



BITFLUX COMMUNICATIONS LIMITED

Project Oxygen

Private Investor Pitch

Nov 2024

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Special Notices



1. This document (“Private Investor Pitch”) is prepared and distributed by Bitflux Communications Limited (the “Company”) in connection with the Company’s proposed capital raise by way of primary subscription (the “Transaction”).
2. The purpose of the document is to assist the recipient in deciding whether it wishes to proceed with further discussions with the Company and in determining the level of any indicative offer it may wish to make in connection with the Transaction (the “Specified Purpose”).
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1. Executive Summary

Introduction

The Company

Bitflux Communications Limited (the “Company”) is one of the leading telecommunication companies in Nigeria. It was incorporated in 2014 pursuant to the provisions of the Companies and Allied Matters Act, 1990. It is engaged in the business of wireless communication service and holds a distinctive position as the sole holder of the Wholesale Wireless Access Service License (WWASL) in Nigeria, along with a Unified Access Service License (UASL).

In 2014, the Company acquired a 2.3GHz (30MHz, Band 40) spectrum license for a renewable 10-year tenure, at a cost of USD23.3 million. This pivotal license empowers the Company to deliver telecommunications services throughout all the states in Nigeria, positioning the Company as a key player in the nation's telecommunications landscape. The spectrum is 5G-enabled.

In accordance with the provisions of its wholesale license, the Company leverages this spectrum license to provide 4G LTE services to subscribers through collaborative partnerships with Internet Service Providers (ISPs) acting as distribution channels.

The Company’s presence is already visible, with a network spanning seventy-two (72) base transceiver stations strategically located across fifteen (15) local government areas in Lagos State.

The Transaction

To accelerate growth and enhance its network coverage, the Company is embarking on an ambitious initiative to deploy 3,000 Base Transceiver Stations (BTS) in three tranches of 1,000 BTS each. This expansion plan is designed to cover major cities across Nigeria, fortifying the Company's position as a leading provider of wireless communication services.

To support this strategic expansion, the Company is seeking to raise **Eighty Million US Dollars (\$80,000,000.00)** in capital through a well-considered mix of equity and debt, which will not only drive the network expansion but also position the Company for increased market share and sustained profitability.

Use of Funds

The capital, when raised, is planned to be utilized as follows, subject to strategic and necessary changes:

- ◆ \$60m - 1,000 BTS
- ◆ \$10m – Core Equipment
- ◆ \$3m – Spares & Customer Premises Equipment (CPE)
- ◆ \$3m - Spectrum Renewal
- ◆ \$4m - Working Capital

Investment Opportunity

The Investor is hereby offered an opportunity to acquire equity stake in the Company.

Transaction Perimeter

Current Ownership

The Company's issued and fully paid shares amount to 500,000,000 of ₦1.00 each, with ownership structure as stated below:

Shareholder	% Holding
Bitcom Systems (Nigeria) Ltd	97.20%
Olaolu Adewole	1.00%
Timothy Babatunde	0.90%
Gabriel Balogun	0.50%
Tunji Gafaar	0.40%
	100.00%

Bitcom Systems (Nigeria) Ltd is jointly owned by Messrs Biodun Omoniyi (85.16%) and Tunji Gafaar (14.84%).

Mandate

Pursuant to this pitch, Mr Biodun Omoniyi has the standing mandate of all shareholders to enter into discussions and agreements with interested Investors on terms and conditions favourable to the Company.

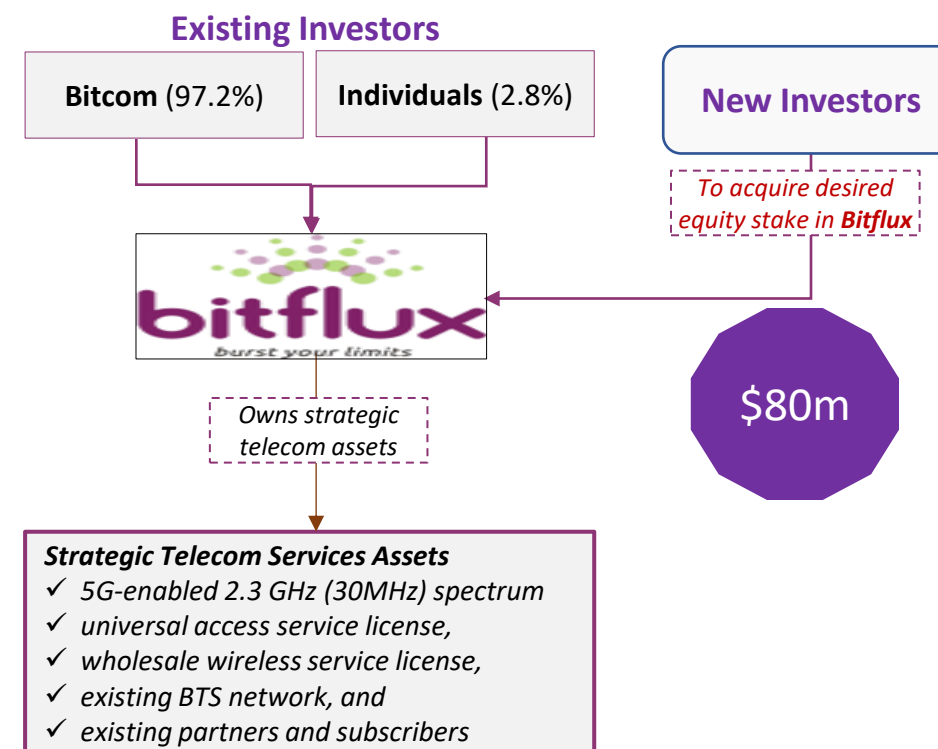
Investment Limit

The Company intend to raise at least \$80m. The shareholding stake and investment amount offers from interested Investors are open for negotiations geared towards achieving the desired successful investment outcomes.

License Renewal

In line with the renewal conditions, the Company has applied for and obtained the regulator's (NCC) approval for the renewal of the spectrum and operating licenses.

Ownership Outlook

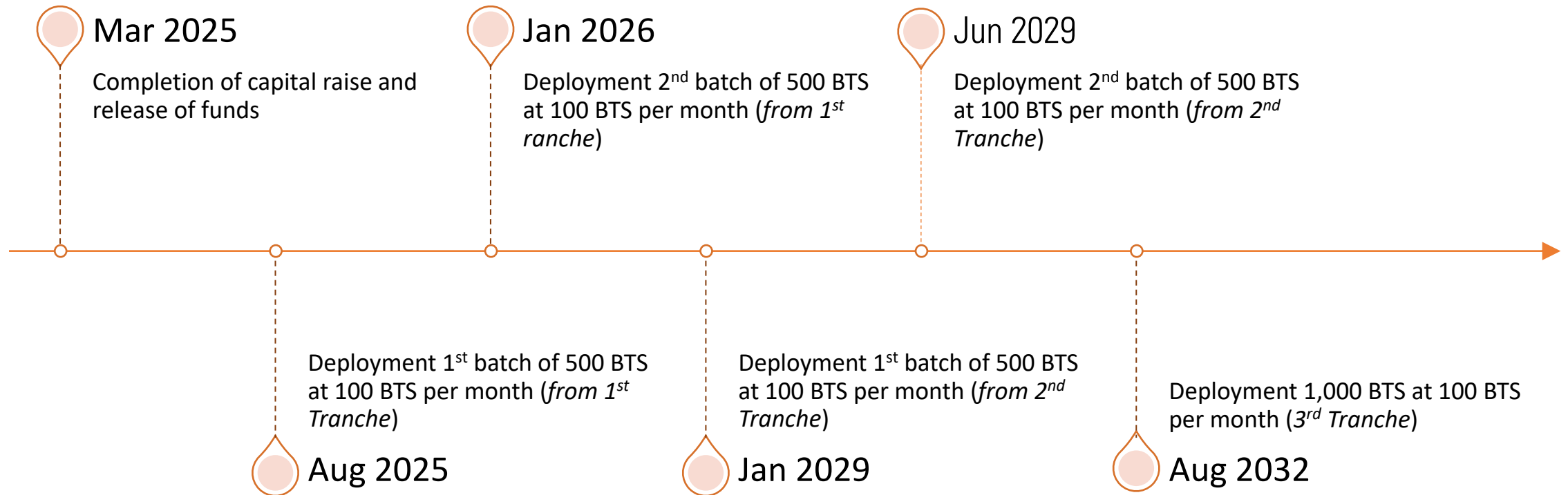


Timeline: The Company's expectation is that due diligence, negotiations, documentations, agreements, and transaction closure should be concluded within 90 days.



2. Project Plan

BTS Roll Out Plan



Implementation Strategies

Strategic initiative

The network expansion project implementation will be approached based on the following strategic initiatives:

❑ Business Model

- ✓ The Company will retain its lean workforce and shared-services model. However, the outsourcing capacity will be deepened.

❑ Rapid BTS Roll Out

- ✓ BTS deployment will be handled by combination of OEM Consultants, Experienced Installers, and Experienced Employees of VDT, among others.
- ✓ The target of deployment of at least 100 BTS per month shall be meticulously planned and carefully executed to exceed implementation expectations.

❑ Enrolment of New Partners

- ✓ Concerted efforts will be made to enroll additional quality partners (ISPs) who are fully ready to start operating as soon as BTS are activated in their respective catchment areas.
- ✓ Enrolment of new partners shall be based on capacity to deliver and viability of their respective intended catchment areas.
- ✓ Partners will be encouraged to strategically start and focus on their most comfortable catchment areas.

