest rates, be unattractive to investors; with the prevailing rates being more attractive than the coupon on the issued Bonds.

Risks Relating to Nigeria

The Company is subject to risks associated with political, social, regulatory and economic conditions in Nigeria, which may affect its business.

The results of MTN Nigeria's operations are and will continue to be significantly affected by financial, economic and political developments in Nigeria. Low oil prices, a devalued local currency and political uncertainty have negatively affected customer demand in the past. Any future domestic economic downturn could have a material adverse effect on MTN Nigeria's business, financial condition, results of operations and prospects. Investors should also note that MTN Nigeria's business and financial performance could be materially adversely affected by political, financial, economic or related developments outside Nigeria because of inter-relationships within the global financial markets.

Specific risks related to doing business in Nigeria that may have a material adverse effect on the Company's business, financial condition, results of operations and prospects include, among other risks:

- political instability, riots or other forms of civil disturbance or violence;
- religious conflicts, terrorism and social and religious tension;
- medical pandemics or disease outbreaks (such as the occurrence and spread of the Coronavirus) and famine;
- government interventions, including expropriation or nationalisation of assets;
- increased protectionism;
- introduction of tariffs or subsidies;
- changing fiscal, regulatory and tax regimes;
- inflation in local economies;
- uncertainty in government policies and actions, including lack of predictability in the application of tax laws and selective tax audits;
- restricted access to cash;
- restrictions on remittances and stricter exchange control towards the service industry;
- diesel fuel shortages in the country, which may lead to service disruptions;
- difficulties and delays in obtaining requisite governmental licences, permits or approvals;
- cancellation, nullification or unenforceability of contractual rights;
- risk of uncollectible accounts and long collection cycles;
- underdeveloped industrial and economic infrastructure;
- logistical and communications challenges;
- difficulties in staffing and managing operations;
- security and safety of employees;
- border closure affecting movement and logistics to base transceiver stations/systems near border areas; and
- reputational risk.

Changes in investment policies or shifts in the prevailing political climate in Nigeria could result in the introduction of increased government regulation with respect to, among other things:

- price controls;
- export and import controls;
- income and other taxes;
- environmental and planning legislation;
- customs and immigration;
- foreign ownership restrictions;
- corruption, anti-money laundering and combating the financing of terrorism;
- foreign exchange and currency controls and convergence of import and export rates, and CBN rates affecting operating costs of site lease and other contracts; and
- labour and welfare benefit policies.

Nigeria has experienced varying degrees of political instability in the past. Ongoing and future conflicts, including armed conflicts, and politics-related conflicts in Nigeria or in neighbouring countries could impact MTN Nigeria's operations, including its ability to purchase adequate political risk and political violence insurance.

Additionally, the Company is largely owned by MTN Group, its indirect majority shareholder, and it has, in the past and may in the future, be subject to negative press attention or attacks on its employees or locations due to the general perception of the Company as a foreign-owned company. For example, in 2017, MTN Nigeria's office in Abuja, Nigeria was vandalised by protesters in retaliation to xenophobic attacks on Nigerians in Gauteng, South Africa resulting in destruction of equipment, phones and other devices as well as harm to customers and employees of MTN Nigeria. Similar attacks were carried out in Nigeria in 2019 following xenophobic attacks in South Africa, although none of MTN Nigeria's offices or other premises were the subject of any of such attacks.

Any adverse changes in the political, social, economic or other conditions in Nigeria or in neighbouring countries, could have a material adverse effect on the investments that the Company has made or may make in the future, which in turn could have a material adverse effect on the Company's business, financial condition, results of operations, prospects and ability to meet its debt obligations.

A downturn in the Nigerian or global economy may materially adversely affect the Company's business.

MTN Nigeria is exposed to risks associated with any future downturn in the national or global economy. Global financial markets have remained volatile since the global financial crisis that started in 2008 and remain susceptible to renewed shocks. The ongoing disruptions experienced in the international and domestic capital markets since 2008 affected Nigeria particularly through the resulting fluctuations in oil prices, reduced liquidity, decline in exports and increases in credit risk premiums for certain market participants, and have resulted in a reduction of available financing. Companies with operations in countries in developing and emerging markets, such as Nigeria, may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs. While some countries have made a significant improvement since the credit crisis, new challenges such as the decline in oil prices (for example, the recent fall in oil prices due to the increased supply by Saudi Arabia and Russia and the decreased demand in response to the COVID-19 pandemic) and future reduction in oil reserves are expected to continue to cause disruptions. Further, many of MTN Nigeria's strategic partners and suppliers, who are based overseas, may, in the event of a global downturn or a downturn in Nigeria, experience financial difficulties that could affect their ability to service the Company in a timely and efficient manner. Any future global downturn, such as that experienced from 2008 to 2011, could have a material and adverse effect on the Company's revenues, financial condition, results of operations and continued growth.

According to the NBS, as of the fourth quarter of 2019, Nigeria's economy was highly dependent on its trade and investment relations with the United States and India, among others. At the end of the first quarter of 2020, Nigeria's exports to India were ₦637.5 billion (amounting to 15.6% of total exports) and crude oil represented ₦526.8 Billion of the total export amount. India has replaced the United States as Nigeria's largest export destination for crude oil and as such Nigeria relies to a large degree on India's patronage to meet its (Nigeria's) crude oil sales targets. If India or the United States were to suspend, limit or cease trading or investment activities with Nigeria, whether as a result of general macroeconomic conditions or otherwise, Nigeria's economy would suffer, which in turn could have an adverse effect on the Company's business, results of operations, financial condition, cash flows, liquidity and prospects.

In 2019, in real terms, the non-oil sector contributed 92.7% to the GDP in the fourth quarter of 2019, lower than that recorded in the fourth quarter of 2018 (92.9%) but higher than the third quarter of 2019 (90.2%). The annual contribution of the non-oil sector to GDP stood at 91.2% in 2019. The oil sector on the other hand, recorded a 4.6% growth in 2019, higher compared to 0.97% recorded in 2018. The oil sector contributed 8.8% to real GDP in 2019. The oil sector contributed 8.93% to total real GDP in the second quarter of 2020 whilst the non-oil sector, which declined by 6.05% in real terms during the said period, accounted for 91.07% of aggregate GDP.

Oil remains a dominant export in Nigeria and a major source of foreign earnings for the country. On 8 March 2020, Saudi Arabia initiated a price war with Russia, triggering a major fall in the global crude oil price, with

U.S. West Texas Intermediate (WTI) falling by 34% and Brent Crude falling by 24%. The fall in global oil prices has been further exacerbated by the reduced demand for crude oil due to the spreading COVID-19 pandemic. It is expected that these two factors will continue to have a significant impact on global oil prices in the short to medium term.

Economic conditions can have a material adverse effect on telecommunications businesses, including a material adverse effect on the quality and growth of their customer base and service offerings, which could materially adversely affect the Company's business, financial condition, results of operations and prospects. For example, MTN Nigeria's customers may decide that they can no longer afford mobile services, data services and/or other value-added services that are instrumental in maintaining or increasing total revenue generated per subscriber and, in turn, increasing the Company's revenues. Any future economic downturn in Nigeria could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Fluctuations in commodity prices may materially adversely affect the Company's business.

Commodity prices have historically been very volatile, and such high levels of volatility are expected to continue in the future. A significant portion of MTN Nigeria's operational costs are related to site maintenance, including expenditure on diesel fuel. Any increase in commodity prices could increase the amount of the Company's operational expenditures in respect of network-related costs, which could have a material adverse effect on its revenues, financial condition, results of operation and prospects. Decreased commodity prices may also negatively impact the Company. Declines in commodity prices may have adverse macroeconomic effects globally or in Nigeria. For example, the global decline in crude oil prices since 2015 has had a significant impact on the GDP and foreign reserves of, and consequently the exchange rate in, Nigeria, which has affected MTN Nigeria's revenue. The decline in disposable income and consumer expenditure has adversely affected the Company's revenue and margins. Any further decrease in commodity prices could have a material adverse effect on the Company's revenues, financial condition, results of operation and prospects.

Sustained periods of high inflation could have a material adverse effect on Nigeria's economy.

According to the NBS, in July 2020, inflation increased by 12.82% year-on-year compared to 12.56% recorded in June 2020. Furthermore, for the 12-month period ending January 2020, the percentage change in the average CPI for the previous 12-month period was 11.5%. Although tighter monetary policies may help to curb inflation, there can be no assurance that inflation will not continue to remain at current levels or that the inflation rate will not rise in the future. Significant inflation could have a material adverse effect on Nigeria's economy and cause consumer purchasing power to decrease, which, in turn, may have an adverse effect on MTN Nigeria's business, results of operations, financial condition, cash flows, liquidity and prospects.

Nigeria experiences electricity shortages and power outages.

In spite of the abundant energy resources in the country and significant government reform efforts and investments in the power sector in recent years, lack of sufficient and reliable electricity supply remains a serious impediment to Nigeria's economic growth and development. Although Nigeria has witnessed incremental improvements in the sector, failure to adequately address the significant lingering deficiencies in power generation, transmission and distribution infrastructure and related concerns within the power sector could lead to lower GDP and hamper the development of the economy. Slow growth in the economy may lessen consumer propensity to spend, which could materially adversely affect MTN Nigeria's business, financial condition, results of operations and prospects. For example, the Company's customers may decide that they can no longer afford mobile services, data services and/or value-added services that are instrumental in maintaining or increasing total revenue generated per subscriber and, in turn, increasing the Company's revenues. This, in turn, may have an adverse effect on the Company's business, results of operations, financial condition, cash flows, liquidity and prospects.

Failure of ongoing improvement efforts to adequately address Nigeria's significant infrastructure deficiencies could materially adversely affect its economy and growth prospects.

Insufficient investment in the past has adversely affected Nigeria's public infrastructure and resulted in the absence of infrastructure to support and sustain growth and economic development. In addition to power generation, transmission and distribution deficiencies, Nigeria suffers from poor road network, congested ports and obsolete rail infrastructure which have all severely constrained socioeconomic development. Although significant advances have been made in the areas of telecommunications and internet facilities in recent years, the progress of development in these sectors cannot be considered at par with that in more developed economies. The government has identified Nigeria's decaying infrastructure as a major impediment to economic growth and the NERGP includes targets for infrastructure improvements and investments as part of the first phase of implementing Vision 20:2020, a long-term strategic economic transformation plan developed by the Federal Government in 2009 for stimulating Nigeria's economic growth. Failure of these efforts to significantly improve Nigeria's infrastructure could materially adversely affect Nigeria's economy and growth prospects, including its ability to meet GDP growth targets which, in turn, may have an adverse effect on MTN Nigeria's business, financial condition, results of operations and prospects.

Failure to adequately address actual and perceived risks of corruption may materially adversely affect Nigeria's economy and ability to attract foreign investment.

Although Nigeria has implemented and is pursuing major initiatives to prevent and fight corruption and unlawful enrichment, corruption remains a significant issue in Nigeria, as it is in many other emerging markets. Nigeria is ranked 146th out of 180 countries on Transparency International's 2019 Corruption Perceptions Index. Since 2000, Nigeria has implemented various measures to prevent and fight corruption and unlawful enrichment. In particular, Nigeria created the Independent Corrupt Practices and Other Related Offences Commission in 2000 to receive complaints, investigate and prosecute offenders. In 2002, Nigeria also created the Economic and Financial Crimes Commission, which is mandated to combat economic and financial crimes (including powers of investigation and prosecution) and to enforce the provisions of certain laws and regulations relating to economic and financial crimes. In August 2015, the Federal Government established the Presidential Advisory Council Against Corruption which has the objective of advising the Government in connection with anti-corruption policies and strategies for effective law enforcement. The Federal Government has outlined the War Against Corruption as one of its key programmes. This programme is aimed at strengthening the powers of the EFCC and other anti-graft agencies. One of the major initiatives was the establishment and implementation of a nationwide whistle-blowing policy used to report corrupt practices in public agencies.

Despite various reform efforts, however, corruption continues to be a serious problem impacting Nigeria. There have been a number of high-profile convictions for corruption, including those of state governors. A number of senior government officials have been dismissed and some of them, including former state governors, are facing corruption charges. Failure to address these issues, continued corruption in the public sector and any future allegations or perceived risk of corruption in Nigeria could have an adverse effect on the Nigerian economy and may have a negative effect on Nigeria's ability to attract foreign investment and, as a result, may have a material adverse effect on the Company's business, financial condition, results of operations, cash flows, liquidity and prospects.

There are risks related to political instability, religious differences, ethnicity and regionalism in Nigeria.

MTN Nigeria's operations are exposed to the political and social environment of Nigeria, which has the potential for civil and political unrest and contributes to an uncertain operating environment. In recent years, Nigeria has experienced considerable unrest, terrorism and political and religious conflicts. Divisions based on geography can be magnified by religious differences, particularly between the north, which has a predominantly Muslim population, and the south, which has a predominantly Christian population. Certain northern states have adopted Sharia law since the return to civilian rule in 1999. Other than the People's Democratic Party and the All Progressives Congress, many of Nigeria's political parties are based largely upon regional allegiance. These regional affiliations have in the past contributed to, and may continue to contribute to, political and religious tension, which can also lead to social unrest.

For example, during the presidential election which took place on 23 February 2019 resulting in the re-election of President Muhammadu Buhari, there were reports of violence and riots in certain parts of the country.

Nigeria has also, from time to time, experienced attacks and kidnappings in parts of the country, particularly in the northern and south-southern states. It is believed that the attacks in the northern states have been carried out by Islamist militia groups based in the north, such as Ansar-ul-Islam and Boko Haram. These attacks have occurred at various sites including churches, mosques, schools, business premises, police stations and immigration offices in Kano, Maiduguri, Mubi, Yola and Gombe. Also, there has been an increase in incidents of kidnapping. Under the current administration of President Muhammadu Buhari, the Government has focused on combating terrorism in Nigeria as one of its key priorities, sought and gained the support of Western governments and has participated in a joint task force consisting of military forces from Nigeria, Chad and Niger to combat terrorism. Additionally, there have recently been violent disputes between farmers and herdsmen, particularly in the Middle Belt region. Further escalation of these conflicts could contribute to social unrest and thereby affect the Company's business, financial condition, results of operations and prospects.

Insurgent activities in the north-east region of the country have also resulted in social and economic damage, including damage to MTN Nigeria's mobile sites. The destruction of farmlands and a lack of labourers to engage in farming due to security fears have adversely affected agricultural production in the region and have resulted in instances of shortage of food supply. Additionally, continued security concerns have deterred humanitarian aid and in a number of cases, foreign aid workers have been subject to attack. Following an incident in July 2016, the United Nations Children's Fund ("**UNICEF**") temporarily withdrew certain aid funds. MTN Nigeria has had its operations in the North East region adversely impacted. For example, in 2019, Boko Haram attacks in the region resulted in significant instability and disruption to commercial activity as civilians in many parts of the region faced threats from insurgent attacks as well as counterterrorism operations.

Additionally, in the past, there have been occurrences of violence, oil theft, and civil disturbance in the Niger Delta, Nigeria's southern oil-producing region, mainly from militant groups who attack oil installations, among other things, in protest against the Government and the allocation of oil revenue among the regions of the country. Such acts have mainly been directed at oil interests in the region, and oil production from onshore fields has slowed as a result, materially and adversely affecting the Federal Government's revenues from oil production. The Nigerian National Petroleum Corporation recently expressed its concern over the incidence of pipeline vandalism across the country. There can be no assurance that such unrest will abate or not escalate. In the South-Western part of Nigeria, the Western Nigeria Security Network code-named Operation Amotekun was established in January 2020 by the governors of the South Western states of Nigeria (i.e. Lagos, Oyo, Ogun, Ondo , Osun and Ekiti States) to assist police officials and other security agencies and traditional rulers in combating terrorism, banditry, armed robbery and kidnapping. Furthermore, the group aims to resolve herdsmen and farmer-related conflicts in the region. The group's membership is made up of local hunters and members of other security and vigilante groups. Unless resolved, these conflicts may adversely affect Nigeria's political and economic stability which may, in turn, affect the Company's business, financial condition, results of operations and prospects.

Events in neighbouring and other emerging markets, including those in sub-Saharan Africa may negatively affect Nigeria and its economy.

Economic, security or health distress in Nigeria's neighbouring countries and nearby emerging market countries may materially adversely affect Nigeria's economy, the prices of securities and the level of investment in other emerging markets' issuers as investors move their money to more stable, developed markets. Financial problems or an increase in the perceived risks associated with investing in emerging market economies could dampen foreign investment in Nigeria and materially adversely affect the Nigerian economy. Adverse developments in other countries in sub-Saharan Africa, in particular, may have a negative impact on Nigeria if investors perceive that such developments will materially adversely affect Nigeria or that similar adverse developments may occur in Nigeria. Risks associated with sub-Saharan Africa include political uncertainty, civil unrest and conflict, corruption, the outbreak of disease and poor infrastructure. Investors' perceptions of certain risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Nigeria.

Nigeria may face a lack of continued access to foreign trade and investment.

According to the Nigerian Capital Importation Q1 2020 Report issued by the NBS, the total value of capital importation into Nigeria stood at U.S.$5.85 billion in the first quarter of 2020. This represents an increase of 53.9% when compared to the fourth quarter of 2019, and a 31.19% decline when compared to the first quarter of 2019. Similarly, the total value of capital importation in 2019 stood at U.S.$23.9 billion, compared to U.S.$16. 8 billion in 2018, representing a growth of 42.7% between the two periods.

The future prospect for FDI to rebound and surpass its previous inflows is uncertain. In addition, if there is no decrease in the perceived risks associated with investing in Nigeria, including those described herein, there may not be any appreciable increase in FDI, which could materially adversely affect the Nigerian economy and limit sources of funding for infrastructure and other projects requiring significant investment by the private sector, which, in turn, may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The taxation and customs systems, laws and regulations in Nigeria may be subject to changes.

As in many emerging market economies, the Federal Government's policies and regulations on taxation, customs and excise duties may change from time to time as considered necessary for the development of the economy. In addition, the government has indicated that taxes, customs and excise duties may be the next major sources of revenue in view of the fluctuation in revenue derived from crude oil export.

In March 2017, in view of allegations that some telecommunications equipment and services companies in Nigeria were evading taxes, the House of Representatives set up an ad-hoc committee to investigate such companies' administrative and operational procedures and assess their tax compliance status. In carrying out its functions, the committee requested MTN Nigeria to provide documentary evidence showing compliance with certain tax regulations. Consequently, the committee directed MTN Nigeria to reconcile the amounts quoted in its interim report as taxes payable to the government with its consultants. Based on the successful defence of MTN Nigeria's position, representatives from MTN Nigeria Tax Function met with the members of the committee and its consultants to reconcile the tax submissions made by MTN Nigeria. The ad-hoc Committee discharged the alleged liability of ₦112.7 billion and cleared MTN Nigeria of all allegations relating to the under-remittance of federal taxes in Nigeria.

Currently, a bill in respect of CST is being considered by the National Assembly. The CST will be levied on service fees payable by users of electronic communication services (such as voice calls, SMS, multi-media messaging, pay-per-view TV stations, and data usage) at 9% and will be borne by the customers. If the bill is enacted into law, it will mandate service providers to file monthly tax returns with the FIRS with strict penalties for non-compliance. The bill also empowers the FIRS to appoint agents for purposes of establishing both electronic and physical monitoring mechanisms, via access to network nodes of service providers at an equivalent point in the network where the network providers' billing systems are connected. If the bill is enacted into law, this could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Although the CST is intended to be borne by the users of the electronic communication service, this may be impracticable because of the increasing economic burden on the subscribers. In addition, the CST would impose significant compliance burden and costs on the Company and could significantly increase the risk of data protection violation, given the possible requirement to provide the government and its appointed agents access to network nodes.

Additionally, the Digital Rights and Freedom Bill, if signed into law, will regulate human rights as they relate to the use of the internet and media online as well as protect internet users in Nigeria from infringement of their fundamental rights in connection with the use of digital platforms and/or digital media. Although in March 2019, President Muhammadu Buhari declined assent to the bill, where the bill nonetheless becomes law, upon being passed by the National Assembly by a two-thirds majority vote to override the President's veto, the Company will be required to comply with the provisions of the law. Any breaches or non-compliance with the law could expose the Company to penalties, additional expenses and/or requirements to put in place additional processes to assure compliance.

The Finance Act, 2019 was recently passed in Nigeria and specifically aims at promoting fiscal equity by mitigating instances of regressive taxation (or double taxation on the same income stream), aligning domestic tax laws with global best practices and enhancing Ease of Doing Business in support of Micro, Small and Medium Enterprises. The Finance Act, 2019, also amends relevant tax laws in Nigeria relating to Value Added Tax, Companies Income Tax, Stamp Duties and Capital Gains Tax, amongst others. By the provisions of the Finance Act, the applicable value added tax rate in Nigeria was increased from 5% to 7.5% on all eligible goods and services. This new VAT rate took effect from 1 February 2020. This effectively means that the Company's customers will be required to pay VAT at an increased rate for eligible services in Nigeria and this may ultimately affect the spending power of such customers. MTN Nigeria has implemented the 7.5% increase in the standard VAT rate on calls, voice, SMS and invoiced services and intends to effect the rate on data, digital and fintech in the next phase of the implementation process.

MTN Nigeria is subject to tax audits by the FIRS, which may result in the imposition of additional tax liabilities and materially adversely affect MTN Nigeria's results of operations. For example, the FIRS conducted a tax audit on the books of MTN Nigeria for the 2010 to 2015 financial years and imposed an additional tax liability of ₦288 billion as a result of the audit. Following the objection raised by MTN Nigeria and reconciliation meetings held with the FIRS, the initial assessment was reduced to ₦86.4 billion. MTN Nigeria further objected to this revised assessment based on technical interpretation of the basis of the assessment. Consequently, MTN Nigeria duly filed an Appeal at the Lagos Division of the Tax Appeal Tribunal upon receipt of a Notice of Refusal to Amend issued by the FIRS. The TAT delivered its judgment in the Company's appeal against the FIRS on 7 February 2020 and as part of its decision, the TAT ruled that the settlement amount paid by the Company to NCC did not qualify as a tax-deductible expense for tax purposes because the expense did not pass the "necessary" test. This will not expose the Company to any additional tax liability as the Company had already made payment of the relevant taxes in advance.

The Company is subject to changing tax laws, regulations and treaties and its tax expense is based upon the tax laws in effect currently. A change in these tax laws, regulations or treaties or in the interpretation thereof, or in the valuation of the Company's deferred tax assets, which are beyond the Company's control, could result in a materially higher tax expense or a higher effective tax rate on the Company's earnings. Any additional tax liability imposed by tax authorities may not be provided for and may exceed any accounting provisions made for such tax and may thus have an adverse impact on the Company's financial condition or results of operations. Generally, any failure to comply with the tax laws or regulations may result in reassessments, late payment interest, fines and penalties, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Inefficiencies in the judicial system may create an uncertain environment for investment and business activity.
Nigerian law is predicated on the common law system, with its roots being derived from the English legal system. The Nigerian legal system faces a number of challenges including delays in the judicial process as many cases take a considerable period of time to be concluded. Similarly, the enforcement of security in Nigeria is affected by the inefficiencies in the judicial system and can result in uncertain positions. However, there has been considerable reform of the judiciary in recent years, especially in Lagos State (the commercial centre of Nigeria and where the Company is headquartered), with the establishment of commercial courts, the appointments of more commercially-minded judges and the introduction of new rules to reduce delays in the judicial process. In addition, the National Industrial Court is a superior court of record with exclusive jurisdiction amongst others, in civil cases and matters relating to labour, employment, trade unions, industrial relations, terms of service and matters arising in relation to the workplace. Despite reforms, the slow judicial process may sometimes affect the enforceability of judgments obtained. These and other factors that have an impact on Nigeria's legal system make an investment in MTN Nigeria subject to increased risks and uncertainties than an investment in more developed economies.

Risks Relating to Foreign Exchange

The Company is exposed to foreign exchange risks, which may be material.
MTN Nigeria prepares its financial statements in Naira and derives revenue and/or incurs costs predominantly in Naira and U.S. dollars (among other foreign currencies less material to its business). Between February 2015 and May 2016, the Naira was pegged to the U.S. dollar at a fixed exchange rate and consequently foreign exchange loss diminished during this period. However, in June 2016, the CBN de-pegged the exchange rate, which resulted in the devaluation of the Naira against the US dollar of more than 40%. Under this CBN policy, the CBN could intervene in the single market (for the primary purposes of seeking to improve liquidity and manage volatility) by purchasing or selling foreign exchange at no predetermined or maximum spread through the two-way quote system. As part of the new

exchange rate policy, the CBN introduced Foreign Exchange Primary Dealers, which are registered authorised dealers designated to transact large trades with the CBN on a two-way quote basis. Although Bureaux de Change operators also participate in the single market, they are permitted to only disburse funds in cash for certain eligible retail transactions. On the day of the CBN's June 2016 announcement, the official rate fell approximately 30% in value to ₦280 to the U.S. dollar.

The CBN recently adjusted the CBN exchange rate when it moved it from ₦360 to U.S.$1, to ₦380 to U.S.$1 dollar at the Investor and Exporter Window on 20 March 2020. As of July 2020, the CBN exchange rate for most government transactions was ₦361 to U.S.$1 while the Nigerian Autonomous Foreign Exchange Fixing Mechanism ("NAFEX") exchange rate for most private counterparties transactions, according to the FMDQ OTC Securities Exchange ("FMDQ"), was ₦386.93 to U.S.$1 as at 28 August 2020. Furthermore, the CBN in June 2020, confirmed that it will continue to pursue unification around its NAFEX.

MTN Nigeria has long-term contracts with, among others, tower companies with significant portions of the cost linked to the U.S. Dollar and therefore the Company's associated costs are sensitive to fluctuations in the Naira to U.S. dollar exchange rate. Further depreciation of the Naira could have a negative effect on MTN Nigeria's results of operations and financial condition to the extent that it has a mismatch between its earnings in any foreign currency and its costs that are denominated in that currency. Additionally, further currency fluctuations or the scarcity of foreign currency may negatively affect the Nigerian economy in general and, as a result, have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Where possible, the Company manages foreign currency risk by matching same currency revenues to same currency expenses, and also by strategically denominating debt in certain functional currencies in order to match projected functional currency exposures as well as by entering into hedging arrangements. However, only a limited array of hedging instruments is available in the Nigerian market to hedge currency risk and there is no guarantee that the Company will be successful with this strategy. Accordingly, any future unhedged interest rate risk may result in an increase in MTN Nigeria's interest expense and may have a material adverse effect on its business, financial condition, results of operations and prospects. If MTN Nigeria fails to adequately protect against currency exchange risk, the costs of servicing its debt obligations and providing its services may increase, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

In April 2017, the CBN, via a circular dated 21 April 2017 (the "Circular"), introduced the NAFEX (and established what is commonly known as the "Investors' and Exporters" foreign exchange window), a special foreign currency exchange window for investors, exporters and end-users which aims to increase liquidity in the foreign exchange market in Nigeria and ensure timely execution of settlement of eligible transactions. The Importers and Exporters window is the foreign exchange market through which parties are able to buy and sell foreign exchange at a near market-determined exchange rate. Despite the measures implemented by the CBN towards the gradual convergence of foreign exchange rates, there continues to be a difference between the official rate and rates available on the unofficial parallel markets. Notwithstanding CBN's measures, private individuals regularly participate in the unofficial parallel markets.

