MTN

Fintech Overview

MTN | MoMo

Fintech key milestones

Our journey to becoming one of Africa's largest fintech players

2007
P2P & airtime payment with MoMo launch

2009
Market expansion | Bill payment Launch

2011
Market expansion

2m active users
2013
Market expansion

6m active users
2014
Set up of major technology upgrade

9m active users
2015
Market expansion | International & regional remittance launch

2016
Lending & Saving launch
I aYo insurance launch

21m active users
2017
MoMoPay launch | Market expansion

27m active users
2018
MoMoAPI launch

46m active users
2020
Market expansion

57m active users
2021
MoMo Business launch | MoMo Advance launch

69m active users
2022
Market expansion | MoMo PSB Launch (Nigeria) | E-commerce launch

Our roots

Born from the largest mobile network operator

To date

Rolled-out across 16 countries in Africa…

…and extended our product suite to create a FinTech ecosystem

Looking forward

Expansion of our offering across the footprint…

…and focused advance service adoption

Note: MTN fintech figures are aggregated for all countries

Our vision is to build a leading pan-African fintech platform

Unlocking economic growth through financial and digital solutions for consumers and businesses

MTN

Deposit, withdraw

C2B Payment and E-commerce

Nano-loan and -insurance

Local P2P

Remittance and international payment

Integrated consumer super-app

Open API
Payment & e-commerce
Data & credit scoring
Lending underwriting
Insurtech

Integrated capabilities

Integrated ecosystem partners

Agent & logistics networks
Payment networks
Developers & fintechs
Financial institutions (banks)
Money transfer operators

Payment acceptance (C2B)

Business payment and workflow (B2B, B2C)

e-commerce enablement

Micro loans and insurance

Integrated business super-app

Fintech operating context

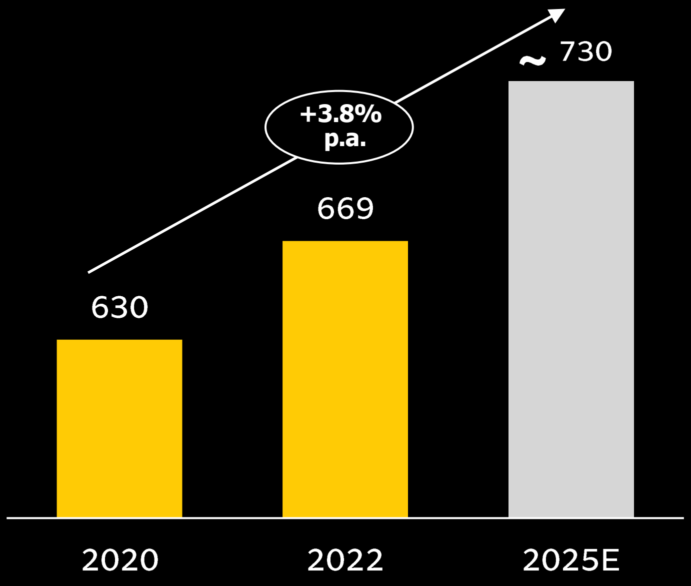
MTN | MoMo

The African macroeconomic potential

Our business is underpinned by significant structural and socioeconomic tailwinds in Sub-Saharan Africa

Large, young and growing populations

Working age population[1] (m)



>55%

of the African population is working age and is the fastest growing across regions

Substantial growth opportunity through driving financial inclusion

>65%
Unbanked or underbanked in SSA

~16%
Of small and micro business able to use bank to working capital finance

~4%
Adult population have access to formal credit

~3%
Insurance penetration

>90%
Payments are still in cash

Sources: CB Insights; Fitch Solutions
[1] Population of age 15 – 64 years

Navigating our regulatory environments

We operate in dynamic environments, which require us to be proactive and agile

Region	Country	Licence Status	Wallet	Payment	Banktech	Remittance	Insurtech	Separate Entity
South Africa	South Africa	Bank led	✔	✔	🤝	🤝	🤝	✓
	Zambia	MM	✔	✔	🤝	🤝	🤝	✓
	eSwatini	MM	✔	✔	🤝	🤝	🤝	✓
Western Africa	Nigeria	PSB	✔	✔	🤝	🤝	🤝	✓
	Ghana	EMI	✔	✔	🤝	🤝	🤝	✓
	Cote d'Ivoire	EMI	✔	✔	🤝	🤝	🤝	✓
	Benin	EMI	✔	✔	🤝	🤝	🤝	✓
	Guinea Conakry	MM	✔	✔	🤝	🤝	🤝	✓
	Liberia	MM	✔	✔	🤝	🤝	🤝	✓
	Guinea B.	EMI	✔	✔	🤝	🤝	🤝	✓
Central Africa	Cameroon	PSB	✔	✔	🤝	🤝	🤝	✓
	Congo B.	MM	✔	✔	🤝	🤝	🤝	✓
Eastern Africa	Sudan	MM	✔	✔	🤝	🤝	🤝	✓
	Uganda	MM	✔	✔	🤝	🤝	🤝	✓
	Rwanda	MM	✔	✔	🤝	🤝	🤝	✓
	South Sudan	MM	✔	✔	🤝	🤝	🤝	×

MM – Mobile Money Licence
EMI – Electronic Money issue
PSB - Payment Service Bank

✔ Allowed with licensed partner
✖ Requires additional licences
🤝 Allowed with licensed partner

Key market dynamics

- Evolving regulatory regimes
- Competition
- Taxes / Fees
- Increased compliance requirements

...managed through:

- Well-established stakeholder engagement framework | Active engagements with industry stakeholders
- Rapid response to price changes on a market-by-market basis
- Operational agility
- Accelerate growth through the potential strategic investors
- Rolling-out industry-grade compliance and governance across markets

The African fintech landscape is evolving and dynamic

MoMo and others have built super platforms, enabling other platforms and apps

Enablers

Payment acquiring platforms
Flutterwave · cellulant · paystack

Ecommerce platforms
SafeBoda · JUMIA · GOZEM

Interoperability platforms
MFS AFRICA · terrapay · Thunes.