❑ Activation and Retention Drive

- ✓ **Access Devices:** Support will be provided to partners to achieve competitiveness of access devices, including equitable sharing of agreed subsidy as well as making “Finance Lease” arrangements to facilitate lower cost and longer amortization periods.
- ✓ **Bonuses:** Purpose-built and targeted bonuses will be promoted to encourage the achievement of activation and retention targets by the partners in their respective catchment areas.
- ✓ **Joint Marketing:** Like the issue of access devices, partners will also be strategically supported as deemed appropriate in the area of strategic marketing, including technical and market research activities.
- ✓ **Network Management:** Out-sourced expert resources, especially those who are part of the deployment exercises, will be retained to maintain the network for a desirable period of time during which knowledge transfer to the designated resources will be effectively pursued.
- ✓ **BTS Performance:** Monthly evaluation of BTS performances (Revenues versus Cost) will be carried out, while strategic decisions relating to “BTS Relocation” will be decisively taken within 90 days of redline signals.

Key assumptions

BTS Deployment

1,000 5G-enabled BTS will be deployed in the 1st year, at average of 100 units per month, locating 500 of the BTS in Lagos. The additional 2,000 BTS will be deployed in the 5th and 7th year, at 1,000 BTS respectively, focusing on deepening existing network coverage as well as expansion of the network coverage.

CAPEX and Working Capital Funding

Capital raised will be utilised to fund the deployment of 1,000 BTS, required Core Equipment for BTS roll-out, acquisition of required Spares and Access Devices, renewal of spectrum license (*at a huge cost savings compared with the cost of acquiring new spectrum*), and provision of minimal working capital.

Subscriber Acquisition

Bitflux will enlist additional distribution partners, increasing the number to at least 10, and encourage migration of the new distribution partners' existing subscribers in addition to achieving its target of acquiring at least 4.5m new subscribers over a period of 10 years. Furthermore, Bitflux will share part of the cost of 5G-compliant access devices with its Partners and collaborate with them on marketing activities to drive subscriber acquisition.

Plans and Prices

Plans and prices will reflect a systematic blend of Consumer preferences and market / competition.

Cashflow Management

The cashflow will be aggressively managed during the early years (years 1 to 3) to minimise and/or avoid the impact of negative net revenue. This will be achieved via proactive long credit periods, especially for co-location and device costs.

Cost of Sale

Colocation cost will be prudently managed, as much as practicable, through exploring multiple channels without sacrificing quality of service. Bitflux will pursue getting generous payment terms (long-credit periods) from its key suppliers at least during the early stages.

Device Cost

Device cost sharing will be operated like a bonus scheme and driven by Sales performances, including the quality of sales. There will be strict terms and conditions to ensure there are no leakages in whatever form.

Operating Expenses

Bitflux will continue to maintain its lean workforce operational model, with minor modifications. The shared services arrangements with its affiliate company, will be sustained as maybe required. This is to keep the operating costs at the lowest possible levels.



3. Project Risks

Project Risks

S/N	Nature of Risk	Category	Description	Potential Impact	Risk Mitigation Strategies
1	Competition	Market	The communications industry is highly competitive, with new entrants and changing market dynamics, posing threats to established providers	High	Bitflux will invest in innovative solutions and adopt a practical approach to leverage cutting-edge technologies, thereby enhancing reliability and connectivity while staying responsive to customers' evolving requirements. Furthermore, the marketing strategy aims to achieve an equilibrium between capacity and pricing considerations.
2	Market Saturation	Market	The communication and mobile data services market in Nigeria is highly saturated, limiting opportunities for growth	Medium	Bitflux will prioritize establishing robust network coverage to guarantee customer satisfaction. In the competitive landscape, emphasis on competitive pricing and exceptional service delivery will be paramount in retaining subscribers.
3	Customer Churn Rate	Market	High customer turnover as a result of customer dissatisfaction, customer taste or rationality will impact revenue and profitability	High	To optimize customer retention, Bitflux will implement the strategies identified in sections 1 and 2 above
4	Concentration Risk	Market	Dependence on a few ISPs to source, manage and retain subscribers	High	Bitflux will invest in strategies to aggressively diversify retail base, negotiate better terms and reduce dependence on one or two ISPs

Project Risks

S/N	Nature of Risk	Category	Description	Potential Impact	Risk Mitigation Strategies
5	Revenue risk due to change in price	Market	Revenue risk due to change in price of data or voice packages.	High	Bitflux will ensure competitive pricing for its products to avoid high customer migration resulting to revenue losses.
6	Revenue risk due to inability of Partners to make full prepayments for services (voice and data packages)	Market	The inability of Partners to fully pay in advance for acquisition of voice and data packages for resell to subscribers in a timely manner.	Low	Aggressively diversify Partner base to minimize the counterparty risk; Negotiate more competitive terms with Partners to improve on the existing 60:40 revenue sharing ratio; develop early warning systems that can detect signs of financial distress in Partners through credit monitoring and evaluation; and obtain letter of credit or bank guarantee to secure payment defaults by Partners.
7	Project management	Procurement	Poor project management (scheduling, budget or resources) results in cost overruns and poor execution	Medium	Bitflux will clearly define the project's objectives, scope, and deliverables. Develop a detailed project plan that outlines tasks, timelines, resources, and dependencies. Use project management tools and software to facilitate planning and tracking. Ensure that the project has the necessary resources, including skilled personnel, equipment, and funding, to minimize risk of delays or losses, and take immediate remedial steps to correct deviations from plan.

Project Risks

S/N	Nature of Risk	Category	Description	Potential Impact	Risk Mitigation Strategies
8	Vendor/Suppliers of Equipment/Services	Procurement	High cost of BTS, Colocation, Annual Microwave and Backhaul as a proportion of revenue which has the potential of eroding margin of Bitflux	Medium	Negotiate long-term supply contracts with vendors/suppliers incorporating clauses for vendor financing, extended repayment periods, and rebates and discounts wherever possible.
9	Subcontractor/Partner dispute or insolvency (intra-consortium counterparty risk)	Procurement	Disputes between Bitflux and VDT or any other Partner may negatively impact the operations of Bitflux.	Low	Bitflux will hold regular meetings to make sure all partners are carried along.
10	Statutory and regulatory approvals	Compliance	Planning or development approvals are delayed or subject to conditions which make the project significantly more expensive to construct and/or operate.	Low	Bitflux will ensure timely application for statutory and regulatory approvals and also comply to all legal and regulatory requirements to minimize breaches that may result in delays or increased costs

Project Risks

S/N	Nature of Risk	Category	Description	Potential Impact	Risk Mitigation Strategies
11	Regulatory Compliance	Compliance	Compliance with government regulations, such as data privacy laws and spectrum licensing requirements, is essential and failing to do so, can result in legal and financial consequences.	Low	Bitflux will adhere to standards issued by Regulators.
12	Changes in laws and regulations	Compliance	Unexpected changes in laws and regulations may adversely impact the operations of mobile service providers. This might include changes in licensing requirements, spectrum allocation, pricing controls, or data privacy laws.	Medium	Bitflux will adhere rigorously to statutory and regulatory standards while implementing a proactive strategy to remain well-informed about evolving legislation and regulatory demands. In addition, Bitflux should be actively involved in the industry association to counterbalance excessive regulatory interference in the commercial operations of the industry
13	Government Regulation	Compliance	The industry is highly regulated, and government may introduce unfavorable policies that could adversely impact the market.	Medium	Bitflux will encourage active engagement of the industry association to advocate for favourable Government Regulation

Project Risks

S/N	Nature of Risk	Category	Description	Potential Impact	Risk Mitigation Strategies
14	Health, Safety and Environmental risk	Operation	Increased risk associated with operation in an unsafe work environment	Low	Ensure adherence to HSE procedures in the workplace. Carryout thorough regular HSE audits and safety drills and compulsory use of safety gears. Take out appropriate insurance coverage to cover incidents to mitigate against losses resulting HSE risks.
15	Failure to meet service/performance standards	Operation	Failure of Bitflux to provide adequate and reliable network coverage.	High	Bitflux will invest in a robust research team for placement of BTS to provide adequate network coverage across target areas and vigorously engage in network monitoring to ensure prompt reporting and follow up in the event of network downtime.
16	Interface risks with Colocation providers	Operation	Poor relationship between Bitflux and Colocation providers which could result in network failure	Medium	Bitflux will proactively develop robust collaboration arrangement with its key suppliers/service providers to eliminate interface issues
17	Technological Obsolescence.	Operation	Rapid advancements in technology can make infrastructure and equipment obsolete, requiring significant investments to stay competitive.	High	Bitflux will be adaptive to technological advancements to remain competitive in the industry.

Project Risks

S/N	Nature of Risk	Category	Description	Potential Impact	Risk Mitigation Strategies
18	Ability to raise finance	Financial	Given the size of investment required for the project, raising financing (both equity and debt) could pose significant challenges	High	<ul style="list-style-type: none"> ➤ Efforts will be made to agree reasonable, but attractive, terms as an incentive to prospective investors. ➤ Given the challenges encountered in raising project financing as a result of the prevailing economic difficulties, an appropriate funding mix is being proposed. The debt portion will be raised through Equipment Suppliers, Development Partners, Asset Managers, Financial Institutions and Shareholders
19	Increase in interest rates	Financial	Rise in interest rates increases financing cost of the Project.	Medium	<ul style="list-style-type: none"> ➤ Bitflux will consider the following mitigants against rise in interest rates: <ul style="list-style-type: none"> • Adapt a favourable funding mix • Negotiate long-term third-party financing with fixed interest rates • Deploy IGR to cushion against variable interest rate debts such as short-term loans, overdraft facilities and credit lines.