The CBN foreign exchange ("FX") rate is the rate obtainable at the CBN official FX window reserved for accessing U.S. Dollar to import critical raw materials and machinery for manufacturing. The CBN is the major supplier of U.S. Dollar at this window and the critical sectors that can access this window are the manufacturing sector and petroleum products importers. The NAFEX is the FMDQ benchmark rate for FX spot operations in the Investors' & Exporters' FX Window. This window is for all FX transactions except the excluded 43 items by the CBN and it is the official FX market for loans, dividends, interest payments and personal income remittances.

In view of the foregoing, there can be no assurance that the Nigerian FX regime will not undergo further changes, which may materially adversely affect the Company's operations, procedure for sourcing required FX for its purchases, services and/or transactions, or otherwise, be altered in a manner that may be detrimental to the Company.

Fluctuations in interest and exchange rates could increase the Company's finance costs and/or make it difficult to meet its obligations under finance facilities.

MTN Nigeria's finance costs are highly sensitive to many factors beyond its control, including the interest rate, exchange rate and other monetary policies of the Federal Government and/or the CBN. Approximately 8.2% of MTN Nigeria's debt as at 31 December 2019 was denominated in U.S. dollars with the remainder denominated in Naira. Further depreciation of the Naira may occur in the near term due to muted global oil prices. There can be no assurance that such rates will not be negatively affected by adverse financial, economic, political or other events. A significant depreciation of the Naira relative to the U.S. dollar could materially adversely affect MTN Nigeria's ability to repay or refinance its U.S. dollar denominated financial indebtedness, which in turn could have a material adverse impact on the Company's business, financial condition, results of operations and prospects.

Furthermore, the floating rate portion of MTN Nigeria's loans and borrowings is subject to interest rate risk resulting from fluctuations in the relevant reference rates underlying such debt. Consequently, because a significant portion of the Company's debt is subject to floating interest rates, any increase in such reference rates will result in an increase in MTN Nigeria's interest rate expense and may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The imposition of exchange controls in Nigeria due to illiquidity of Foreign Exchange leading to delays in settlement of foreign-denominated obligations.

Prior to the introduction of the Investors and Exporters FX window by the CBN in April 2017 (which boosted liquidity in the FX market and allows for timely execution and settlement of eligible transactions at the near market-determined exchange rates), the CBN had adopted stringent exchange controls as a way of conserving foreign reserve due to the decline in Federal Government's foreign exchange earnings from crude oil export as a result of the drop in crude oil price and the attendant declining foreign reserve at the time.

There was short supply of FX into the market with the CBN as the sole supplier through the Secondary Market Intervention Sale (SMIS) window and introduction of controls such as the restriction of 43 items from participating in the Nigerian FX Market and prioritisation of FX allocation to transactions considered as essential imports and payments. In February 2020, the CBN imposed a foreign exchange restriction on the importation of milk and dairy products into Nigeria. The CBN however, approved six companies whom the aforementioned restriction will not apply to, namely: FrieslandCampina WAMCO Nigeria PLC; Chi Limited; TG Arla Dairy Products Limited; Promasidor Nigeria Limited; Nestle Nigeria Plc and Integrated Dairies Limited.

The CBN prioritised FX allocation to the airline, agriculture, petroleum, raw material/machineries subsectors with the exception of the Telecoms and Services subsector in the period of FX illiquidity. The controls impacted MTN's ability to promptly execute foreign-denominated capital expenditure which necessitated the use of trade line facilities with banks as a way out; while slight delays were experienced in the settling of foreign debts.

Between March 2015 and June 2016, the Naira was pegged to the U.S. dollar at a fixed exchange rate. However, in June 2016, the CBN de-pegged the exchange rate, which resulted in a significant fall in the value of the Naira against the U.S. dollar. This resulted in foreign exchange denominated contracts being negatively impacted and making it more difficult for MTN Nigeria to pay its foreign-denominated debts and increased its operational and capital expenditure costs, a significant amount of which are incurred or linked to U.S. dollars. As a result, the Company was unable to make U.S. dollar payments, resulting in reduced capital expenditure for 2016 and for the first half of 2017. After the introduction of the Investors and Exporters FX window by the CBN in April 2017, the Company's capital expenditure returned to normal levels. However, further changes in regulatory policies concerning exchange controls and limits (all of which the Company is unable to accurately predict) may have a material adverse effect on the Company's business, financial condition, results of operations and prospects, and the Company is unable to predict the future course of such policies.

The Nigerian Naira may become subject to further devaluation which may materially affect the Company's financial condition.

MTN Nigeria derives revenue and/or incurs costs predominantly in Naira and U.S. dollars (among other foreign currencies less material to its business). In March 2020, global oil prices fell drastically as a result of the increased supply by Saudi Arabia and Russia in the global crude oil market as well as decreased global demand in response to

the COVID-19 pandemic. This ultimately affected Nigeria's revenues from export during the period. In March 2020, the Naira traded at ₦380 to $1 at the Investors and Exporters Window ("I&E Window") after the CBN announced that it had allowed the currency mirror developments in the market-determined I&E Window and had adjusted the exchange rate accordingly. This was largely due to the crash in global crude oil prices, which resulted in an increased demand for dollars in the Bureau de Change ("BDC") segment of the market. On July 7, 2020, the CBN effectively adjusted the Naira to United States Dollar exchange value to ₦381 per $1, reflecting a devaluation of the official market rate by 5.54%.
Furthermore, the CBN granted a two-week market holiday to BDC operators effective from 27 March 2020, in view of the ongoing challenges faced in the global economy as a result of the adverse impact of the COVID-19 pandemic. As such, the sale of foreign exchange to BDCs was suspended. The restrictive period was expressed by the CBN to be tentative and as such may be extended further.

Any further devaluation of the Naira may lead to increases in the Company's operating costs reductions in margins and exchange losses. MTN Nigeria's results of operations will continue to be impacted by fluctuations in exchange rates, particularly the Naira to U.S. dollar rate. These adverse consequences could have a material adverse effect on the Company's financial condition and results.

Risks Relating to Laws And Regulations

Changes in relevant and applicable Nigerian laws, regulations or policies could materially adversely affect the Company's business, financial condition, results of operations and prospects.
The NCC is the independent regulatory authority for the telecommunications industry in Nigeria. The NCC is charged with the responsibility for, amongst other things, regulating the supply of telecommunications services and facilities, promoting competition within the telecommunications industry, and setting performance standards for telecommunication services in the country, amongst others. By law, the NCC consults with interested parties prior to issuing regulations. It has the power to vary its own decisions and its decisions are subject to judicial review. Regulatory actions by the NCC have had, and may in the future have, a significant impact on the Company's business, financial condition, results of operations and prospects whether in respect of ongoing issues or potential future non-compliance. For more information on the regulatory regime in Nigeria.

Below are a number of key recent regulatory developments that have impacted MTN Nigeria:

- *Determination of Dominance:* In April 2013, further to a market study undertaken by the NCC, MTN Nigeria was declared dominant in the retail mobile voice market segment and jointly dominant in the wholesale leased lines and transmission capacity market sub-segments. Key impacts of the determination were the obligation for MTN Nigeria to collapse the then existing differential between its on-net and off-net voice tariffs, as well as the application of a more stringent *ex ante* (before implementation) product approval regulation regime. Following the introduction of this regime, some product approval requests have been denied on the basis of "competition considerations". Engagement is ongoing with the NCC with a view to securing a less restrictive approach to regulating dominance and creation of improved competitive market conditions. However, there can be no assurance that the NCC will adopt such approach.

- *Withdrawal of Regulatory Services:* In July 2015, the NCC suspended the rendering of regulatory approvals to the Company which precluded it from obtaining regulatory approval for new tariff plans and promotions amongst other regulatory services. This negatively impacted the Company's revenues and margins during the period of the regulatory suspension. The withdrawal was premised on disputes around the Company offering certain products without approval and non-compliance with the NCC's withdrawal of the 30% differential between on-net and off-net tariffs earlier granted to MTN Nigeria. The said differential had previously been granted to MTN Nigeria by the NCC in response to the Company's arguments on the onerous and anti-competitive impact of the 2013 dominance determination obligation to collapse the Company's on-net and off-net tariffs. Following engagement with the NCC, regulatory services were restored to MTN Nigeria in March 2016.

- *NCC Fine.* In October 2015, the NCC imposed a ₦1.04 trillion fine on MTN Nigeria related to the failure to timeously disconnect 5.1 million SIM cards following the Nigerian regulator's introduction of SIM registration regulations. In June 2016, MTN Nigeria reached a negotiated resolution with the Nigerian authorities (under the auspices of the NCC) whereby the fine was then reduced to a total cash amount of ₦330 billion which has since been fully paid.

- *Data bundle regulation.* In 2015, the NCC directed all operators to seek consent from customers prior to charging out-of-bundle rates upon the depletion of data bundles which adversely affected MTN Nigeria's data revenue. Related to this, in April 2018, the NCC issued a directive requiring all operators to rollover any subscriber's unused data upon a renewal being undertaken by the subscriber within a specified period following the expiration of a data plan. For subscribers on data plans with validity periods of 30 days and above, above one day but less than 30 days and one day; the applicable renewable period will be seven (7) days, three (3) days and one (1) day respectively. The directive has the impact of extending the validity period of data bundles for a significant portion of the Company's active subscriber base and has adversely impacted its data revenues.

- *DND list requirements.* In April 2016, the NCC issued a directive requiring operators to implement a DND directive which enables customers who do not wish to receive unsolicited messages to opt into the service. MTN Nigeria has created a DND database and has provided a platform which enables its customers to opt into the service. If the Company fails to comply with the DND directive requirements, this could result in fines or other regulatory action being taken against it and impact the Company's revenue from its digital and VAS products.

- *SIM registration requirements.* In the fourth quarter of 2016, the NCC issued a directive requiring all mobile operators, effective from 1 February 2017, to provide a controlled environment for registration of SIM cards. According to the directive, SIM registration may only be carried out in a controlled environment (a permanent structure with logos of the operators in place) that must be operated by a clearly-identified employee of the operator or an approved dealer/agent with a valid means of identification issued by the operator. The NCC subsequently permitted the use of kiosks and other structures affixed to the ground. The directive has resulted in a reduction in registration contact points and a corresponding impact on the volume of subscriber activations, as well as an increase in the costs for setting up registration contact points.

- *USSD Price Determination*: The NCC issued a determination on USSD Pricing in July 2019, which amongst others set USSD sessions at 20 seconds; and set a price floor and price cap for such 20-second USSD service services at ₦1.63 and ₦4.89, respectively. In compliance with the determination, MTN Nigeria adjusted its rates for USSD services upwards and notified customers of the change. However, commercial banks in Nigeria, being the primary consumers for USSD infrastructure, rejected the price review and requested for a change in the billing model from corporate to end-user billing. An attempt to implement the end-user billing was opposed to by consumers who were not aware of the USSD charges and the fact that the said banks previously bore responsibility for the charges. This resulted in an impasse and culminated in the intervention of the Minister for Communication and the Digital Economy, who directed suspension of the application of the revised rates. Engagement is ongoing amongst relevant stakeholders towards reaching a mutually acceptable solution.

- *NIN Directive*: With effect from 1 January 2019, the Federal Government directed the implementation of mandatory use of the National Identification Number ("**NIN**") issued by the National Identity Management Commission (the "**NIN Directive**"). Accordingly, all persons are required to present their NIN for certain transactions including but not limited to application for and issuance of a passport and opening of individual and or personal bank account(s). The NIN is also required for SIM purchase and registration. Furthermore, to the extent that certain of the collected data might not be compliant with standards imposed by the NCC and compliance will not be verified until such data has been provided to the NCC, the Company may be required to re-register such subscribers. In an extreme case, this might attract sanctions, including payment of fines.

  There is a risk that the enforcement of the NIN Directive may adversely impact activations on the network, and ultimately MTN Nigeria's revenues. Furthermore, changes to relevant policies affecting SIM registration could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

  The Minister of Communication and Digital Economy, in 2020, issued a broad policy Directive to the NCC requiring that the NIN become a prerequisite for Nigerians registering new SIM cards (while for foreigners, their passports and visas should be used). The policy also stated that all already registered cards are to be updated with NINs before 1 December 2020. In addition, the policy suggested that the maximum number of SIM cards that can be tied to a single individual should not be more than three. In furtherance to the directive, the NCC, in February 2020, gave MTN Nigeria notice of its intention to issue a Direction on NIN which would require all new subscribers to be registered amongst other requirements with their National Identity Number before their SIM is activated. In the case of foreign nationals, their International Passports shall be a mandatory requirement for the registration of their SIM. MTN Nigeria was given an opportunity to submit comments by 20 March 2020 and has provided comments on the said Direction to the NCC.

- *VAS Aggregator Framework.* In March 2018, the NCC issued an "Amended Value Added Services and Aggregator Framework". The framework seeks to regulate the VAS industry and introduce a new regulatory regime (the VAS Aggregator). When implemented, the framework could also restrict MTN Nigeria's ability to offer VAS offerings to its customers or play the role of a VAS Aggregator and thereby have a material adverse effect on the Company's revenue, business, financial condition, results of operations and prospects.

- *Data management*. The Company's operating environment is prone to challenges with data management, as Nigeria's identity management system and framework are only developing and as such are still subject to risks, including challenges to adequately ensure data integrity. The NCC created the SIM Registration Industry Task Force (the "**Task Force**") to address the challenges facing operators around subscriber identification and registration. Further to the establishment of the Task Force, several resolutions including the Industry Working Group on harmonisation of SIM registration process with the NIMC were reached to ensure a clean SIM database. The NCC, in June 2019, commenced the second round of comprehensive verification audit of MNOs' SIM card registrations. This audit exercise was concluded in August 2019. The audit was specifically to ensure strict adherence by telecom operators to the provisions of the Telephone Subscribers Registration Regulations, 2011. Following a September 2019 Ministerial directive, the NCC, within a week, intensified efforts by reducing the number of improperly-registered SIM cards from 9.2 million to 2.2 million (source: NCC).

- *National Broadcasting Commission:* In 2015, the NBC issued to MTN Nigeria a DTT broadcast licence, for a ₦34.1 billion licence fee. In May 2016, the Company launched and transmitted a broadcasting service which jointly operated on the broadband network and a terrestrial broadcast network. This pilot was in fulfilment of MTN Nigeria's DTT broadcast licence conditions, which mandated commercial launch within 12 months of the issuance of the licence, and also as a precursor to full commercial operations. The spectrum on which this service operated (700MHz) has subsequently been regularised for the use of telecommunications services. The NCC has also been recently focused on establishing rules and a regulatory framework for interconnection between fixed and mobile networks, including mobile termination (*i.e.* the ability of a telecommunications provider to terminate a call on another operator's network or calling between networks) and the related pricing mechanisms (*i.e.*, mobile termination rates).

- *Environmental Disputes and Claims:* The Company, in its operations, employs the use of network base stations which produce certain (non-ionising) emissions which may have an adverse impact on the environment. The National Environmental Standards and Regulations Enforcement Agency ("**NESREA**") established pursuant to the NESREA (Establishment) Act of 2007 is responsible for enforcing environmental standards, regulations, rules and policies, and brought an action against the Company in the FHC, Abuja, alleging that the use and operation of its network base station, generator sets and diesel storage tanks at a site located in Abuja were a threat to human life and the environment in those residential areas. As part of the claim, NESREA claimed the sum of ₦500 million as general damages against the Company. The Company filed a notice of preliminary objection asking the FHC to strike out the suit brought by NESREA on the grounds that NESREA lacked the locus standi to bring the action against the Company and that the FHC lacked the jurisdiction to hear the matter, amongst others. The Company's preliminary objection was dismissed by the FHC after which the Company filed an appeal against the ruling of the FHC dismissing the Company's preliminary objection. The FHC upheld the Company's motion for stay of proceedings pending the determination of the Company's appeal to the Court of Appeal. Nonetheless, the Company is in the process of resolving such environmental issues. Failure to address these allegations by the NESREA could have a material adverse effect on the Company's business, financial condition and results of operations.

Further changes in the regulatory environment affecting the telecommunications industry could have a material adverse effect on MTN Nigeria's business, financial condition, results of operations, prospects and revenue stream mix, depending on how they are implemented. Some of these potential changes include:

- the level of competition in selected telecommunications markets;

- the introduction of new regulations in relation to retail price floors for voice USSD or data services;
- determination of cost-based pricing for Fixed Transmission services;
- determination of cost-based pricing for Retail Broadband and Data services;
- new international termination rates; and
- active network sharing and national roaming guidelines.

Such regulatory interventions may limit MTN Nigeria's pricing flexibility, raise its costs, reduce its retail or wholesale revenues or confer greater pricing flexibility on its competitors. Furthermore, the impact of the changes to the termination rates are expected to have a market-wide effect on all operators in the telecommunications sector.

Current and future antitrust and competition laws may limit the Company's growth and subject it to antitrust and other investigations or legal proceedings.

The current antitrust and competition laws and related regulatory policies in Nigeria generally favour tighter competition oversight in the telecommunications industry and, as such, may prohibit the Company from making further acquisitions or continuing to engage in particular practices. These laws and policies aim to safeguard the interests of consumers and the general public by preventing monopolies and anti-competitive behaviour. The NCC is particularly focused on establishing rules and a regulatory framework for interconnection between networks (i.e., the ability of a telecommunications provider to terminate a call on another operator's network) and the related pricing mechanisms between network operators for such calls (i.e. mobile termination rates).

On 1 June 2018, the NCC issued its Determination of Mobile (Voice) Termination Rate circular (the "**2018 Circular**") as part of its commitment to undertake regular reviews of the interconnection rates, and in the light of recent developments in the Nigerian communications market. The NCC decided to review the rates set in its 2013 Determination and retained PricewaterhouseCoopers ("**PwC**") to assist it undertake an in-depth cost study of Mobile (Voice) Termination Rates ("**MTR**").

By the 2018 Circular, the NCC determined that the termination rates for voice services provided by one operator in Nigeria to another operator in Nigeria for terminating a call in their network are as follows:

i. Generic 2G/3G/4G operators - ₦3.90 (Three Naira, Ninety Kobo) per minute;
ii. New entrant (LTE) operators - ₦4.70 (Four Naira, Seventy Kobo) per minute; and
iii. Clearing Houses - Payment/Volume discounts as negotiated.

Furthermore, the International Termination Rate of ₦24.40 determined in 2016 will continue to apply until a new determination is made and issued by the NCC. The 2018 Circular took effect on July 1, 2018, and remains valid and binding on relevant licensees until further reviewed by the NCC. Imposition of such termination rates may adversely impact MTN Nigeria's revenues and accordingly have a material effect on its business, financial condition, results of operations and prospects.

According to the NBS Telecoms Data: Active Voice and Internet per State, Porting and Tariff Information Report for the third quarter of 2019, MTN Nigeria had the highest share of voice and internet subscription in Nigeria. In 2013, the NCC declared that MTN Nigeria was a "dominant operator" in the retail mobile voice market of the Nigerian telecommunications market. This placed certain obligations on the Company, including the requirement that it refrain from offering differential on-net and off-net pricing for mobile voice services while non-dominant operators were not restricted from offering differential prices thereby placing the Company at a competitive disadvantage relative to some of its competitors. Similarly, in 2013 MTN Nigeria and Globacom were designated by the NCC as "jointly dominant" in the upstream segment of the Nigerian telecommunications market, where the NCC noted that both companies dominated the wholesale leased lines and transmission capacity market, as a result of which a cost-based regime with price caps was imposed on all service offerings in that segment. Given the classification as a "dominant operator", MTN Nigeria is subject to greater regulatory scrutiny and may accordingly experience difficulties and delays in obtaining governmental licences, permits or approvals. This has in the past, and may in the future, prohibit the Company from introducing, or otherwise adversely impact MTN Nigeria's time to market on, the introduction of, certain services and promotional plans. In addition, violations of antitrust and competition laws and policies could expose the Company to administrative proceedings, civil lawsuits or criminal prosecution, including fines and imprisonment, and the payment of punitive damages.

Regulation to address potential or perceived anti-competitive behaviour in the telecommunications industry may also impact the Company. Requests for approvals to launch products might be refused because of the belief that it will negatively impact competition. MTN Nigeria might thus be prevented from being adequately competitive in its product and service offerings. For example, subject to certain limited exemptions, MTN Nigeria is typically regulated through ex ante (before implementation) as opposed to ex post (after implementation) interventions. Further to obtaining the approval of the NCC in April 2019, the Company has since been authorised to deliver 4G services to its customers using Visafone's 800MHz spectrum. This had a positive impact on MTN Nigeria's growth in the data services market segment.

In January 2019, the President signed into law the FCCPA which, amongst others, seeks to promote competitive markets in the Nigerian economy, protect the interests and welfare of consumers in Nigeria and prohibit restrictive or unfair business practices which may distort competition or constitute an abuse of a dominant position. The FCCPA applies to all undertakings and commercial activities carried out in Nigeria as well as commercial activities carried out offshore but having effect in Nigeria. The FCCPA also established the FCCPC as well as the Competition and Consumer Protection Tribunal. The FCCPC exercises regulatory powers over companies in Nigeria and transactions affecting companies in Nigeria, including those operating in the Nigerian telecommunication sector regarding competition-related matters and has precedence over and above the NCC in this regard. Furthermore, the FCCPC is empowered to administer and enforce the provisions of the FCCPA and ensure the promotion and protection of consumer rights in Nigeria. This competition regulation regime may result in further restriction of MTN Nigeria's operations and render less effective its leading market position and a material adverse effect on the Company's business, financial condition, results of operations and prospects. Furthermore, the FCCPC is empowered with regulatory oversight over approval of mergers and as such could exercise its powers, within the provisions of the FCCPA, to prevent the Company from engaging in further acquisitions.

Antitrust and competition laws in Nigeria are subject to change and existing or future laws may be implemented or enforced in a manner that is materially detrimental to the Company. The Company cannot predict the effect that current or any future lawsuits, appeals or investigations by regulatory bodies or by any third party would have on its business, financial condition, results of operations or prospects. There can be no assurance that antitrust or competition related lawsuits will not occur and, as a result, cause the Company material losses and expenses. In addition, any fines or other penalties imposed by an antitrust or competition authority as a result of any such investigation, or any prohibition on the Company engaging in certain types of business, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company is exposed to the risk of violations of anti-corruption laws, sanctions or other similar regulations.

Companies operating in Nigeria, as in many developing markets, are at risk of fraud, bribery and corruption. MTN Nigeria has policies and procedures designed to assist its compliance with applicable laws and regulations including without limitation the ABC and AML laws in Nigeria, to the extent currently applicable to MTN Nigeria. These policies and procedures specifically address facilitation payments, gifts and hospitality, engagement with public officials, political donations, lobbying and charitable donations. In addition, MTN Nigeria has a whistle-blowing policy which encourages employees to report unethical practices or misconduct. The disciplinary matrix has requisite on disciplinary measures in case of a breach of the policies and procedures. In addition, in order to prevent bribery and corruption, MTN Nigeria generally conducts a thorough due diligence exercise before entering into agreements with third parties in order to ensure compliance with applicable ABC and AML laws as well as periodic training for employees regarding provisions of such policies. The Company currently has an ABC and AML compliance team in place.

Additionally, the Company's equipment suppliers or service providers may become subject to restrictions under export controls or sanctions laws or regulations administered or enforced by the United States, the United Nations or other jurisdictions in which the Company or its suppliers operate. For example, on 15 April 2018, ZTE Corporation, ZTE Kangxun Telecommunications Ltd., and entities acting on their behalf ("**ZTE**"), which provide the Company with certain telecommunications equipment and services became subject to a denial order imposed by US Department of Commerce's Bureau of Industry and Security ("**BIS**") resulting from violations of a settlement agreement with the US government relating to sanctions violations. This denial order was lifted in July 2018, in view of ZTE's deposit of $400 million in escrow at a U.S. bank to provide a form of security that ZTE will comply with its continuing obligations under a June 2018 superseding settlement agreement. Similarly, Huawei, another major equipment supplier, has recently been the subject of US investigations, criticism and certain actions relating to the security of its telecoms platforms as well its dealings with certain sanctioned countries. A denial order or similar restriction on any of these equipment suppliers or service providers may have a severe impact on the supply chain of the Company, and the global telecoms industry. If the Company is unable to obtain equipment from key suppliers due to export controls rules, and it is unable to replace a key supplier in a timely manner and on commercially reasonable terms, or at all, this could, in turn, have a material adverse effect on its business, financial condition, results of operations and prospects.

MTN Nigeria undertakes reviews of its internal compliance policies and procedures to ensure their effectiveness but can give no assurance that the policies and procedures, even if enhanced, will be followed at all times or will effectively detect and prevent all violations of the applicable laws and every instance of fraud, bribery and corruption. MTN Nigeria periodically receives reports relating to such matters from whistle-blowers; which are investigated using internal and external resources in line with its policies. The Company can give no assurance that whistle-blower reports will not be made in the future or that violations of applicable ABC laws will not occur under the relevant applicable laws which may have material adverse consequences on its business, financial condition, results of operations and prospects. In addition, such violations could also negatively impact the Company's reputation and, consequently, its ability to win future business. Any such violation by competitors, if undetected or unaddressed, could give them an unfair advantage when bidding for contracts. The consequences that the Company may suffer due to any of the foregoing could have a material adverse effect on its business, financial condition, results of operations and prospects.

Risks Relating to The Telecommunications Industry

The Company could experience breaches in privacy laws and other information security requirements, which may materially adversely affect its reputation, lead to subscriber lawsuits and loss of subscribers, or hinder its ability to gain new subscribers and thereby materially adversely affect its business.

Mobile network operators are subject to stringent requirements in relation to privacy, data and customer protection laws. The Company may breach or be adjudged to have breached any data protection or privacy laws and other information security requirements. Such breaches could result in the unauthorised dissemination of information about its subscribers, including their names, addresses, home phone numbers, passport details and financial information. The breach of the Company's security database and illegal transfer of its subscribers' personal information could materially adversely impact the Company's reputation, prompt lawsuits against it by individual and corporate subscribers, lead to adverse actions by the NCC, the NITDA or other regulators, lead to a loss in subscribers and hinder its ability to attract new subscribers.

