



MTN

MTN Group Limited

Tax Report for the year ended 31 December 2023

Leading digital solutions for Africa's progress



Welcome to our 2023 Tax Report

Our purpose is to enable the benefits
of a modern connected life for everyone



Inside this report

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Our reporting suite

Our Tax Report is supplemented by a number of reports that provide a comprehensive view of MTN's performance and prospects covering financial, risk management and environmental, social and governance (ESG) aspects. These reports go beyond traditional financial reporting by integrating sustainability and non-financial information.

Integrated Report



Our primary communication to stakeholders aims to help them make informed assessments of our performance and prospects, strategic direction and the value we create through our activities. It provides a forward looking perspective on MTN's financial and non-financial performance, encompassing strategy, risks and opportunities, targets and governance.

Sustainability reporting

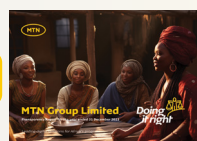
The following suite of reports provides information on MTN's strategy and performance related to sustainability issues with potential impact on our organisation, society and the environment. The reports detail MTN's environmental and social policies, governance, strategies, risks and opportunities. The reports also provide detailed performance data on a wide range of ESG metrics and targets. MTN's sustainability disclosures are structured and informed by the voluntary Global Reporting Initiative (GRI) Standards (2021) and the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (IFRS S1 and IFRS S2), which have fully integrated the Task Force on Climate-Related Financial Disclosures (TCFD) guidance. The reports detail MTN's policies, governance strategies, risks and opportunities relating to sustainability considerations.



Sustainability Report



ESG Data Booklet



Transparency Report



Climate Report

Financial reporting

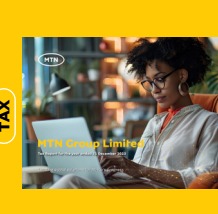
These reports include an analysis of the Group's financial results, a five-year review, and MTN's approach to handling uncertain tax positions. They provide insight for current and prospective investors, employees, creditors, analysts and other stakeholders. They disclose details of MTN's income statement, financial position, cash flows, performance per share, as well as key non-financial information.



Annual Financial Results



Annual Financial Statements



Tax Report



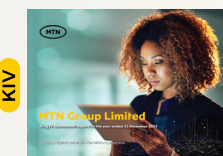
Five-Year Review

Information for shareholders



Notice of AGM

The Notice of AGM and form of proxy give information to shareholders who want to participate in the Group's Annual General Meeting (AGM).



King IV Assessment Report

This provides a summary of the application of the King IV™ principles by MTN Group Limited and Mobile Telephone Networks Holdings Limited.

Regulatory and reporting frameworks used:



Who we are and where we come from

30 years of value creation

1994



After securing one of South Africa's two 'national cellular radio telephony service' licences in September 1993, MTN began building a network in January, eight months after the state-owned competitor. Within six months the two were on par. Launched commercial operations on 1 June.



1995

M-Cell Ltd, which owned 25% of MTN, listed on the JSE.

1996

Launched prepaid solution '**Pay As You Go**' in October, dramatically opening up the market. With no contracts and no credit checks, even those without bank accounts could now have cellphones.

Offered SMS (a text message of 160 characters) for the first time.



1997

Began our international expansion.

Introduced SIM-only packages.

1998

Created MTN International in February.

Acquired licences in **Uganda, Rwanda** and **Swaziland**, HM King Mswati III making the first cellular call in the kingdom, on his birthday.

Became the first cellular network in Africa to get **ISO 14001** rating for environmental management and **ISO 9002** for customer service.



1999

Reached 2m subscriber mark in **South Africa**.

Network quality tests confirmed that MTN was best in SA.

2000

Launched the '**Call Me**' concept and '**MyChoice TopUp**'.

Acquired Camtel Mobile in Cameroon, rebranding it MTN Cameroon.

M-Cell Ltd acquired 100% of MTN.



2001

Won a licence in January in **Nigeria**, which at the time had just 700 000 fixed and 22 500 cellular lines for its 120m people. Launched commercial services in August.

Launched MTN SA Foundation to manage social investment projects. Foundation inaugurated by former President Nelson Mandela.

2002

Changed name to MTN Group Ltd from M-Cell Ltd

Became the first operator in Africa to offer General Packet Radio Services (GPRS).