Project Risks

S/N	Nature of Risk	Category	Description	Potential Impact	Risk Mitigation Strategies
20	Foreign currency fluctuation	Financial	Fluctuating foreign exchange rates may lead to increase in CAPEX of the Project. A fall in the value of Naira may lead to losses in revenue, higher debt profile and increased cost of operations.	Medium	➤ Bitflux will consider the economics of: <ul style="list-style-type: none"> • frontloading CAPEX acquisition • passing on exchange rate differential cost to subscribers
21	Inflation rates	Financial	Inflation reduces the purchasing power of subscribers and increases the cost of operations and erodes profit margin	Medium	➤ Bitflux will: <ul style="list-style-type: none"> • negotiate long-term contracts with vendors and suppliers • Implement cost-reduction strategies • Increase subscriber base to minimize the impact of a reduction in purchasing power of subscribers



4. Infrastructure Overview

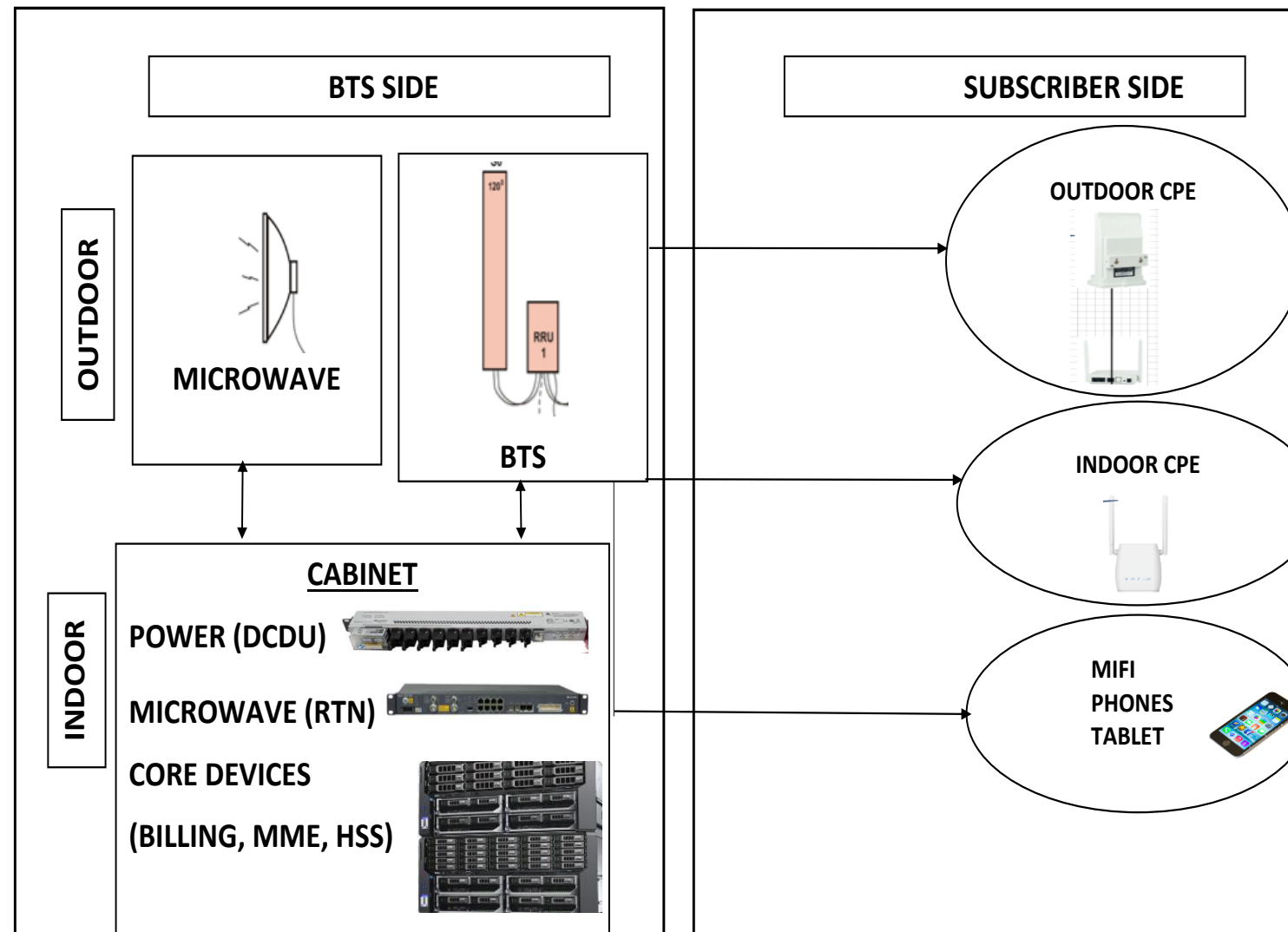
Outdoor & Indoor Equipment

Outdoor Equipment

- Mast & Tower:** This are provided by Colocation Service providers. However, the Company will own the asset where necessary, especially where there is no suitable collocation environment.
- BTS and Microwave Radio:** These are owned by the Company. BTS transmits signal to the Subscriber while Microwave is used to transmit signal between BTS sites. Fibre Optic trunks are used as alternative to Microwave radios where available and/or necessary.

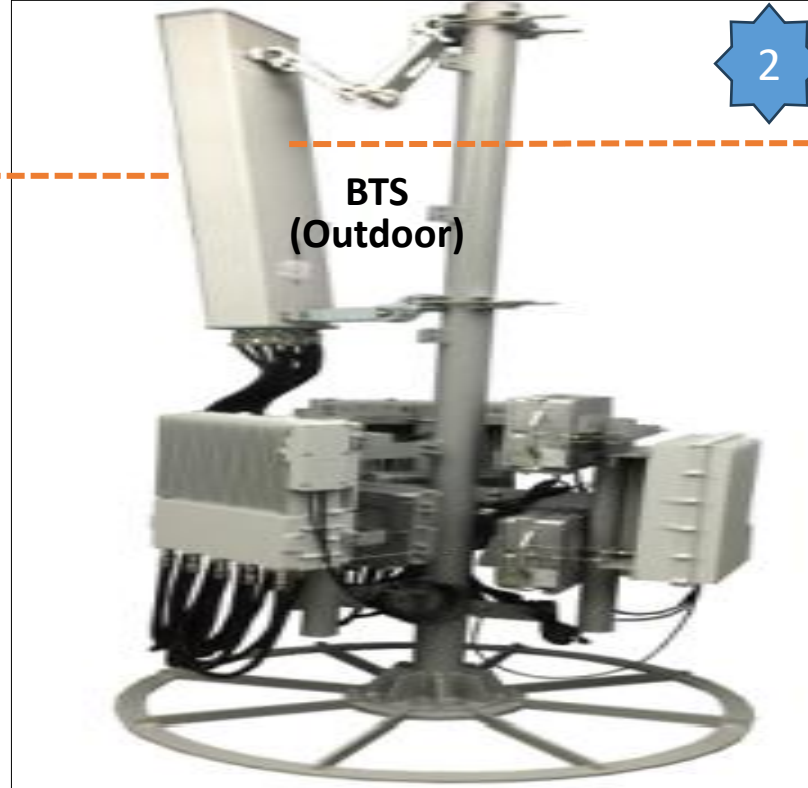
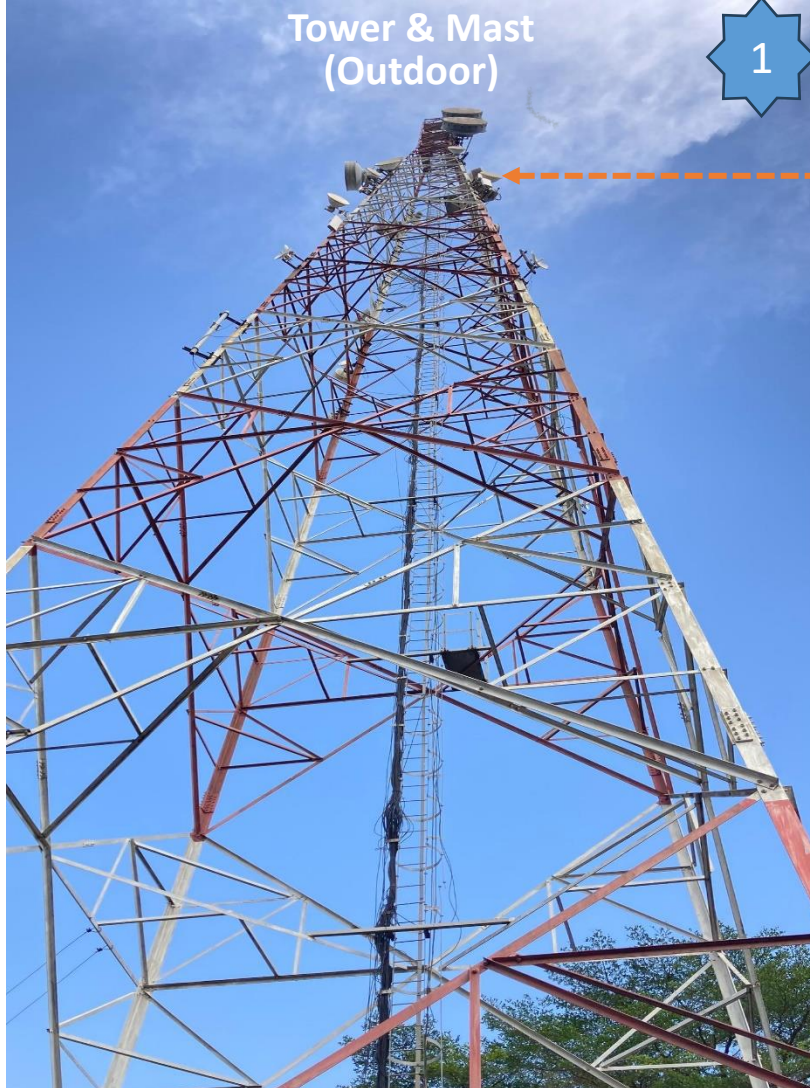
Indoor Equipment