If severe customer data security breaches are detected, the NCC and/or the NITDA can sanction the Company, and such sanctions can include, the imposition of fines. These factors, individually or in the aggregate, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company is subject to the NDPR, which regulates all processing of personal data of natural persons in Nigeria. The Company has taken steps to ensure that its processes are in line with the NDPR and, in this regard, engaged the services of a NITDA licenced Data Protection Compliance Organisation, to conduct a data audit on the Company's data collection and processing procedures and has made relevant filings with the NITDA. In addition to the steps taken, the Company will be required to, on a continuous basis, implement additional amendments to contracts, procedures and policies to maintain compliance with the NDPR. There can be no assurances that the NITDA will agree with the data privacy and data protection processes of the Company and the NITDA could impose penalties or fines on the Company, which would have a material adverse effect on its business, financial condition, results of operations and prospects. Any breach of the NDPR can result in criminal liability, in addition to (i) fines up to the higher of 2% of the annual gross revenue of the preceding year or payment of the sum of ₦10 million or (ii) fines up to the higher of 1% of the annual gross revenue of the preceding year or payment of the sum of ₦2 million, depending on the extent of information involved.

The Company may also be required by the Federal Government to institute processes in respect of its systems and product offerings designed to prevent terrorist attacks. MTN Nigeria's information security requirements have also increased and will continue to increase, over time as it expands the scope of its digital services and processes to an increasing amount of sensitive personal information, including financial transactions. While the Company believes its information security procedures and controls are robust and effective, there can be no assurances that such procedures and controls will be followed at all times or will effectively detect and prevent breaches in privacy laws and other information security requirements.

In particular, in respect of some processing of personal data relating to subscribers, employees or other individuals, the Company is likely to be subject to the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**"). Cognizant of emerging international data protection regulations, concerns and contributions of stakeholders in this regard, the Company has taken steps to, comply with the requirements of the GDPR, where required and implement additional measures to achieve and maintain GDPR compliance. Ensuring compliance with the GDPR is an ongoing process and it is possible that, despite the Company's efforts, supervisory authorities or third parties will assert that the Company's practices do not comply with certain requirements of the GDPR. Where such assertions are made and successfully proven, the Company may be subject to significant fines and reputational harm. In particular, serious breaches of the GDPR can result in administrative fines of up to the higher of 4% of annual worldwide turnover or EUR20 million.

MTN Nigeria's telecommunications licences, permits and frequency allocations are subject to finite terms, ongoing review and/or periodic renewal, any of which may result in modification or early termination. In addition, the Company's inability to obtain new licences and permits could materially adversely affect its business.

The terms of MTN Nigeria's licences, permits and frequency allocations are subject to finite terms, ongoing review and/or periodic renewal and, in some cases, are subject to modification or early termination or may require renewal with the NCC. Some of MTN Nigeria's licences are due for renewal in the short-term, such as the 3.5GHz licence which is renewable yearly as well as its 900MHz and 1800 MHz spectrum licences which are due for renewal on 31 August 2021. While the Company does not expect that it or any of its subsidiaries will be required to cease operations at the end of the term of the licences, and while many of these licences provide for terms on which they may be renewed, there can be no assurance that these licences will in all cases be renewed on equivalent or satisfactory terms, or at all. Upon termination, some of its licences and assets may revert to governmental or telecommunications operators, in some cases, without adequate or any compensation being paid to MTN Nigeria.

MTN Nigeria has in the past paid significant amounts for certain telecommunications licences and the competition for these licences has historically been relatively high. The Company anticipates that it may have to continue to pay substantial licence fees and incur substantial costs to meet specified network build-out requirements that it commits to in acquiring certain new licences. There can be no assurance that MTN Nigeria will be successful in obtaining or funding these licences or, if licences are awarded, that they can be obtained on terms acceptable to the Company. If MTN Nigeria obtains or renews further licences, it may need to seek future funding through additional borrowings or equity offerings. There can be no assurance that such funding will be obtained on satisfactory terms, or at all. Failure to obtain financing on satisfactory terms or at all may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company's operations could be adversely affected by natural disasters or other events beyond its control.

MTN Nigeria's business operations, technical infrastructure (including its network infrastructure) and development projects could be adversely affected or disrupted by natural disasters (such as earthquakes, floods, tsunamis, hurricanes, fires or typhoons) or other catastrophic or otherwise disruptive events, including, but not limited to:

- changes to predominant natural weather, hydrologic and climatic patterns;

- major accidents, including chemical or other material environmental contamination;
- acts of terrorism and communal violence;
- vandalism, including in respect of the Company's fibre network or the tower sites which support its network;
- construction and repair work carried out by third parties without proper care;
- power loss or insufficient power supply;
- strikes or lock-outs or other industrial action by workers or employers; and
- medical pandemics or disease outbreaks (such as the occurrence and spread of the Coronavirus).

The occurrence of any of these or similar events may cause disruptions to the Company's operations in part or in whole, may increase the costs associated with providing services as a result of, among other things, costs associated with remedial work, may subject the Company to liability or impact its corporate brand and reputation and may otherwise hinder the normal operation of its business, which could materially adversely affect its business, financial condition, results of operations and prospects.

In addition, MTN Nigeria's technical infrastructure is vulnerable to damage or interruption from information and telecommunications technology failures, acts of war, terrorism, intentional wrongdoing, human error and other similar events. Unanticipated problems affecting any part of the Company's telecommunications network, such as system failures, hardware or software failures, computer viruses or hacker attacks could affect the quality of its services and cause service interruptions. Any of these occurrences could result in reduced user traffic and reduced revenues and could harm the Company's operations.

Further, any security breaches, such as misappropriation, misuse, penetration by viruses, worms or other destructive or disruptive software, leakage, falsification or accidental release or loss of information (including customer, personnel and vendor data) maintained in MTN Nigeria's information technology systems and networks or those of MTN Nigeria's business partners could damage its reputation, result in legal and/or regulatory action against the Company, and require it to expend significant capital and other resources to remedy any such security breach.

The effect of any of these events on the Company's business, financial condition, results of operations and prospects may be worsened to the extent that any such event involves risks for which the Company is uninsured or not fully insured, or which are not currently insurable in Nigeria on commercially reasonable terms or at all, such as acts of war and terrorism.

Failure in the Company's information and technology systems could result in interruptions in its business operations.

The Company's information and technology systems are designed to enable it use its infrastructure resources as effectively as possible and to monitor and control all aspects of its operations. Although the Company's critical systems are designed with high availability to avoid any downtime, any failure or breakdown in these systems could interrupt the normal business operations and result in a significant slowdown in operational and management efficiency for the duration of such failure or breakdown. Any prolonged failure or breakdown could dramatically impact the Company's ability to offer services to its customers, which could have a material adverse effect on its business, financial condition, results of operations and prospects. For example, MTN Nigeria depends on certain technologically sophisticated management information systems and other systems, such as its customer billing system, to enable it to conduct its operations.

In addition, the Company relies on third-party vendors to supply and maintain much of its information technology and operational equipment. In the event that one or more of the third-party vendors that the Company engages to provide support and upgrades with respect to components of its information technology ceases operations or becomes otherwise unable or unwilling to meet its needs, there can be no assurance that the Company would be able to replace any such vendor promptly or on commercially reasonable terms, if at all. Delay or failure in finding a suitable replacement could materially adversely affect the Company's business, financial condition, results of operations and prospects.

Industrial action or adverse labour relations could disrupt the Company's business operations and have an adverse effect on its operating results.

About 70% of MTN Nigeria's employees are eligible to join labour unions and be subject to collective bargaining or similar labour agreements. The Company has inaugurated a branch of the Private Telecommunication and Communications Senior Staff Association of Nigeria (the "**Union**") and employees are elected to represent enrolled members. As of 30 June 2020, about 12% of eligible employees of the Company have elected to join the Union.

In addition, the MTN Nigeria Employee Council (an advocacy group for non-managerial grade employees) (the "**Council**") exists. Both the Union and Council hold scheduled meetings respectively and employees are free to associate with the group of their choice to represent them. In the event that there is a potential dispute with the Union, there are established channels for escalating such disputes and resolving same with identified stakeholders; and such channels are known to all relevant stakeholders.

If MTN Nigeria is unable to negotiate acceptable labour agreements in the future or maintain satisfactory employee relations, the Company may experience work stoppages, strikes or other industrial action or labour difficulties (including higher labour costs), which individually or in the aggregate could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Such actions could adversely affect the Company's reputation, brand and goodwill and cause disruptions, which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Risks Relating to Mtn Nigeria's Business Operations

The following is a description of the risk factors that are material in respect of the financial situation of the Issuer. The risks described below are not the only risks that affect the Company. Additional risks and uncertainties not currently known to the Issuer or that the Issuer considers immaterial may also materially and adversely affect the Issuer. Any of the following risks could result in a material adverse effect on the Issuer's financial condition, results of operations and ability to service debt including the Bonds.

The sequence in which they are listed is not an indication of their likelihood of occurrence or the extent of their commercial consequences. The following statements are complete but not exhaustive, thus prospective investors must consider all the information provided in this Shelf Prospectus.

Diseases, Epidemics and Pandemics such as the COVID-19 pandemic may have a material adverse impact on the Company's business operations

The recent spread of the novel coronavirus disease (COVID-19), which has been classified by the World Health Organisation as a global pandemic, has resulted in disruptive effects on the Nigerian economy and global economies and has also adversely impacted the Company's business operations particularly in relation to supply chain disruptions, local currency devaluation, foreign exchange shortages; and slow-down in economic activities impacting the disposable income of the Company's customers. The COVID-19 pandemic has disrupted global supply chains of manufacturers and distributors of technology and other IT products such as mobile phones, tablets, smart-devices and machinery required for telecommunication companies. Manufacturers globally have been forced to decrease production in their plants as a result of the disease and in some cases, factories have been shut down completely. As a result, relevant machinery and equipment required by the Company for its operations have been difficult to source during the intervening period. Furthermore, though lockdown and business restrictions are gradually being eased globally, the attendant effect of the lockdown remains and businesses in most jurisdictions still operate below full capacity.

President Muhammadu Buhari, on 29 March 2020, ordered a sweeping quarantine and lockdown in three states in Nigeria, namely: Lagos, Ogun and Abuja, in a bid to isolate infected persons and slow down the spread of the virus. The said lockdown commenced on 30 March 2020 in Lagos and Abuja and on 3 April 2020 in Ogun. and was in place for an initial period of 14 days. The order mandated that all businesses and offices (except those providing essential products and services) within these 3 locations be closed during the period. Although the restriction did not apply to, amongst other entities, hospitals, telecommunication companies, food and drug manufacturers and stores selling essential items such as groceries and medicine, the lockdown negatively impacted the Nigerian economy in the short-term. According to Worldometers, as of 28 August 2020, the total number of Coronavirus cases globally was approximately 24.6 million with 835,844 resulting in deaths, whilst over 17.4 million people were reported to have recovered. These numbers are reasonably expected to rise in the short to medium term until a vaccine is developed and globally available to tackle the disease.

Various state governments announced different pandemic-related containment measures including reductions in the number of people allowed in public gatherings such as churches, mosques and other religious places of worship, to prevent further spread of the Coronavirus. Prior to this, the Federal Government had mandated the temporary closure of public and private schools to safeguard the lives of all relevant stakeholders including students, teachers and administrators. The Government, through the Presidential Task Force on COVID-19 also ordered the prohibition of international and inter-state travel. The Federal Government however authorised inter-state movement outside earlier communicated curfew hours with effect from July 1, 2020. The lockdowns imposed by the Federal Government did not extend to the operations of the Company as telecommunication services were deemed 'essential services', and as such were permitted to continue operations albeit within prescribed rules issued by the Federal Government. Whilst a number of countries' borders remain closed to prevent international travel, a number of countries are implementing safety measures in a bid to re-open international travel.

The pandemic has significantly reduced Nigeria's international trade and overall economic activity within the country. The safety measures referred to above adversely affect foreign trade, tourism and investment in Nigeria in the short term and may have a long-term material adverse effect on the Nigerian economy. These adverse consequences could ultimately have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The COVID-19 pandemic may have a material adverse impact on the Company's revenues

In response to the COVID-19 pandemic, governments across the world have put in place policies regarding isolation, self-quarantine, treatment, restriction of movement and travel as well as interim practices to be observed by people living in such affected countries. In Nigeria, the Federal Government's policies in response to the pandemic have resulted in MTN Nigeria employees, agents and officers being unable to physically come to the workplace. Although the Company has employed the use of work-from-home initiatives to the extent possible, there can be no assurance that the negative impacts of these restrictions will not have a materially adverse effect on the Company's financial position, outlook, revenues and operations.

If MTN Nigeria does not continue to provide products or services that are technologically current and otherwise useful and attractive to its customers, it may not remain competitive and its business, financial condition, results of operations and prospects may be materially adversely affected.

MTN Nigeria's commercial success depends on its ability to provide services such as mobile voice, data access and digital services to its customers at a competitive cost. Many of the services offered by the Company are technology-intensive and the development or acceptance of new technologies may render such services non-competitive, replace such services or reduce prices for such services. The telecommunications industry is characterised by an increasing pace of technological change and advancement in existing mobile systems and industry standards combined with ongoing improvements in the capacity and quality of technology to cater to changing customer needs. As new technologies develop, the Company's equipment may need to be replaced or upgraded, the Company may need to acquire additional licences, increase its equipment capacity and/or its networks may need to be rebuilt in whole or in part, or significantly upgraded, in order to sustain the quality of MTN Nigeria's networks and its competitive position as a market leader. While the Company seeks to upgrade its existing wireless infrastructure (such as by upgrading its second-generation wireless networks ("2G") to third and fourth-generation wireless networks ("3G", "4G", "4G LTE" respectively, as well as officially launch its 5G network in the short to medium term)) and fibre network to provide fixed wireless services, to respond successfully to technological advances, the Company may require substantial capital expenditures and access to related or enabling technologies in order to integrate the new technology with its existing technology. If the Company is unable to anticipate customer preferences or industry or technological changes, or if it is unable to modify its service offerings on a timely and cost-effective basis, the Company may lose customers. As convergence of services accelerates, the Company has, and will have, to continue to make substantial additional investments in new technologies to remain competitive; and changes in technology and services as well as regulations and policies governing the use and operation of such technology, may lead the Company to compete with new competitors including both emerging players as well as established technology companies entering the telecommunications sector. MTN Nigeria's operating results will also be negatively impacted if its new products and services are not responsive to the needs of its customers, are not appropriately timed with market opportunities, are not effectively brought to market or are not priced competitively. The new technologies MTN Nigeria chooses may not prove to be commercially successful or profitable. MTN Nigeria's revenue stream mix directly impacts its operating margins, so if it is not able to offer compelling products and services across its segments, its business, financial condition, results of operations and prospects could be materially adversely affected.

The Company cannot assume that existing, proposed or undeveloped technologies will not become dormant, commercially unviable or non-profitable in the future or that MTN Nigeria will be successful in responding in a timely and cost-effective way to keep up with new developments. As telecommunications technology continues to develop, MTN Nigeria's competitors may be able to offer telecommunications products and services that are, or that are perceived to be, substantially similar to or better than those offered by the Company. This could have a material adverse effect on MTN Nigeria's business, financial condition, results of operations and prospects. If the Company is not successful in anticipating and responding to technological change and resulting consumer preferences in a timely and cost-effective manner, its quality of services, business, financial condition, results of operations and prospects could be materially adversely affected.

MTN Nigeria may face increased competition from established telecommunications operations and non-traditional OTT telecommunications players.

The Company operates in an increasingly competitive environment in relation to established telecommunications operators, particularly relating to pricing, which may materially adversely affect its revenue and margins. The Company's traditional competitors generally fall into two broad categories: (i) international diversified telecommunications companies; and (ii) local and regional telecommunications companies. Some of the Company's competitors may have greater financial personnel, technical, marketing and other resources. Additionally, violations by competitor carriers and network operators of existing rules and regulations could, if undetected, give them an unfair competitive advantage and result in a significant loss of revenue for MTN Nigeria.

Increasing competition in the Nigerian telecommunications market has also led to the decline in the prices for MTN Nigeria's services, particularly as network providers who have been classified as new entrants or with less than 7.5% of the market share are authorised to offer retail voice services below the minimum price set for voice services. The Company competes on the basis of price, services offered, advertising and brand image, quality and reliability of service and coverage area, with price competition for mobile services being significant. Certain mobile service offerings are largely commoditised due to the limited ability to differentiate these services among telecom operators. This increased pricing pressure could impact the Company's profitability, especially in competitive markets across the Company's footprint.

Increased competition may lead to increased customer churn, a reduction in the rate at which the Company is able to add new customers, a decline in customer numbers and a decrease in the Company's market share as customers purchase telecommunications services, or other competing services, from other providers and/or increasingly switch between providers based on pricing and/or the products and services that are offered. There can be no assurance that MTN Nigeria will not experience increases in churn rates, reflecting increased numbers of customer deactivations and inactivity, particularly as competition for existing customers intensifies. An increase in churn rates may result in lower revenue and may consequently have a material adverse effect on the Company's business, its financial condition, results of operations and prospects.

The continuing trend toward business combinations, consolidation and strategic alliances in the telecommunications and media industries may create increased competition, including from non-conventional and OTT players (internet-based alternatives to traditional telephony services) such as social networking sites, voice, video and messaging applications, and video-on-demand services, which pose a threat to traditional telecommunication revenue streams such as prepaid mobile voice services. As MTN Nigeria continues to offer financial services to its customers, it may also face competition from traditional consumer finance business as well as from non-traditional fintech services providers. Additionally, although new laws and regulatory initiatives may provide MTN Nigeria with increased business opportunities by removing or substantially reducing certain barriers to business opportunities, they also create a more competitive business environment and may encourage new entrants, which could materially adversely affect MTN Nigeria's business, its financial condition, results of operations and prospects.

The Company may face further competition from existing or new telecommunications service providers who may offer similar or more sophisticated services than the Company currently offers. Furthermore, although MTN Nigeria has successfully demonstrated its 5G network capability, the advantage derived from such service may be reduced or whittled down as a result of other telecoms service providers offering similar services or the Company's competitors procuring additional or improved cellular spectrum (such as Airtel's 900MHz spectrum, the acquisition of which was completed in the first quarter of 2020).

Any failure to compete effectively, including in terms of pricing of services, acquisition of new customers and retention of existing customers, could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

A failure in the operations of the Company's networks, gateways to its networks or the networks of other operators could materially adversely affect its business, financial condition, results of operations and prospects.

MTN Nigeria depends, to a significant degree, on the uninterrupted operation of the Company's networks to provide services to its customers. From time to time, customers have experienced dropped calls or slow data speeds because of network capacity constraints. MTN Nigeria may not be able to improve or maintain these relevant networks at current levels, particularly if the Company's traffic volume grows significantly beyond its capacity. For example, growth in data services and consequently data revenue has at times been constrained in Nigeria as a result of slow data speeds resulting from increasing subscriber use, amongst other factors. Additionally, spectrum capacity may not become available, which may result in an increase to MTN Nigeria's capital expenditure in order to densify networks ahead of customer demand. In particular, since the Nigerian market is predominantly a prepaid market with only a very small proportion of fixed-term contracts, network outages or other issues can have a particularly significant impact as customers may choose an alternative service provider, and MTN Nigeria may need to engage in costly marketing and promotional activities to attract, retain or re-acquire customers. This risk is exacerbated in Nigeria because users can easily switch ('port') to alternative service providers and undertake registration with such alternative service providers. Furthermore, a large number of subscribers have dual SIM devices or more than one device that enable them to use multiple service providers at the same time. According to the NCC, in 2019, the total number of porting activities i.e. cumulative port-in and port-out amongst MTN Nigeria, Globacom, Airtel and 9Mobile was 260,176 with a cumulative of 139,022 port-ins and 121,154 port-outs across the above-mentioned networks. According to the NCC, for the month of January 2020, MTN Nigeria had a total of 2,669 numbers ported into its network and 2,593 numbers ported out of its network. Accordingly, if the Company is unable to maintain stability and provision of its services to its customers, such customers may port to other (competing) networks.

The Company also relies on interconnection with the networks of other telecommunications operators and carriers to transmit calls from its customers to the customers of fixed-line operators and other mobile operators, both within Nigeria and internationally. While the Company has interconnection and international roaming agreements in place with a number of other telecommunications operators, it has no direct control over the quality of these networks and the interconnections and international roaming services they provide. Any difficulties or delays in interconnecting with other networks and services, or the failure of any operator to provide reliable interconnections or roaming services to the Company on a consistent basis, could result in a loss of subscribers or a decrease in traffic, which could materially adversely affect the business of the Company, its financial condition, results of operations and prospects.

Additionally, in December 2014, MTN Nigeria transferred a significant portion of its tower portfolio (approximately 9,000 towers) to a company owned by both MTN Group and IHS. Any difficulties or breakdown in the commercial relationship with IHS or the other tower companies with which the Company has relationships or the failure of IHS or other tower companies to provide reliable services to MTN Nigeria on a consistent basis could materially adversely affect MTN Nigeria's business, its financial condition, results of operations and prospects.

MTN Nigeria's network, including its information systems, information technology and infrastructure, and the networks of other operators with whom its customers interconnect, are vulnerable to damage or interruptions in operation from a variety of sources including earthquakes, fires, floods, power loss, equipment failure, network software flaws, transmission cable disruption or other similar events. Any interruption in the operations of the Company or the provision of any service, including for a short period of time, whether from operational disruption, natural disaster or otherwise, could damage the Company's ability to attract and retain customers, cause significant customer dissatisfaction and have a material adverse effect on the Company's brand, business, financial condition, results of operations and prospects.

MTN Nigeria's voice service offerings may be impacted by changes to the industry over time.
While there was increased demand for the Company's voice service offerings in the year ended 31 December 2018, and voice revenue may continue to grow for the Company in the future, demand for traditional voice services is generally declining across the telecommunications industry, due to increased use of OTT and other data-based voice services. At the same time, there is an upward demand for data services. As a percentage of total revenue, revenue from voice made up 75% and 62% of MTN Nigeria's revenue in the years ended 31 December 2018 and 2019 respectively. Revenue contribution from data services for the years ended 31 December 2018 and 2019 was 15% and 18.7%, respectively. A decline in demand for voice services across the industry may also lower the revenues MTN Nigeria generates from interconnect services. Any further decline in demand for traditional voice services could have a material adverse effect on the Company's business, financial condition, results of operations, prospects and revenue stream mix.

Any decline in demand for or revenue from data services or digital services could harm the Company's business.
In recent years, there has been an increase in demand for data and digital services, driven primarily by rising smartphone and tablet penetration and usage, usage of video and other multimedia services, as well as improvements in mobile network capability across Nigeria. Although the Company has identified data revenue as one of the most important drivers for future profit growth and is investing in and upgrading its infrastructure and consumer offerings in response to this trend, there can be no assurance that demand for data will continue to grow at its current pace or at all, for different reasons such as weakening sales of smartphones, delayed 3G and/or 4G coverage expansion, adoption of the UMTS standard or shift to higher fixed broadband penetration from current low levels, among other things. There can also be no assurance that the Company will be able to successfully monetise the expected increase in data traffic or be able to respond to changing customer requirements in a timely manner.

There can also be no assurance that demand for MTN Nigeria's digital service offerings will continue at current rates or increase in the future. In March 2018, the NCC issued a Value Added Services Aggregator Framework (the "**Framework**"), under which network operators are obliged to provide connectivity and access to their customers for the licenced aggregators. The implementation of the Framework may negatively impact the revenue which the Company generates from its digital service offerings or the profitability of those offerings. Notwithstanding signs of recovery witnessed with respect to the digital services segment of the Company, as well as the Company's ability to leverage new opportunities and partnerships, the overall impact of the Amended VAS and Aggregator Framework, continues to be studied and may have a material adverse impact on the business operations, operating model and revenue of the Company. By the provisions of the Framework, VAS providers no longer need to set up separate connections with the different telecommunication service providers. Instead, they simply have to be connected to one aggregator who will then connect to telecommunications service providers. This may result in a change to the revenue sharing process between the telecommunication companies and VAS companies.

Furthermore, changes in the Company's pricing of its products and services may lead to a decline in the demand for such services and ultimately have a material adverse effect on the Company's revenue and prospects. In October 2019, for example, the Company confirmed that, following consultation with industry stakeholders, the new charging model for access to banking services via the USSD channel had not gone into effect. This followed the directive given by the

Minister of Communications and Digital Economy calling on the NCC to ensure that the planned implementation of end-user billing for the USSD banking services are suspended. MTN Nigeria complied with the order and confirmed that the Company did not commence the implementation. The CBN had also directed commercial banks and other financial institutions in Nigeria to refrain from any action linked to telecommunication companies' imposition of charges on USSD services until the resolution of the impasse between both industries. Any increase in the revenue generated from data and digital services may not be sufficient to offset the substantial capital expenditures required to upgrade MTN Nigeria's networks to handle increased data traffic as well as any decline in voice services revenue, which could result in lower margins for the Company and thereby have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

MTN Nigeria is exposed to certain risks in respect of the development, expansion and maintenance of its telecommunications networks.

MTN Nigeria's ability to increase its subscriber base and revenue depends in part upon the success of the expansion and management of its telecommunications networks, including in respect of the Company's rollout of 4G and 4G LTE services, nationwide. The expansion of MTN Nigeria's networks is subject to risks and uncertainties which could delay the introduction of services in some areas and increase the cost of network construction. Network expansion and infrastructure projects, including those in the Company's development pipeline, typically require substantial capital expenditure throughout the planning and construction phases and it may take months or years before the Company can obtain the necessary permits and approvals and for any new sites to become operational. During the planning and expansion process, MTN Nigeria is subject to a number of construction, financing, operating, regulatory and other risks, some of which are beyond the Company's control, including without limitation:

- shortages or unavailability of materials, equipment and skilled and unskilled labour;
- access to foreign currencies for financing activities;
- increases in capital and/or operating costs, including as a result of foreign exchange rate movements;
- changes in demand for the Company's services;
- labour disputes and disputes with contractors and sub-contractors;
- inadequate engineering, project management, capacity or infrastructure, including as a result of failure by third parties to fulfil their obligations relating to the provision of utilities and equipment that are necessary or desirable for the successful operation of a project;
- inability to renew (key) leases;
- electricity and power interruptions due to electricity load-shedding and/or blackouts, and energy shortages;
- difficulties in obtaining and/or meeting project development permission or requisite governmental licences, permits or approvals;
- governmental interception of subscriber calls or other usage of the Company's networks;
- adverse weather conditions and natural disasters;
- environmental regulations, including the need to perform feasibility studies and conduct remedial activities;
- political, social and economic conditions, including terrorist incidents;
- fraud, accidents or theft and malfeasance;
- difficulties or delays in site acquisition, which is generally outsourced to third parties; and
- changes in tax law, rules, regulations, governmental priorities and regulatory regimes.

