



## Lagos | Nigeria: 23<sup>rd</sup> July 2020

### **MTN Nigeria Communications PLC and Global Independent Connect Limited, INT Towers Limited IHS (Nigeria) Limited and IHS Towers NG Limited, Nigerian affiliates of IHS Holding Limited amend service agreements**

MTN Nigeria Communications PLC (MTN Nigeria) and Global Independent Connect Limited, INT Towers Limited, IHS (Nigeria) Limited and IHS Towers NG Limited, the affiliates of IHS Holding Limited (together, IHS) have reached an agreement to expand the scope of their current service agreements, and amend the currency conversion provision for tower services.

In 2014, MTN Nigeria took a strategic decision to sell its passive infrastructure (including towers) and focus on its core business. Although MTN Nigeria retains a small number of towers, it currently has agreements in place with a number of tower providers across the country, including IHS.

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. Furthermore, the changes will result in improved cost for future technology evolution and backhaul in the network, which will bear fruit in the longer term, whilst agreeing to move the reference rates for conversions to Naira from the Central Bank of Nigeria's official rate (CBN) to the Nigerian Autonomous Foreign Exchange Rate (NAFEX).

A handwritten signature in black ink, appearing to be 'M. Kadri', is written over a light grey rectangular background.

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

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



This change in reference rate currently at N360 (CBN) to N385 (NAFEX) reduces the EBITDA margin in 2020 by approximately 0.4pp on an IFRS16 basis. This is however offset over time by the improved pricing and increased focus on rural connectivity and backhaul in the network. MTN Nigeria will continue to focus on operational efficiencies to further mitigate these impacts.

Commenting on the agreements, MTN Nigeria's CEO Ferdi Moolman said: *"We are pleased to have agreed a mutually beneficial update to our agreements with IHS. These changes provide clarity for both parties on foreign exchange denomination with Naira payments, while also extending our relationship into key new areas. I am particularly excited about the partnership to expand fibre connectivity and deliver accelerated rural telephony. The COVID-19 pandemic has demonstrated the huge importance of digital infrastructure, and these agreements enable us to enhance fibre networks, while rapidly connecting those Nigerians in rural areas who are currently unable to access telecommunications services."*

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Uto Ukpanah  
**Company Secretary**

**Directors:** Dr. E. Ndukwe, OFR (Chairman) \*Mr. F. Moolman (CEO) Mr. M. Kadri (CFO) Mr. M.K. Ahmad, OON Mr. M. Ajukwu Mr. A. Alli  
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