- Cabinet:** Equipment cabinets are provider by colocation service providers
- Power Equipment:** Power equipment are also owned by the colocation service provider.
- Transmission Equipment:** These are owned by the company but domiciled in the colocation environment
- Core / Billing Equipment:** These are owned by the Company but domiciled in the colocation environment,



Infrastructure Overview: Outdoor Equipment

Outdoor Equipment



- ✓ Higher Spectra Efficiency
- ✓ Higher Capacity
- ✓ Maximizing Coverage
 - Same Location, Higher Data Rate
 - Same Power, Longer Range
 - Same Geography, Less BTS
- ✓ Deployment Flexibility



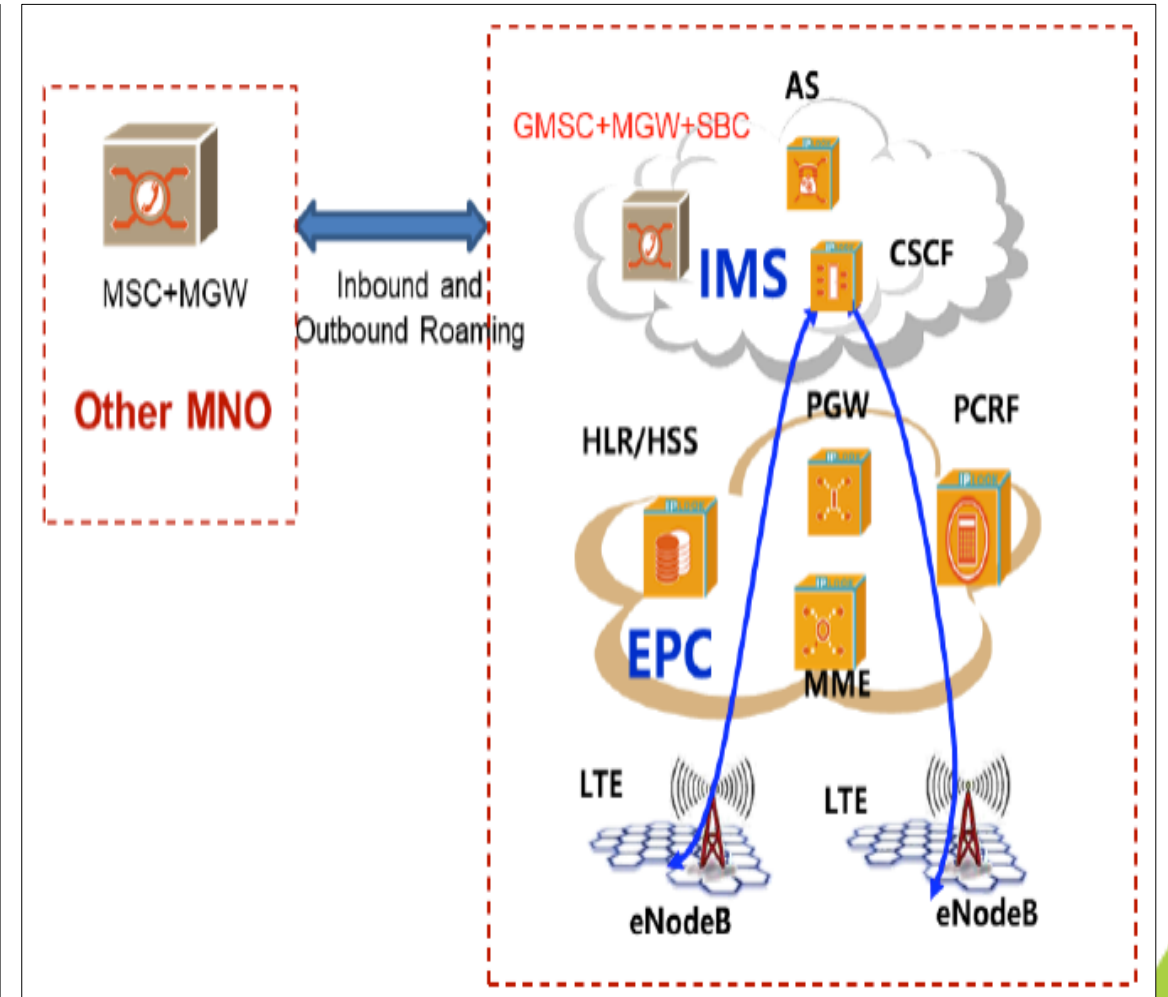
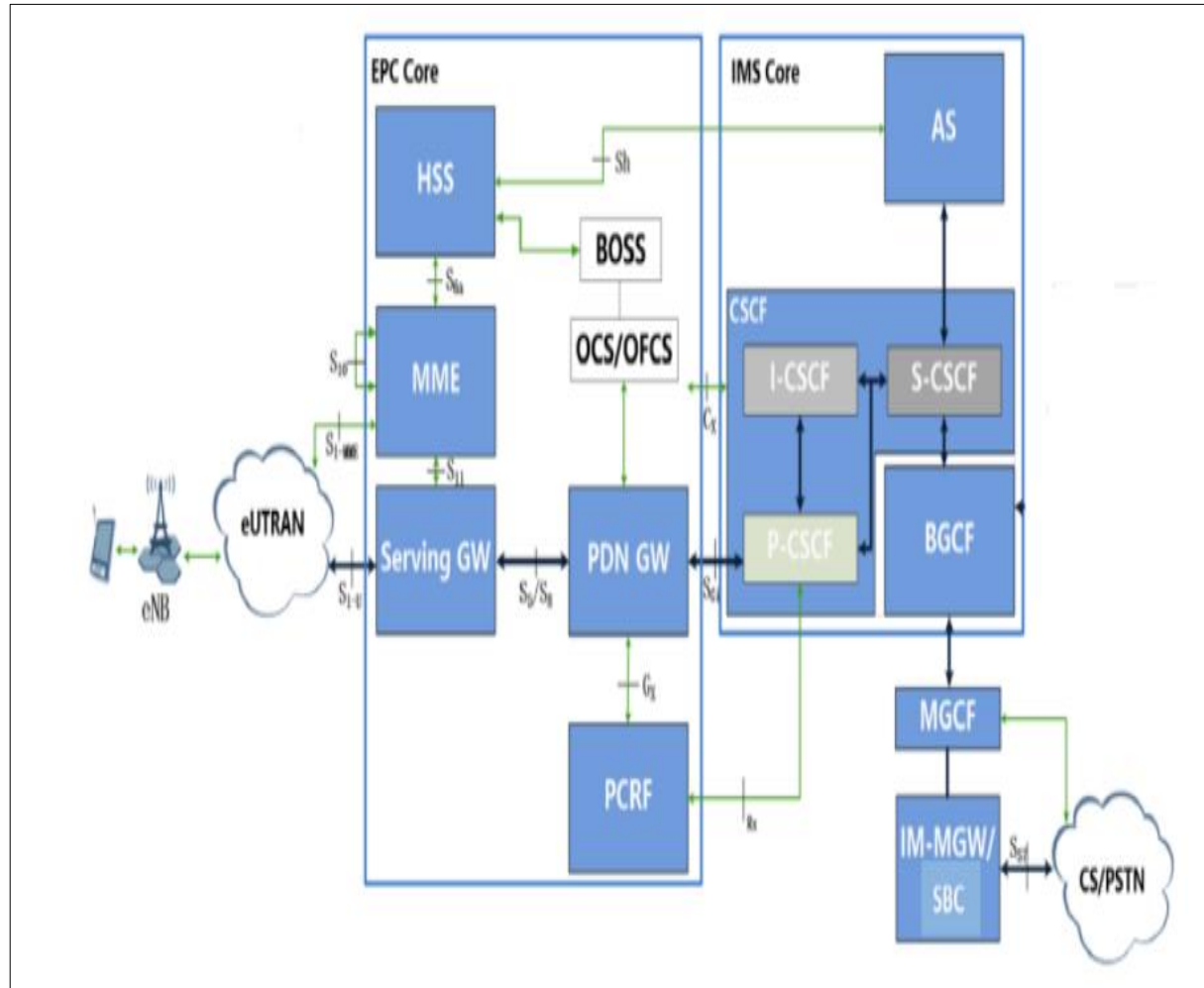
Infrastructure Overview: Indoor Equipment