The occurrence of any of these events may have a material adverse effect on the Company's ability to complete its current or future network expansion projects on schedule or within budget, if at all, and may prevent it from achieving its projected revenues, internal rates of return or capacity associated with such projects. There can be no assurance that the Company will be able to generate revenues or profits from its expansion projects that meet its planned targets and objectives, or that such revenues will be sufficient to cover the associated construction and development costs, either of which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company is, and may in the future be, involved in disputes and litigation, the ultimate outcome of which is uncertain.

MTN Nigeria is subject to numerous risks relating to legal and regulatory proceedings to which it is currently a party or which could develop in the future. The Company's involvement in litigation and regulatory proceedings may materially adversely affect its reputation. Furthermore, litigation and regulatory proceedings are unpredictable and legal or regulatory proceedings in which MTN Nigeria is or may become involved (or settlements thereof) may have a material adverse effect on MTN Nigeria's business, financial condition, results of operations and prospects. For a description of current litigation and disputes.

In addition, MTN Nigeria has in the past faced litigation and has recently been subject to a number of petitions, complaints and threats of class-action and other lawsuits by competitors, suppliers and subscribers, in relation to unsolicited marketing message content delivered to such subscribers. Furthermore, MTN Nigeria has previously been the subject of complaints by customers in relation to SIM swap scams carried out by phone scammers, who seek to obtain people's private information to defraud them. If the Company is subject to any such litigation or regulatory proceedings in the future and is found guilty of conduct that results in the imposition of a fine, it could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

MTN Nigeria commenced a legal action in September 2018 at the Lagos Division of the Federal High Court ("**FHC**") against the Attorney General of the Federation ("**AGF**") to challenge an allegation by the AGF that the Company has an outstanding liability by way of import duty, withholding tax and VAT in the sums of approximately ₦242 billion and U.S.$1.28 billion. The Company argued that it did not owe any taxes to the Federal Government and filed relevant court processes in this regard. The Company also challenged the AGF's power to determine or deal with any tax issues in relation to the Company. The AGF subsequently referred the matter to the FIRS; which is the relevant Federal Government authority in respect of taxation of companies. Following the referral to the FIRS, the Company applied to the FHC for this case to be struck out and this application was granted by the FHC.

The matter is now being handled by the FIRS and the Company expects that the FIRS, in its capacity as the federal tax authority, will treat this matter in line with usual tax assessment procedures and in compliance with the requirements of applicable tax laws.

The Company may be sued by third parties for alleged infringement of their proprietary rights, which could harm its business.

MTN Nigeria may be sued by third parties for alleged infringement of their proprietary rights. MTN Nigeria's competitors, as well as a number of other entities and individuals, may own or claim to own intellectual property relating to MTN Nigeria. From time to time, third parties may claim that MTN Nigeria is infringing on their intellectual property rights, and the Company may be found to be infringing on such rights. In the future, third parties may claim that MTN Nigeria's intellectual property infringes or violates their intellectual property rights. The Company may, however, be unaware of the intellectual property rights that others may claim over some or all of its own technology or services. Any claims or litigation could cause the Company to incur significant expenses and, if successfully asserted against it, could require that the Company pay substantial damages or ongoing royalty payments, prevent the Company from using such intellectual property or require that the Company comply with other unfavourable terms to use or licence such intellectual property. MTN Nigeria may also be obligated to indemnify parties or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licences, modify applications or refund fees, which could be costly. Even if the Company were to prevail in such a dispute, any litigation regarding intellectual property could be costly and time-consuming and divert the attention of the Company's management and key personnel from the Company's business operations. Any of these risks could have a material adverse effect on MTN Nigeria's business, financial condition, results of operations and prospects.

The Company may not be successful in realising its growth strategy

MTN Nigeria's ability to grow profitably will depend in part on its ability to continue to grow its business and offer its customers appealing voice, data and digital services. The success of MTN Nigeria's growth strategy depends on the ability of management to identify investment targets, to assess the value, strengths, weaknesses, contingent or other liabilities and potential profitability of such expansion. The Company's growth strategy also depends on its ability to obtain and renew the appropriate regulatory and governmental approvals, licences, spectrum allocation and registrations, and may be limited by regulatory constraints due to antitrust and competition laws, asset control laws or political conflicts in Nigeria. Furthermore, due to its classification as a dominant operator in Nigeria, MTN Nigeria (has in the past experienced and) may experience restrictions on its operations and access to regulatory services by the NCC, which may negatively impact its ability to implement its growth strategy. Regulatory policy changes, particularly as they relate to pricing, billing and data, could limit the Company's ability to grow its business and expand its products' financial potential. In addition, the success of MTN Nigeria's growth will depend on and may be limited by, its ability to finance appropriate capital expenditure and other investments, which may be limited by its overall level of indebtedness and liquidity profile, restrictions contained in the Company's existing and future financing arrangements and one-off events.

MTN Nigeria's investment plans are influenced by its modelling of anticipated investment returns. The Company uses the results of its modelling to identify and execute potential investment strategies, such as acquisitions or greenfield network development. These models rely on certain assumptions of market fundamentals, such as macroeconomic assumptions about the market, economic growth forecasts, pricing and competition in determining a given investment's timing, cost and expected profitability for the Company. If actual market conditions deviate from the assumptions underlying these models, the Company could be required to modify, scale back or delay its expansion plans. If the Company is not able to modify its plans, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

Furthermore, the Company's failure to successfully implement its BRIGHT strategy or its general growth strategy may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

If* the *Company's risk management and loss limitation methods fail to manage adequately its exposure to losses, the losses the Company incurs could be materially higher than its expectations; and its business, financial condition, results of operations and prospects could be materially adversely affected.

Historically, the Company has sought, and will in the future seek, to manage its exposure to losses through internal risk management procedures. These methods may not predict future exposures, which could be significantly greater than anticipated. MTN Nigeria's risk management methods depend on the evaluation of information that is publicly available or otherwise accessible by the Company and its successful implementation of risk policies. This information may not always be accurate, complete, up-to-date or properly evaluated. Any upgrades or changes to MTN Nigeria's risk management methods might not be successful. Furthermore, insufficient resources and cost-optimisation initiatives could adversely impact MTN Nigeria's ability to implement its risk framework and manage the risks to which its business is subject. Accordingly, if the estimates and assumptions that the Company uses in its risk models are incorrect, if such models prove to be an inaccurate forecasting tool or if the Company fails to successfully implement the risk policies and framework, the losses the Company might incur could be materially higher than its expectation of losses, and its business, financial condition, results of operations and prospects could be materially adversely affected.

The Company maintains and regularly reviews internal controls over its financial reporting, risk elevation and corporate compliance. However, these internal controls have inherent limitations. They are processes that involve human diligence and compliance and may be subject to lapses in judgment and breakdowns resulting from human error. In addition, they can be circumvented by collusion or improper management oversight. MTN Nigeria has, in the past, had issues with risk elevation and corporate compliance, and has since undertaken remedial actions to strengthen its risk elevation and corporate compliance functions, including anti-bribery and corruption and sanctions compliance. A failure to detect or correct deficiencies and weaknesses in a timely manner could have an adverse effect on the accuracy of financial reporting. A failure to adequately monitor compliance with applicable laws and regulations could have a material adverse effect on MTN Nigeria's brand, business, financial condition, results of operations and prospects. Although the Company has undertaken organisational changes to strengthen its compliance with laws and regulations, as indicated below, there can be no assurance that such changes will eliminate the risk of a failure in risk elevation and corporate compliance or prevent enforcement actions by regulators, impositions of fines, or reputational damage, among others.

The Company has implemented a series of organisational and management changes in an effort to strengthen its risk elevation and corporate compliance functions, including establishing a Compliance and Ethics Department and undertaking a thorough compliance audit exercise with the help of external consultants. However, there can be no assurance that these measures will adequately manage MTN Nigeria's exposure to losses, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Termination of relationships with key suppliers could materially adversely affect the Company's business, financial condition, results of operations and prospects.

MTN Nigeria's business is dependent on third party suppliers for fibre, computers, software, transmission electronics and related components as well as providers of network co-location facilities that are integrated into the Company's network, some of which are critical to the operation of its business. Any significant disruption or other adverse event affecting MTN Nigeria's relationship with any of its major suppliers could have a material adverse effect on its business, financial condition, results of operations and prospects.

If the Company needs to replace any of its major suppliers, it may face risks and costs associated with a transfer of operations. In addition, a failure to replace any of MTN Nigeria's major suppliers in a timely manner and on commercially reasonable terms, or at all, could have a material adverse effect on its business, financial condition, results of operations and prospects. If any of these critical relationships is terminated or a material supplier fails to provide key services or equipment and the Company is unable to reach suitable alternative arrangements in a timely manner and on commercially reasonable terms, or at all, the Company may experience significant additional costs and/or may not be able to provide certain services to customers, which could, in turn, have a material adverse effect on its business, financial condition, results of operations and prospects.

Continued cooperation between the Company and its key equipment and service providers is important to maintain its telecommunications operations. Once a manufacturer of telecommunications equipment has designed and installed its equipment within MTN Nigeria's system, the Company will often be reliant on the manufacturer for continued service and supply. MTN Nigeria outsources the management and operation of much of its infrastructure to third parties.

The Company's ability to maintain and grow its subscriber base depends in part on its ability to source adequate supplies of network equipment and on the effective management and operation of its network equipment by third parties. For example, the Company has made substantial equipment purchases from and has entered into vendor financing arrangements with, equipment suppliers. Continued cooperation with such equipment and service providers is essential in order for the Company to maintain its operations.

The Company does not have direct operational or financial control over its key equipment providers and key service providers (including the service providers with whom the Company has entered into sale and lease-back transactions in respect of its tower infrastructure) and has limited influence with respect to the manner in which its key equipment and service providers conduct their businesses. The Company's reliance on these equipment and service providers subjects it to risks resulting from any delays in the delivery of services. MTN Nigeria cannot assure investors that its key equipment and service providers will continue to provide equipment and services to it at attractive prices and beyond the current negotiated contractual term, or that the Company will be able to obtain such equipment and services in the future from these or other providers on that scale within the time frames required, if at all. The inability or unwillingness of key equipment and service providers to provide MTN Nigeria's operations with adequate equipment and supplies on a timely basis and to manage its infrastructure in accordance with best practices, including at attractive prices, could materially adversely impact the ability of these operations to retain and attract subscribers or provide attractive product offerings, either of which could materially adversely affect MTN Nigeria's business, financial condition, results of operations and prospects.

Policies affecting key suppliers could materially adversely affect the Company's business, financial condition, results of operations and prospects

In May 2019, the United States Department of Commerce added Huawei Technologies Co. Ltd. ("**Huawei**") to the Commerce Department Entity List (the "**Entity List**"), with additional affiliates added in August 2019, on the basis that Huawei was engaged in activities contrary to U.S. security and foreign policy interests. On May 15, 2020, the U.S. Department of Commerce amended the Export Administrative Regulations ("**EAR**") Direct Product Rule to the effect that products designed and produced with U.S. technologies and intended for delivery to Huawei are subject to EAR approvals. As a result, Huawei's ability to produce or develop products using certain U.S. software and technology will be limited. Ultimately, Huawei will be restricted from sharing its semi-conductor model designs or relying on foreign factories/foundries to manufacture semi-conductors using U.S. software and technology. Many of the foreign chip manufacturers that Huawei uses, still depend on U.S. equipment, software, and technology to design, develop and produce Huawei chipsets used across its telecom equipment and smartphones business lines. The EAR Product Rule became effective on May 15, 2020, but includes a delayed implementation phase of 120 days (i.e. to expire on September 12, 2020). Huawei equipment is deployed in about 58% of MTN Nigeria's radio footprint. Any further denial order imposed on Huawei or implementation of a policy similar to that imposed by the EAR Direct Product rule may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Current U.S.- China tensions have the potential to disrupt supply chains including those related to the telecommunication sector. MTN has exposure to Chinese telecommunication suppliers for continuity of operations. While we have contingency planning in place to deal with such situations, our operations may be negatively impacted in the event of unanticipated actions by the U.S., China or any other country that disrupts the supply chain.

Managed Service contract appointing Huawei as the sole vendor for HSDP and VAS Cloud platform is a significant concentration risk which may affect the Company's business, financial condition, results of operations and prospects

As a result of Huawei being the sole vendor of MTN Nigeria in connection with HSDP and VAS cloud platform services, there is a risk that any disruption to Huawei's services may have a significant material adverse effect on the Company's business, financial condition, results of operations and prospects. Where such adverse event occurs, the Company's ability to render certain VAS, USSD and SMS services may be significantly affected.

Exposure to key vendor risk as call center technology and operations are being managed by a single vendor

There is a key vendor risk to MTN Nigeria's call centre operations as the call centre technology and operations are provided by a single vendor, iSON BPO ("**iSON**"). In view of the fact that iSON is the sole supplier of call centre services to MTN Nigeria, any difficulties experienced by iSON or failure in the provision of its services or a breakdown in the commercial relationship between iSON and MTN Nigeria on a consistent basis could materially adversely affect MTN Nigeria's business, its financial condition, results of operations and prospects.

IHS being the major supplier of MTN Nigeria's towers is a concentration risk

MTN Nigeria's operations rely significantly on the efficiency of tower services. As a result of IHS being a major supplier to MTN Nigeria, any difficulties or breakdown in the commercial relationship with IHS or the failure of IHS to provide reliable services to MTN Nigeria on a consistent basis could materially adversely affect MTN Nigeria's business, its financial condition, results of operations and prospects.

The Company, Global Independent Connect Limited, INT Towers Limited, IHS (Nigeria) Limited and IHS Towers NG Limited (the affiliates of IHS) have reached an agreement to expand the scope of their current service agreements, and amend the currency conversion provision for tower services. MTN Nigeria leases the majority of the tower/site space required for its network equipment from IHS and has concluded a renegotiation of certain terms of its tower rental agreements. These include an increased focus on rural connectivity and fibre deployment. The changes will result in improved cost for future technology evolution and backhaul in the network, which are expected to be beneficial in the longer term. MTN Nigeria and HIS have also agreed to move the reference rates for conversions to Naira from the CBN's official rate to the NAFEX.

Telecommunications businesses require substantial capital investment and the Company may not be able to obtain sufficient financing on favourable terms, or at all.

MTN Nigeria operates in a capital-intensive industry that requires a substantial amount of capital and other long-term expenditures, including those relating to the development and acquisition of new networks and the expansion or improvement of existing networks in Nigeria. MTN Nigeria's capital expenditure was ₦252 billion and ₦184 billion for the years ended 31 December 2019 and 2018, respectively.

In the past, MTN Nigeria financed its expenditures primarily through a combination of syndicated banking facilities and internally generated cash flows, which it expects to continue, in addition to exploring other financing options including but not limited to the issuance of commercial papers. In 2016 and the first half of 2017, the Company was unable to fully meet its intended capital expenditures due to foreign currency shortages. Furthermore, the COVID-19 pandemic has also resulted in foreign exchange shortages, capital expenditure reductions and reduced economic activities impacting disposable income of customers. Further devaluation of the Naira by the CBN on July 7, 2020 has also affected the national economy. Further currency fluctuations and foreign currency scarcity may result in the Company being unable to make anticipated capital expenditures in the future.

MTN Nigeria's ability to arrange external financing and the cost of such financing depend on numerous factors including its current and future financial condition and results of operations, general economic and capital market conditions in Nigeria and internationally, interest rates, credit availability from banks and other lenders, investor and lender confidence in the Company, applicable provisions of tax and securities laws and political and economic conditions in Nigeria. Adverse changes in these factors, such as the increase in interest rates as reflected in the increase in the Company's borrowing rate, could individually or in aggregate affect its ability to secure external financing or affect the cost of such financing.

The Company may be unable to fully monetise and leverage some of its licences and spectrum.

After securing the requisite approvals from both the NCC and the SEC in December 2015, the Company acquired a 100% equity interest in Visafone. This acquisition was driven in part by the objective to acquire the 800MHz spectrum held by Visafone, which has enabled the Company to rollout 4G LTE services nationwide. However, following a decision by the NCC that MTN Nigeria would require an additional 'licence transfer' approval to directly utilize Visafone's 800MHz spectrum, the Company procured the NCC's approval for same in April 2019 Under the laws and regulations currently in effect in Nigeria, a spectrum licence cannot be shared, transferred or reallocated except with the prior consent of the NCC. In the second quarter of 2016, Visafone submitted a request to the NCC for the transfer of its spectrum to MTN Nigeria, or, alternatively, for the joint use of the spectrum by Visafone and MTN Nigeria. The NCC stipulated a number of interim measures in this regard, which the Company implemented, and subsequently, the NCC approved the use by the Company of Visafone's 800MHz Spectrum.

Further to receiving the NCC's approval, the Company has accessed and now utilises Visafone's 800MHz spectrum. The Company reasonably expects that the Visafone acquisition presents significant opportunities and will provide it with an additional revenue stream. Nonetheless, there can be no assurance that the Company will be able to fully leverage the 800MHz spectrum. Additionally, the Company acquired spectrum licences which it expects to be utilised for future service offerings. In 2007, the Company acquired a licence for the 3.5GHz spectrum, which it expects to use to offer 5G services once commercially available. However, there is no assurance that the Company will be able to utilise the 3.5GHz spectrum for 5G offerings in the future due to regulatory or other restrictions. Any such restrictions could result in a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Spectrum Cost and Availability

The Company largely requires the procurement of spectrum for its telecommunication operations and this is a crucial aspect to its business. Where MTN Nigeria is unable to obtain the relevant regulatory approvals for the procurement of a spectrum or where it is unable to purchase same as a result of inadequate capital, it may be prevented from leveraging on other existing spectrums it owns. Furthermore, where the Company is unable to procure spectrum as a result of the unavailability of same, this could result in a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company is exposed to a significant counterparty credit risk.

MTN Nigeria is a party to traffic interconnection and roaming agreements with a number of network operators in Nigeria and internationally. Interconnect and Roaming revenue amounted to ₦125,042.27 million and ₦102,568.9 million for the years ended 31 December 2019 and 2018, respectively. Restrictions on international travel imposed by various national governments across the globe in order to combat the spread of the COVID-19 disease may have an adverse impact on the Company's roaming revenues. A significant downturn in the business or financial condition of one or more of the operators from which the Company obtains interconnect revenue exposes it to the risk of default on contractual agreements and receivables. These risks may be increased by macro-economic conditions, which have in the past adversely affected consumer spending and consequently the businesses and financial conditions of a number of network operators in Nigeria. While efforts are being made with the assistance of the NCC to recover these amounts, there can be no assurance that MTN Nigeria will be fully successful in doing so with minimal delay or at all. In addition, a weakened financial condition of some of MTN Nigeria's competitors may deepen its "dominant" position, which in turn could trigger further regulatory oversight. Any of these events could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

If the Company fails to attract and retain qualified and experienced employees, its business may be harmed.

If the Company is unable to attract and retain experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or if the Company fails to recruit skilled professional and technical staff at a pace consistent with its growth, its business, financial condition, results of operations and prospects may be materially adversely affected. Experienced and capable personnel in the Nigerian telecommunications industry remain in high demand and there is continuous competition for their talents. The loss of some members of the Company's senior management team or any significant number of its mid-level managers and skilled professionals may result in a loss of organisational focus, poor execution of operations and corporate strategy or an inability to identify and execute potential strategic initiatives, such as expansion of capacity or acquisitions and investments. These adverse consequences could, individually or in the aggregate, have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company must maintain internal controls and procedures appropriate for a publicly listed company.

Consistent with Nigerian legal and statutory requirements, the Company has taken and will continue to take steps to enhance its financial reporting and internal control environment. In view of the Company's status as a publicly listed entity, the Company has put in place requisite governance committees and the appropriate disclosure policies for a listed company, implemented policies regarding and monitoring related-party transactions and implemented accounting policies with respect to acquisitions and fraud detection.

In view of the fact that the Company only became listed on the Premium Board of The NSE in May 2019, its reporting procedures, practices and internal controls are not comparable to or as tried and tested as those of companies that have been listed for some time. Although further improvements are planned to be implemented in respect of reporting procedures, practices and internal controls, there can be no assurance that these will function as designed, which could materially adversely affect the Company's business, financial condition and results of operations.

MTN Nigeria has applied for a Payment Service Bank licence, and any failure to obtain or subsequently maintain this licence in Nigeria could have a material adverse effect on MTN Nigeria's financial condition, results of operations and prospects

In October 2018, the CBN published Guidelines for Licensing and Regulation of PSBs in Nigeria, which empower the CBN to issue PSB licences that would enable companies offer specific banking services such as facilitating mobile money payments and accepting deposits. The Guidelines for Licensing and Regulation of PSBs in Nigeria was revised and reissued on August 27, 2020. The said licence, however, does not permit licensees to grant loans to customers or undertake foreign currency remittances. The Company has made a formal application for the grant of a PSB licence which is still being processed by the CBN.

As of 27 August 2020, the CBN had granted finals approvals to three PSB licence applicants namely Moneymaster PSB, Hope PSB and 9 PSB. Two out of three institutions which have been granted PSB licences by the CBN are owned by telecommunication companies in Nigeria. Moneymaster PSB is owned by Globacom and 9 PSB is owned by 9Mobile, whilst Hope PSB is owned by Unified Payments.

There can be no assurance that the Company will receive a PSB licence, which would see MTN Nigeria fail to capitalise on a value-creation opportunity. Furthermore, the MTN Nigeria Group may face increased competition, from companies such as Globacom and 9Mobile, as well as other (telecommunications) companies, for certain of its products and services, since PSBs may create new mobile money, digital wallets and other solutions, which could have a material adverse effect on the MTN Nigeria Group's business, financial condition, results of operations and prospects.

Also, if the Company is granted a PSB licence, it will be required to maintain a paid-up capital of at least ₦5,000,000,000 (Five Billion Naira) at all times and maintain statutory reserves and a capital adequacy ratio of 10 per cent or such other ratio as may be prescribed by the CBN from time to time. It will also be required to serve a minimum of 25 per cent of customers in rural areas and comply with the CBN Code of Corporate Governance for Banks and Discount Houses. There can however be no assurance that the products and services offered through the PSB licence when obtained, will be successful or attract more customers than PSB-licenced competitors, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Actual or perceived health risks or other problems relating to the use of mobile handsets or network transmissions or infrastructure could lead to litigation or decreased mobile communications usage.

Public perception of possible health risks associated with cellular and other wireless (communication) technology could negatively impact the demand for wireless services, which could, in turn, lead to a reduction in the Company's revenue or to a decline in its revenue growth. The potential connection between radio frequency emissions and certain negative health effects as a result of mobile phone use has been the subject of substantial study by the scientific community and relevant stakeholders in recent years and numerous health-related lawsuits have been filed around the world against wireless carriers and wireless device manufacturers. Negative public perception of, and regulations regarding, any perceived health risks of mobile phone use could slow the market acceptance of wireless communications services and increase opposition to the development and expansion of wireless network coverage. If a conclusive scientific study or court decision resulted in a finding that radio frequency emissions pose significant health risks to consumers, it could negatively impact the market for wireless services, as well as the Company's wireless carrier customers, which could materially adversely affect the Company's business, results of operations, financial condition and prospects.

System failure, security breach or cyber-attacks could significantly disrupt the Company's ability to operate its business

MTN Nigeria is increasingly exposed to the risk that third parties or malicious insiders may attempt to use cyber-techniques, including distributed denial of service attacks to disrupt the availability, confidentiality and integrity of its IT systems, which could result in disruption to key operations, make it difficult to recover critical services, and damage assets. Moreover, if the Company is subject to a cyber-attack, its systems may be subject to down-time in an effort to prevent a security breach. Such an outage may lead to reputational damage or customer confusion, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects or damage its reputation. MTN Nigeria continues to invest in its information security controls in response to emerging threats, such as cyber-attacks, cyber-crime and fraud and seeks to ensure that these controls remain robust. The risks associated with cyber-attacks, where an individual or group seeks to exploit vulnerabilities in IT systems for financial gain or to disrupt services, are a material risk to the Company. The Company cannot be certain that its infrastructure and controls will prove effective in all circumstances and any failure of the controls could result in significant financial losses and have a material adverse effect on the Company's operational performance and reputation.

MTN Nigeria operates a large distribution and channel network and is reliant on good working relationships with its franchisees and other third-party distributors

MTN Nigeria Group sells its services through various locations including but not limited to 17 convenience channel partners (who offer direct to consumer sales using banking channels, USSD, Web, POS terminals, ATMs and Apps) and 220 trade partners who are responsible for the distribution of MTN Nigeria products across a footprint of over one million retailers across Nigeria. As of 31 December 2019, MTN Nigeria had about 45 SIM Registration Agencies who are primarily responsible for 83% of new acquisition through about 40,000 compliant registration points. 130 Mobile Money ("**MoMo**") strategic financial partners also drive Cash-in and Cash-out business for MTN Nigeria through over 170,000 MoMo Agents across Nigeria. The formation and maintenance of good working relationships with these key stakeholders is important to prevent the occurrence of fraud, bribery, theft and corruption. Although the Company endeavours to maintain good relationships with these stakeholders, there can be no assurance that its current or future partners will elect to conduct or continue to conduct business with it on an ongoing basis. If any of the relevant stakeholders decide to give preference to the Company's competitors or cease to do business with the Company, it could have a material adverse effect on the Company's business, results of operations and financial condition.

MTN Nigeria's operational equipment may not perform optimally at all times

The Company's operations are largely dependent on the performance of certain equipment. Failure of such equipment to perform optimally at all times may materially affect the Company's ability to provide products and services to its customers. For example, the Company's disaster recovery systems may not be fully tested and may experience redundancy as a result. Although the Company has taken concrete steps to procure a robust and adaptive disaster recovery system, there can be no assurance that same will perform optimally. Such underperformance by the Company's equipment or systems could result in significant financial losses and have a material adverse effect on the Company's operational performance and reputation.

17. EXTRACTS FROM THE PROGRAMME TRUST DEED

2. Appointment of Trustee

2.1 Subject to the terms and conditions of this Deed, the Issuer hereby appoints the Trustee to act on behalf of the Bondholders, to hold the benefit of the covenants, rights and other obligations of the Issuer on behalf of the Bondholders and itself. Any sums received by the Trustee from the Issuer shall be received on trust and applied in accordance with the provisions of this Deed and/or any Series Trust Deed.