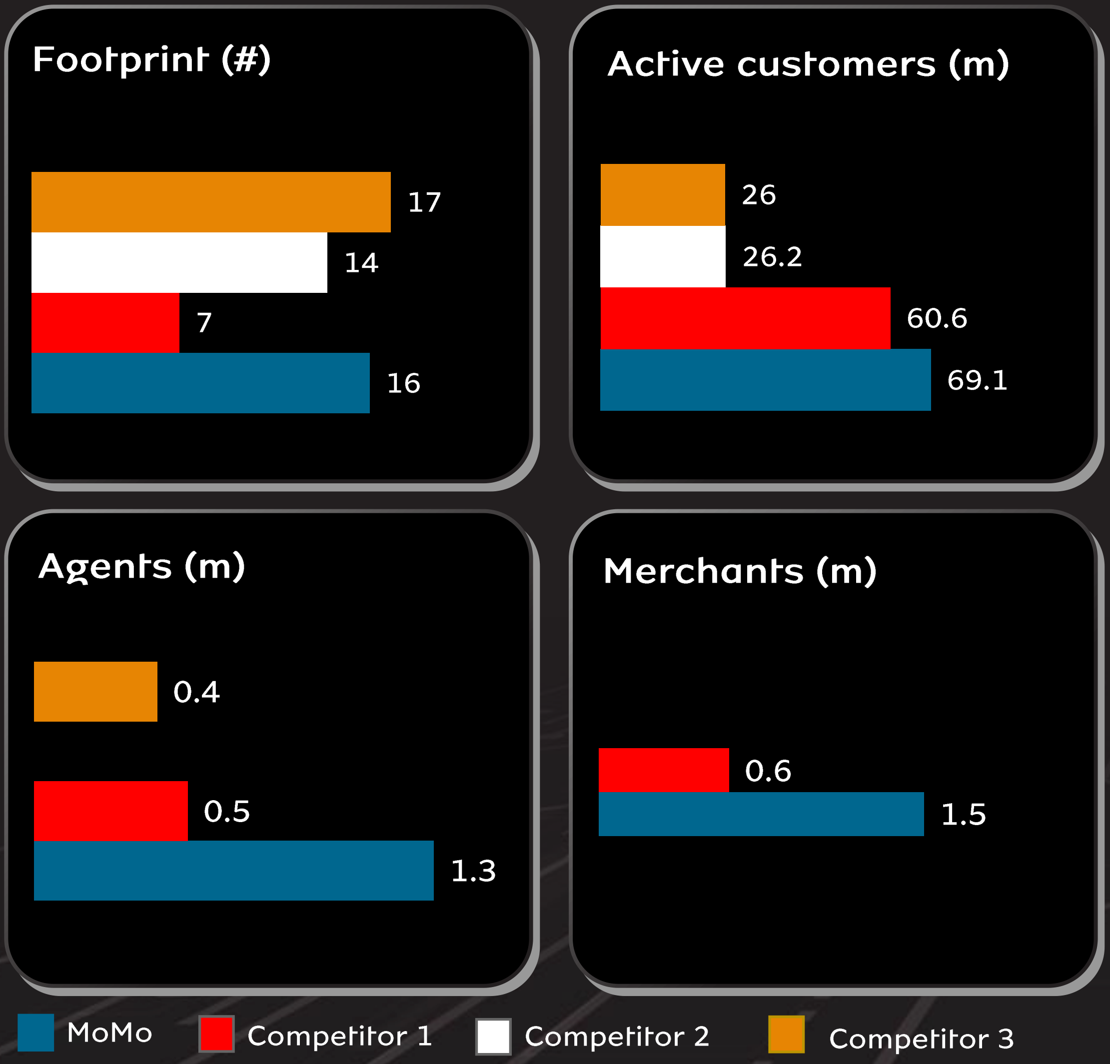
Digital lending platforms
JUMO · OPTASIA · YABX · NCBA

Digital/device lending apps
M-KOPA · LUMOS · branch

Remittance & card apps
Chipper · Taptap Send · nala · djamo

The evolving competitive landscape

MoMo is a leader in Africa and a significant global player



	Footprint	30 Day Active	Volume
Global	315	401m	65bn
MoMo Share of Global	5%	17%	20%
SSA	154	218m	45bn
MoMo Share of SSA	10%	32%	30%
MoMo	16	69m	13.4bn

Source: GSMA 2023 SOTIR and Company Financial Results for the latest reporting period.
Competitor 3 & Competitor 2 do not report merchants
Competitor 2 does not report agents

Ambition 2025 execution

MTN | MoMo

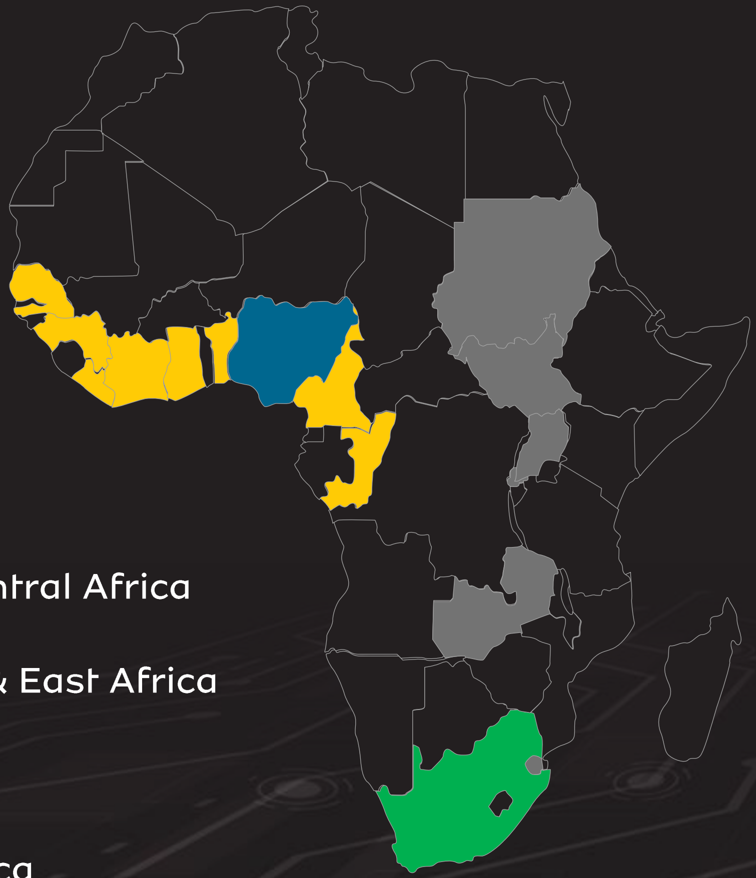
Ambition 2025 KPIs

Our fintech platform and ecosystem is on track to reach Ambition 2025

	2020	2022	Ambition 2025
MAU	46m	69m	>100m
Active agents	801k	1.3m	>2m
Merchants	440k	1.5m	>5m

