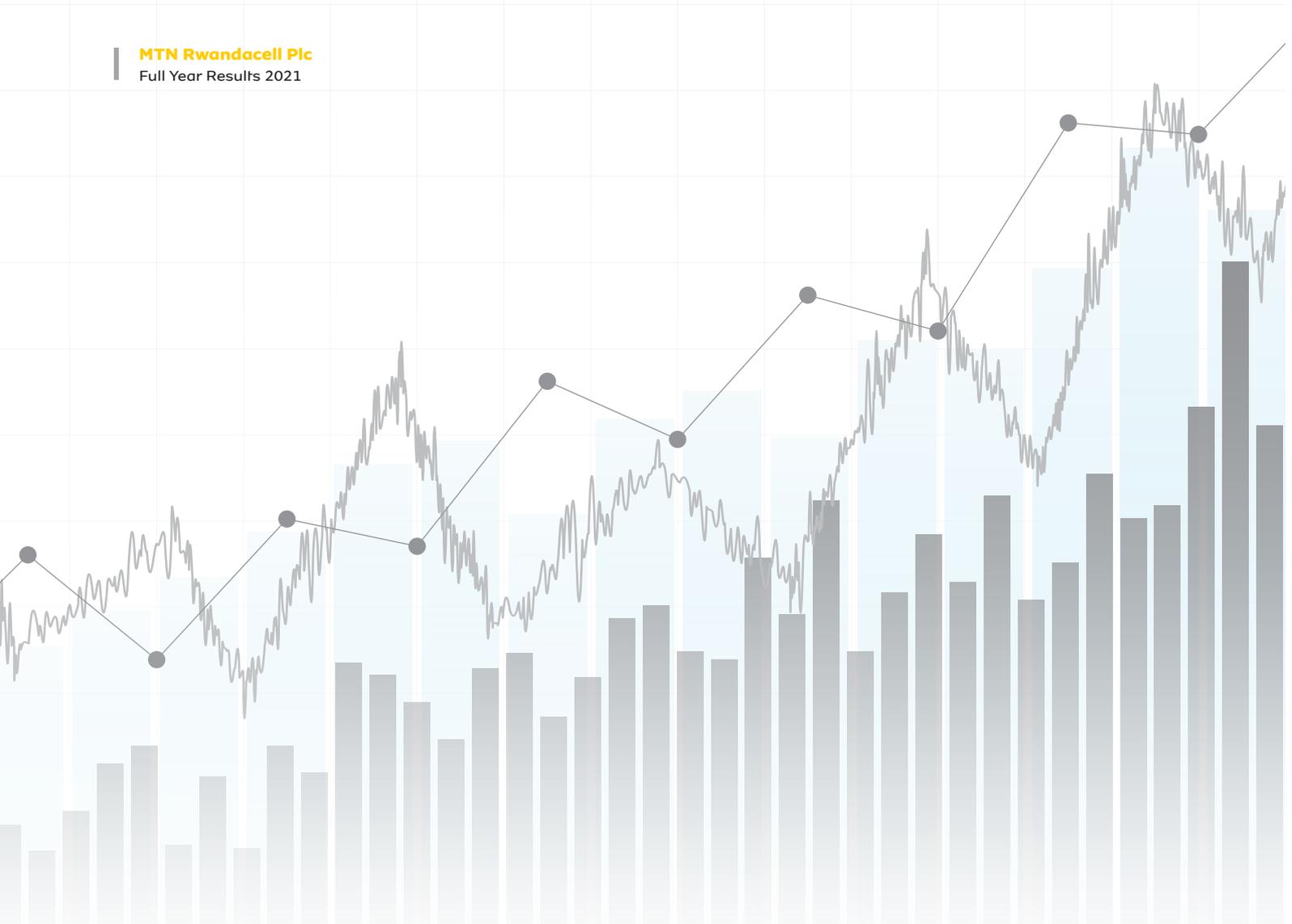


MTN RWANDACELL PLC Full Year Results 2021

Kigali | Rwanda: Date: 8 March 2021





MTN Rwandacell Plc (MTN Rwanda) is pleased to share its financial results for the period ended 31 December 2021.

Key metrics:

- Mobile subscribers increased by 300k to 6.4 million
- Active data users increased by 495k to 2.12 million
- Mobile Money (MoMo) users increased by 424k to 3.7 million
- Service revenue increased by 24.1% to Rwf 184.9 billion
- Earnings before interest, tax, depreciation, and amortisation (EBITDA) grew by 20.4% to Rwf 89.7 billion
- EBITDA margin at 47.7%
- Profit after Tax (PAT) grew by 10.9% to Rwf 22.4 billion

Unless otherwise stated, financial and non-financial information is year-on-year (YoY, December 2021 versus December 2020). MTN Rwanda defines Mobile subscribers as those active in 90 days and Data & Mobile Money users as those active in 30 days. Financials have been audited and consolidated for MTN Rwanda and its subsidiary company, Mobile Money Rwanda Ltd.