2.2 By execution of this Deed, the Trustee has accepted and agreed to be bound by and enforce the powers and perform the duties and obligations of the Trustee specifically set out in this Deed and generally provided for in the Trustees Investment Act, the CAMA, the ISA and any Applicable Law.

2.3 The Trustee shall have no duty, responsibility or obligation for the issuance of the Bonds or for the validity or exactness of the same, or of any documents relating to such issuance.

2.4 The Trustee shall have no duty, responsibility or obligation for the payment of the Bonds except in accordance with the terms and provisions of this Deed or any Series Trust Deed or any agreement to which it is a party, and only to the extent that Trustee is in receipt of funds from the Issuer.

3. Declaration and Duration of Trust

3.1 The Issuer hereby creates and establishes a Trust for the benefit of the Bondholders.

3.2 The Trustee hereby declares itself trustee for the Bondholders with effect from the date of this Deed to hold the benefit of the Issuer's covenants and other obligations in this Deed in trust for the Bondholders according to their respective interests and subject to the terms of this Deed.

3.3 The Trustee further declares that it shall act honestly and in good faith in the performance of its duties and the exercise of its discretion; it shall also exercise due care, skill and diligence in carrying out its functions and duties as a trustee and in safeguarding the rights and interests of the Bondholders.

3.4 The Trust shall remain in full force and effect until the date all Bonds issued pursuant to the Programme are redeemed and the:

3.4.1 Trustee receives an unconditional confirmation in writing from the Registrar that there is no Principal Amount or Coupon outstanding in respect of the Bonds; and or

3.4.2 the Issuer receives an unconditional release in writing from the Trustee from all of its obligations under this Deed.

3.5 The Issuer shall use the net proceeds from the issue of a Series (after deduction of the costs and expenses incurred in connection with the issuance of such Series) for the purpose specified in the relevant Supplementary Shelf Prospectus/Pricing Supplement.

4. Programme Trust Deed Binding

4.1. The provisions of this Deed or any supplemental deed created pursuant to this Deed shall be binding on the Issuer, the Trustee and the Bondholders and all persons claiming through them respectively as if such Bondholders and persons are parties to this Deed.

4.2. Subject to the provisions of this Deed, a Bondholder who feels dissatisfied may personally initiate legal action to enforce his rights under this Deed or any Series Trust Deed, irrespective of the legal duty of the Trustee to take such legal action.

5. Issuance of Bonds

5.1 The Issuer shall issue and offer the Bonds in Series or Tranches in an aggregate nominal amount from time to time up to and not exceeding the Aggregate Principal Amount in accordance with the terms of this Deed. Any Bond issued in accordance with this Deed shall be constituted by this Deed and the applicable Series Trust Deed without further formality.

5.2 Any Series, as and when issued, shall constitute a single class and shall be the direct and unconditional obligations of the Issuer as provided in the relevant Series Trust Deed and the ranking shall be as specified in the relevant Series Trust Deed.

5.3 The issued Bonds shall constitute an irrevocable obligation of the Issuer for the Principal and Coupon (where applicable)

5.4 The Bonds shall be issued by way of a public offer, private placement, a book building process and or any other method selected by the Issuer as set out more particularly in the relevant Supplementary Shelf Prospectus or Pricing Supplement.

5.5 Each issue of Bonds shall form a separate Series or Tranche. The provisions of this Deed shall apply separately and independently to the Bonds of each Series. Each Series shall be constituted by a separate trust created by a Series Trust Deed under which the Trustee shall hold the benefit of the covenant in Clause 8.3 (*Covenant to Repay and to Pay Coupon on the Bonds*) in this Deed in trust for the Bondholders of the particular Series. The provisions contained in any other Series Trust Deed shall apply only in relation to the Series to which it relates. Furthermore, each Series may be issued in tranches (each a Tranche) on the same or different Issue Dates. The specific terms of each Tranche will be set out in the applicable Series Trust Deed and Final Terms.

5.6 The name of each Series will commence with the word “Series” and will be followed by a number in consecutive order of issuance of the Series.

5.7 If there is any conflict between the provisions of a Series Trust Deed relating to a Series and the provisions of this Trust Deed, the provisions of the Series Trust Deed shall prevail over the provisions of this Trust Deed in respect of the relevant Series.

5.8 The Bonds shall be listed on the Exchange and/or admitted to listing, trading and/or quotation by any other listing authority or stock exchange as may be specified in the applicable Pricing Supplement and issued in denominations as specified in the Final Terms. The tenor of the Bonds for each Series shall be specified in the relevant Series Trust Deed.

5.9 The Bonds shall be issued and transferable in units or amounts to be determined by the Issuer and stated in the relevant Conditions.

5.10 Other than as provided in this Deed or the relevant Series Trust Deed, there are no restrictions on the transferability of the Bond.

5.11 *Purpose of the Bonds*

5.11.1. The purpose for which the proceeds of the Bonds are to be utilized shall be specified in the Final Terms.

5.11.2. Without prejudice to the generality of the previous and the subsequent provisions of this Deed, the Trustee shall not be bound to enquire as to the application of the proceeds of the Bonds.

5.12 *Form and Delivery of the Bonds*

5.12.1 The Bonds may be delivered in either certificated or dematerialised (uncertificated or book entry) form and held in separate CSD accounts of the Bondholders.

5.12.2 Title to the Bonds passes only upon registration in the Register.

5.12.3 Statements issued by the applicable CSD as to the aggregate number of Bonds standing to the CSD account of any Bondholder shall be conclusive and binding for all purposes except in the case of manifest error and such person (or his/her legal representatives) shall be treated by the Issuer, the Trustee and the Registrar as the legal and beneficial owner of such aggregate number of Bonds for all purposes.

5.12.4 The Bondholders shown in the records of CSD (or their legal representatives) are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of this Deed and any relevant Series Trust Deed.

5.13 *Transfer of Bonds*

5.13.5.1 Transfers of Bonds in dematerialised form will be effected through the records of the relevant CSD and the respective participants in accordance with the rules and procedures of the CSD and title to Bonds shall pass when such transfer is recorded in the Register.

5.13.5.2 Any transfer of Bonds held in certificated form shall be effective upon such transfer being registered in the Register, following the presentation and surrender of the certificate together with a duly executed instrument of transfer in a form satisfactory to the Registrar by the Bondholder (in person or by his attorney duly authorised in writing). Upon surrender of the earlier mentioned documents to facilitate the registration of the transfer of any Bond, the Registrar shall register such transfer, and deliver a new certificate to the transferee as appropriate and such transferee shall consequently be deemed to be a Bondholder.

5.14 *Conditions of the Bond*

The Issuer shall comply with, perform and observe all the provisions of this Deed, the Conditions and the applicable Series Trust Deed. The Conditions shall be deemed to be incorporated in this Deed and shall be binding on the Issuer, the Trustee and the Bondholders and all persons claiming through or under them respectively.

5.16 *Status of the Bonds*

Unless otherwise stated in the Final Terms, each Bond in a Series constitutes a direct, unsecured, senior and unconditional (without prejudice to Condition 6) obligation of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and in respect of principal and any interest on the Bonds shall at all times rank at least equally with all unsecured obligations of the Issuer, present and future except for obligations mandatorily preferred by law applying to companies generally.

5.17 *Rights of Bondholders*

The Bondholders shall not have or acquire any right against the Trustee in respect of the Bonds except as expressly conferred upon them by this Deed or by law, regulation or court order and no person shall be recognized as a Bondholder except in respect of Bonds registered in his name in the Register.

6 Establishment of Debt Service Payment Account

6.1. Subject to the applicable Final Terms, the Issuer shall, not later than the Issue Date for each Series, open with the Account Bank, a Debt Service Payment Account for each Series in the name and under the control of the Trustee.

6.2. The Issuer shall pay all sums or monies due on the Bonds into the Debt Service Payment Account no later than ten (10) Business Days before the next Coupon Payment Date or the Payment Date (as the case may be).

6.3. The Issuer shall no later than 10.00a.m. on the Business Day immediately preceding the date on which the payments referred to in Clause 6.2 is made, send a payment confirmation by authenticated SWIFT acknowledgment or other acceptable form or notification to the Trustee confirming that the relevant payment has been made into the Debt Service Payment Account.

6.4. At every time, where the Issuer pays the relevant sums due under the Bonds into the Debt Service Payment Account in the manner prescribed by Clause 6.2 above, it shall be discharged from its obligations in respect of the said payments. For the avoidance of doubt, this Clause 6.4 shall not apply if the Issuer fails to make the relevant payment within the period prescribed in Clause 6.2.

6.5. The Trustee shall, not later than twenty-one (21) days before the applicable Payment Date, issue a written notice to the Issuer notifying it of the next Coupon Payment Date and the obligation to fund the Debt Service Payment Account in accordance with Clause 6.2 above.

6.6. The Debt Service Payment Account shall be funded by the Issuer in such frequency as may be specified in the applicable Final Terms for the purpose of accumulating monies to pay the Coupon and where applicable repay the Principal on the applicable Payment Date. The money standing to the credit of the Debt Service Payment Account on any Payment Date shall not be less than the aggregate Principal and Coupon due on the relevant Series on the relevant Payment Date.

6.7. In the event that the Trustee determines not later than five (5) Business Days before a Payment Date, that the funds in the Debt Service Payment Account are insufficient to pay the Coupon and Principal due on the Bonds, the Trustee shall immediately issue a written notice to the Issuer. Upon receipt of the written notice, the Issuer shall, not later than four (4) Business Days before a Payment Date, remit sufficient funds into the Debt Service Payment Account to meet such shortfall in the Coupon and Principal due on the Bonds as calculated by the Trustee.

6.8. The Trustee shall ensure that the Account Bank utilizes funds in the Debt Service Payment Account for purposes of effecting payments on the Bonds to Bondholders as and when due.

7 Covenants of the Issuer

The Issuer covenants to the Trustee that it shall:

7.1 comply with and perform all the obligations expressed to be undertaken by it under this Deed and the Bonds. The Trustee shall be entitled to enforce the obligations of the Issuer under the Bonds as if the same were set out and contained in the Deed, which shall be read and construed as one document with the terms of the Conditions;

7.2 to the extent that any Bonds are constituted under the relevant Series Trust Deed and issued, be indebted to the Bondholders up to the Principal amount of the Bonds specified in such Series Trust Deed in respect of the relevant Series and undertakes to the Trustee that the Bonds, to the extent constituted and issued, shall be redeemed together with any outstanding Coupon and other monies on the Redemption Date in the relevant currency (or earlier on an amortised basis) provided for in the relevant Final Terms or such earlier date as the same or any part may become due and repayable;

7.3 pay to the Trustee in immediately available funds, the full Principal amount of the Bond and or such part of the Bonds as ought to be redeemed on the Redemption Date as may be payable, and shall in the meantime and until such date (both before and after any judgment or other order of a court of competent jurisdiction) pay unconditionally to or to the order of the Trustee, interest (which shall accrue from day to day) on the Principal amount of the Bonds;

7.4 in the event the Issuer fails to make payment to the Trustee on the due date, that is (not later than five (5) Business Days before a Payment Date) or improperly withholds or refuses to make such payment, interest shall continue to accrue on the Principal so withheld or refused (both before and after any judgment or order of a court of competent jurisdiction) at the Coupon Rate up to and including the date on which payment is eventually made to the Bondholders;

7.5 every payment of Principal and or Coupon on the Bonds will be made free of all costs, commissions, charges, fees, or other payments or deductions, other than any tax on income which the Issuer may by any Applicable Laws be required to deduct;

7.6 obtain and keep in full force and effect all authorisations required for the validity and enforceability of the Issue Documents against the Issuer;

7.7 promptly inform the Trustee of any Event of Default or as soon as it becomes aware of such event;

7.8 comply in all respects with all Applicable Laws, permits, and licences to which it may be subject and which in each case is material to its obligations under the Issue Documents for as long as any Bonds are outstanding under the Programme, and shall obtain and maintain such permits and licences except where such non-compliance will not result in a Material Adverse Effect on its obligations under the Issue Documents;

7.9 furnish the Trustee with a copy of its quarterly financial statements within five (5) Business Days of sending the same to the SEC (where applicable).

7.10 furnish the Trustee with copies of its audited financial statements, including their Statements of Financial Position as at the close of that fiscal year and the statements of sources and application of funds for that fiscal year, prepared in accordance with IFRS and confirmed by the Auditors as fairly representing the financial condition of the Issuer as at the close of that fiscal year within thirty (30) Business Days of completion of audit exercise;

7.11 for as long as any Bonds are outstanding, subject to obtaining the prior written consent of the Trustee (such consent not to be unreasonably withheld), be entitled to enter into any amalgamation, de-merger, merger, consolidation or corporate restructuring or enter into any transaction which effect would be similar to that of a merger, consolidation or corporate reconstruction, provided that:

7.11.1 no consolidation, corporate restructuring, merger or other change in the status of the Issuer shall be interpreted to avoid the Issuer's obligations imposed by this Deed and in the event of any change in status of the Issuer, the successor or successors-in-title of the Issuer shall be held and deemed responsible for the due performance of the obligations intended by this Deed;

7.11.2 immediately before and after giving effect to such consolidation or merger, no Event of Default shall have occurred and be continuing; and

7.11.3 the Issuer or its successor-in-title, as the case may be, shall have delivered to the Trustee, a certificate signed by two (2) of its directors stating that the consolidation or merger or other change of status complies with the provisions of subparagraphs 7.11.1 and 7.11.2 above.

7.12 unless with the prior written consent of the Trustee first had and obtained (which consent shall not be unreasonably withheld), not reduce its issued share capital or otherwise amend or change its share capital in a manner which, in the Trustee's reasonable opinion would adversely affect its ability or obligation to pay the Principal and or Coupon on the Bonds and or any monies payable under this Deed except such amendment is required by an Applicable Law;

7.13 in any other case of alteration of capital, and or amendment of its Memorandum and Articles of Association, it shall, inform the Trustee in writing no later than ten (10) Business Days upon completion, giving full particulars of the status of its share capital as altered, and or amendment of its Memorandum and Articles of Association accompanied with a formal representation by the Issuer confirming that such alteration or amendment shall not adversely affect its ability or obligation to pay principal and or interest on the Bonds issued under this Deed. In addition, the Issuer shall give answers to any reasonable queries of the Trustee in respect of such alteration or amendments;

7.14 retain a reputable firm of auditors as its auditors at all times and permit its Auditors to communicate directly with the Trustee or its designee following the occurrence of an Event of Default;

7.15 duly and punctually pay and discharge all Taxes for which: (a) it reasonably believes it is liable, pursuant to any self-assessment procedure; and (b) assessed upon it or its assets under any Applicable Law within the time period allowed, without incurring penalties, except:

7.15.1 such payment is being contested in good faith;

7.15.2 adequate reserves are maintained for those Taxes and any interest or penalties; and

7.15.3 such payment can be lawfully withheld;

7.16 bears and pays any stamp duties and charges (including interest and penalties, payable or imposed by any authority or government agency in Nigeria), in connection with the execution, delivery and performance of this Deed, and shall indemnify each Bondholder against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, any properly incurred legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same;

7.17 ensure that it maintains its legal status and complies with all Applicable Laws required to maintain such status;

7.18 ensure the information it makes available to the Bondholders directly or through any of its directors, officers, employees, or representatives in connection with the transactions contemplated by this Deed shall be complete and correct in all material respects; and not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made;

7.19 keep proper books of account and, at any time after an Event of Default has occurred and is continuing or if the Trustee reasonably believes that an Event of Default may have occurred or may be about to occur, allow the Trustee and the Auditor free access to such books of accounts at all reasonable times during normal business hours, until such Event of Default ceases;

7.20 use its best endeavours to maintain the quotation or listing on the relevant securities market or exchange on which the Bonds are quoted or listed or, if it is unable to do so having used such endeavours, use its best endeavours to obtain and maintain a quotation or listing of such Bonds on such other stock exchange or securities market as the Issuer may decide and upon obtaining a quotation or listing of such Bonds issued by it on such other stock exchange or exchanges or securities market or markets, enter into a deed supplemental to this Deed or the relevant Series Trust Deed to effect such consequential amendments as shall be necessary to comply with the requirements of any such stock exchange or securities market. Provided that the Issuer shall be able to delist the Bonds from any exchange for any reason whatsoever with the prior approval of the Majority Bondholders;

7.21 provide the Trustee with all documents and information which the Trustee may reasonably require in connection with the performance of its obligations under this Deed, within fifteen (15) Business Days of receipt of a written request from the Trustee or, in the event that the

Issuer may require a longer period to obtain such documents or information from third parties, as soon as is reasonably practicable after such request and in any event by such longer period as may be agreed with the Trustee; and

7.22 in each year in which any part of the principal amount on the Bonds and accrued interest are outstanding, issue a certificate stating that:

7.22.1 all arrangements required during the next financial year to meet the payment obligations of the Issuer have been put in place by the Issuer; and

7.22.2 to the best of its knowledge, it is not aware of any facts or circumstances in the ordinary course of its business that will affect its ability to meet its payments obligations as and when due.

7.23 ensure that all payments due to the Bondholders shall be paid to the Debt Service Payment Account(s) as provided in the relevant Final Terms.

7.24 where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on or by the next succeeding Business Day unless that succeeding Business Day falls in a different month in which case payment shall be made on or by the immediately preceding Business Day.

9 Representations and Warranties

Representations and Warranties of the Issuer

9.1 The Issuer hereby undertakes, represents and warrants to the Trustee that, as of the date of this Deed and to the Trustee and the Bondholders of the relevant Series as at the Issue Date of any Series that:

9.1.1 it is a public limited liability company duly incorporated under the laws of Nigeria and has full power and authority to issue the Bonds;

9.1.2 it will give full effect to the Bonds when issued as provided under the Issue Documents;

9.1.3 it has obtained all government licences, authorisations, registrations, consents and approvals, to enter into, execute, deliver and perform its obligations under the Issue Documents;

9.1.4 its execution and delivery of the Issue Documents and its performance of this Deed:

a) have been duly authorised by all necessary corporate action;
b) will not contravene any Applicable Law;
c) will not contravene or constitute a default under any contractual obligation, judgment, injunction, order or decree binding upon it or its assets; and
d) will not contravene other agreements and any of the provisions of the Issuer's constitution documents;

9.1.5 each of the documents required to be executed and delivered in connection with the issue of the Bonds has been or will be duly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it (subject to corporate insolvency and similar exceptions) in accordance with its terms;

9.1.6 it is in material compliance with all Applicable Laws including those in relation to its obligations under the Programme;

9.1.7 the Issuer has no right of immunity on the ground of sovereignty or otherwise, from any jurisdiction, attachment (before or after judgment) or execution in respect of any action or proceeding relating in any way to the Issue Documents that may be brought in the courts of the Federal Republic of Nigeria or any relevant jurisdiction and where any such right is conveyed while the Bonds are outstanding, the Issuer hereby waives such right;

9.1.8 the obligations of the Issuer under the Issue Documents are direct, unsecured, senior or subordinated (as the case may be) and unconditional obligations of the Issuer and rank *pari passu* with all other present and future unsecured senior or subordinated (as the case may be) Financial Indebtedness of the Issuer;

9.1.9 it is able to pay its debts as they fall due and has not suspended making payments on any of its debts or, by reason of actual financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness;

9.1.10 the value of its assets is not less than its actual liabilities; and

9.1.11 except as may be otherwise disclosed in the Shelf Prospectus, no litigation, arbitration or administrative proceedings before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect has (to the best of its knowledge and belief) been commenced or threatened against it.

Representations and Warranties of the Trustee

9.2 The Trustee undertakes, represents and warrants to the Issuer that, as of the date of this Deed and as at the Issue Date of any Series of the Bonds:

9.2.1 it is a private limited liability company duly registered under the laws of the Federal Republic of Nigeria;

9.2.2 it is duly registered and authorized by the Commission to act as a trustee in connection with capital market transactions;

9.2.3 it has the full power, consent and authority to enter into this Deed, exercise its rights and perform its obligations under this Deed and such authorizations and consent are in full force and effect;

9.2.4 it has the resources, capacity and expertise to act on behalf of the Bondholders with regard to every issue of Bonds under the Programme and it shall comply with the provisions of the ISA, the Trustees Investment Act, this Deed and the relevant Series Trust Deeds in the performance of its obligations;

9.2.5 the obligations expressed to be assumed by it under this Deed are legal and valid obligations binding on it in accordance with their terms;

9.2.6 it shall provide any information that the Commission or the Issuer may require in connection with its obligations to act on behalf of the Bondholders;

9.2.7 it shall not allow any conflicts to occur between its obligations in connection with the Bonds and its commercial interests;

9.2.8 it does not have any subsisting and undisclosed fiduciary relationship with the Issuer;

9.2.9 no litigation, arbitration or administrative proceedings before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to affect its ability to perform its duties under this Deed;

9.2.10 is not under investigation by any industry body or regulator to which it is to which it is subscribed or it is not in possession of an adverse finding by such body or regulator; and

9.2.11 it shall comply with its obligations under this Deed and the terms and conditions specified in this Deed.

11. Trust of Receipts

11.1 All monies received by the Trustee under this Deed shall be held by the Trustee (subject to the payment of any money having priority to the Bonds) upon trust to apply such funds for the following purposes and in the following order of priority:

11.1.1 costs, charges, expenses and liabilities incurred, and payments made in or about the execution of the trusts of this Deed including all expenses payable to the Trustee with interest on such sums as provided in Clause 14.1.3 of this Deed;

11.1.2 any Coupon due or owing upon the Bonds *pari passu* and without preference or priority;

11.1.3 the Principal sum owing upon the outstanding Bonds of that Series or Tranche *pari passu* and without preference or priority; and

11.1.4 The surplus (if any) shall be paid to the Issuer or to the person or persons entitled to such surplus.

11.2 If the Trustee holds any moneys in respect of Bonds which have become void, or in respect of which claims have become prescribed, the Trustee shall apply them in accordance with the order of payment set out above.

11.3 The Issuer shall pay to the Trustee, its attorney, agent or other person appointed in writing by the Trustee pursuant to this Deed as and when due every sum of money which shall from time to time be payable to any such person under any provisions of this Deed. The Issuer will on written demand in accordance with the agreed notice period, pay and satisfy or obtain the release of such person from any liabilities incurred by him pursuant to this Deed.

15. Powers, Covenants and Indemnities of the Trustee

15.1 Subject to the provisions of this Deed, the Trustee shall enjoy all powers, reliefs and indemnities granted to it, and perform the obligations imposed on it pursuant to the Trustees Investment Act and all Applicable Laws for the time being in force.

15.2 The Trustee shall have the power to do any act in accordance with this Deed, the relevant Series Trust Deed, the ISA and any Applicable Law which shall be on behalf of and for the benefit of the Bondholders.

Covenants of the Trustee

15.3 The Trustee shall:

15.3.1 act in accordance with the provisions of this Deed, the relevant Series Trust Deed, the ISA, the SEC Rules, the Trustees Investment Act and any Applicable Laws and safeguard the rights of the Bondholders for the Issuer's obligations under the Programme;

15.3.2 summon, as and when necessary, meetings of all Bondholders of a Series where necessary matters and business will be presented to and determined by Bondholders; and

15.3.3 not enter into contracts or other arrangements that would amount to a conflict of interest in the performance of its obligations under this Deed, or any other customary obligations of a trustee. In the event the Trustee and the Issuer fail to agree on what constitutes a conflict of interest as contemplated by this Deed, such matters shall be determined by a person acting as an expert and not as an arbitrator selected by the Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Trustee and Issuer) by the Director General for the time being of the SEC (the expenses involved in such nomination and the fees of such person being payable by the Issuer) and the determination of any such person shall be final and binding upon the Trustee and the Issuer.

15.4 The Trustee shall make payments of coupon and principal in respect of the Bonds in accordance with the Conditions of this Deed and for so long as the Bonds are evidenced by records confirmed by the Registrar.

15.5 The Trustee shall not make any payment for any Coupon or Principal due on any Series in an amount which is greater than the amount of Coupon or Principal payable in accordance with the Conditions in respect of such Series and determined or calculated by the Trustee.

15.6 Prior to an Event of Default and after curing or waiving all Events of Default which may have occurred, the Trustee shall not be liable except for the performance of its duties as specifically set out in this Deed or as required under any Applicable Law or regulation which applies to the Trustee.

15.7 The Trustee shall make copies of this Deed and the latest consolidated audited financial statements of the Issuer available for inspection by Bondholders between the hours of 10:00am and 4:00pm on any Business Day, at its specified office.

15.8 The duties and obligations of the Trustee shall be determined solely by the express provisions of this Deed, and no implied powers, duties or obligations of the Trustee, except as provided by the ISA or any other Applicable Law shall be construed into this Deed.

Powers of the Trustee

15.9 Upon the occurrence of an Event of Default, the Trustee shall, subject to the provisions of this Deed, exercise such rights and utilise such powers vested in it under this Deed, and the ISA, and shall use the required degree of care and skill in the exercise of its duties.

15.10 The Trustee shall not be required to expend, or risk its own funds, or otherwise incur any liability, or suffer any charge on its property in relation to the performance of its duties, or in the event of the failure of the Issuer to perform any of their obligations in respect of the issue of the Bonds or in any manner whatsoever, or in the exercise of its rights or powers as Trustee, except where such liability arises from its negligence, default and or misconduct.

15.11 Notwithstanding any other provisions of this Deed, the Trustee shall have no liability for: (a) an error of judgment made in good faith by any officer or employees, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts and in such instance, any resulting liability shall be borne by the Trustee; or (b) action taken or omitted to be taken by it in good faith in accordance with the lawful direction of the Majority Bondholders.

15.12 The Trustee may accept a certificate from the Issuer that the entire Bond has been redeemed or relating to any matter primarily within the knowledge of the Issuer as sufficient evidence of such matter and any such certificate shall be a complete protection to the Trustee acting upon such certificate.