Our scaling fintech ecosystem by market

A pan-African fintech operating across 16 key markets

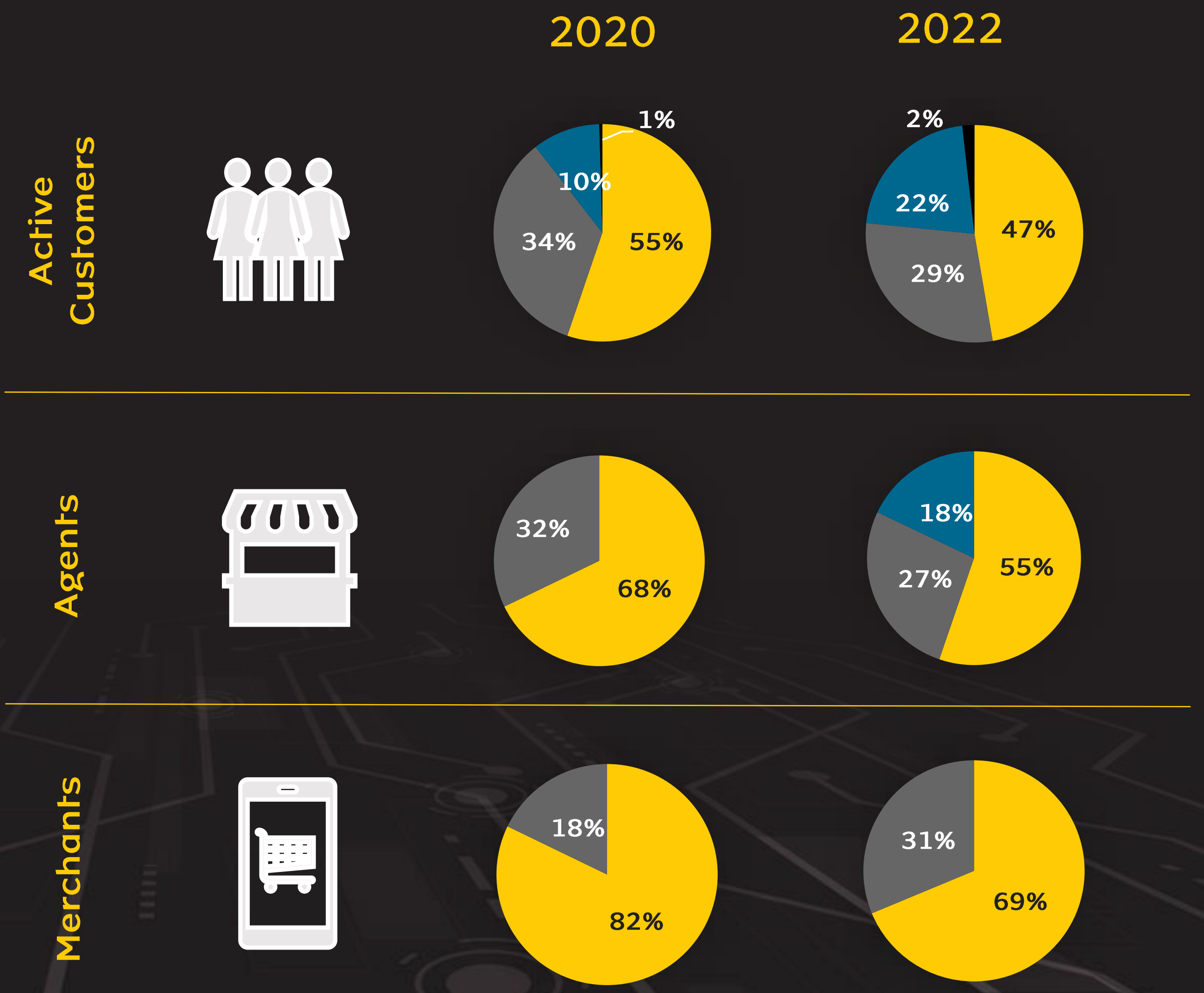


West & Central Africa

Southern & East Africa

Nigeria

South Africa



Note: South Africa excluded from Agents and Merchants numbers

Execution of our BOLD strategy

We have made material progress on the execution of our strategy…

B — Biggest Fintech platform in Africa

- Live in 16 markets
- MoMo PSB launched in May 2022
- Vast agent and merchant networks
- Partnerships to scale

O — Operate like an OTT

- Structural separation largely complete
- Data & Tech driven
- MoMo App focus with MoMo becoming OTT
- MoMo unique brand identity, supported by MTN

L — Leverage MTN's core connectivity business

- ~ 30% of GSM penetration
- Airtime purchase from fintech represents >29% of overall MTN airtime
- Leveraged customer data for credit risk-scoring
- Leveraged local operation capabilities i.e. distribution, stakeholder relationships

D — Deliver through 5 Verticals

- **Wallet:** 69m active users and 1.3m agents
- **Payment & e-commerce:** 1.5m merchants
- **Banktech:** US$1.4bn loans disbursed
- **Insurtech:** 4.3m active insurance policies
- **Remittance:** US$2.2bn remittance value

Financial and non-financial indicators are for the 2022 financial year or as at 31 December 22

Unique assets to leverage the opportunity

Competitive advantage due to scaled fintech platform, GSM customer base and Africa's most valuable brand

AFRICA DNA & USER KNOWLEDGE	EXTENSIVE REACH & TRUSTED BRAND	BROAD DISTRIBUTION NETWORK	SCALED FINTECH ECOSYSTEM	PEOPLE & EXECUTIVE EXPERIENCE
Comprehensive understanding of user needs in Africa	Multi-channel access to large userbase	Established agent presence in key markets	Already scaled in several key markets	Unique XP combination in key industries