Comments from MTN Rwandacell PLC Chief Executive Officer - Mitwa Ng'ambi



Everything we do is underpinned by our pledge to 'lead digital solutions for Rwanda's progress'. In 2021, MTN Rwanda remained resilient in extremely challenging trading conditions and has delivered solid results that exceed all our medium-term targets, as we continued to execute on our Ambition 2025 strategy.

We invested heavily, with capex of Rwf32.7 billion, in the resilience of our network to cope with the significant increases in mobile data traffic volumes, to keep families connected, enable businesses to operate, facilitate online learning and assist government in providing critical services.

In addition, we signalled our firm commitment to Rwanda, our customers,

and stakeholders by renewing our Individual License for a further 10 years. We also invited Rwandans to share directly in our success by listing by introduction on the Rwanda Stock Exchange and paying out Rwf 10 billion, or 50.4% of our distributable income, in dividends.

In line with our Ambition 2025 strategy to build the largest and most valuable platforms, we structurally separated our Fintech business into an independent wholly owned subsidiary of MTN Rwanda, Mobile Money Rwanda Ltd, which is fully operational. The fintech business continues to grow strongly, driving financial inclusion in Rwanda, with 424k Mobile Money users added to close the year with 3.7 million customers.

Furthermore, we have taken a step-change in our approach to Environmental, Social and Governance issues (“ESG”), which is a strategic priority highlighting our commitment to being a key partner to the communities we serve. MTN Group committed to achieve zero net carbon emissions by end of 2040. We as MTN Rwanda, in turn, launched MTN Project Zero in December 2021 which will see to a series of initiatives being rolled out to contribute to this 2040 target. We kicked off by replacing 15% of our vehicle fleet with hybrid electric cars and foresee further expansion in the coming years.

On the Social Front, we launched the Twese (“All of Us”) initiative with focus on making our products and services more accessible to people with disabilities. The interventions rolled out include, providing Mobile Money kiosks and starting capital to 60 agents with disabilities, setting up a video call option in our call centre for customers with hearing impairment, ensuring all our TV commercials include sign language interpretation and reserving at least 10% of our Graduate Program seats for persons with a disability.

In creating shared value, on 7 March 2022 our Board of Directors approved, for recommendation to the Shareholders at this year’s Annual General Meeting of Shareholders, a total dividend at RWF 4.98/share, approximately RWF 6.7 billion which represents 30% of the Profit After Tax (PAT) for 2021. This was done in line with the Dividend policy disclosure provided last year, where shareholders were informed that the Company would consider a dividend payout of 30% of PAT in 2022, due to the license fee payments that the company would need to conclude this year. The company

continues to target minimum of 50.0% of PAT in subsequent years, over the medium term.

Operationally, our subscriber base grew to 6.4 million overall furthering our leadership to 63.4% market share. However, growth slowed down in the last quarter of the year following the introduction of new sim registration guidelines in September 2021. As new sim registration approved points of sale are rolled out, we expect a reacceleration in subscriber growth.

Overall, Service revenue grew by 24.1% and EBITDA by 20.4% to achieve an EBITDA margin of 47.7% supported by growth in voice, data, and mobile financial services. EBITDA margin softened by 1.3pp mainly due to increased 4G uptake resulting in additional data cost of sales as well as operational expenditure relating to the setup of a modernized Network Operating Centre (NOC), which was outsourced to improve on the network monitoring systems.

We continued to focus on driving our industry-leading connectivity business and voice revenue growth of 12.1%. Data revenue grew by 18.9% as active data users grew by 31.3% to 2.1 million, with robust growth in data usage which increased by 35.3%.

Our finance costs increased on the back of increased borrowings raised to finance our license renewal.

Looking ahead, we continue to pursue Ambition 2025 by honouring our commitment to our customers and stakeholders. We will continue to invest in driving our industry-leading connectivity business and scaling the largest and most valuable platforms in Rwanda.