15.13 It is hereby expressly agreed and declared as follows:

15.13.1 the Trustee may in relation to this Deed, act on the opinion or advice of or any information from any professional adviser(s), including solicitor, valuer, surveyor, broker, auctioneer, accountant, or other expert, whether obtained by the Issuer or by the Trustee, and shall not be responsible for any loss occasioned by so acting provided that (i) it has used its best efforts to ensure that such persons are competent (ii) it has exercised due care and diligence in the selection of such professional adviser(s); and any such advice, opinion or information may be obtained or sent by letter or electronic mail, and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be so conveyed; Provided that the Issuer shall bear the fees and reasonable costs and expenses incurred by the Trustee in the appointment of any solicitor, valuer, surveyor, broker, auctioneer, accountant or any other agent, expert or professional in respect of the trust and agreed in advance in writing by the Issuer. The Issuer hereby agrees to pay to the Trustee such fees and expenses within fifteen (15) Business Days on a full indemnity basis together with any VAT or similar tax payable in connection with the engagement of any such agent, expert or professional upon receipt of the Trustee's written request;

15.13.2 the Trustee shall not be bound to give notice to any person or persons of the execution of this Deed or of any acts or deeds made or done by virtue of this Deed or to see to the registration of this Deed in any registry or to any other formalities (except to the due execution by it of this Deed);

15.13.3 except as otherwise provided, the Trustee shall not be bound to take any steps to ascertain whether any event has happened upon the occurrence of which the Bond may be declared immediately repayable;

15.13.4 except as otherwise expressly provided, the Trustee in the exercise of all trusts, powers, authorities and discretions vested in it and in the absence of fraud, negligence, or misconduct, shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise of its powers, and in particular, the Trustee shall not be bound to act at the request or discretion of the Bondholders under any provision of this Deed unless the Trustee shall first be indemnified to its satisfaction by the Bondholders against all costs, charges, expenses and liability which may be incurred in complying with such request or discretion;

15.13.5 the Trustee shall not be responsible for the monies subscribed by applicants for the Bonds;

15.13.6 the Trustee shall be at liberty to accept:

a) a certificate signed by any two (2) Directors of the Issuer as to any fact or matter on which the Trustee may need or wish to be satisfied as sufficient evidence of such fact; and

b) the Trustee shall not be bound in such case to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so or by its acting on any such certificate;

15.13.7 the Trustee shall not be responsible for having acted upon any resolution purporting to have been passed at any meeting of the Bondholders where minutes have been made and signed, even though it is subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution with the effect that the resolution was not valid or binding upon the Bondholders except where the Trustee had knowledge of such defect prior to taking such action;

15.13.8 the Trustee shall not be bound to declare any Series immediately repayable or to take any steps to enforce payment or any of the provisions of this Deed unless and until in any of such cases the Trustee is required to do so in writing by Majority Bondholders or by a Special Resolution passed at a duly convened meeting of the Bondholders; provided that the Trustee shall in any case inform the Bondholders of the happening of any Event of Default that comes to its knowledge;

15.13.9 without prejudice to the right of indemnity by law given to the Trustee, the Trustee and every attorney, agent or other person appointed by it pursuant to this Deed, shall be entitled to be indemnified by the Issuer in respect of all liabilities and reasonable expenses incurred by the Trustee in the execution or purported execution of the powers and trusts or of any powers, authorities or discretions vested in it pursuant to this Deed. Provided that (a) the Trustee, its attorney, agent or other person appointed by the Trustee has not acted negligently or in default of its powers, duty and obligations or misconduct on the part of the attorney, agent or person appointed by the Trustee, and the Trustee may retain and pay out of any monies in its hands upon the trusts of these, the amount of any such liabilities and expenses and also the remuneration of the Trustee; and

15.13.10 the Trustee shall not be liable for anything except only a breach of trust committed by it. Provided nevertheless that nothing contained in this Clause 16 shall exempt the Trustee from indemnifying the Issuer or Bondholders against any liability for negligence, misconduct or breach of trust where the Trustee fails to show the degree of care and diligence required of it having regard to the provisions of this Deed and any Applicable Law conferring on it powers, authorities or discretions.

15.13.11 The Trustee shall perform its fiduciary duties to the Bondholders in accordance with this Deed and the Applicable Laws, including:

i. to manage the trust property in a responsible and productive manner;

ii. to ensure that the trust property is vested according to the terms of the trust established under this Deed;

iii. not to commingle its funds with those of the trust;

iv. to segregate its assets from trust property;

v. not to delegate its duties, except as permitted by this Deed;

vi. to act impartially and solely in the best interest of all Bondholders; and

vii. to manage the trust property in a prudent and business-like manner.

15.14 *Power to Delegate or Appoint Agents*

15.14.1 Instead of acting personally, the Trustee may employ and pay an agent (whether a solicitor or other professional person), to transact or conduct or carryout all acts required to be done by the Trustee, including the receipt and payment of money, in connection with this Deed, provided however, that the Trustee shall not delegate all its powers to an agent before seeking the prior approval of the Issuer and notifying the Commission of such delegation.

15.14.2 It is hereby agreed that, for the purpose of liability, where the Trustee appoints:

a) professional adviser(s), it will not be liable for the acts or omissions of such professional advisers provided that the Trustee exercised due care and diligence in the selection of such professional adviser(s);

b) agents and has delegated its trust powers and functions to agent(s), the Trustee will be liable for the acts and omissions of such agent(s).

15.15 *Dealings with the Issuer and its Securities*

15.15.1 Subject to the provisions of the ISA, and Section 213 of the CAMA, the Trustee under this Deed shall be at liberty in the ordinary course of its business, and every director, other officer or servant of the Trustee shall be at liberty, to enter into contracts with or hold any office for profit under the Issuer or any Affiliate of the Issuer and to hold, purchase, sell, underwrite or otherwise deal with any of the Bonds or any other securities and other obligations of the Issuer or of any such Affiliate and to act as trustee of any other securities or obligations of the Issuer or of any such Affiliate without being accountable for any receipt, profits, interest charges, commissions, fees or other remuneration arising from such actions.

15.15.2 Without prejudice to the generality of sub-clause 16.15.1, it is expressly declared that such contracts, transactions or arrangements may include:

a) any contract for the purchase or leasing to the Trustee of the whole or any part of the property of the Issuer or of any property or assets formerly included in such property of the Issuer; or any contract for the sale or leasing by the Trustee of any property or assets on the basis that such property or assets will become part of the property of the Issuer or will be paid for out of capital money or exchanged for all or part of the property of the Issuer or otherwise; or any other dealing with or in relation to property or assets subject to the trusts of this Deed whether similar to those contracts or not;

b) any contract, transaction or arrangement for or in relation to the placing, underwriting, purchasing, subscribing for or dealing with or lending money upon the Bonds or any other bond, shares, debenture bond, debentures or other securities of the Issuer or an Affiliate or any contracts of insurance with the Issuer or any of its subsidiaries; and

c) the Trustee acting as trustee of any other securities or obligations of the Issuer, or its Affiliates.

15.15.3 The Trustee shall not be accountable to the Issuer, or any of its Affiliates or to the Bondholders for any profits or benefits resulting or arising from any contract, transaction or arrangement as is mentioned in this clause and the Trustee shall also be at liberty to retain for its own benefit and shall be in no way accountable to the Issuer, or any Affiliate or to the Bondholder for any benefits or profits or any fees, commissions, discount or share of brokerage paid to it by bankers, brokers or other parties in relation to or otherwise arising out of any contract, transaction or arrangement (including any dealing with the Bonds or the property of the Issuer) permitted by or effected under or in connection with this Deed.

15.16 *Authorisation of the Trustee*

Each Bondholder authorises the Trustee (whether or not by or through employees or agents):

15.16.1 to exercise such rights, remedies, powers and discretions which are specifically delegated to or conferred upon the Trustee by this Deed together with such powers and discretions as are reasonably incidental to the powers; and

15.16.2 to take such action on its behalf as may from time to time be authorised under or in accordance with this Deed.

15.17 *Trustee's Authority to Execute Documents*

15.17.1 The Trustee is authorised to enter into and execute any further document(s), which is required to be executed by the Trustee with respect to the Programme

15.17.2 In each and every case, the Trustee agrees to hold the rights and benefits created under this Deed for the benefit of the Bondholders in the manner contemplated by this Deed.

15.18 *Authorised Investments*

15.18.1 Subject to the provisions of each Series Trust Deed, any monies standing to the credit of the Debt Service Payment Account may, at the discretion of the Trustee, be invested by the Trustee in its name or under its legal control in any investments for the time being authorised by the Trustees Investment Act for the investment of trust monies, or such other instruments as may be agreed by the Trustee and the Issuer and approved by the Commission. PROVIDED HOWEVER that the Trustee shall, while any Bonds are outstanding, render accounts on a half-yearly basis to the Issuer.

15.18.2 All interest and other income deriving from such investments above shall also be applied in payment or satisfaction of all amounts then due and payable under this Deed and the applicable Series Trust Deed. Subject to the selection criteria, if any bank selected is a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on similar deposits by such bank's other customers which it deals with on an arm's length basis.

15.18.3 If at any time prior to the date specified in a Series Trust Deed, the Issuer redeems or purchases any Bond under the provisions of this Deed or the Issuer funds the Debt Service Payment Account in excess for whatever reason, the Trustee shall remit to the Issuer such monies received from the Issuer for the credit of the Debt Service Payment Account which are over and above the amount necessary to make the relevant Coupon payments and Principal redemptions, at par, PROVIDED THAT, in the case of floating rate Bonds, the Trustees in their absolute discretion may withhold such sums as deemed necessary to maintain a cushion against coupon fluctuations.

15.19 *Covenant of Compliance*

The Trustee covenants with the Issuer that it shall comply with and perform all the provisions of this Deed which are binding on it.

15.20 *Trustee's Indemnity*

Nothing in this Deed shall, in any case in which the Trustee has failed to show the degree of care and diligence required of it as trustee, exempt the Trustee from indemnifying the Issuer or Bondholders who have suffered any loss as a result of the negligence of the Trustee, its agent, attorney or appointees in relation to its duties under this Deed.

18. Remuneration of Trustee

18.1 During the continuance of the Trust and until the Trust is determined, the Trustee's remuneration shall be as documented in an engagement letter executed between it and the Issuer.

18.2 The remuneration in the engagement letter referred to in Clause 19.1 may be reviewed at the end of each year, by the mutual agreement of the Parties.

18.3 The Issuer shall pay the Trustee a mutually agreed sign-on fee and an annual trustee fee.

18.4 The Trustee shall be reimbursed for all invoiced costs, charges, and expenses reasonably incurred by the Trustee in connection with the performance of its duties under this Deed. The

Trustee shall however not incur any expenses in excess of the aggregate sum of ₦250, 000.00 (Two Hundred and Fifty Thousand Naira) without the Issuer's prior written approval.

19. Exit and Entry of the Trustee

19.1 *Appointment of a Trustee*

For as long as any Bond is outstanding, the Issuer is vested with the power, subject to the notification and approval of the Commission, to appoint an additional trustee (up to a maximum of two (2) trustees acting jointly), provided that such appointment must have been approved by a majority of the Bondholders present at a meeting duly called for such purpose.

19.2 *Removal of a Trustee*

19.2.1 Subject to the approval of the Commission and the Bondholders by a Special Resolution, the power to appoint a new trustee shall, for so long as any of the Bonds is outstanding, be vested in the Issuer. The Bondholders shall also have power at any time by a Special Resolution to remove from office any trustee appointed under this Deed. Provided the Bondholders can only remove such an appointed trustee when the trustee is in breach of its Representations and Warranties in Clause 10.2 of this Deed, as well as in the case of negligence, wilful default, breach of duty or breach of trust in relation to its duties as provided in Clause 16 of this Deed and where the removal of the trustee would result in there being no trustee for the Bonds, such removal shall not be effective until the Issuer has appointed a new trustee (and such appointment has been approved by a majority of the Bondholders). The successor trustee(s) shall be reputable and experienced, have accepted such appointment, and shall have delivered to the Issuer the duly executed Accession Instrument in or substantially in the form in the Third Schedule to this Deed.

19.2.2 In addition, where any Series Trust Deed so provides, the Trustee may be removed by the Issuer but only for the reasons stated in the Series Trust Deed and in this Deed and only so long as (a) no Event of Default shall have occurred and be continuing; and (b) the removal of such Trustee shall not have any adverse effect upon the rights and interests of the Bondholder.

19.3 *Retirement of a Trustee*

19.3.1 The Trustee shall be required to retire from its position as trustee in the event of any of the following happening:

a) except for voluntary liquidation for the purpose of amalgamation or reconstruction, if it goes into liquidation or if a receiver is appointed over the undertaking of the Trustee or if a public authority shall take over the undertaking of the Trustee or any substantial part of it; or

b) if the Trustee has been fraudulent or has acted with misconduct in the performance of its duties under this Deed; and if for good and sufficient reason the Issuer is of the opinion that a change of Trustee is desirable in the interests of the Bondholders and notifies the Trustee in writing accordingly;

19.4 In the event of the occurrence of any of the events stipulated in Clause 20.3 above, the Trustee's retirement shall take effect immediately the Issuer appoints a new trustee, provided that such appointment must have been approved by a majority of the Bondholders present at a meeting duly called for such purpose. Upon acceptance of the appointment, the new trustee(s) shall have delivered to the Issuer the duly executed Accession Agreement in or substantially in the form in the Third Schedule to this Deed and the rights, covenants and powers in this Deed shall vest in the new trustee.

19.5 *Voluntary Retirement of a Trustee*

19.5.1 The Trustee shall have the right to voluntarily retire upon giving the Issuer sixty (60) days written notice of its intention to do so.

19.5.2 Where there is no other subsisting trustee at the time of the Trustee's retirement, the said retirement shall not take effect and the Trustee shall continue to hold the rights conferred and perform the obligations imposed on the Trustee by this Deed until the Issuer has, subject to the Commission's approval, appointed a successor trustee and the Commission shall be promptly notified. In such event, the successor trustee shall cause notice of its appointment to be issued to the existing Bondholders.

19.5.3 The Trustee shall not be responsible for any cost occasioned by its retirement, except for the cost of physically transferring all documents related to this Deed to a new trustee, and the cost of notifying the Bondholders of the appointment of a successor trustee.

19.5.4 The successor Trustee appointed pursuant to Clause 20.5.2 shall execute an Accession Agreement in accordance with the Third Schedule and cause notice of its appointment to be issued to the Bondholders of all Bonds then outstanding.

19.5.5 Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by Applicable Law, any successor Trustee shall be a company, authorised to carry on trust business in Nigeria and duly registered with the Commission to provide corporate trust services.

19.5.6 In the event of the retirement of the Trustee in accordance with this Clause 20, the Trustee shall immediately account for and deliver up all of the Assets, to its appointed successor. In addition, the Trustee undertakes to refund to the Issuer the unearned portion of the annual fees for the year that it retires.

27. Notices

27.1 All notices required to be given in connection with this Deed shall be in writing, either delivered by hand, pre-paid post or courier to the respective Parties registered address, or by dispatching the same by electronic mail transmission, provided that in the case of Bondholders of any Series whose address is not verifiable or without a valid e-mail or both, any notice given by way of publication in two Nigerian national newspapers will suffice as sufficient notice.

27.2 Service shall be deemed to have been made at the time of actual receipt, except in the case of any electronic mail transmission sent after 4.30 pm, it shall be deemed to have been served at 9.00 am on the next Business Day.

27.3 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice.

27.4 Registered address means, in the case of a Bondholder, an address supplied by him to the Registrar/ Trustee/Issuer for the giving of notice to him.

27.5 A notice may be given by the Trustee to the persons entitled to the interest of a Bondholder in consequence of the death of such Bondholder by sending it through the post in a prepaid letter to representatives of the deceased, or by any like description, at the address, if any within Nigeria supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death had not occurred.

27.6 In the case of joint registered Bondholders, a notice given to the holder whose name stands first in the Register in respect of such Bond shall be sufficient notice to all the joint holders of the Bond.

27.7 All notices shall be effective when received at the addresses specified for the service by the relevant Party or as amended from time to time in writing as set out below:

For the Issuer:

MTN Nigeria Communications Plc
MTN Plaza
Falomo, Ikoyi
Lagos
Attention: **Chief Finance Officer and Chief Corporate Relations Officer**
Email: modupe.kadri@mtn.com and tobechukwu.okigbo@mtn.com

For the Trustee:

ARM Trustees Limited
1, Mekunwen Road
Off Oyinkan Abayomi Drive
Ikoyi, Lagos
Attention: Michael A. Thomas
Email: armtrustees-CT@arm.com.ng

30. Governing Law

This Deed shall be governed by and construed in accordance with laws of the Federal Republic of Nigeria.

31. Dispute Resolution

31.1 In the event of any dispute arising out of or in relation to this Agreement, such dispute shall be communicated by any of the Parties involved in the dispute to the SEC within 5 (five) Business Days of the onset of the dispute.

31.2 The Parties shall endeavour to resolve the same by mutual consultation with each other, within ten (10) working days of the declaration in writing of the dispute.

31.3 Any dispute, which is not mutually resolved by the Parties in accordance with Clause 32.2 above, shall be referred to arbitration in accordance with the provisions of the Arbitration and Conciliation Act Cap A18 Laws of the Federation of Nigeria 2004 or any statutory re-enactment or modification of the same.

31.4 The Arbitration Tribunal shall consist of three (3) Arbitrators, one appointed by the Trustee, a second appointed jointly by the Issuer, and the third Arbitrator who shall preside over the Panel, shall be appointed by the two (2) Arbitrators so appointed. In the event that the two Arbitrators appointed by the Trustee and the Issuer respectively do not agree on the appointment of such third Arbitrator, or if the Trustee or the Issuer fail to appoint their respective Arbitrator within ten (10) Business Days after the declaration of a dispute, then such Arbitrator shall be appointed by the Chairman of the Chartered Institute of Arbitrators UK (Nigeria Branch) on the application of any Party and when appointed, the third Arbitrator shall convene an arbitrators meeting and act as Chairman at the same. The arbitral proceedings shall be held in Lagos, Nigeria, and shall be conducted in English language.

31.5 The arbitration rules and procedures and award shall be binding on the parties to the dispute. The cost of the arbitration shall be borne as determined by the arbitral award.

31.6 The Arbitrators shall resolve the dispute within twenty-five (25) days after the exchange of pleadings by the Parties. In the event the Parties are not satisfied with the decision of the Arbitral Tribunal, the dispute shall be referred to the SEC for resolution.

31.7 Any Party aggrieved by the decision of the SEC, may then refer the matter to the Investment and Securities Tribunal established in accordance with the provisions of the ISA, for resolution.

32. Assignments and Transfers

33.1 The Trustee may assign or transfer any of its rights, interests or obligations under or in respect of this Deed to any successor as trustee subject to the provisions of this Deed, provided that it gives the Issuer at least sixty (60) Business Days notification of such transfer and the consent of the Bondholders is obtained by a Special Resolution prior to effecting such transfer or assignment.

33.2. The Issuer may not assign or transfer any of its rights, interests or obligations under or in respect of this Deed to any person, without the express written consent of the Trustee.

33. Counterparts

This Deed may be executed simultaneously in any number of counterparts, each of which shall be deemed to be an original, but all of which taken together, shall constitute one and the same instrument.

Agusto&Co.

MTN Nigeria Communications Plc.

Issuer Rating

Aa

This is a company that possesses very strong financial condition and very strong capacity to meet obligations as and when they fall due.

Outlook: Stable
Issue Date: 15 July 2020
Expiry Date: 30 June 2021
Previous Rating: Aa+

Industry: Telecommunications

Analysts:
Ojuru Adeniji
ojuruadeniji@agusto.com

Issac Babatunde
isaacbabatunde@agusto.com

Agusto & Co. Limited
UBA House (5th Floor)
57, Marina
Lagos
Nigeria

www.agusto.com

RATING RATIONALE

- Agusto & Co. has reviewed the rating assigned to MTN Nigeria Communications Plc. (**"MTN Nigeria"**, **"MTN"** or **"the Company"**) to **'Aa'**, on account of the significant increase in leverage metrics. The rating reflects the Company's strong financial condition which is characterised by very good profitability, strong cash flow and experienced and stable management team. The rating takes into cognisance MTN's strong leadership position in the Nigerian telecommunications industry, broad range of spectrum licenses, extensive network coverage, expanding distribution channels, large and growing subscriber base as well as increasing number of active data users. Furthermore, the rating considers MTN's vulnerability to regulatory shocks as well as the potential adverse impact of significant changes in consumers behaviour (customers are moving to data service from voice, which has a lower contribution to top line performance) due to the impact of Coronavirus (COVID-19) on businesses and households.

- MTN Nigeria Communications Plc. is a member of the MTN Group (the Group) – one of Africa's leading cellular telecommunications company, with strong presence in 22 countries and over 237 million subscribers. The Company has continued to enjoy strong technical support provided by MTN Group, particularly as MTN Nigeria accounted for 30% of the Group's revenue in 2019. The Company is the largest mobile operator in Nigeria with over 64 million subscribers and 25 million active data users, controlling more than 37% of the Nigerian telecommunications industry's subscribers and 49% market share of the industry's revenue[1].

- During the financial year ended 31 December 2019 (FYE 2019), MTN sustained its revenue growth trajectory, recording a 13% increase in turnover to ₦1.17 trillion, primarily driven by the rise in voice and data business segments owing to changes in its pricing strategy. Operating expenses to sales ratio moderated to 40.7% (2018: 54%), on account of the first-time adoption of IFRS 16 which no longer recognises rentals on operating leases as part of operating expenses but rather utilises a right-of-use assets model and the corresponding lease liabilities. We note that the Company's operating expenses to sales ratio is low in real terms (after we factor inflation of 12%). Pre-tax profit recorded a strong 31% growth to ₦294.7 billion, on the back of improved revenues and lower

[1] Nigerian Communication Commission as at December 2019

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GCR GLOBAL CREDIT RATING CO.
Local Expertise • Global Presence

MTN Nigeria Communications Plc

Nigeria Corporate Analysis **July 2020**

Rating class	Rating scale	Rating	Rating outlook	Expiry date
Long term	National	AA(NG)	Stable	June 2021
Short term	National	A1+(NG)		

Financial data:

(USD'm Comparative)[1]

	31/12/18	31/12/19
N/USD (avg.)	305.6	306.4
N/USD (close)	306.5	306.5
Total assets	3,039.9	4,944.7
Total debt	572.9	3,031.2
Total capital	683.0	439.4
Cash & equiv.	373.0	379.4
Turnover	3,400.5	3,817.7
EBITDA	1,489.7	2,053.9
NPAT	476.8	659.6
Op. cash flow	927.6	1,306.5

Market share* 30.6%

Market cap** USD6.6bn/N2.4trn

** Based on Nigerian Communications Commission's statistics as at May 2020*

***As at 7 July 2020 @ N360/USD*

[1]Central Bank of Nigeria exchange rates

Rating history:

Initial rating/last rating (June 2019)
Long term: AA(NG)
Short term: A1+(NG)
Rating outlook: Stable

Related methodologies/research:

Global Master Criteria for Rating Corporate Entities, updated February 2018

Glossary of Terms/Ratios, February 2018

GCR contacts:

Primary Analyst
Femi Atere
Analyst
femi@gcrratings.com

Committee Chairperson
Dave King

Analyst location: Lagos, Nigeria

Tel: +234 1 904-9462-3

www.globalratings.com.ng

Summary rating rationale

- The ratings of MTN Nigeria Communications Plc ("MTN Nigeria" or "the Company") are supported by its well-established brand, its leading position within the domestic telecommunications industry, broad spectrum of licences and technical support provided by MTN Group Limited ("MTN", or "the Group").
- High barriers to entry due to high capital and regulatory requirements, as well as strong baseline demand continue to support relatively stable core earnings and cash flows. That said, increased regulatory scrutiny, which has led to substantial fines in recent years, remains a downside risk. GCR has noted the Company's enhanced enterprise risk protocols, which will need to translate into sustained regulatory compliance to mitigate earnings risk.
- MTN Nigeria has demonstrated sustained earnings progression in recent years, achieving three-year CAGR of 17% in EBITDA, which reached a new high of N629bn in FY19. That said, margins are expected to continue to trend below levels achieved prior to FY15, due to the adoption of the tower and base transceiver site ("BTS") lease model and significant imported inflation in capital costs. While further Naira devaluation is set to increase operating and funding cost pressures, MTN Nigeria's margins are expected to remain relatively defensive over the rating horizon.
- The Company continues to report sound cash flows, which have covered operational and capital requirements in most years. That said, the high dividend pay-out ratio constrains the financial profile somewhat, and will have to be proactively reviewed to take account of projected domestic expansionary capital needs to mitigate funding and liquidity risk.
- While on-balance sheet debt has risen sharply, this was largely due to the recognition of operating leases (FY19: N500bn), which GCR historically recognised as a substantial ongoing operating commitment. As such, despite additional Naira syndicated loans drawn down and commercial paper (CP) issued, earnings-based gearing has remained fairly conservative, at 1.3x (1Q FY20: 1.1x). Looking ahead, we expect downside pressure on gearing to come from a rollout of planned capex, exacerbated by COVID-19 related pressure on earnings and cash flows in the short-term.
- While cash flow cover of debt remains adequate, interest cover in the 3.0x-5.0x range is relatively low, implying constrained headroom to leverage operations further. In order to improve debt service, MTN Nigeria is thus expected to leverage medium term capital projects conservatively, using competitively priced term debt and internal cash resources.
- The reduced foreign currency debt exposure, low short-term debt exposure and strong access to capital bode positively, with capital provided by a consortium of local and foreign banks, as well as development finance institutions. Committed and unutilised facilities currently cover short-term debt 1.2x, but increased utilisation of commercial paper would significantly constrain the liquidity assessment.

Factors that could trigger a rating action may include

Positive change: Strong earnings growth and retention supportive of low gearing metrics through the expansionary capex phase would bode positively.

Negative change: Downward ratings pressure could arise from: a) CP exposures that are not covered by undrawn, committed facilities b) higher than anticipated gearing, exacerbated by high dividend payouts and unduly elevated capex, and c) materially adverse socio-political or regulatory developments.

Nigeria Corporate Analysis | Public Credit Rating

19. HISTORICAL FINANCIAL INFORMATION OF MTN NIGERIA COMMUNICATIONS PLC

The following is a copy of the report of the Reporting Accountant on the Company's historic financial information for the 5-year period ended 31 December 2019 and nine month period ended 30 September 2020:

SIAO

Lagos: [illegible] Road, [illegible], Lagos
Tel: 01-463 0871-2, [illegible]
Fax: 01-463 [illegible]

Abuja: 1st Floor, Bank of Industry Building, Central District Area, FCT, Abuja
Tel: 09-291 2462-3
Email: [illegible]@siao-ng.com
Website: www.siao-ng.com

SIAO/AU/EO/14117/26

31 December 2020

The Directors,
MTN Nigeria Communications Plc
MTN Plaza
Falomo Ikoyi
Lagos

The Directors,
Chapel Hill Denham Advisory Limited,
45 Saka Tinubu Street,
Victoria Island,
Lagos.