Leveraging Africa's largest mobile network operator

Vertical overview

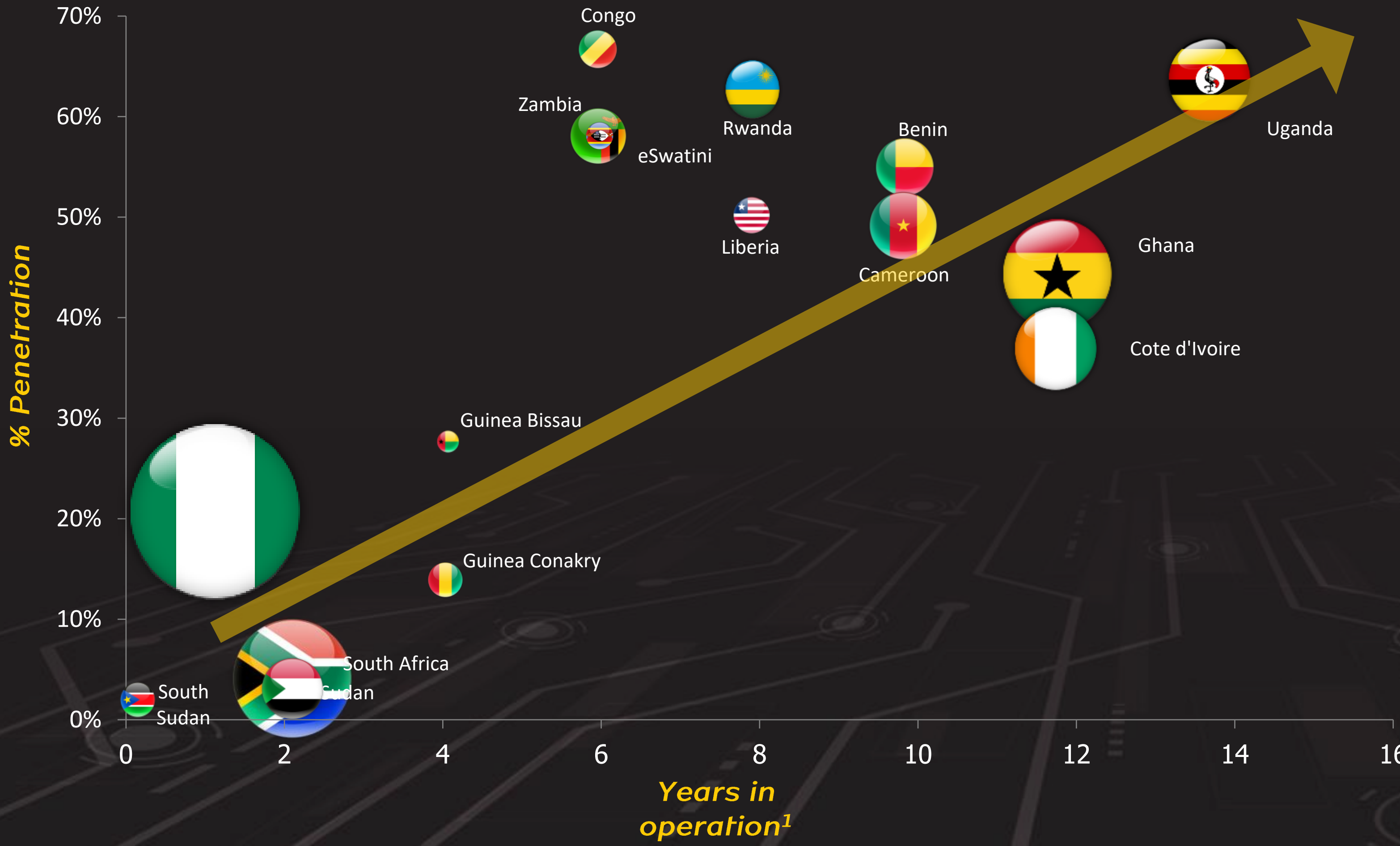
MTN | MoMo

Wallet | Leveraging our core MTN customer base

MTN has 289 million users, MoMo still has significant potential to grow within MTN user base

MoMo Wallet penetration vs years in operation (as at December 2022)

Size of flag indicates Dec-2022 GSM subscribers



Ambition 2025 priorities

- **Grow GSM penetration** to **35-40%**
- **Expand distribution network**
- **Deploy full MoMo** product offering and ecosystem in **Nigeria**
- **OTT play for non-MTN** users through MoMoApp

Notes: [1]MTN fintech launch date is selected as the year fintech became a main focus of the Opco and the initial market uptake began. Source: MTN internal data

Payments & e-commerce | Enabling growth of African businesses

Only 5% to 7% of all payment transactions in Africa are made via electronic or digital channels

MoMo for Businesses

MoMo payment solutions for businesses of all sizes
C2B, B2B, B2C and more

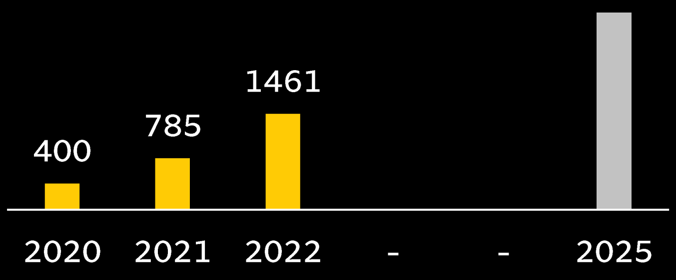
small

large

USSD | App | Web | API interfaces

Accept payments USSD / QR, Accept card	**Pay suppliers** bills, salary	**Get capital** Access insurance for your business	Sell airtime; **Sell online** with **MoMo**	Integrate with **MoMo APIs to** expand business

Active Merchants (k)



- Strong momentum in key existing markets
- Nigeria, an opportunity to accelerate growth

Ambition 2025 priorities

- Drive adoption of payment within current active MoMo wallet users
- Diversify payment use cases and services through MoMo API
- Continue expansion of merchant network in existing market
- Enabling commerce within MoMo
- Partnerships are key to accelerate our ambition

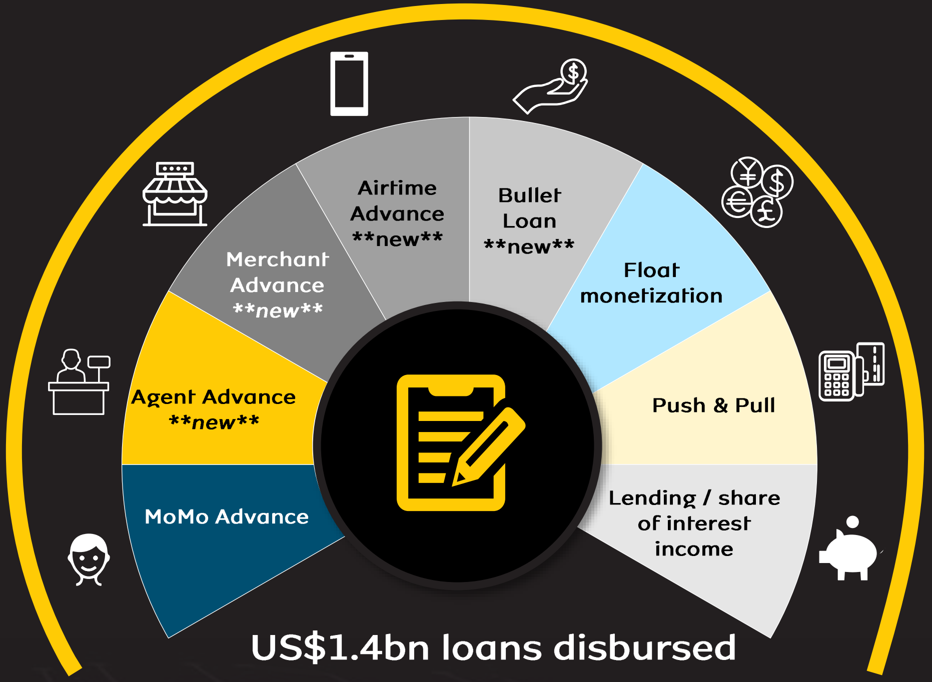
Banktech | Scaling the customer base and leveraging partnerships