MTN **Nigeria** subscribers hit 500 000 in the year after launch.

2003

Group subscribers topped 7m – a 42% year-on-year increase. Reached 1m active subscribers in **Nigeria**.

Launched MTN special greeting Y'ello



2004

Revenue of R29bn – a 21% increase. MTN International contribution to turnover topped 35% (from 18.9% in 2002).

2005

Bought 49% of Irancell. Bought 44% of Mascom in **Botswana**. Acquired licence in **Côte d'Ivoire**.

Bought 100% of Libertis in **Congo-Brazzaville**. Completed purchase of Telecel in **Zambia**.

Became one of first operators in Africa to offer **3G**.

2006

Shareholders approved purchase of Dubai-based Investcom in **US\$5.5bn** deal, expanding MTN's presence across Africa and the Middle East to 21 countries from 11.

Pledged US\$65m for 2010 FIFA World Cup, making MTN the only African global sponsor.

Launched employee volunteer programme 21 days of Y'ello Care.



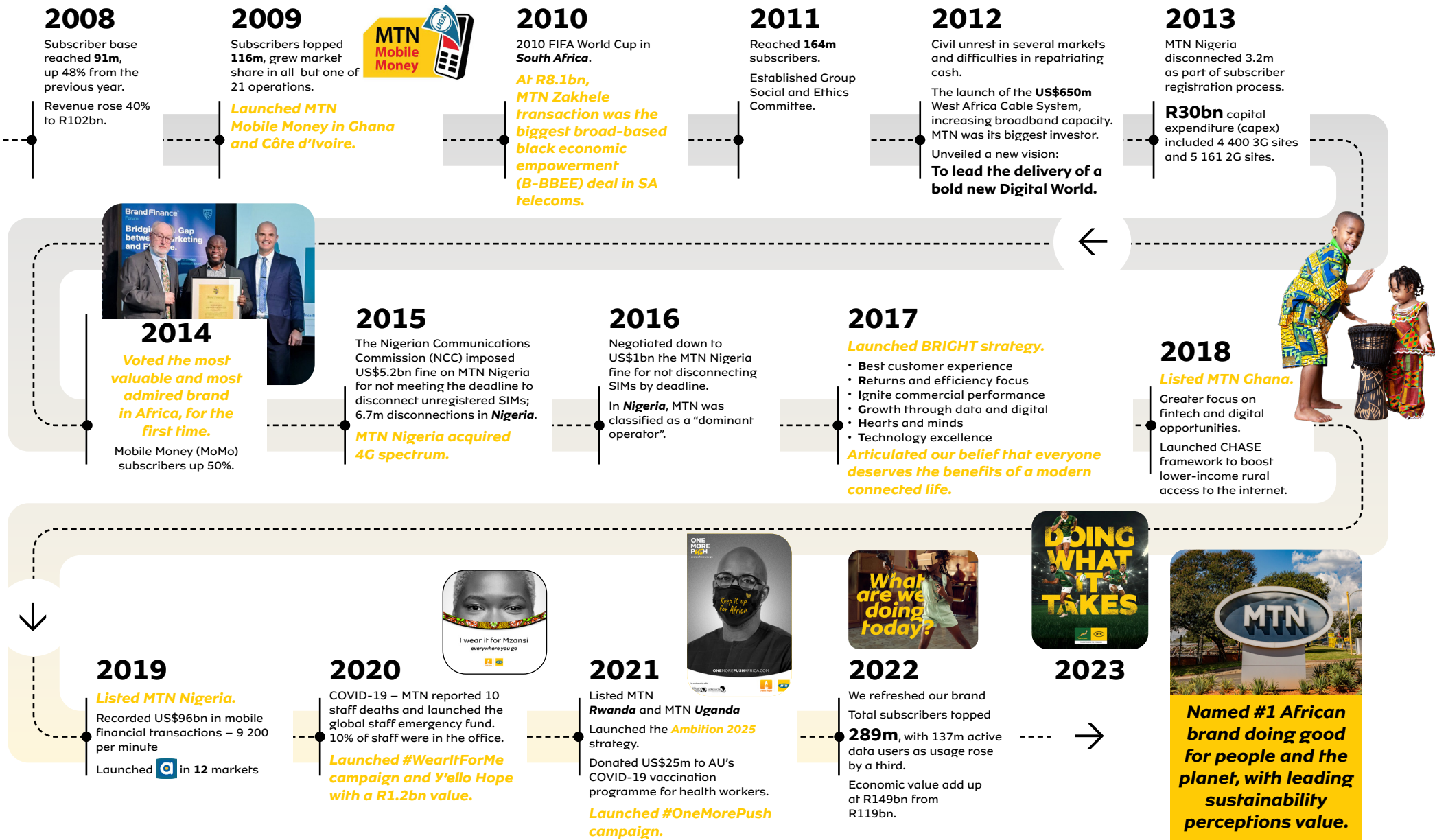
2007

Revenue up 42% to R73bn.

Subscriber numbers topped 54m.



Who we are and where we come from continued



Where we are going

Our purpose is to enable the benefits of a modern connected life for everyone

MTN is a pan-African digital operator providing a range of critical voice, data, fintech, digital, enterprise and wholesale services to around 295 million customers in 19 markets. Our purpose is embodied in our belief statement that *everyone deserves the benefits of a modern connected life*. Our strategic intent is *leading digital solutions for Africa's progress*.

MTN Group Limited is a publicly owned entity whose shares are traded on the JSE. At the end of 2023 our market capitalisation was approximately R209 billion (US\$11.4 billion). Subsidiaries MTN Nigeria, MTN Ghana, MTN Uganda and MTN Rwanda are listed on the Nigerian Exchange Ltd, the Ghana Stock Exchange, the Uganda Securities Exchange and the Rwanda Stock Exchange, respectively.

Ambition 2025: Leading digital solutions for Africa's progress



Build the largest and most valuable platforms



Drive industry-leading connectivity operations



Create shared value



Accelerate portfolio transformation

Enabled by our values:



Lead with Care



Collaborate with Agility



Act with Inclusion



Can-do with Integrity



Serve with Respect

Creating value for all

We create value for our stakeholders across our footprint by living our purpose and belief as well as progressing our strategic intent

MTN achieved an

10.9%[^]

reduction in Scope 1 and 2 emissions from base-year emissions (excluding MTN SA whose performance is impacted by the IHS transaction)

[^]Reflects quarter 4 adjustments.

28%

women in leadership

Enabled internet access to

150m

(2022: 137m) active data users

Maintained female representation at

40%

Facilitated financial inclusion to

72m

(2022: 69m) active MoMo users

Empowered

17 569

MTNers

Extended digital inclusion to

36m

(2022: 22m) ayoba users

Connected

295m

(2022: 289m) subscribers

Provided broadband coverage to

89.2%

(2022: 88%) of the population

Added economic value of

~R159bn

(2022: R149bn) across our markets

Where we operate and how we performed

Our geographic footprint is expansive, stretching over 19 markets on two continents and connecting 295 million customers. This represents the reach and scope of where we create value, organised into our operations in South Africa, Nigeria and our Markets (SEA, WECA and MENA). These are managed through robust operational and governance oversight, which underpins our pan-African growth strategy.

Our portfolio at 31 December 2023

(MTN Group effective shareholding)

	MTN South Africa	100.0%
	MTN Nigeria ▲	76.3%
	SEA	
	MTN Uganda ▲	83.1%
	MTN Rwanda ▲	80.0%
	MTN Zambia ▲	89.8%
	MTN South Sudan	100.0%
	Mascom Botswana ^Δ	53.1%
	MTN eSwatini ^Δ	30.0%
	WECA	
	MTN Ghana ▲ [#]	81.0%
	MTN Cameroon	80.0%
	MTN Côte d'Ivoire	66.8%
	MTN Benin	75.0%
	MTN Guinea-Conakry	75.0%
	MTN Congo-Brazzaville	100.0%
	LonestarCell (MTN Liberia)	60.0%
	MTN Guinea-Bissau	100.0%
	MENA	
	MTN Sudan	85.0%
	MTN Afghanistan ■	100.0%
	MTN Irancell ^Δ	49.0%
	Associates, joint ventures (JVs) and other investments	
	aYo	50.0%
	IHS Group	25.7%
	Iran Internet Group ^Δ	29.5%
	Middle East Internet Holding ^Δ	50.0%

▲ Localisations.

■ Exiting in an orderly manner over the medium term.

Δ Equity accounted.