Gentlemen,

PROPOSED MTN NIGERIA COMMUNICATIONS PLC N200BILLION BOND PROGRAMME REGISTRATION AND ISSUANCE (THE "PROPOSED OFFER")

REPORT ON THE GROUP HISTORICAL FINANCIAL STATEMENTS

The financial information is based on the Group's audited financial statements for the nine months period ended 30 September 2020 and five years audited financial statements for the years ended 31 December 2019, 2018, 2017, 2016 and 2015. The financial statements have been prepared in accordance with the Group's accounting policies set out on pages 10 - 31. The Group financial statements on which the financial information is based are the responsibilities of the Directors of the Group who approved their issue. The Directors of the Group are responsible for the contents of the Prospectus in which this Report is included.

Our review of the Group financial statements has been limited primarily to the working papers of the External Auditors Ernst & Young (for the nine months period ended 30 September 2020), Grant Thornton (for the year ended 31 December 2019) and PwC (for the four years ended 31 December 2018, 2017, 2016 and 2015) of the Group and enquiries of the Group's personnel and analytical procedures applied to the Group financial data. We have not performed an audit and thus, our engagement provides less assurance than an audit; as such, we are not expressing an audit opinion.

Our review was conducted in accordance with International Auditing Standards applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Group financial statements are free of material misstatements. As stated earlier, we have not performed an audit and accordingly, we do not express an audit opinion.

In our opinion, the Group financial statements, prepared on the basis of accounting policies normally adopted by the Group, give a true and fair view of the state of affairs of **MTN Nigeria Communications Plc** and its subsidiaries (together, the Group) for each of the years ended 31 December 2019, 2018, 2017, 2016 and 2015 and for the nine months period ended 30 September 2020.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully,

Abiodun Ariyibi
FRC/2013/ICAN/00000001548
For: SIAO (Chartered Accountants)

SIAO - [illegible]
Audit & Accounting | Financial Advisory | Taxation | [illegible]

MTN Nigeria Communications Plc

Consolidated statement of profit or loss

	Notes	9-months period 30 September 2020 N'000	12-months ended 31 December 2019 N'000	31 December 2018 N'000	31 December 2017 N'000	31 December 2016 N'000	31 December 2015 N'000
Revenue	9	975,763,496	1,169,734,682	1,039,117,810	887,180,460	793,672,967	807,448,831
Other income	10	63,120	(96,930)	2,225,066	-		
Direct network operating costs	15	(227,562,088)	(242,012,147)	(306,519,088)	(268,358,987)	(176,901,591)	(125,802,388)
Value added services		(9,261,056)	(12,459,255)	(16,643,563)	(28,226,747)	(34,237,175)	(29,552,333)
Blackberry license fees		-	-		239,542	(5,721,579)	-
Cost of handsets and other accessories		(15,589,946)	(12,765,784)	(6,191,729)	(7,214,380)	(4,273,571)	(6,339,869)
Interconnect costs		(82,708,041)	(108,249,627)	(95,630,222)	(84,194,261)	(76,077,835)	(61,605,041)
Roaming costs		(1,898,546)	(4,037,863)	(4,173,205)	(2,724,654)	(2,175,067)	-
Transmission costs		(4,899,226)	(5,554,266)	(5,508,849)	(5,688,106)	(5,685,996)	
Discounts and commissions		(49,307,613)	(56,585,822)	(51,297,375)	(45,770,286)	(44,098,830)	
Advertisements, sponsorships and sales promotions		(10,358,001)	(19,848,271)	(16,274,390)	(15,567,466)	(16,053,330)	(33,700,862)
(Impairment)/reversal/(losses) on contracts with customers		-	-	-	(5,535,862)	-	-
Employee costs	13	(29,519,024)	(30,705,987)	(27,182,445)	(22,683,483)	(23,700,898)	(28,02[illegible],642)
Reversal of impairment/(impairment) of property, plant and equipment	17	-		-	716,985	(41,719)	(765,696)
Impairment of assets held for sale		-		-	-		(493,080)
Writeback of impairment of assets held for sale	31	-		-	-	209,541	
Other operating expenses	14	(47,141,428)	(51,694,882)	(59,252,564)	(58,121,322)	(41,205,525)	(52,738,966)
Regulatory fine	33	-		-	-	30,383,675	-
Notional revenue difference payment to CBN		-	-	(15,152,369)	-	-	-
Depreciation of property, plant and equipment	17	(112,551,436)	(147,537,719)	(141,182,478)	(123,817,906)	(116,842,779)	(121,554,290)
Depreciation of right of use assets	18	(51,054,620)	(56,617,341)	-	-	-	-
Amortisation of intangible assets	19	(26,296,140)	(29,896,820)	(26,700,187)	(26,646,650)	(26,896,126)	(16,052,959)
Operating profit		307,010,550	395,297,228	266,113,777	195,928,747	232,349,752	293,542,796
Finance income	11	11,940,234	20,132,082	22,568,339	43,503,203	40,131,256	39,588,279
Finance costs	12	(107,356,498)	(125,325,277)	(67,339,468)	(131,542,382)	(145,829,806)	(70,362,263)
Profit/(Loss) before tax		211,594,286	290,104,033	221,342,648	107,889,568	126,651,202	262,768,811
Income tax expense	16	(67,830,894)	(87,995,409)	(75,656,844)	(29,241,572)	(34,773,326)	(68,878,724)
Profit/(Loss) for the year		143,763,392	202,108,624	145,685,804	78,647,996	91,877,876	193,890,087
Attributable to:							
Owners of the parent		143,763,392	202,108,624	145,685,804	78,647,996	91,877,876	193,890,087
Non-controlling interest		-	-	-	-	-	-
		143,763,392	202,108,624	145,685,804	78,647,996	91,877,876	193,890,087
Profit/(Loss) per share - basic/diluted (N)*	46	7.06	9.93	7.16	193.20	225.69	476.28

* The comparative figures have been restated to reflect the changes in the number of shares.

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

MTN Nigeria Communications Plc

Consolidated statement of comprehensive income

	9-months period	12-months ended				
	30 September 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
		₦ '000	₦ '000	₦ '000	₦ '000	₦ '000
Profit/ (loss) for the year	143,763,382	202,108,424	145,685,804	78,647,896	91,977,826	193,890,087
Items that may be reclassified to profit or loss:						
Net fair value (loss)/gain on financial assets held at FVOCI	(257,429)	275,872	(486,575)	170,083	225,721	
Total comprehensive income/(loss) for the year	143,509,983	202,384,296	145,195,229	78,818,919	92,203,507	193,890,087
Total comprehensive income attributable to:						
Owners of the parent	143,509,983	202,384,296	145,195,229	78,818,919	92,203,507	193,890,087
	143,509,983	202,384,296	145,195,229	78,818,919	92,203,507	193,890,087

Financial assets classified at fair value through other comprehensive income are Federal Government treasury bills, which are exempted from company income tax.

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

MTN Nigeria Communications Plc

Consolidated statement of financial position

		9-months period	12-months ended				
		30 September 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
ASSETS	Notes	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000
Non-current assets							
Property, plant and equipment	17	828,215,509	625,065,780	507,023,544	582,438,886	434,670,217	450,693,469
Right of use assets	19	587,066,089	478,256,686	-			-
Intangible assets	19	337,501,398	120,946,914	115,868,123	128,602,079	131,488,118	136,327,243
Contract acquisition cost	25	6,385,617	4,851,490	3,766,048	3,411,568	4,314,693	
Non-current prepayments	25	-	-	15,726,985	14,883,216	18,449,756	16,827,913
Other investments	22	58,025,170	-	-			
Other non-current assets	23	11,003,080	12,146,236			-	-
Deferred tax assets	38	-	-	-			10,054,653
Derivative asset	20	-	-	-	55,673	-	-
		1,574,801,583	1,239,396,097	745,884,700	728,191,351	658,922,782	614,083,278
Current assets							
Assets held for sale	21	-	-	-	174	7,229	134,067
Inventories	24	1,498,828	909,577	1,528,765	5,729,899	9,160,431	5,440,398
Trade and other receivables	25	48,472,273	52,825,669	38,617,224	33,425,336	39,550,140	56,762,890
Current investments	26	86,311,490	54,826,569	65,468,259	71,078,495	151,437,457	58,175,739
Restricted cash	27	25,719,057	38,049,589	37,219,029	41,617,584	17,280,858	76,296,755
Cash and cash equivalents	28	226,594,245	116,277,628	53,011,749	88,564,964	146,389,032	202,674,337
		388,593,599	262,889,052	195,854,920	241,416,502	363,784,893	378,806,054
Total assets		1,763,395,182	1,502,285,149	941,739,620	969,607,853	1,022,707,675	992,889,332
EQUITY							
Share capital	29	407,090	407,090	646,510	646,510	646,510	646,510
Share premium	30	17,216,293	17,216,293	64,498,466	64,498,466	64,498,466	64,498,466
Retained profit/(loss)		98,067,011	127,726,345	154,193,402	47,092,829	18,554,531	(76,765,033)
Other reserves		263,732	501,161	6,069	406,644	325,721	-
		115,954,126	145,850,889	219,344,447	112,644,146	84,025,228	(11,620,057)
LIABILITIES							
Non-current liabilities							
Borrowings	31	335,251,117	380,087,816	40,236,783	135,544,915	160,783,427	250,479,708
Regulatory fine liabilities	33				81,855,623	168,080,851	
Derivative liabilities	20			14,152			
Lease liabilities	19	580,065,882	458,508,923			-	-
Deferred tax liabilities	38	113,439,320	120,586,536	100,268,015	97,176,558	94,082,642	116,169,726
Provisions	37	38,422	71,428	65,504	70,048	270,198	195,132,544
Other non-current liabilities	41	988,529	1,010,164	854,791	655,565	687,448	916,223
		1,029,783,270	960,264,867	141,439,245	315,100,710	452,794,484	562,698,201
Current liabilities							
Trade and other payables	32	242,648,651	190,440,456	213,718,206	245,881,213	256,867,870	132,256,212
Borrowings	31	179,568,808	37,450,044	143,875,880	118,820,250	100,054,289	96,320,508
Unearned revenue	34						40,372,962
Lease liabilities	19	47,918,511	34,564,290				
Contract liabilities	36	47,220,507	46,806,354	42,720,547	38,522,030	38,345,203	
Tax liabilities	43	62,990,208	65,656,130	54,130,353	26,004,413	50,352,257	84,007,164
Provisions	37	32,724,756	27,268,010	31,359,286	12,192,930	12,526,284	88,724,746
Regulatory fine liability	33	-	-	106,177,783	101,119,181	25,022,060	
Share based payment liability	51						41,667
Obligations under finance lease	40	-	-	-	-	-	64,601
		618,657,786	396,169,393	580,955,927	541,659,995	485,887,983	441,811,188
Total liabilities		1,646,441,056	1,356,434,260	722,395,172	856,763,705	938,682,447	1,004,509,389
Total equity and liabilities		1,763,395,182	1,502,285,149	941,739,620	969,607,853	1,022,707,675	992,889,332

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

MTN Nigeria Communications Plc

Consolidated statement of changes in equity

	Attributable to owners of the parent							
	Share capital	Share premium	Total share capital	Other retained earnings	Pioneer retained earnings**	Total retained profit/(loss)	Other reserves	Total Equity
	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000
Balance at 1 January 2015	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
Comprehensive income				[illegible]		[illegible]		[illegible]
Dividend paid				[illegible]		[illegible]	-	[illegible]
Balance at 31 December 2015	**646,510**	**64,498,466**	**65,144,976**	**[illegible]**	**5,091,821**	**[illegible]**	-	**[illegible]**
Balance at 1 January 2016	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
Profit for the year				91,877,876		91,877,876		91,877,876
Other comprehensive income						-	325,721	325,721
Balance at 31 December 2016	**646,510**	**64,498,466**	**65,144,976**	**10,021,021**	**5,091,821**	**15,112,842**	**325,721**	**80,583,539**
Opening balance as previously reported	646,510	64,498,466	65,144,976	10,021,021	5,091,821	15,112,842	325,721	80,583,539
Profit for the year				[illegible]		[illegible]		[illegible]
Other comprehensive income	-					-	170,923	170,923
Dividend paid				[illegible]		[illegible]		[illegible]
Balance at 31 December 2017	**646,510**	**64,498,466**	**65,144,976**	**38,869,018**	**5,091,821**	**43,760,838**	**496,644**	**109,402,459**
Opening balance as previously reported	646,510	64,498,466	65,144,976			15,112,842	325,721	80,583,539
IFRS 15 retrospective adjustments	-	-	-			3,441,669	-	3,441,669
Balance at 1 January 2017 as restated*	**646,510**	**64,498,466**	**65,144,976**	**-**	**-**	**18,554,511**	**325,721**	**84,025,208**
Profit for the year (restated*)						[illegible]		[illegible]
Other comprehensive income							170,923	170,923
Total comprehensive income	-	-		-	-	**78,647,996**	**170,923**	**78,818,919**
Dividend						[illegible]		[illegible]
Balance at 31 December 2017 as restated*	**646,510**	**64,498,466**	**65,144,976**	**-**	**-**	**47,202,408**	**496,644**	**112,844,148**

MTN Nigeria Communications Plc

Consolidated statement of changes in equity (continued)

	Attributable to owners of the parent					
	Share capital N '000	Share premium N '000	Total share capital N '000	Retained profit N '000	Other reserves N '000	Total Equity N '000
Opening balance as previously reported	646,510	64,498,466	65,144,976	47,202,528	496,644	112,844,148
IFRS 9 adjustments	-			(82,348)		(82,348)
Balance at 31 December 2018 as restated*	646,510	64,498,466	65,144,976	47,120,180	496,644	112,761,800
Profit for the year				145,695,804		145,695,804
Other comprehensive income					(490,575)	(490,575)
Dividend paid			-	(38,612,581)	-	(38,612,581)
Balance at 31 December 2018	646,510	64,498,466	65,144,976	154,203,402	6,069	219,354,447
Profit for the year			-	202,108,624		202,108,624
Other comprehensive income					275,672	275,672
Dividend paid			-	(153,045,813)		(153,045,813)
Redemption of preference shares*	(239,420)	(47,282,173)	(47,521,593)	(96,725,416)	239,420	(144,007,589)
Balance at 31 December 2019	407,090	17,216,293	17,623,383	126,530,797	521,161	144,675,341
Balance at 1 January 2020	407,090	17,216,293	17,623,383	126,530,797	521,161	144,675,341
Restatement*	-			1,175,548		1,175,548
Restated Opening balance	407,090	17,216,293	17,623,383	127,706,345	521,161	145,850,889
Profit for the year			-	143,763,392		143,763,392
Other comprehensive income					(257,429)	(257,429)
Dividend paid				(172,402,726)		(172,402,726)
Balance at 30 September 2020	407,090	17,216,293	17,623,383	99,067,011	263,732	116,954,126

Included in other reserves is Capital Redemption Reserve Fund (CRRF) of N239.4 million, a sum equal to the nominal amount of the par value of the redeemable preference shares redeemed in 2019

Restatement is in respect of impact of reversal of non-recoverable VAT from lease liabilities and ROU assets on retained profit

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

MTN Nigeria Communications Plc

Consolidated statement of cash flows

		9-months period	12-months ended				
		30 September 2020	31 December 2019 ₦'000	31 December 2018 ₦'000	31 December 2017 ₦'000	31 December 2016 ₦'000	31 December 2015 ₦'000
Cash flows from operating activities:	Notes						
Cash generated from operations	44	547,330,619	604,904,165	437,487,847	284,970,895	436,364,822	540,475,288
Increase in non-current prepayments		-	-	-		(3,728,784)	-
Share based payment made			-	-	(1,815)	(300,462)	
Interest received		8,214,000	16,558,162	19,604,317	10,969,888	13,569,767	21,904,621
Finance costs paid - lease liability		(96,775,014)	(62,858,726)	-	-		-
Finance costs paid - borrowings		-	(46,995,768)	(42,024,438)	(47,213,028)	(42,251,103)	(57,554,898)
Dividends paid		(172,402,726)	(122,046,812)	(38,812,587)	(50,000,000)	-	(101,826,068)
Regulatory fine paid	33		(110,000,000)	(110,000,000)	(30,000,000)	(30,000,000)	
Tax paid	40	(58,812,515)	(62,082,381)	(21,807,434)	(56,878,805)	(90,258,773)	(60,177,057)
Net cash generated from operating activities		**221,358,764**	**209,979,638**	**244,847,711**	**109,827,957**	**284,394,192**	**312,219,506**
Cash flows from investing activities:							
Proceeds from the sale of assets held for sale		-	-	-	7,050	532,500	40,422,548
Acquisition of property, plant and equipment		(119,100,246)	(101,885,416)	(301,196,215)	(190,015,248)	(139,320,467)	(62,569,258)
Proceeds from sale of property, plant and equipment		398,016	1,703,031	652,516	544,008	1,605,111	1,239,430
Purchase of contract acquisition costs			(3,761,690)	(2,530,296)	(1,674,739)		-
Acquisition of right of use assets		(3,103,177)	(4,570,820)				
Acquisition of intangible assets		(12,479,465)	(21,040,867)	(10,119,300)	(10,319,589)	(27,298,613)	(65,256,592)
Acquisition of subsidiary							(38,040,260)
Movement in share based payments		(46,067)					
Disposal of/(investment) in bonds, treasury bills and foreign deposits		(96,630,107)	13,826,635	5,494,257	(17,547,886)	(43,541,200)	(12,568,877)
Investment in non-current FGN bonds		(34,384,218)					
(Increase)/decrease in restricted cash		12,330,520	(150,568)	4,390,611	(24,951,030)	(1,041,699)	(12,121,398)
Acquisition of non-current prepayments							(110,996,812)
Net cash used in investing activities		**(164,999,746)**	**(156,690,245)**	**(202,609,526)**	**(111,467,737)**	**(209,624,411)**	**(252,532,031)**
Cash flows from financing activities:							
Redemption of preference shares			(148,189,489)	-	-		
Proceeds from borrowings		121,198,078	383,705,421	136,339,156	50,518,103		
Repayment of borrowings		(30,220,813)	(146,123,670)	(216,275,998)	(106,889,704)	(91,942,482)	(64,052,255)
Repayment of lease liability		(26,617,151)	(35,265,405)	-			
Net cash used in financing activities		**65,058,114**	**54,122,767**	**(79,936,842)**	**(56,371,598)**	**(91,942,482)**	**(64,052,255)**
Net increase/(decrease) in cash and cash equivalents		121,417,132	63,112,161	(38,698,657)	(58,013,376)	(17,184,703)	(4,364,780)
Cash and cash equivalents at beginning of year		116,277,620	53,011,748	89,564,984	146,369,032	200,674,337	203,854,240
Exchange gain/(losses) on cash and cash equivalents		5,075	153,720	2,145,441	1,209,308	2,678,898	(1,815,123)
Cash and cash equivalents at end of year	28	**237,699,836**	**116,277,620**	**53,011,748**	**89,564,984**	**146,369,032**	**200,674,337**

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

21. STATUTORY AND GENERAL INFORMATION

INCORPORATION AND SHARE CAPITAL HISTORY

MTN Nigeria Communications PLC, (previously called MTN Nigeria Communications Limited) was incorporated as a private limited liability company on November 8, 2000. On April 18, 2019, MTN Nigeria Communications Limited re-registered as a public limited liability company, MTN Nigeria Communications PLC.

MTN Nigeria was incorporated with an authorised share capital of ₦10,000,000, divided into 10,000,000 Ordinary Shares of ₦1 each. The Company subsequently increased its share capital as follows:

i. *From ₦10,000,000 to ₦350,000,000 by the creation of 340,000,000 ordinary shares of ₦1.00 each pursuant to a resolution of the Company dated March 9, 2001 and evidenced by a certificate of registration of increase in share capital dated May 9, 2001 issued by the CAC;*

ii. *From ₦350,000,000 to ₦500,000,000 by the creation of 150,000,000 ordinary shares of ₦1.00 each pursuant to a resolution of the Company dated September 21, 2001 and evidenced by a certificate of registration of increase in share capital dated November 12, 2001 issued by the CAC;*

iii. *From ₦500,000,000 to ₦504,500,000 by the creation of 4,500,000 B ordinary shares of ₦1.00 each pursuant to a resolution of the Company dated November 9, 2006 and evidenced by a certificate of registration of increase in share capital dated November 22, 2006 issued by the CAC;*

iv. *From ₦504,500,000 to ₦504,500,000 and U.S.$2,012,951.31 by the creation of 402,590,263 preference shares of U.S.$0.005 each pursuant to a resolution of the Company dated November 8, 2007 and evidenced by a certificate of registration of increase dated November 29, 2007 issued by the CAC;*

v. *From ₦504,500,000 to ₦557,000,000 by the creation of 52,500,000 ordinary shares of ₦1.00 each pursuant to a resolution of the Company dated February 8, 2018, and evidenced by a certificate of registration of increase in share capital dated April 5, 2018, issued by the CAC;*

vi. *By an ordinary resolution dated 31 January 2019, the nominal value of the Company's shares was sub-divided from ₦1.00 to 2 Kobo; and*

vii. *By a notice of redemption dated April 25, 2019, the Company redeemed all the preference shares in its share capital".*

As of the date of this Shelf Prospectus, the authorised share capital of MTN Nigeria is made up of ₦557,000,000 divided into 27,850,000,000 Ordinary Shares of ₦0.02 each. The issued share capital of the Company is made up of ₦407,090,261 divided into 20,354,513,050 Ordinary Shares of ₦0.02 each.

At its meeting held on April 24, 2019, the Board authorised the redemption of all the Preference Shares, subject to the Company obtaining all necessary regulatory approvals. Pursuant to the aforementioned resolution of the Board, the Company issued to holders of the Preference Shares a redemption notice to redeem all of the Preference Shares on such date(s) and on such other terms and conditions as the Board deems appropriate; in accordance with the Articles of Association of the Company, the terms of the redemption notice and applicable statutory and legal requirements.

Upon receiving relevant regulatory approvals, MTN Nigeria paid the redemption amount in respect of the relevant Preference Shares on 30 December 2019. As a result, there are currently no Preference Shares in issue.

The changes in the authorised ordinary share capital of the Company since incorporation are reflected in tabular form as follows:

Year	Authorized Share Capital (₦)		Par Value of each share	Number of shares	Issued and Fully Paid Up (₦)		Consideration/ Method of Issue
	Increase	Cumulative			Increase	Cumulative	
2000	-	10,000,000	₦1.00	10,000,000	-	2,500,000	Subscribed at incorporation
2001	340,000,000	350,000,000	₦1.00	350,000,000	298,000,000	300,500,000	Allotment
2001	-	-	₦1.00	350,000,000	(500,000)	300,000,000	Surrender
2001	150,000,000	500,000,000	₦1.00	500,000,000	37,500,000	337,500,000	Allotment
2002	-	500,000,000	₦1.00	500,000,000	25,210,528	362,710,528	Allotment
2002		500,000,000	₦1.00	500,000,000	3,000,000	365,710,528	Allotment
2003	-	500,000,000	₦1.00	500,000,000	1,270,118	366,980,646	Allotment
2003	-	500,000,000	₦1.00	500,000,000	34,867,459	401,848,105	Allotment
2005	-	500,000,000	₦1.00	500,000,000	603,196	402,451,301	Allotment
2006	-	500,000,000	₦1.00	500,000,000	138,960	402,590,261	Allotment
2006	4,500,000 (B Shares)	504,500,000	₦1.00	504,500,000	4,500,000 (B Shares)	402,590,261 4,500,000 (B Shares)	Allotment
2018	52,500,000	557,000,000	₦1.00	557,000,000	-	402,590,261 4,500,000 (B Shares)	Sub-division of Ordinary Shares/reclassification of 4,500,000 B Shares
2019	-	557,000,000	₦0.02	27,850,000,000	-	20,354,513,050	Sub-division of Ordinary Shares/reclassification of 4,500,000 B Shares
2019 till date	-	557,000,000	₦0.02	27,850,000,000	-	20,354,513,050	No Change

The historical changes in the Preference Shares of the Company since incorporation are as follows:

Year	Authorized Share Capital (U.S.$)		Par Value of each share	Number of shares	Issued and Fully Paid Up (U.S.$)	
	Increase	Cumulative			Increase	Cumulative
2000 - 2006	-	-	-	-	-	-
2007	2,012,951.31	2,012,951.31	U.S.$0.005	402,590,263	2,012,951.31	2,012,951.31
2019[3]	-	2,012,951.31	U.S.$0.005	402,590,261	-	2,012,951.31
2019	-	2,012,951.31	U.S.$0.005	402,590,261	-	-
Dec 2019	-	-	U.S.$0.005	-	-	Redemption of preference shares in issue

SHAREHOLDING STRUCTURE

The table below sets out the issued and paid-up capital legally and/or beneficially held by shareholders holding more than 5% of the Company's Ordinary Shares as at the date of this Shelf Prospectus:

Shareholder	Ordinary Shares Held	Shareholding (%)
MTN International (Mauritius) Limited	15,485,544,050	76.08
Others	4,868,969,000	23.92
Total	**20,354,513,050**	**100**

DIRECTORS' INTERESTS

The Directors and their respective shareholdings are as recorded in the register of members of the Company. As of 30 June 2020, the shareholding of the directors in the Company was as follows:

Name of Director	Ordinary Shares Held	Total % of Holding	Indirect Holding Entities
Ernest Ndukwe OFR	161,375	0.00079	N/A
Ifueko M. Omoigui Okauru, MFR	NIL	NIL	N/A
Modupe Kadri	80,000	0.000039	N/A
Michael Onochie Ajukwu	NIL	NIL	N/A
Muhammad K. Ahmad, OON	NIL	NIL	N/A
Andrew Alli	93,220	0.000046	N/A
Omobola Johnson	225,000	0.0000111	N/A
A.B. Mahmoud, SAN, OON	NIL	NIL	N/A
Ferdinand Moolman	NIL	NIL	N/A
Ralph Mupita	NIL	NIL	N/A
Paul Norman	NIL	NIL	N/A
Karl Olutokun Toriola	920,000	0.000452	N/A
Rhidwaan Gasant	NIL	NIL	N/A
Jens Schulte-Bockum	NIL	NIL	N/A

RELATED PARTY TRANSACTIONS

MTN Nigeria enters into a number of transactions with related parties in its ordinary course of business, including the MTN Group. All of these transactions are executed on an "arm's length" basis and do not pose any conflict of interest. In 2001, MTN Nigeria entered into a Technical Services Agreement and the Intellectual Property ("**IP**"), Know-How

[3] Prior to payment of Redemption Proceeds by the Company.

License and Management Services Agreement with MTN International (Mauritius) Limited (together, the "**Agreements**") for the provision of technical services, IP and Know-How License and the provision of management services by MTN International (Mauritius) Limited. MTN Nigeria is required to make payments for the technical and management services to MTN Group and also register the Agreements with the Nigerian National Office for Technology Acquisition and Promotion. The Agreements are renewable every 3 (three) years.