Significant opportunity to increase our lending penetration, driven by the introduction of revolving loans

Float Monetisation live in 6 Opcos

Some of our partners

Ecobank The Pan African Bank, NCBA, Stanbic IBTC (A member of Standard Bank Group), OPTASIA, JUMO, Fidelity



US$1.4bn loans disbursed

in FY22

Ambition 2025 priorities

- **Drive penetration** across MTN GSM customer base and Continued **geographic and core product roll-out**
- Collaboration with **strategic partners to improve overall profitability**
- Further MoMo-Advance by **targeting P2P, bill payment, and merchant payment use cases**
- **Monetise credit risk scoring capabilities** using real-time consumer behavioral data

Remittances | Substantial upside to tap our addressable market

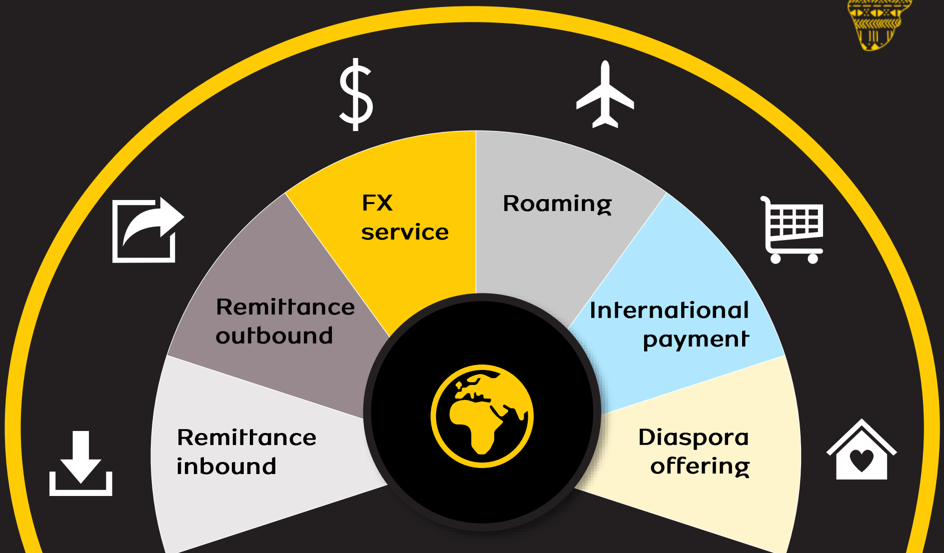
Plan to launch Nigeria and South Africa in 2023

Sizeable value pool in remittances (annual 2025E)

~ $23bn remittance inbound to Nigeria	~ $5bn cross-border payment outbound from Nigeria	~ $2bn remittance outbound from South Africa

We are the biggest player to interconnect Africa. Today: live in 9 OPCOs with 98 corridors

We are the best partner to reach 300m subs in Africa. Today: live in 11 OPCOs with 446 corridors



Remittance products

Key partnerships to support remittance growth

Remittance aggregators

MFS AFRICA

terrapay

Thunes.

Money Transfer Operators

Ria

WorldRemit

Ambition 2025 priorities

- Launch and scale Nigeria for inbound remittance, and South Africa for outbound remittance
- Centralize operating model for cost reduction & efficiency
- Drive outbound with cross-border payment and inbound by building Money Transfer Operator's preference
- Build additional partnerships to unlock regulated corridors

Note: 2025 market potential based on World Bank data, CBN data, SADC data with 5% CAGR for Nigeria and 3% CAGR for SA

Insurtech | Driving scale through partnerships

Building the #1 micro & mass insurance provider in Africa

Key partners

MTN + [Sanlam] = aYo

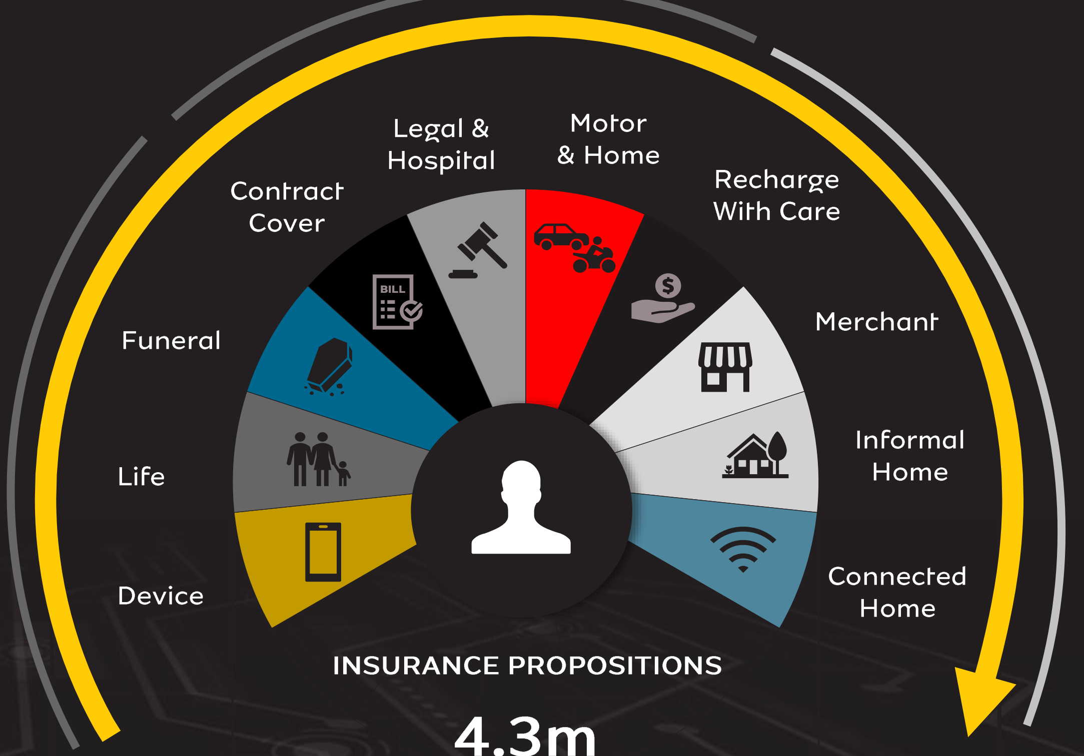
Live markets (Q1-23)