Indoor Equipment



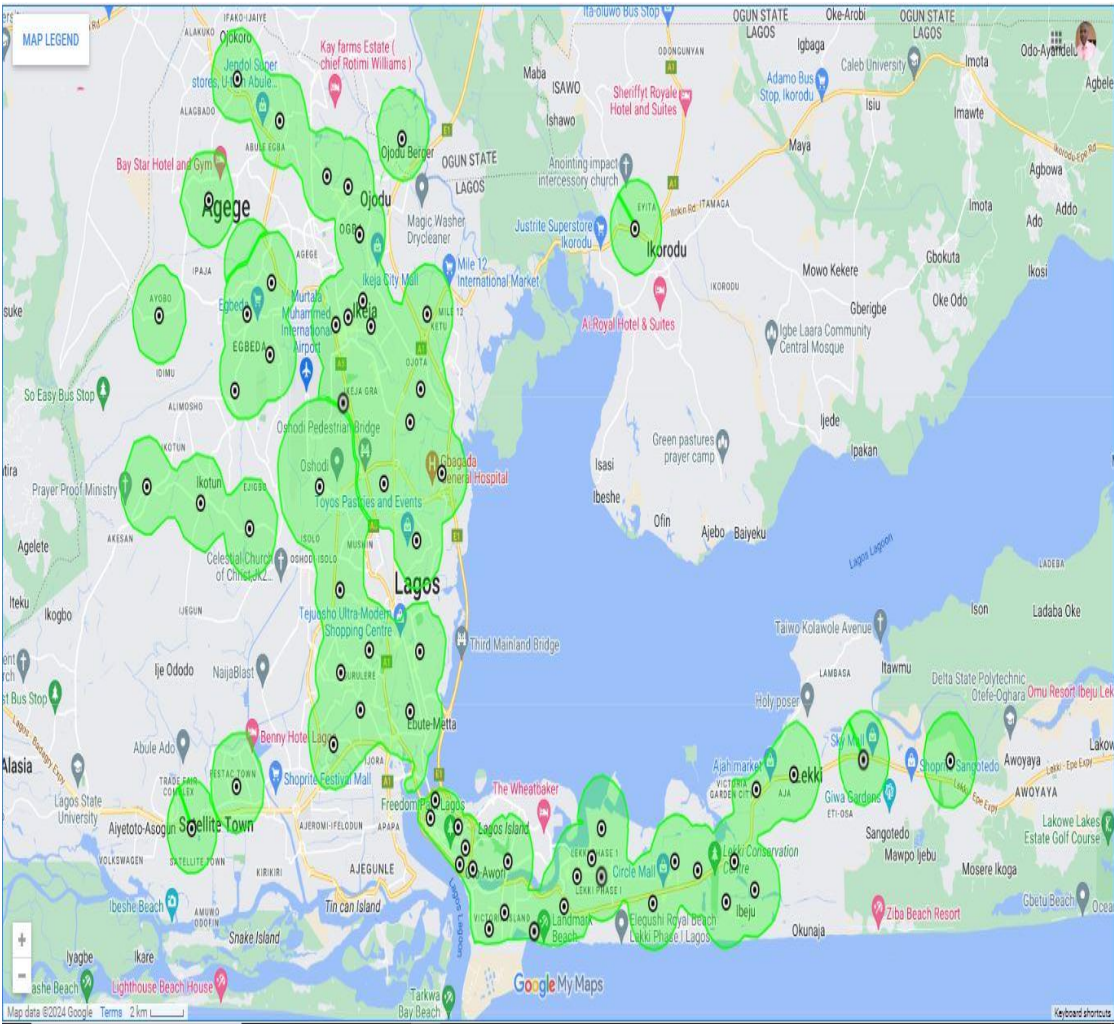
Infrastructure Overview: Core Application Framework

Core Application Framework



Infrastructure Overview: BTS Coverage

Current BTS Coverage



Proposed BTS Coverage



Bitflux-owned BTS footprints in Lagos, Nigeria

Infrastructure Overview: Spectrum License

Licenses

License	Details
Spectrum License	<ul style="list-style-type: none">✓ Unpaired✓ 30MHz / 2.3GHz✓ TDD
Operating License	<ul style="list-style-type: none">✓ Wholesale Wireless Access Service License (WWASL)✓ Unified Wireless Access Service License (UWASL)

<https://www.ncc.gov.ng/docman-main/licensing/license-auction-reports/30mhz-in-the-2-3ghz-band/460-information-memorandum-on-2-3ghz-spectrum-auction-for-wholesale-wireless-access-service-wwasl/file>

VALUATION CERTIFICATE ON

ASSETS OF BITFLUX COMMUNICATIONS LIMITED VARIOUSLY
LOCATED WITHIN LAGOS STATE.



MARKET VALUE	₦2,356,275,000.00
FORCED SALE VALUE	₦1,649,392,500.00
DATE OF INSPECTION	21st, 22nd, 23rd, 27th, 28th, 29th and 30th December, 2021

Prepared for: The Managing Director
BITFLUX COMMUNICATIONS LIMITED
No. 1, Alfred Rewane Road
Falomo
Ikoyi
Lagos State.

Date: 30th December, 2021.



5. Industry Overview - *Nigeria*

7. Industry Overview



Internet Usage
850,249.09TB
(Sep 2024)



Market Value
\$9.09Bn
(2024)



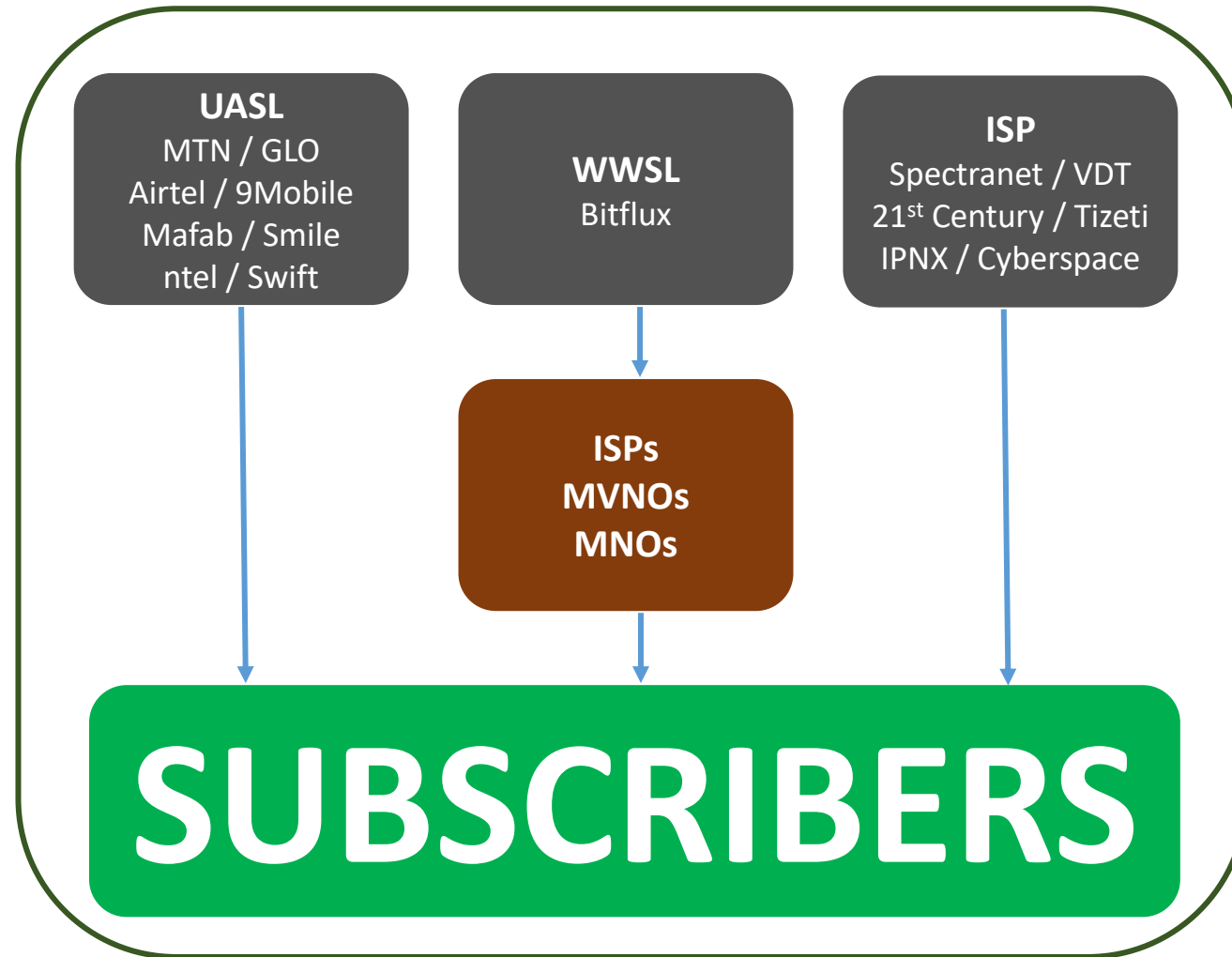
Internet Subscribers
164,368,292
(Q1 2024)



% Contribution to GDP
13.94%
(Q3 2024)



CAGR
6.17%
(2024-2028)



Regulator

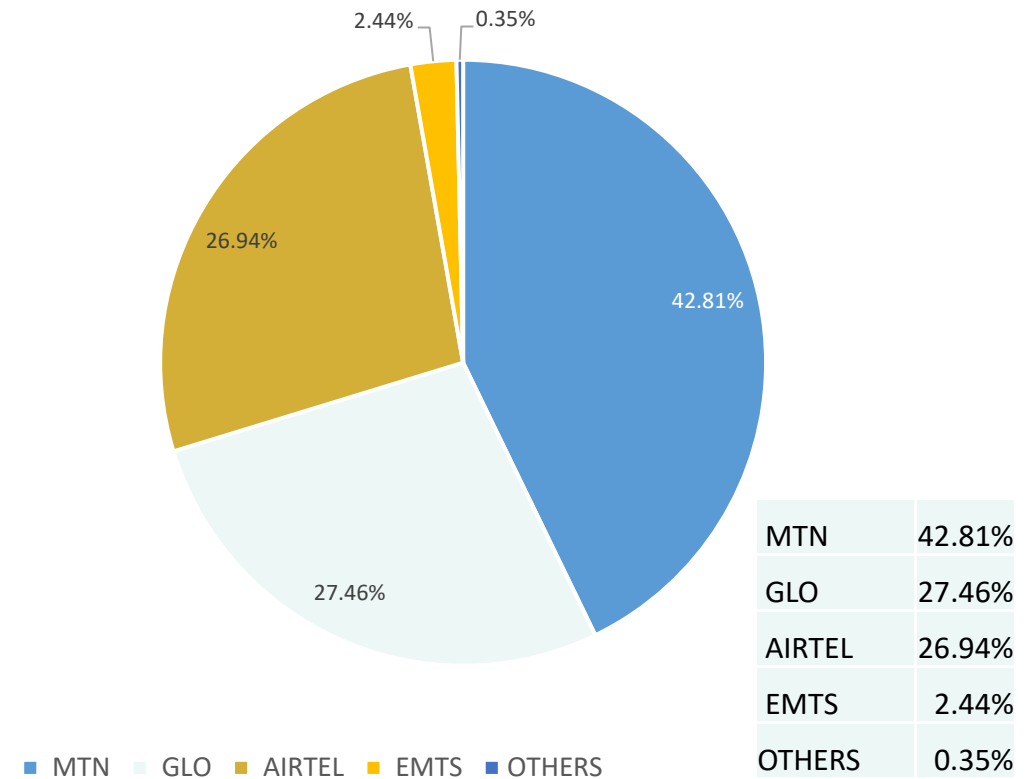
The Nigerian Communications Commission (NCC) is an independent regulatory body responsible for overseeing the telecommunications industry in Nigeria. The commission's primary objectives are to promote a fair and competitive environment for all industry players, ensure the issuance of licenses, and guarantee the provision of high-quality and efficient telecommunications services across the country.