Key financial highlights

Key Financial Highlights

Rwf (m)	31 Dec 2021	31 Dec 2020	% Change
Total Revenue	188,127	152,013	23.8%
Service Revenue	184,895	149,046	24.1%
Expenses	98,404	77,523	26.9%
EBITDA	89,723	74,490	20.4%
EBITDA Margin	47.7%	49.0%	-1.3%
Depreciation & Amortisation	35,625	25,701	38.6%
Net Finance Costs	20,584	16,179	27.2%
Profit before tax	33,514	32,610	2.8%
Income tax expense	11,090	12,382	-10.4%
Profit after tax	22,424	20,227	10.9%
Earnings per share	16.6	15.0	10.9%
Capital Expenditure	32,710	21,715	50.6%
Capex intensity	17.4%	14.3%	3.1%
Free Cash Flows	57,013	52,775	8.0%
Market Share	63.4%	61.8%	1.6pp
Mobile Subscribers ('m)	6.4	6.1h	4.9%
Data Subscribers ('m)	2.1	1.6	31.3%
Mobile Money Subscribers ('m)	3.7	3.3	12.9%

Note:

- Financials have been audited and consolidated for MTN Rwanda and its subsidiary company, Mobile Money Rwanda Ltd.
- Voice revenue includes interconnect and outbound roaming voice.
- Data revenue includes roaming data.
- Digital revenue includes Rich Media Services
- Fintech revenue includes MTN Xtratime and Mobile Money
- Other service revenue includes Information and Communications Technology (ICT) revenue.
- Capital expenditure excluding right of use assets.
- Free cash flow (EBITDA minus capital expenditure).
- During this period, a dividend of RWF 7.55/share was declared
- For comparative purposes, the number of shares 1,350,886,600 applied for both periods.
- A dividend declaration of RWF 4.89/share was approved by the Board of Directors on 7 March 2022



**Operational
Review**

Operational Review

The financial performance for the year 2021 showed the resilience of our business. Voice revenue increased by 12.1% and accounted for 47.4% of total service revenue. The performance was supported by our decision, at the start of the year, to make permanent our offer to allow subscribers to use any voice bundle to call other mobile networks in Rwanda at no additional cost. This also had a significant positive impact on customer retention and acquisition.

Following the implementation of the new SIM Registration guidelines issued in July 2021 that limited SIM registrations and SIM swaps to service centres, connect shops and kiosks only, we saw a reduction in the number of new customer acquisitions. This reduced our year-on-year gross customer additions by 17%. Efforts are ongoing to build this back up in the new year as our registration points expand.

Data revenue maintained its positive momentum, rising by 18.9%. This was led by a combination of increased subscribers, usage (MB per user) and ultimately traffic, supported by increased network capacity. Data traffic rose by 39.9% YoY with data revenue accounting for 17.4% of service revenue.

Fintech revenue recorded strong YoY growth of 66.5%. This is comprised of revenue from both Mobile Money and Xtratime (our airtime lending service). Mobile Money revenue grew by 65.2% YoY.

After a challenging start to the year, **Enterprise** made a considerable recovery and recorded a 13.1% increase in revenue, supported by higher revenue



from devices and fixed connectivity. The COVID-19 lockdown at the start of Q1 2021 resulted in a slow uptake of products and services offered to the businesses we serve. However, it also created an opportunity for the accelerated uptake of our home connectivity offer as people shifted to work-from-home. The number of homes connected with MTN Home solution closed the year at over 3800.

EBITDA rose by 20.4%, translating to an EBITDA margin of 47.7%. We delivered a healthy free cash flow of Rwf57.0 billion. Depreciation and amortisation rose by 38.6% and this was partly affected by the license renewal fee which increased amortisation costs. Net finance costs increased by 27.2% on the back of an additional debt raised to support the license renewal, resulting in profit after tax (PAT) growth of 10.9%.

Capital expenditure increased with continued investment in the network to enhance coverage and capacity. These investments grew by 50.6% (under IAS 17).

In terms of our financial leverage, net debt to EBITDA as of 31 December 2021 was 1.0x and remains comfortably within our covenant threshold of 2.5x. All our external financing is sourced locally.