Furthermore, MTN Nigeria executed a Strategic Investor Agreement with MTN Group (the "**Strategic Investor Agreement**") which memorialises the relationship between MTN Nigeria and MTN Group. Pursuant to the Strategic Investor Agreement, MTN Group undertakes that it will treat all unpublished information that it receives from MTN Nigeria which is of a price-sensitive nature with appropriate confidentiality and acknowledges that, it shall at all times treat and procure the treatment of the information disclosed to it as insider information/unpublished price -sensitive information as envisaged in the ISA and the rules and regulations of the SEC and The NSE. MTN Nigeria likewise undertakes to provide MTN Group with all operational and financial information reasonably requested by MTN Group to enable MTN Group to comply with its legal and contractual obligations and that it will treat all unpublished information it receives from MTN Group which is of price-sensitive nature with appropriate confidentiality and it shall at all times treat and procure the treatment of the information disclosed to it as inside information. Clause 3 of the Strategic Investor Agreement provides that, with respect to the appointment, dismissal or any material proposed changes to the terms and conditions of employment or engagement, remuneration or share incentive arrangements of its directors, senior management employees and auditors, MTN Nigeria will consult with MTN Group before any such actions are implemented or publicly announced to the extent permissible by applicable laws and regulations.

By the provisions of the Strategic Investor Agreement, each of MTN Nigeria and MTN Group acknowledges that, because the nature of their relationship and the holding by certain individuals of directorships of both companies and the existence of minority shareholders in MTN Nigeria, there may be circumstances where a conflict of interest could arise or be perceived to arise. In such circumstances, both parties will liaise with each other to ensure that appropriate arrangements are put in place to deal with the situation.

Each of MTN Nigeria and MTN Group undertakes to promptly disclose any real or potential conflict of interest that a director may have regarding any matters that may come before the Board or its committees and to abstain from discussions and voting on any matter in which a director has or may have a conflict of interest. Each of MTN Nigeria and MTN Group agrees that it will not use its position to disadvantage the other and that relationships between MTN Nigeria and MTN Group will be on an arm's length basis, unless otherwise mutually agreed and appropriately disclosed. The Strategic Investor Agreement is governed by Nigerian law.

INDEBTEDNESS

As at **31 December 2019,** the Company had bank facilities in the ordinary course of business amounting to approximately **₦412 billion** (with circa 92% of the said sum being denominated in Naira whilst circa 8% is denominated in foreign currency). The Company had no other outstanding debenture, mortgages, charges or similar indebtedness or contingent liabilities as at the referenced date. For a summary of the Company's outstanding facility agreements and its cross-currency swap arrangements, see "Material Contracts" below.

SUBSIDIARIES AND ASSOCIATED COMPANIES

The summarised details of the Company's subsidiaries as at the date of this Shelf Prospectus are set out below:

Subsidiary	Reg. Number	Date and Place of Incorporation	Principal Place of Business	Number of Subsidiary's Ordinary Shares in Issue	Effective Date of Becoming a Subsidiary	MTN's Shareholding in the Subsidiary
Visafone Comms. Limited	RC: 295507	4 July 1996 Nigeria	4, Aromire Road, Off Alfred Rewane Road, Lagos	11,750,000,000	31 December 2015	11,749,999,999
XS Broadband Limited	RC: 504183	12 February 2004, Nigeria	22 B Idowu Taylor Street, Victoria Island, Lagos	5,000,000	31 July 2007	4,999,999
Yello Digital Financial Services Limited	RC: 1476139	6 March 2018, Nigeria	MTN Plaza, Ikoyi Lagos	1,800,000,000	6 March 2018	1,799,950,000

The Company also established the MTNF in 2004; which has the corporate details in the table below.

Name	Registration Number	Date and Place of Incorporation	Registered Office Address
MTN Nigeria Foundation Limited by Guarantee	RC:602002	19 July 2004 Nigeria	4, Aromire Road, Off Alfred Rewane Road, Lagos

EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The following are the relevant extracts from MTN Nigeria Communications PLC Memorandum and Articles of Association.

3. The objects for which the company is established are:

(1) To undertake the business of operating AMPS and GSM Cellular Network Systems nation-wide in Nigeria as well as all other types of communication systems.

(2) To operate, install and activate Information Communications Technology and Cellular Radio-Telephone System nation-wide in Nigeria.

(3) To undertake, set up, manage and maintain telecommunication systems generally.

(4) To carry on business as an Information Communications Technology service provider of providing both mobile and fixed tele-communication services to both urban and rural areas, operating and maintaining such services and any other electronic and electrical services as the company may desire.

(5) To manufacture, supply and deal in telephones, pagers, facsimile machines, teleprinters and telecommunication apparatus or devices of all kinds; and to do likewise in respect of their accessories (including but not limited to telephone answering machines).

(7) To acquire all licenses and processes required to carry out the objects of the company.

(8) To carry on business as an Information Communications Technology and Telecommunications/electronics company, and to engage in any or all aspects of the electronics business or industry, whether in the area of manufacturing, trading, the provision of service, or otherwise.

(14) To carry on business as electronic and electrical engineers, and to engage in electronic engineering works and functions of all types, including the design, development and application of electronic equipment and systems and to develop, adapt, utilise and exploit all forms of technology in the performance of such works and functions.

(15) To carry on business as consultants and advisers on matters relating to telecommunications and the electronic industry and in that capacity, to conduct feasibility studies, economic and marketing evaluation, data acquisition, the appraisal, planning and management of projects, and all other such works.

(16) To invest in, and to purchase, acquire, hold, develop, work and turn to account any land, buildings, landed property or real estate of any kind whatsoever including proprietary rights.

(20) To carry on business of property developers and to provide all associated services, including maintenance, repair, cleaning and security services.

(21) To purchase, lease or otherwise acquire houses, offices, workshops, buildings and premises and any fixed and movable machinery, tools, engines, boilers, plant implement, patterns and stock-in-trade, patents and patent rights, convenient to be used in or about the trade or business of engineers, founders, smiths or machinists.

(30) To do all such things as may be incidental or conducive to the attainment of the above objects or calculated in any way to benefit the company.

1. The company is a public company.

2. The liability of the members is limited by shares.

3. The share capital of the company is made up of:

    i. ₦557,000,000 divided into 27,850,000,000 ordinary shares of ₦0.02 each.

Articles of Association

Share capital and alteration of rights

The authorised share capital of the Company is made up of ₦557,000,000 divided into 27,850,000,000 ordinary shares of ₦0.02 each.

By a special resolution dated 8 February 2018, the Authorised Share Capital of the Company was increased from ₦504,500,000 to ₦557,000,000 by the creation and addition thereto of ₦52,500,000 ordinary shares of ₦1.00 each.

4. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting or otherwise or on the basis that the same is or at the option of the Company is liable to be redeemed as the Company may from time to time by ordinary resolution determine.

5. Pursuant to the provisions of the Act, the Company may accept such considerations, whether (i) cash, (ii) valuable consideration other than cash or (iii) partly cash and partly a valuable consideration other than cash, in exchange for the issuance of its shares.

6. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

7. Every Person whose name is entered as a member in the register of members shall be entitled without payment to receive within three months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of a fee as the Directors shall from time to time determine. Every certificate shall specify the shares to which it relates and the amount paid up thereon. Provided that in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for sufficient delivery to all such holders.

Alteration of capital

8. The Company may from time to time, in General Meeting, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its capital by the creation of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the General Meeting resolving upon the creation thereof shall direct. Subject and without prejudice to any rights for the time being attached to the shares of any special class, any share in such increased capital may have attached thereto, such special rights or privileges as the general meeting resolving upon the creation thereof shall by resolution determine and in particular any such shares may be issued with a preferential, deferred or qualified right to dividends or in the distribution of assets and with a special or without any right of voting.

9. Unless otherwise determined by the Company in General Meeting, any shares for the time being unissued shall, before they are issued, be offered to the members in proportion, as nearly as may be, to the number of shares held by them or be offered to the holders of shares of any particular class or classes. Such offer shall be made by notice specifying the number of shares offered and limiting time within which the offer, if not accepted will be deemed to be declined and after the expiration of such time or on the receipt of an imitation from the member to whom such notice is given that he declines to accept the share offered, the Directors may dispose of the same in such manner as they deem most beneficial to the Company and further if, owing to the proportion which the number of the new shares bears to the number of shares held by members entitled to such offer as aforesaid or from any other cause, any difficulty shall arise in apportioning the new shares or any of them in manner aforesaid, the Directors may in like manner dispose of the shares in respect of which such difficulty arises. Subject as aforesaid any shares for the time being unissued shall be at the disposal of the Directors.

10. Subject to the provisions of the Act on reduction of capital, the Company may, whenever it considers it expedient to do so, by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account.

11. Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares).

Meetings

12. The annual general meetings shall be held at such time and place, as the directors shall appoint.

Voting

24. All shareholders shall be entitled to attend and vote at meetings and the provisions of the Act as it relates to the procedure of voting shall apply to the Company.

25. Subject to the provisions of article 53, at a general meeting or adjourned general meeting of the Company at which the holders of the preference shares and the holders of the ordinary shares are present and entitled to vote on a resolution which relates to (i) varying the rights attaching to the preference shares or (ii) the winding up of the Company, the holders of the preference shares shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the par value plus the premium of the preference shares held by that preference shareholder bears to the aggregate amount of the par value plus the premium paid up on all shares (both preference shares and ordinary shares) issued by the Company and entitled to vote at the meeting. For the purpose of this article:

25.1 the aggregate amount of the par value plus the premium in respect of the preference shares held by any preference shareholder shall be the Naira value of such par value plus premium as converted at the ruling US$: Naira exchange rate as quoted by the Central Bank of Nigeria on the date immediately prior to the relevant general meeting; and

25.2 the aggregate amount of the par value plus premium paid up in respect of all shares (being ordinary shares and preference shares) issued by the Company shall be calculated by adding the following:

21.2.1 the Naira amount of the ordinary share capital and any share premium paid in respect of the ordinary shares in the Company (both denominated in Naira); plus

21.2.2 a Naira amount calculated by obtaining the Naira value of the aggregate of the par value plus premium of all the preference shares as converted at the US$: Naira exchange rate as quoted by the Central Bank of Nigeria on the date immediately prior to the relevant general meeting.

Material decisions

26. Unless sanctioned with a 75% vote of the shareholders, the Company shall not:

26.1 enter into any new line of business or undertake any business outside the scope of the Company's business, or enter into any joint venture, partnership or other business venture in combination with any third party or take over or acquire the whole or any part of the business or assets of any other person or merge or amalgamate with any other company, entity or business; or

26.2 make any material change to the nature of its business.

Directors

27. The directors of the Company shall not be less than (9) unless and until otherwise determined by the Company. The first directors and subsequent directors of the Company shall continue to hold office for maximum tenor permitted under the applicable regulations unless any of them is removed by the Company in a general meeting in accordance with the provisions of the Act.

28. The directors shall appoint the Chief Executive Officer of the Company, who shall thereby become a director of the Company during the tenure of his appointment.

The appointment of the Chief Executive Officer shall be automatically terminated if he ceases for any reason to be a director.

29. Each director shall be entitled to appoint and remove an alternate director, such appointment or removal to be effected by notice in writing to the Company under the hand of the director concerned and to take effect automatically and immediately upon receipt by the Company of such written notice or otherwise in accordance with its terms.

30. At meetings of directors, voting shall be by show of hands, and each director shall be entitled to one vote. The Chairman shall be entitled to a casting vote in the event of an equality of votes.

The seal

32. The Directors shall provide for the safe custody of the seal, which shall be used by the authority of the directors or a committee of the directors authorised by the directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by one director and shall be counter-signed by the secretary or by some other persons appointed by the directors for the purpose.

Borrowing powers

The Directors may exercise all powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

CLAIMS AND LITIGATION

The Issuer in the ordinary course of business is presently involved in 460 (Four Hundred and Sixty) cases, 436 (Four Hundred and Thirty-Six) of which were instituted against the Issuer and 24 (Twenty-Four) of which were instituted by the Issuer.

The total amount, including general damages, claimed by the Issuer in the 24 (Twenty-Four) cases instituted by the Issuer is estimated at ₦9,523,658,702.86 (Nine Billion, Five Hundred and Twenty-Three Million, Six Hundred and Fifty-Eight Thousand, Seven Hundred and Two Naira, Eighty-Six Kobo).

The total amount, including general damages, claimed against the Issuer in the 436 (Four Hundred and Thirty Six) cases instituted against it is estimated at ₦253,120,422,064.72 (Two Hundred and Fifty Three Billion, One Hundred and Twenty Million, Four Hundred and Twenty Two Thousand, Sixty Four Naira, Seventy Two Kobo), US$13,472,262.49 (Thirteen Million, Four Hundred and Seventy Two Thousand, Two Hundred and Sixty Two United States Dollars, Forty Nine Cents) and £10,000.00 (Ten Thousand Pounds).

Based on the Solicitors' review of the information provided to them in respect of the cases by the Issuer, we are of the opinion that the aforementioned cases would not adversely affect the Transaction.

COSTS AND EXPENSES

The costs and expenses of establishing this Debt Issuance Programme including fees payable to the SEC and the other parties to the Programme including filing fees, legal fees and other expenses, are set out in each Pricing Supplement issued by the Company.

DEBTORS AND CREDITORS

As of 30 June 2020, the Company did not have any creditors constituting 5% and above of the Company's total debt. The following are parties that each constitute 5% and above of the Company's total credit (equivalent to circa ₦12.40 billion): Global Connect, Belgacom SA and Natocm Dev. & Investment Limited.

MATERIAL CONTRACTS

The following agreements have been entered into and are considered material contracts:

1. A Programme Trust Deed dated May 5, 2021 between the Issuer on the one part and ARM Trustee Limited, setting out the terms on which the bonds to be issued under the Programme are constituted.

2. A Vending Agreement dated May 5, 2021 between the Issuer on the one part and Chapel Hill Denham Advisory Limited, Stanbic IBTC Capital Limited, DLM Advisory Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited, Rand Merchant Bank Nigeria Limited, Vetiva Capital Management Limited on the other part in respect of the Programme; and

3. Financing/facility agreements between the Company and relevant financing institutions:

    i. A ₦200 billion syndicated loan entered into by MTN Nigeria and twelve banks in August 2018 ("**Facility M**"), which has been fully drawn. Facility M is repayable in eleven semi-annual instalments, which will commence in August 2020.

ii. A ₦200 billion syndicated loan entered into by MTN Nigeria and seven banks in May 2019 ("**Facility N**"), on which ₦180 billion has been drawn. Facility N has a seven-year tenor and a two-year moratorium and is repayable in eleven semi-annual instalments, which will commence in May 2021.

iii. A U.S.$329 million export credit agency backed medium-term facility provided by KfW-IPEX Bankand Citibank, London Branch to MTN Nigeria ("**Facility H**"). Facility H is comprised of three tranches, H1, H2 and H3, of U.S.$103 million, U.S.$106 million and U.S.$120 million, respectively.

iv. Two buyer's credit facilities in the sums of U.S.$30 million and U.S.$84 million, respectively ("**Facility J**" and "**Facility J1**", respectively) issued in favour of MTN Nigeria. Facility J is a bilateral buyer's credit facility from Credit Suisse AG, London branch. Facility J1 is a syndicated buyer's credit facility from Credit Suisse AG, London branch and China Export-Import Bank. Both Facility J and Facility J1 are floating interest rate facilities at LIBOR plus a margin of 5.5%.

MERGERS AND ACQUISITIONS

As at the date of this Shelf Prospectus, except as otherwise disclosed herein, the Company has not received any merger or takeover offer from a third party in respect of its securities nor has the Company made any merger or takeover offer to any other company in respect of such other company's securities within the current or preceding financial years.

MAJOR CUSTOMERS AND SUPPLIERS

The suppliers below represent more than 10% of MTN Nigeria's overall supplier spend for the year 2019:

Supplier (Consolidated)	**%**
INT Towers	27%
Huawei	13%
IHS	12%
Ericsson	8%
ATC Nigeria Wireless Infrastructure Limited	3%
ZTE	2%
Federal Government of Nigeria	2%
Omnicom	2%
Helios Towers	2%
Nairtime Holdings	2%
Nokia	1%
	100%

With the exception of IHS, the Company does not believe that its business is dependent on any of the other above-mentioned suppliers. The contracts between the Company and IHS are long-term in nature.

Furthermore, the Company does not have any customers on which it is dependent or which individually accounts for more than 10% of its revenue.

RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

As at the date of this Shelf Prospectus, there was no relationship between the Company and any of the advisers except in the ordinary course of business.

CONSENTS

The following have given and have not withdrawn their written consents to the issue of this Shelf Prospectus with the inclusion of their names and reports (where applicable) in the form and context in which they appear:

Directors of the Company	Ernest Ndukwe OFR
	Ifueko M. Omoigui Okauru, MFR
	Modupe Kadri
	Michael Onochie Ajukwu
	Muhammad K. Ahmad, OON
	Andrew Alli
	Rhidwaan Gasant
	Omobola Johnson
	A.B. Mahmoud, SAN, OON
	Ferdinand Moolman
	Robert Shuter
	Ralph Mupita
	Paul Norman
	Jens Schulte-Bockum
	Karl Olutokun Toriola
Company Secretary	Uto Ukpanah
Lead Issuing House	Chapel Hill Denham Advisory Limited
Joint Issuing Houses	Stanbic IBTC Capital Limited
	DLM Advisory Limited
	FBNQuest Merchant Bank Limited
	FCMB Capital Markets Limited
	Rand Merchant Bank Nigeria Limited
	Vetiva Capital Management Limited
Trustee	ARM Trustees Limited
Solicitors to the Programme	Aluko & Oyebode
Solicitors to the Issuer	Banwo & Ighodalo
Stockbrokers	Chapel Hill Denham Securities Limited Stanbic IBTC Stockbrokers Limited
Registrar	Coronation Registrarss Limited

Reporting Accountant	SIAO Partners.
Auditors	Ernst & Young Professional Services
Rating Agencies	Agusto & Co. Limited
	Global Credit Rating Co. Limited
Receiving Banks	Access Bank Plc
	Zenith Bank Plc

PLEDGED ASSETS

Except as otherwise disclosed in the Consolidated Audited Financial Statements of the Company for the five years up to the year ended 31 December 2019, the Company had no other outstanding debenture, mortgages, charges or similar indebtedness or contingent liabilities as at the referenced dates therein. Borrowings are secured by a negative pledge on the Company's assets and governed by a Common Terms Agreement in connection with the Company's Medium Term Facility.

RESEARCH AND DEVELOPMENT

MTN Nigeria is solely responsible for its research and development and intends to continuously research into ways to improve its service offerings, products, efficiency in operations and market opportunities on an economically sustainable basis, to enhance its profitability and maximize returns and value for its shareholders. The Company incurred ₦851,830,231, ₦628,285,031 and ₦767,207,879 research and development cost respectively in 2017, 2018 and 2019.

DECLARATIONS AND STATEMENT OF DIRECTORS' RESPONSIBILITIES

Except as otherwise disclosed in this Shelf Prospectus:

1. No share of the Company is under option or agreed conditionally or unconditionally to be put under option created or issued by the Company;

2. No commissions, discounts, brokerages or other special terms have been granted by the Company to any person in connection with the Offer or sale of any Ordinary Share of the Company;

3. Save as disclosed herein, the Directors of the Company have not been informed of any holding representing 5% or more of the issued share capital of the Company;

4. There are no founder, management or deferred shares or any options outstanding in the Company;

5. There are no material service agreements between the Company or any of its Directors and employees other than in the ordinary course of business;

6. No Director of the Company has had any interest, direct or indirect, in property purchased or proposed to be purchased by the Company in the five years prior to the date of this Shelf Prospectus;

7. No Director or key management staff of the Company is or has been involved in any of the following:

    a. A petition under any bankruptcy or insolvency laws filed (and not struck out or dismissed) against such person or any partnership in which he or she was a partner or any company of which he or she was a director or key personnel;

    b. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and

c. The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

8. There are no amounts or benefits paid or intended to be paid or given to any promoter within the 2 (two) years preceding the date of the Shelf Prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Company at MTN Plaza, Falomo, Ikoyi, Lagos or Chapel Hill Denham's office located at 45 Saka Tinubu Street, Victoria Island, Lagos:

1. Certificate of Incorporation of the Company duly certified by the CAC;
2. Memorandum and Articles of Association of the Company duly certified by the CAC;
3. The Company's Form CAC 7A (Notice of Change of Directors, or in the Name, Residential Address or Postal Address of Director) duly certified by the CAC;
4. The Company's Form CAC 2A (Return of Allotment (Post-Incorporation) duly certified by the CAC;
5. This Shelf Prospectus;
6. Board Resolution approving the establishment of the Programme dated May 7, 2020;
7. The Certificate of registration of increase in share capital obtained from the CAC;
8. The audited accounts of the Company for each of the five years up to the year ended 31 December 2019;
9. The Reporting Accountant's report on the Group historical financial statements;
10. The letter from the SEC approving the establishment of the Programme;
11. The list of Claims and Litigation referred to above;
12. The Material Contracts referred to above; and
13. The written Consents of each of the parties referred to above.

22. FORM OF PRICING SUPPLEMENT

If you are in any doubt about the contents of this document or any action to be taken, it is recommended that you consult your Stockbroker, Banker, Solicitor, Accountant or any other professional adviser duly registered under the Investment and Securities Act No. 29, 2007. For information concerning certain Risk Factors which should be considered by prospective Qualified Institutional Investors and High Net-worth Investors, please refer to the section on risk factors in the Shelf Prospectus for the Bond Programme.

Investors may confirm the clearance of the prospectus and registration of the securities with the Securities & Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234(0)94621100; +234(0) 94621168

(THIS DOCUMENT IS FOR GUIDANCE PURPOSES FOR PRICE DISCOVERY PROCESS ONLY – RED HERRING)

MTN NIGERIA COMMUNICATIONS PLC RC 395010

Offer for Subscription
(By way of a Book Build)
of

up to ₦[•]Series [●]: [●]-Year [●]% [●] Rate Bonds due 20[●]

(being offered to Qualified Institutional Investors and High Net Worth Investors)

Under the ₦200 Bond Issuance Programme

Application List Open: [●], 2021
Application List Close: [●], 2021

This Pricing Supplement has been prepared pursuant to Rule 321 of the Rules and Regulations of the Securities & Exchange Commission ("the Commission" or ''SEC'') in connection with the issuance of ₦[.] Bonds under the ₦200,000,000,000 Debt Issuance Programme established by MTN Nigeria Communications Plc (''the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated May 5, 2021 and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement. A copy of this Pricing Supplement has been delivered to the Commission for registration.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from any of the Issuing Houses.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series [.] Bonds" or "Bonds"). An application has been made to the FMDQ for the admission of the Bonds to the Daily Official List of the Exchange. The Bonds now being issued will upon admission to the Daily Official List qualify as a security in which Trustees may invest under the Trustees Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Further, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

LEAD ISSUING HOUSE/BOOK RUNNER

CHAPEL HILL DENHAM
RC 1381308

JOINT ISSUING HOUSES/BOOK RUNNERS

Stanbic IBTC Capital	DLM	FBNQuest Merchant Bank	FCMB	RMB	VETIVA
RC 1031358	RC 688014	RC 264978	RC 446561	RC 1031371	RC 485600

THIS PRICING SUPPLEMENT IS DATED [•] DAY OF [•] [.]
THIS PRICING SUPPLEMENT WILL BE AVAILABLE ON THE FOLLOWING WEBSITES:

www.mtnonline.com www.chapelhilldenham.com www.sec.gov.ng

FINAL TERMS OF THE SERIES [●] BOND		
1	Issuer:	MTN Nigeria Communications Plc
3	Series Number:	[●]
4	Aggregate Principal Amount of Bonds:	[●]
5	Issue Price:	[●]
6	Denominations:	[●]
7	Issue Date: Interest Commencement Date (if different from Issue Date):	[●] [●]
8	Maturity Date:	[●]
9	Principal Moratorium:	[●]
10	Interest Basis:	[●]
11	Redemption/Payment Basis:	[●]
12	Status:	[●]
13	Security:	[●]
14	Listing(s):	[●]
15	Method of Distribution:	[●]
16	Offer Period:	[●]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
17	Fixed Rate Note Provisions	
	▪ Interest Rate:	[●]
	▪ Coupon Payment Date(s)/Payment Dates:	[●]
	▪ Interest Amount(s):	[●]
	▪ Business Day Convention:	[Following Business Day Convention/Preceding Business Day Convention/Modified Business Day]
	▪ Business Day:	Modified Business Day
	▪ Other terms relating to method of calculating interest for Fixed Rate Notes:	[●]
18	Floating Rate Note Provisions:	[●] (If not, delete the remaining sub-paragraphs of the paragraph)
	▪ Coupon Payment Date(s):	[●]
	▪ Receiving Bank:	[●]
	▪ Premium/Spread (if applicable):	[●]
	▪ Relevant Time (if applicable):	[●]
	▪ Screen Rate Determination: – Benchmark: – Coupon Determination: – Relevant Screen Page:	Actual/Actual: Actual/360
	▪ Day Count Fraction:	[●]

PROVISIONS RELATING TO REDEMPTION		
19	Optional Early Redemption (Call Option):	[●]
20	Optional Early Redemption (Put Option):	[●]
21	Scheduled Redemption/Amortization:	[●]
22	Redemption Amounts:	[●]
23	Scheduled Redemption Dates:	[●]
24	Final Redemption Amount:	[●]
GENERAL PROVISIONS APPLICABLE TO THE BONDS		
25	▪ Form of Bonds:	Dematerialized Bonds
	▪ Form of Dematerialized Bonds:	[Registered/Certificate/Dematerialized]
	▪ Registrar:	[●]
26	Trustee(s)	[●]
27	Record Date:	[●]
28	Other terms or special conditions:	[●]
DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS		
29	Underwritten/Book-building:	[●]
30	If Underwritten, names of Underwriters:	[●]
31	Clearing System:	Central Securities Clearing System Plc
GENERAL		
32	Rating:	[●]
33	Taxation:	[●]
34	Governing Law	Nigeria
APPENDICES		
35	Appendices:	[List and attach Appendices if applicable]
USE OF PROCEEDS		
[Insert details of use of proceeds]		
MATERIAL ADVERSE CHANGE STATEMENT		
Except as disclosed in this document and in the Shelf Prospectus dated May 5, 2021, there has been no significant change in the financial or trading position of the Issuer since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer since [insert date of last published annual accounts].		
RESPONSIBILITY		
The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Shelf Prospectus referred to above, contains all information that is material in the context of the issue of the Bonds		