General Telecommunications Framework

Nigeria Communications Act (NCA,2003) - This law sets out the general legal framework for telecommunications in Nigeria. It contains a detailed institutional framework, including the creation of the Telecommunications Regulatory Authority (NCC).

It includes licensing, competition policy, quality service, interconnection, scarce resources management, infrastructure sharing, universal service, tariffs regulation, penalties and sanctions and dispute resolution.

Key Players and Market Share





6. Company Profile

Vision and Mission



OUR VISION

Innovatively advance the frontiers of broadband experience.

OUR MISSION

Dynamic provision of modernized and efficient broadband ecosystem to redefine lifestyle

OUR VALUE PROPOSITION

- Last Mile Connectivity
- Point –To - Multipoint
- Wholesale Wireless Broadband Service
- Up to 99.9% Service availability

OUR OFFERINGS

- Voice Services (VoIP, VoLTE)
- Video Services
- Data & Connectivity
- Machine to Machine Services (POS/ATM Connection)
- Data & Connectivity (VPN)

Company Profile



Company Profile

The Company was incorporated in 2014. It acquired a 2.3GHz (30MHz) spectrum license in 2014 for a renewable 10-year tenure, at a fee of \$23.3 million.

The Company is the only holder of a wholesale wireless service license (WWSL) in Nigeria. Therefore, it is technically a Telecommunications Infrastructure Investment Company (an *InfraCo*), providing services to subscribers (*end users*) through Internet Service Providers (*ISPs*) who are its own Customers (*Partners*).

The WWSL enables the Company to leverage on the sales / marketing expertise and distribution network of its partners to achieve desired market penetration.

Spectrum License

The 2360 – 2390 GHz (30MHz) spectrum license grants the company exclusive rights to provide any new generation network services on a 30MHz frequency block (Band 40). The license is also enabled to provide mobile voice services.

Services

Bitflux provides 4G LTE services to subscribers (end users) through Internet Service Providers (ISPs) who are its Distribution Partners.

Infrastructure

The Company has seventy-two (72) Base Transceiver Stations (BTS) across major districts in Lagos, operating on a central (shared) subscriber billing system.

Partners

The Company has four (4) partners with its affiliate company, VDT Communications Ltd, being the leader in terms of Retail subscriber base as well as subscription count and value.

Operating Model

The Company operates a lean workforce of less than 20 employees. Its BTS network management and other back-office operations are being handled by the relevant teams / persons from its affiliate company on a shared-service arrangement, while its staff are focused on managing the Core and Billing systems.

Network Coverage

Although the Company is licensed for national coverage, its network coverage is currently limited to some parts of Lagos State, with just 72 BTS at strategic locations.

Ownership

Please refer to “Transaction Perimeter” slide.

Business Structure



Network Infrastructure

- ✓ Bitflux is an Infrastructure Investment Company (InfraCo) focusing on investing in network infrastructure to ensure adequate coverage, satisfactory up-time and quality service.
- ✓ The infrastructure is majorly comprised of BTS and Core Equipment, with BTS accounting for over 80% of the investment costs.
- ✓ Aside from the cost of the spectrum license, other critical infrastructure cost relates to establishment of points-of-presence (POPs) where the BTS are located, and/or partnering with colocation service providers.

Products Offering	
	Mobile Broadband
	Fixed Broadband
	Data and Connectivity (VPN)
	Machine to Machine Service
	Rich Media Services

Services

- ✓ As a wholesale service provider, Bitflux engages Internet Service Providers (ISPs) as Partners, that purchase data in bulk, by prepaying an agreed ratio of the approved retail plan rates, for resale to their subscribers (end-users). Bitflux does not therefore have any direct relationship with the subscribers.
- ✓ The Partners trade under their respective names.

Network Management

- ✓ Bitflux operates a lean workforce model with less than 20 staff and leverages on shared services opportunities provided by its sister company, VDT.
- ✓ Bitflux’s network infrastructure management and other back-office operations are handled by relevant teams/persons from VDT on a shared-service arrangement basis, while its staff are focused on the management of the core and billing systems.

Directors

TUNJI GAFAAR - Chairman

Tunji Gafaar has over 25 years' experience in the Network and Communications, Design and implementation of LANs, MANs and LANs schemes. He is a notable national resource person on issues relating to Networking and Communication. He holds a B.Sc. in Electrical Engineering and Communication and M.Sc. in Computer Engineering.

He also holds a Master of Business Administration Degree (MBA). He is a Novell Certified Network NetWare Engineer (CNE). He is a frequent resource instructor at the prestigious Lagos Business School on business application of Information Technologies. He has been involved in several local and overseas training and he is married with children.

BIODUN OMONIYI - Managing Director

Engr. Biodun Omoniyi has over 20 years of top corporate management experience in the ICT industry as well as an advisor and Entrepreneur to many computerization projects in Nigeria public and private sectors. He was the MD of Bitcom Systems (an ICT company). He has led VDT to a multi-million naira company by providing IP and connectivity service to many Banks in Nigeria. He has a B.Eng. (Electrical Engineering) from the University of Ilorin and he is a CEP-9 alumnus of Lagos Business School. He has also attended many local and overseas seminar, training and conferences in relation to digital communication technologies. He is married with children.

UMAR ABDULAH I - Director

Alh Umar Abdulahi has over 30 years' experience after graduating in Accounting from Ahmadu Bello University, Zaria. He worked variously as corporate planner at NNDC, Kaduna; Managing Director Empire Commodities and Fidelity Intra Africa Ltd, he is also a Consultant to several development projects all over the country. He attended several overseas oil and gas seminars and sits on the board of several local and foreign companies as Chair or Director. He was a pioneer council member of the Nigeria- Nordic chamber of commerce and the founding president of the Nigeria-Ivorian chamber of commerce. He is an astute Professional and businessman; he joined the board of VDT Communications since 2007. He is married with children.

OLAOLU ADEWOLE - Director

Olaolu Adewole has several years of technical and management experience. Having graduated with a first class degree in Electrical Engineering department of the University of Ilorin in 1984. He worked variously in consulting and management positions in UAC, Accenture (formerly Anderson Consulting) before joining Citibank, Nigeria and later became the pioneer Head of technology at Guaranty Trust Bank in 1991 from where he resigned in 1994 to become an Entrepreneur, setting up and investing in many public and private enterprises in Nigeria and overseas. He is currently the Chief Executive of Goforit Inc. a company he founded in USA, providing consulting and contracting services to government and private sector businesses since 1995. A resident citizen of USA, he is a well-travelled and experienced technopreneur, married with children.

Directors

ABIMBOLA IKUMARIEGBE - Director

Abimbola has garnered over 17 years of cognate experience in the ICT/Telecommunications sector. A graduate of English Language from Obafemi Awolowo University in Osun State, Abimbola also holds an MBA from Obafemi Awolowo University and has attended series of marketing and managerial training programmes. She is an alumnus of the prestigious Lagos Business School, Pan-Atlantic University. Ikumariiegbe also has certification in ITIL and she is ISO 9001:2015 & ISO 20000-1:2011 knowledge resource.

Management Team



BIODUN OMONIYI - Managing Director

Engr. Biodun Omoniyi has over 20 years of top corporate management experience in the ICT industry as well as an advisor and Entrepreneur to many computerization projects in Nigeria public and private sectors. He was the MD of Bitcom Systems (an ICT company). He has led VDT to a multi-million naira company by providing IP and connectivity service to many Banks in Nigeria. He has a B.Eng. (Electrical Engineering) from the University of Ilorin and he is a CEP-9 alumnus of Lagos Business School. He has also attended many local and overseas seminar, training and conferences in relation to digital communication technologies. He is married with children.

STEVE ELUSOPE - Group Chief Finance & Strategy Officer

Steve Elusope is responsible for managing the finance and strategic operations of the company. He works closely with all key stakeholders to ensure consistent achievement of both financial and non-financial business objectives. He has garnered about 30 years of cognate work experience in banking and finance, pension administration, technology and communication services. Before joining the company, he has held senior management and executive director level positions in various organisations for over 20 years, including Stanbic IBTC Bank, Stanbic IBTC Pension Managers, and Cimple Networks Inc, USA.

He possesses strategic skills and competencies in financial control, consultancy, management accounting, taxation, operational risk, IT operations, customer care, back-office operations, administration, and facility management; with proven abilities in defining organizational direction, instituting corporate governance, system optimization, human capacity building and achieving set targets. He is a Fellow of both The Institute of Chartered Accountants of Nigeria (ICAN) and The Chartered Institute of Bankers of Nigeria (CIBN). He is a graduate of Accountancy from The Polytechnic Ibadan, and obtained Master of Business Administration from Delta State University (DELSU).