Planned roll-out (2023)

Ambition 2025 priorities

- Capitalise on a powerful strategic alliance with Sanlam and scale product playbook across new geographies eg. Nigeria & SA
- Expand distribution network to serve targeted unbanked and underbanked users
- Develop a holistic multi-product offering – including micro, life, funeral, vehicle, home, retirement insurance products, etc.
- Focus on growing automation / 'robo-advisory' approach

Insurtech propositions



INSURANCE PROPOSITIONS

4.3m

active policies in FY22

Customer access → Increasing technical & operational complexity → **Complete integration**

MTN fintech vision

The leading digital platform of Africa

Meet Kafui

*Kafui lives in Takoradi, Ghana. She uses **MoMo to manage her business** and payments; she also **sells her products online with MoMoMarket.***
*She took a business **loan with MoMoAdvance** and invested it in buying new products to support her community.*
*She used **aYo to insure her inventory** and reduce her business risks.*

MoMo PSB

Eli Hini

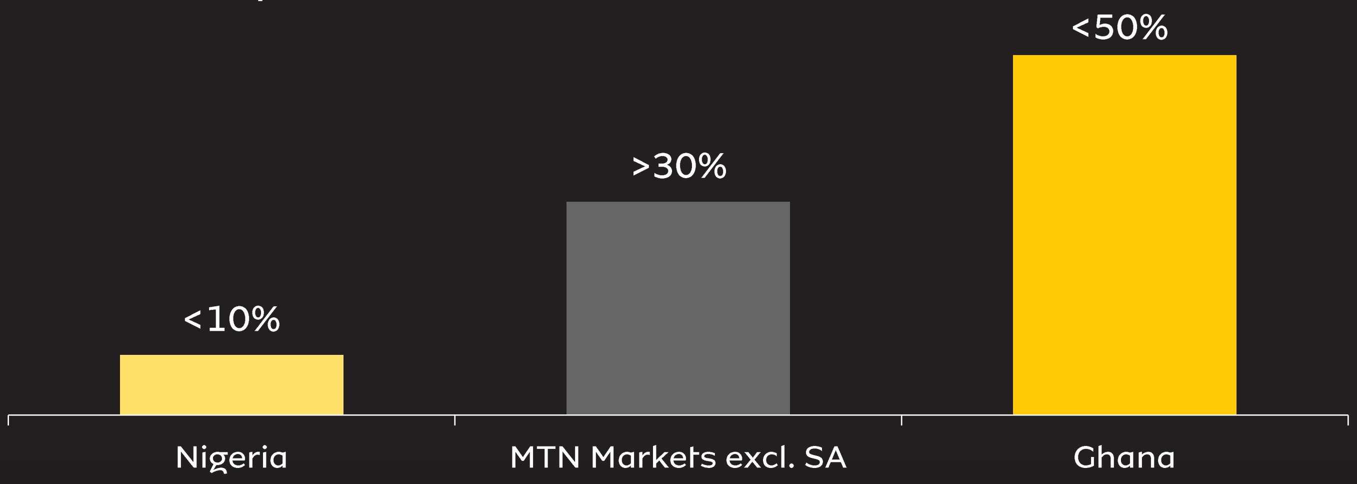
MTN | MoMo

The market opportunity in Nigeria

MTN is well positioned to lead the transition from cash to digital payments in Nigeria

Nigeria is one of the largest economies in our footprint but has an as yet largely underpenetrated fintech

Wallet user GSM penetration (Dec-22)



- >50m bank account numbers out of an adult population of 109m
- Market dominated by agency banking services
- Increased mobile wallet penetration to unlock opportunities in Payment & E-commerce
- Approximately 20% of informal businesses are online
- Approximately 4% of Nigerian MSMEs have access to loans
- Nigeria is the biggest inbound remittance receiver in Africa with over $23bn inbound remittance expected in 2025
- Insurance penetration in Nigeria less than 3%

… driven by a cash dominant nature of the market and low digital penetration

96%
of transactions are still in cash

30%
Digital payment penetration

Sources: EFInA Access to Financial Services in Nigeria Survey 2020, National Bureau of Statistics; World Bank data; McKinsey Global Payment Database

Ambition 2025 execution

We are focusing on building and scaling MoMo PSB new business and leading up to 2025

2019

- Obtained Super Agent licence
- Launched the 'MoMo Agent' agent banking service

Q1 2023

- Operates both Super Agent and MoMo PSB
- Obtained shareholders' approval to merge both entities
- 4.2 million OTC users | 3.2 million wallet subscribers
- >260k agents footprint

Ambition 2025

- Become the biggest FinCo with the largest distribution network and customer base
- 30-40 million active MoMo wallets
- >500k active agents

Immediate Focus

- Drive the growth of wallets and merchant ecosystem
- Provide more advanced services across our fintech verticals
- Invest in customer education/training and awareness campaigns
- Seek opportunities for partnership with other operators in the MoMo space