COVID-19 Update

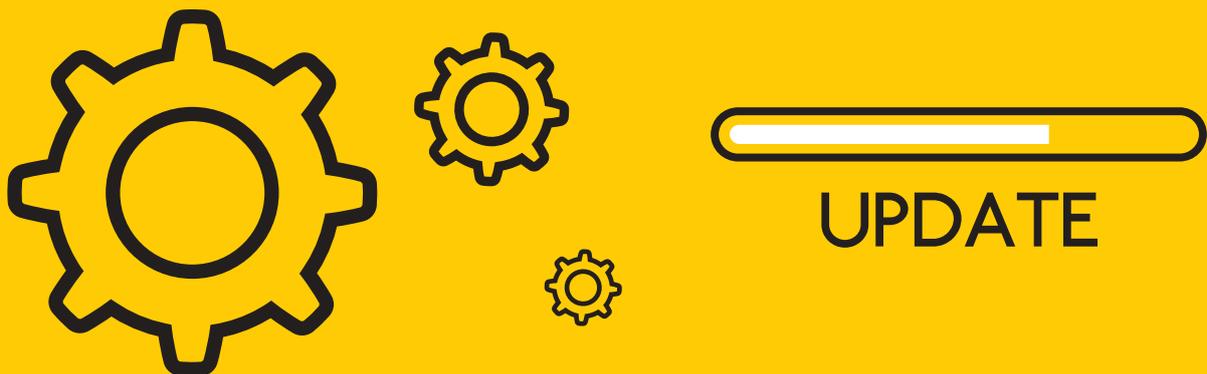
The prevalence of the Omicron variant of COVID-19 saw an increase in the daily number of new cases recorded between November 2021 and December 2021. Notwithstanding this, our business continued to recover with the opening up of the economy and increased mobility of people.

Data from the Ministry of Health indicates that Rwanda ended December 2021 with over 7.7 million people receiving at least one dose and over 5.5 million people having received both doses of the COVID-19 vaccine, taking the total vaccination rate of the Rwandan population with at least one dose to just over 60%. December also

saw Rwanda record the highest new daily infections due to the Omicron variant and as an operation we too witnessed the highest number of new and repeat COVID-19 cases amongst our staff. MTN Rwanda has facilitated vaccinations for more than 70% of its staff ending 2021 with two vaccine shots.

MTN Rwanda remains committed to playing its role in curbing the COVID-19 pandemic in Rwanda while supporting its people, customers, and other stakeholders through growing our coverage, enhancing resilience in our network.

Regulatory Update



On 30 December 2021, the Regulatory Board of the Rwanda Utilities Regulatory Authority (RURA), issued a Regulatory Board Decision to grant MTN Rwanda an extension of the existing Enforcement Notice to 31 March 2022. Significant

improvement has been made on the network quality of service and MTN Rwanda continues to engage with RURA regarding the progress made and additional actions to be taken in coming months.

Outlook



The impacts of COVID-19 pandemic over the last two years have made for a challenging business environment. However, with over 50% of all Rwandans fully vaccinated, we are optimistic that Rwanda's economic recovery will continue on a positive trajectory.

In 2022, we will continue investing in our network to fill coverage gaps and target population coverage as close to 100% as is technically possible. We expect this to further drive subscriber growth and achieve our target of low-to-mid teen

percentage service revenue growth in the mid-term.

In terms of our platforms, we will expand our Mobile Money product portfolio to further drive adoption and engagement, as well as support the government of Rwanda's drive for a cashless economy.

We expect continued growth in data usage as well as the uptake of our digital products and services as we keep tailoring our value proposition to our customer's needs.

Conclusion

We are encouraged by these annual results, which reflect the resilience of the business, the hard work of our people across the country as well as the continued support from our board of directors and stakeholders.

We thank our customers for their continued support and trust in us, and we remain committed to living up to our belief that everyone deserves the benefits of a modern connected life.

Statement of Financial Position

The financial position of the Company remained solid with total assets increasing from Rwf 288.7 billion to Rwf 416.4 billion, representing growth of 44.2%.

Rwf (m)	Dec 2021	Dec 2020	% Change Reported
Other Property, plant, and equipment	174,391	153,889	13.3
Intangible assets and goodwill	86,865	9	>100
Other non-current prepayments	1,061	429	147.2
Current assets	154,053	134,386	14.6
Total assets	416,369	288,714	44.2
Total equity	57,294	48,730	17.6
Non-current liabilities	164,664	104,539	57.5
Current Liabilities	196,411	135,445	43.5
Total equity and liabilities	416,369	288,714	44.2
Net Tangible assets per Security	129.1	113.9	13.3

Note:

- **Non-current assets** include the fixed assets predominantly relating to the network and information technology space. The intangible asset increased to Rwf 86.9 billion following the license renewal.

- **Current assets** include Rwf 86 billion relating to restricted cash (Mobile Money balances owned by customers). The same amount is reflected under the current liabilities in line with Central Bank regulations.

Definitions:

- Mobile subscribers reported are aligned with MTN group definitions in updated Yellowbook being SIMs which have a revenue generating event (RGE) for the company within 90 days.

- Mobile Money users are subscribers who have a revenue generating event (RGE) for the company within 30 days.

- Active Data Users as per MTN group definition are data subscribers who have used more than 5MBs within 30 days.

- Service revenue is defined as revenue generated from activities performed by MTN operations or business units using a base transmission station (BTS).

ENDS

***What
are we
doing
today?***