Engr. YEMI OLADELE – Chief Technical Officer

Engr. Yemi Oladele has vast experience in network solution design, project management, people management, telecom product design, quality management system and process improvement.

He holds Bachelor of Engineering, B.Engr. Electrical from the University of Ilorin, and Masters in Business Administration MBA from ESUT Business School Enugu.

He is also a corporate member Nigeria society of Engineer MNSE and also a registered Engineer with COREN. He is a member of Project management institute (PMI) USA. Also an alumnus of the Pan Atlantic University, Lagos. He has several other certifications in the course of his career that has distinguish him which includes CCNA, PMP, ITILv3, ISO 2000 Lead Auditor. He is happily married with children.

OLASUNKANMI USMAN - Ag. Head, Business Development

Olasunkanmi, Usman possess over 14 years' Experience across Retail Sales, Trade Marketing, Consumer Marketing, and Business Development. Holds a Master's degree in Transport management from Ladoke Akintola University of Technology, Bachelor's degree in Business Administration and Management from Lagos State University, Professional certifications in business management from reputable institutions. He is ITIL V4 certified. A talented manager with cognate experience in TELECOM. Olasunkanmi is responsible for driving the acquisition and management of our customers.

Distribution Partners



VDT Communications Ltd

Leadway Marble House,
1 Alfred Rewane Road,
Falomo Roundabout,
Ikoyi, Lagos



NetAccess Systems Ltd

19 Ikorodu-Ososun Road,
Maryland, Lagos



eStream Networks Ltd

22c Ligali Ayorinde Street,
Victoria Island, Lagos

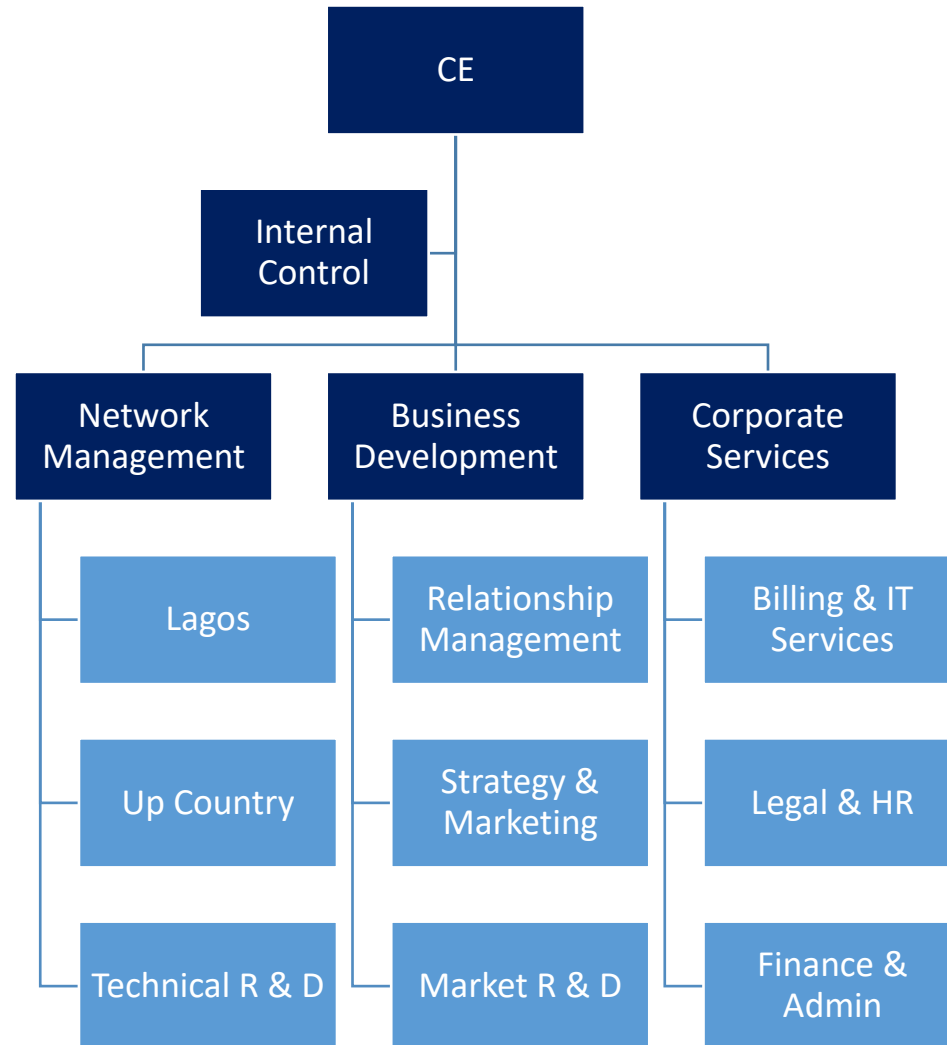


Bluenet Microsystem Ltd

32 Oyekan Street,
off Ogunlana Drive,
Surulere, Lagos



Organisation Structure





7. Financial Projections

Financial Forecast (USD Highlights)



Revenue

\$1.29b

EBITDA

\$964m

75%

Gross
Profit

\$1.08b

84%

Net
Income

\$475m

37%

Financial Forecast – Key Highlights

Sources & Uses	%	Total	Tranch 1		Tranch 2		Tranch 3	
		N'B	%	N'B	%	N'B	%	N'B
BTS Quantity		3,000		1,000		1,000		1,000
Sources								
Equity	15%	48.00	50%	48.00	0%		0%	
Supplier Credit	40%	126.02	38%	36.03	41%	41.71	41%	48.28
Convertible Securities	23%	71.68	12%	11.91	59%	59.77	0%	
IGR	22%	69.20	0%		0%		59%	69.20
Total Sources	100%	314.90	100%	95.94	100%	101.48	100%	117.48
Uses								
Spectrum Renewal	1%	4.08	4%	4.08	0%		0%	
BTS Deployment	80%	252.05	75%	72.06	82%	83.42	82%	96.57
Core Equipment	13%	41.98	13%	12.00	14%	13.89	14%	16.08
Spares & CPEs	4%	12.59	4%	3.60	4%	4.17	4%	4.82
Working Capital	1%	4.20	4%	4.20	0%		0%	
Total Uses	100%	314.90	100%	95.94	100%	101.48	100%	117.48
Net		(0)		-		-		0

Key Statistics		
Inflation Rate (Average)	%	5%
Exchange Rate (Average)	#	1,200
Active Subscribers	#	2,362,369
Revenue per Subscriber (inc VAT)	N	7,284.80
Total Revenue (Net of VAT)	N'B	1,550.02
EBITDA	N'B	1,156.48
EBIT	N'B	962.11
Total Tax (VAT + CIT + ED)	N'B	395.44
Net Profit (After Tax)	N'B	570.14
Net Cash Flow (Undiscounted)	N'B	518.45

Subscriber Projections						
Year	BTS	Active	Inactive	Total	Active%	Subscriptions
2025	572	42,152	11,764	53,916	78%	205,776
2026	1,072	206,514	108,410	314,924	66%	1,634,065
2027	1,072	409,913	252,339	662,252	62%	3,774,272
2028	1,072	703,994	369,906	1,073,900	66%	6,813,639
2029	2,072	1,287,767	539,601	1,827,368	70%	11,983,808
2030	2,072	1,665,074	709,302	2,374,376	70%	17,525,265
2031	2,072	2,219,073	727,175	2,946,248	75%	23,596,165
2032	3,072	2,366,721	1,000,259	3,366,980	70%	27,751,154
2033	3,072	2,383,873	1,314,883	3,698,756	64%	28,400,773
2034	3,072	2,362,369	1,520,707	3,883,076	61%	28,319,551