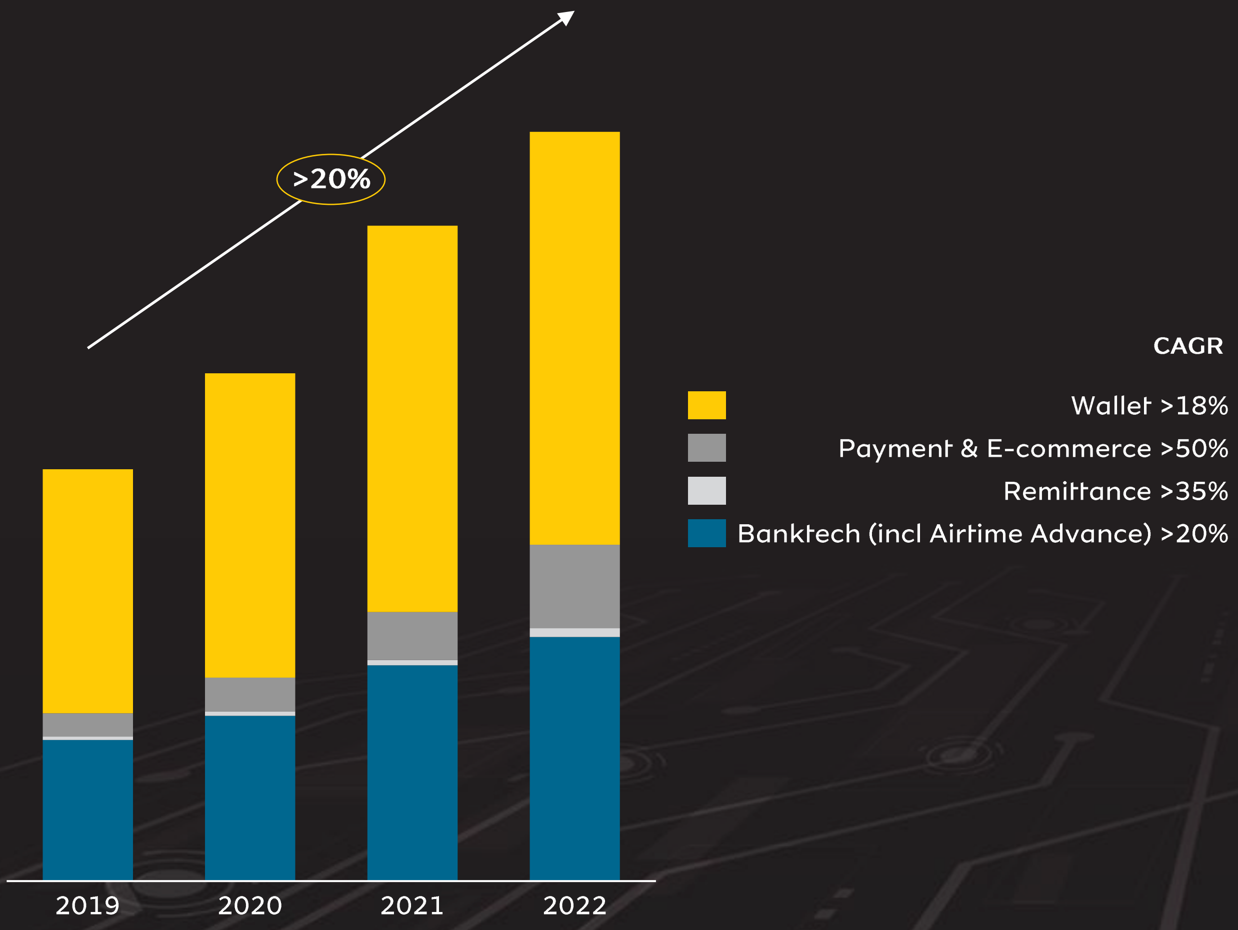
Financial framework

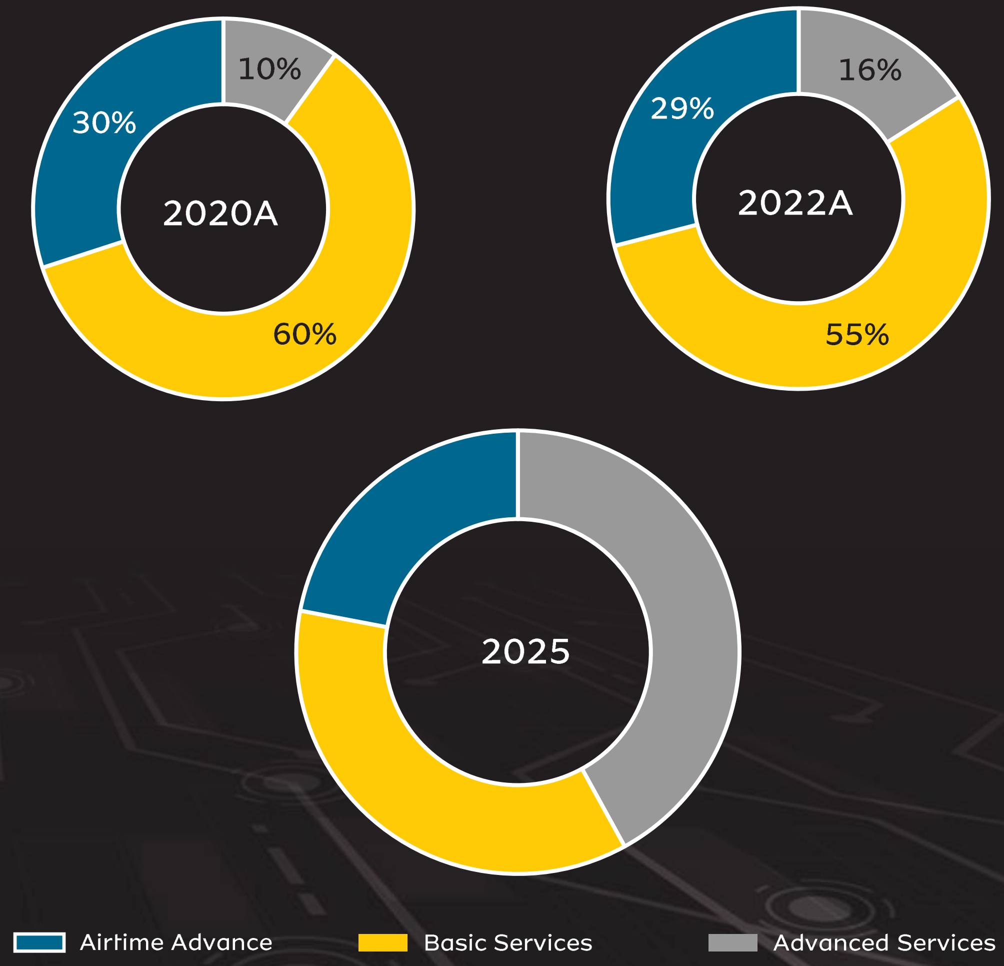
MTN | MoMo

Financial highlights

Strong revenue growth, impacted by new competition / taxes in 2022 | Growing advanced services

Fintech revenue





Fintech financial framework

… underpinning our Ambition 2025 strategy

Revenue growth	+ Margin expansion	+ Value-based capital allocation	= Attractive FCF
^	^	v	^
>20% of Group service revenue	~Mid-30%'s on standalone basis (and rising)	Low capital intensity, 2-4%	Strong FCF economics
• Strong ecosystem growth (MAU, agents, merchants) • Accelerate Adoption of advance services	• Increased scale • Advance service margin contribution • Focus on cost efficiency	• Minimal working capital requirements • Accelerating cash flow generation	• Minimal working capital requirements • Accelerating cash flow generation

Operational priorities

Fintech strategy
- Increase penetration of GSM base
- Agent & merchant expansion
- Advanced services penetration
- Succeed in SA & Nigeria

Structural separation
- Improved focus and operational agility
- Compliance focus and proactive regulatory management
- Fair value resource allocation

Operational Excellence
- Data & Tech driven
- Prioritize rapid growth
- Process optimisation
- Optimize unit economics

Strategic partnerships

Initiatives to accelerate growth
- Strategic partnerships to accelerate execution and growth of advance service
- Target inorganic growth opportunities

Fintech growth model

Ecosystem Velocity (CAGR 2019 to 2022)

Active users > 25%

Active agents >35%

Active merchants >90%

	Basic Services	Advanced Services
Revenue CAGR: 2019 -2022	>18%	>25%
Drivers/chargeable events	✓ Withdrawal ✓ Transfers ✓ Deposits	✓ Payment ✓ Lending ✓ Remittance
GP Margin (indexed)	Lower	Higher

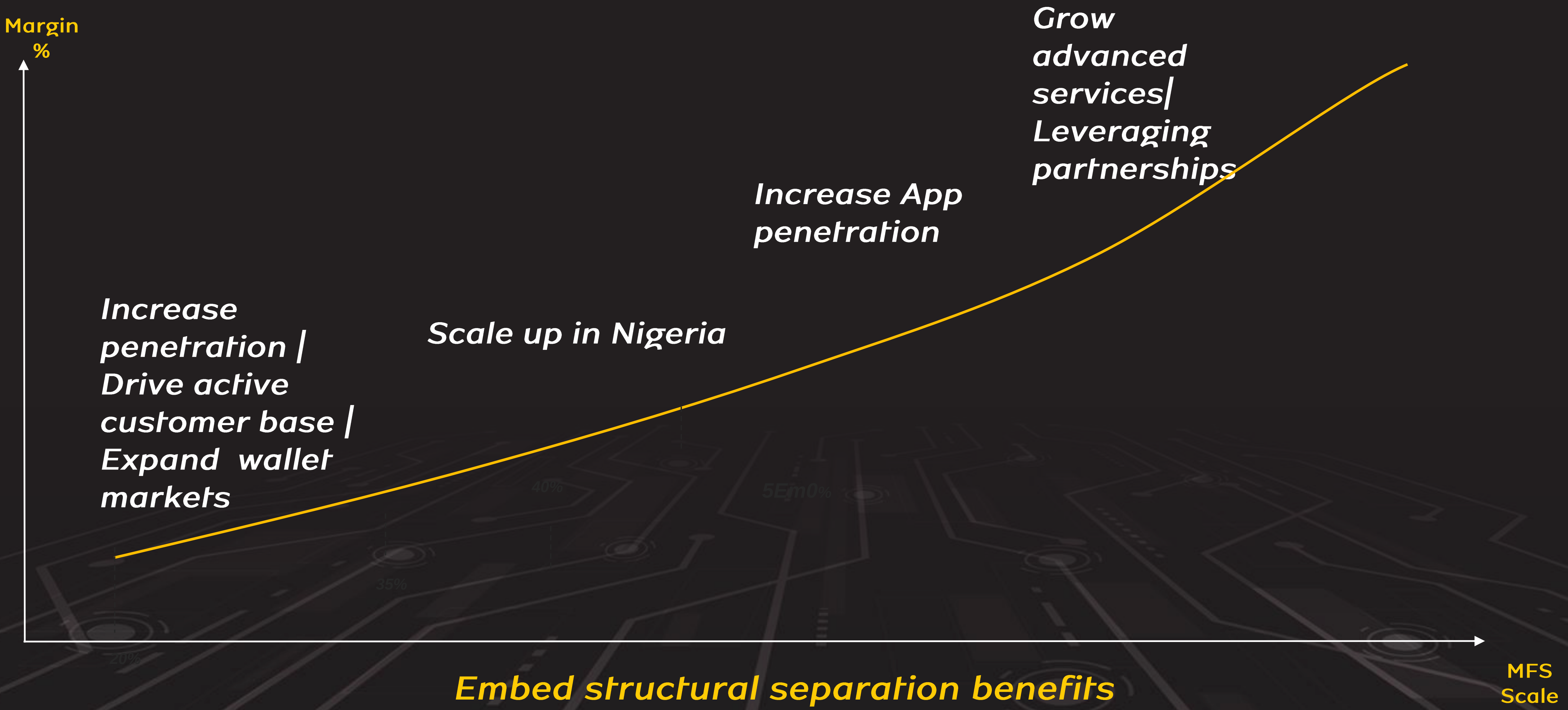
Costs Intensity: Higher app penetration | cost optimisation

Capex Intensity: 2-4%

Attractive FCF economics

Fintech margin evolution

Our efforts are focused on growing activity levels and advanced services to realise economies of scale



Conclusion and looking ahead

MTN | MoMo

Managing the fintech business

We have a diverse and experienced executive management team focused on delivering the strategy

Serigne Dioum
Chief Executive Officer

Phrase Lubega
FinTech Commercial Operations

Cedric Nguessan
Payment & E-Commerce

Andrew Culbert
InsurTech

Mudassar Aqil
BankTech

Adekunle Awobodu
Chief Financial Officer

Hermann Tischendorf
Chief Technology & Information Officer

Etienne Ardon
Remittance & Business Development

Riaan Wessels
Chief Risk Officer

Perece Kirigiti
Human Resources

Nikiwe Tanga
Legal & Regulatory Affairs

Key takeaways

We are well positioned to accelerate financial inclusion in Africa

1. There remains an untapped potential for financial services on the continent
2. We are well positioned to capture the opportunity with our leading platform and leveraging MTN capabilities
3. Deliver revenue growth and margin expansion through focus on advanced services
4. Succeed in Nigeria by accelerating and scaling Wallet and launching advanced services
5. We have the right skills and management to propel us towards our goals

Our Ambition 2025 targets

Building a scaled fintech platform

>100m
MAU

>5m
Merchants

>2m
Agents

Thank you