Financial Forecast - Income Statement

Headline	\$Total	₦Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'M	₦'B	₦'B	₦'B	₦'B	₦'B	₦'B	₦'B	₦'B	₦'B	₦'B	₦'B
Revenue (excl VAT)	1,291.68	1,550.02	1.54	12.82	31.09	58.93	108.83	167.11	236.25	291.74	313.50	328.23
Cost of Sales	(212.36)	(254.83)	(1.82)	(9.26)	(11.06)	(12.45)	(20.97)	(27.73)	(31.05)	(41.40)	(48.36)	(50.74)
Gross Profit	1,079.32	1,295.19	(0.28)	3.56	20.03	46.48	87.86	139.38	205.20	250.34	265.14	277.49
<i>Gross Profit Margin</i>	83.6%	83.6%	(18.3%)	27.7%	64.4%	78.9%	80.7%	83.4%	86.9%	85.8%	84.6%	84.5%
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	1,079.32	1,295.19	(0.28)	3.56	20.03	46.48	87.86	139.38	205.20	250.34	265.14	277.49
Operating Expense	(115.59)	(138.71)	(0.58)	(2.49)	(3.32)	(4.12)	(6.73)	(16.86)	(19.18)	(24.85)	(29.57)	(31.02)
EBITDA	963.73	1,156.48	(0.86)	1.06	16.71	42.36	81.14	122.52	186.02	225.49	235.57	246.46
<i>EBITDA Margin</i>	74.6%	74.6%	(55.8%)	8.3%	53.7%	71.9%	74.6%	73.3%	78.7%	77.3%	75.1%	75.1%
Depreciation & Amortisation	(161.98)	(194.37)	(4.72)	(9.17)	(9.17)	(14.25)	(19.32)	(19.32)	(25.20)	(31.07)	(31.07)	(31.07)
EBIT	801.76	962.11	(5.58)	(8.11)	7.54	28.11	61.81	103.20	160.82	194.42	204.50	215.39
<i>EBIT Margin</i>	62.1%	62.1%	(363.0%)	(63.3%)	24.2%	47.7%	56.8%	61.8%	68.1%	66.6%	65.2%	65.6%
Interest Expense	(85.72)	(102.86)	(2.03)	(4.81)	(2.98)	(10.66)	(25.13)	(19.70)	(15.40)	(13.64)	(7.32)	(1.18)
Interest on Line of Credit	(8.27)	(9.92)	0.00	(0.36)	(4.51)	(5.05)	(0.00)	0.00	0.00	0.00	0.00	0.00
EBT	707.77	849.33	(7.61)	(13.28)	0.04	12.40	36.69	83.50	145.43	180.78	197.18	214.21
<i>EBT Margin</i>	54.8%	54.8%	(495.1%)	(103.6%)	0.1%	21.0%	33.7%	50.0%	61.6%	62.0%	62.9%	65.3%
Tax	(232.66)	(279.19)	0.00	0.00	(0.69)	(4.01)	(11.74)	(26.72)	(46.54)	(57.85)	(63.10)	(68.55)
Net Income	475.12	570.14	(7.61)	(13.28)	(0.64)	8.39	24.95	56.78	98.89	122.93	134.08	145.67
<i>Net Income Margin</i>	36.8%	36.8%	(495.1%)	(103.6%)	(2.1%)	14.2%	22.9%	34.0%	41.9%	42.1%	42.8%	44.4%
Proposed Dividend	243.04	291.65	-	-	-	-	12.47	28.39	49.44	61.46	67.04	72.83
<i>Dividend Ratio</i>	51.2%	51.2%	-	-	-	-	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%

Financial Forecast – Statement of Financial Position

Headline	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	N'B	N'B	N'B	N'B	N'B	N'B	N'B	N'B	N'B	N'B
Assets										
Current Assets										
Cash & Cash Equivalents	4.54	0.00	0.00	0.00	30.70	70.46	102.32	235.02	361.72	518.45
Total Current Assets	4.54	-	-	-	30.70	70.46	102.32	235.02	361.72	518.45
Fixed Assets										
PPE										
Cost	87.66	87.66	87.66	189.14	189.14	189.14	306.62	306.62	306.62	306.62
Accumulated Depreciation	(4.38)	(13.15)	(21.92)	(35.76)	(54.67)	(73.58)	(98.37)	(129.03)	(159.70)	(190.36)
Net Book Value	83.28	74.51	65.75	153.39	134.47	115.56	208.25	177.58	146.92	116.26
Intangible Asset										
Cost	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Accumulated Amortization	(0.34)	(0.75)	(1.16)	(1.56)	(1.97)	(2.38)	(2.79)	(3.20)	(3.60)	(4.01)
Net Book Value	3.74	3.33	2.92	2.52	2.11	1.70	1.29	0.88	0.48	0.07
Total Assets	91.56	77.85	68.67	155.90	167.28	187.72	311.85	413.49	509.11	634.78
Liabilities										
Current Liabilities										
Line of Credit	0.00	8.12	20.73	0.04	0.00	0.00	0.00	0.00	0.00	0.00
Account Payable	1.20	2.95	3.25	3.65	7.31	9.26	10.25	15.09	15.87	16.64
Total Current Liabilities	1.20	11.07	23.98	3.69	7.31	9.26	10.25	15.09	15.87	16.64
Non-Current Liabilities										
Supplier's Credit	37.56	28.40	9.47	43.48	32.88	10.96	50.33	38.06	12.69	(0.00)
Convertible Securities	12.42	11.27	8.76	73.89	67.30	50.93	35.81	21.95	8.09	0.00
Total Non Current Liabilities	49.97	39.67	18.23	117.36	100.17	61.89	86.14	60.01	20.77	0.00
Total Liabilities	51.17	50.74	42.21	121.05	107.49	71.15	96.39	75.10	36.64	16.64
Equity										
Equity Invested	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Retained Earnings	(7.61)	(20.89)	(21.54)	(13.15)	11.79	68.57	167.46	290.39	424.47	570.14
Total Equity	40.39	27.11	26.46	34.85	59.79	116.57	215.46	338.39	472.47	618.14
Total Liabilities + Equity	91.56	77.85	68.67	155.90	167.28	187.72	311.85	413.49	509.11	634.78

Financial Forecast – Cash Flow Statement

Headline	N'Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	N'B	N'B	N'B	N'B	N'B	N'B	N'B	N'B	N'B	N'B	N'B
Operating Activities											
EBIT	570.14	(7.61)	(13.28)	(0.64)	8.39	24.95	56.78	98.89	122.93	134.08	145.67
+ Depreciation	190.36	4.38	8.77	8.77	13.84	18.91	18.91	24.79	30.66	30.66	30.66
+ Amortization	4.01	0.34	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41
+/- Change in Account Payables	16.64	1.20	1.75	0.30	0.40	3.66	1.94	0.99	4.84	0.78	0.77
Accrued Interest on Loan	112.78	2.03	5.17	7.49	15.71	25.13	19.70	15.40	13.64	7.32	1.18
Cash Flows from Operating Activities	893.93	0.34	2.82	16.32	38.75	73.06	97.75	140.48	172.48	173.25	178.69
Investing Activities											
Spectrum License Renewal	(4.08)	(4.08)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BTS	(252.05)	(72.06)	0.00	0.00	(83.42)	0.00	0.00	(96.57)	0.00	0.00	0.00
Core Equipments	(41.98)	(12.00)	0.00	0.00	(13.89)	0.00	0.00	(16.08)	0.00	0.00	0.00
Spares	(12.59)	(3.60)	0.00	0.00	(4.17)	0.00	0.00	(4.82)	0.00	0.00	0.00
Cash Flows from Investing Activities	(310.70)	(91.74)	-	-	(101.48)	-	-	(117.48)	-	-	-
Financing Activities											
Equity Invested	48.00	48.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Convertible Secutities	71.68	11.91	0.00	0.00	59.77	0.00	0.00	0.00	0.00	0.00	0.00
Supplier's Credit	126.02	36.03	0.00	0.00	41.71	0.00	0.00	48.28	0.00	0.00	0.00
Interest Payment	(96.19)	0.00	(4.76)	(7.49)	(6.09)	(23.08)	(19.70)	(13.35)	(13.23)	(7.32)	(1.18)
Principal Repayment	(214.29)	0.00	(10.72)	(21.44)	(11.97)	(19.24)	(38.29)	(26.07)	(26.55)	(39.24)	(20.77)
Cash Flow from Financing Activities	(64.78)	95.94	(15.48)	(28.93)	83.42	(42.32)	(57.99)	8.86	(39.78)	(46.56)	(21.95)
Change in Cash During the Year	518.45	4.54	(12.66)	(12.61)	20.68	30.74	39.76	31.86	132.71	126.69	156.73
Opening Cash Balance	0.00	0.00	4.54	(8.12)	(20.73)	(0.04)	30.70	70.46	102.32	235.02	361.72
Closing Cash Balance	518.45	4.54	(8.12)	(20.73)	(0.04)	30.70	70.46	102.32	235.02	361.72	518.45
Proposed Dividend	291.65	-	-	-	-	12.47	28.39	49.44	61.46	67.04	72.83

Historical Income Statement

Headline Items	Q3 2024	2023	2022	2021	2020	2019	2018
	NGN'm	NGN'm	NGN'm	NGN'm	NGN'm	NGN'm	NGN'm
Revenue	513.43	709.65	687.52	716.01	649.45	592.57	506.77
Cost of sale	265.32	547.57	281.71	251.72	176.87	161.21	115.36
Gross profit	248.11	162.08	405.81	464.29	472.58	431.36	391.41
Other income	0.64	61.13	11.99	87.50	131.94	234.41	61.66
	248.75	223.21	417.80	551.79	604.52	665.77	453.07
Operating expenses	119.90	130.83	154.46	154.83	122.76	193.15	175.20
EBITDA	128.85	92.38	263.34	396.96	481.76	472.62	277.87
Finance costs	453.74	399.81	335.93	305.78	471.22	279.28	196.06
	(324.89)	(307.43)	(72.59)	91.18	10.54	193.34	81.81
Depreciation	1,534.34	2,016.49	2,017.03	607.69	607.99	593.23	543.34
Profit/(loss) before tax	(1,859.23)	(2,323.92)	(2,089.62)	(516.51)	(597.45)	(399.89)	(461.53)
EBITDA Ratio	25.10%	13.02%	38.30%	55.44%	74.18%	79.76%	54.83%
Total assets	10,616.35	12,136.44	14,176.78	16,201.36	3,093.59	3,686.14	4,243.08
Shareholders' fund	7,773.82	9,658.60	11,986.39	13,988.46	390.31	989.75	1,390.68

Note: All the above figures are based on audited financial statements, except that of Q3 2024

Notes

- ❑ The Company has always been EBITDA-positive.
- ❑ Spectrum was revalued at the end of 2021 hence the huge increase in the amortization figures from 2022 FY.
- ❑ The revaluation had effect on the total assets and equity figures respectively too.
- ❑ Revenue growth started getting stunted in 2022 due to limited network coverage leading to reduced capacity to grow retention rate and, consequently, subscription counts.
- ❑ Colocation costs, which is the major element of cost of sales, witnessed increasing growth from 2021 due to increases in diesel costs.
- ❑ The same issue started affecting self-managed locations in 2023 due to increase in price of petrol (PMS).
- ❑ We projected that these cost escalations can be seamlessly suppressed with increased revenue, once the Company is able to expand its network coverage.



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