[#] Legal ownership is 77.3%.

Our financial performance

+13.5%* to R210.1bn
service revenue

+23.0%* to R84.0bn
data revenue

+21.8%* to R21.0bn
fintech revenue

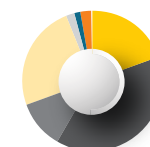
+9.8%* to R90.4bn
EBITDA

18.6%
capex intensity

R41.1bn
capex (ex-leases)

EBITDA contribution

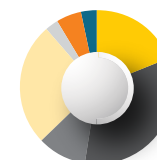
By geography (%)



South Africa	20.7
Nigeria	41.1
SEA	11.7
WECA	25.9
MENA	2.0
Bayobab	1.3
Head offices and eliminations	(2.9)

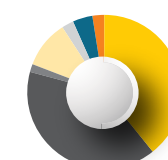
Service revenue contribution

By geography (%)



South Africa	20.4
Nigeria	35.9
SEA	11.0
WECA	27.7
MENA	3.0
Bayobab	5.6
Head offices	(3.5)

By services (%)



Voice	39.4
Data	39.8
Digital	1.7
Fintech	10.0
SMS	2.4
Wholesale	4.2
Other	2.4

Salient features

Group total tax contribution

R61.7bn

(2022: R54.8bn)*
(2021: R47.3bn)*

* Restatement of 2022 and 2021 Group TTC numbers was due to a change as a result of prior year adjustments.

Group revenue

R221.1bn

(2022: R207.0bn)
(2021: R181.7bn)

Product taxes

R32.0bn

(2022: R27.5bn)
(2021: R22.7bn)

Reported Group profit before tax

R11.8bn

(2022: R40.9bn¹)
(2021: R28.8bn)

Reported Group effective tax rate²

65.86%

(2022: 41.66%³)
(2021: 41.03%)

Profit taxes

R16.6bn

(2022: R16.0bn)
(2021: R11.3bn)

Normalised Group profit before tax

R18.2bn⁴

(2022: R42.7bn⁵)
(2021: R33.3bn)

Normalised Group effective tax rate

39.50%⁶

(2022: 37.60%⁷)
(2021: 35.46%)

Product taxes include customs duties, excise duties VAT, other indirect taxes and withholding taxes from some of foreign supplier purchases borne by MTN, and vat refunds and withholding taxes collected for foreign sales.

An increase to Group revenue and product taxes paid compared to prior year.

Profit taxes include corporate income tax (CIT) and education tax borne by MTN and dividend taxes borne and collected by MTN.

A slight increase in profit taxes compared to prior year due to an increase in dividends paid – R6.0 billion (2022: R5.4 billion) thus an increase in dividend taxes. The reversal of deferred tax credits from tax losses and payment of additional minimum taxes in several of our markets where we incurred organic losses also increased our corporate tax paid.



¹ Restated, refer to note 11 of the 2023 Group Annual Financial Statements for details on the restatement.

² Reported Group effective tax rate (GETR) is Reported Group income tax expense divided by Reported Group profit before tax. Please refer to the GETR reconciliation section for explanation of the variances to the Group standard income tax rate of 27% and variance comparison to prior year.

³ Restated, refer to note 11 of the 2023 Group Annual Financial Statements for details on the restatement.

⁴ Normalised Group profit before tax represents Group profit before tax as reported excluding extraordinary and once-off items like: Impairment of goodwill and assets and investment in JVs (2023: R0.047bn); unrecognised deferred tax assets in Nigeria (2023: R0.1bn); Translation adjustment due to Naira devaluation (2023: R0.7bn); Hyperinflation (2023: R4.7bn).

⁵ Normalised Group profit before tax based on the restated reported Group profit before tax.

⁶ The normalised GETR reflects the Group's effective tax rate under normal/regular operational circumstances of the MTN business by removing extraordinary or items relating to once-off circumstances of the business. It is calculated by dividing the Group normalised income tax expense number by the normalised Group profit before tax. For detailed year-on-year variance analysis please refer to the normalised GETR reconciliation in the report.

⁷ This is the restated normalised GETR. The restated normalised GETR is calculated by adjusting the restated Group reported income tax expense number (mainly for Reassessment of recoverability of Deferred Tax asset) (2022: -R1.2bn); CIT rate change (2022: -R0.2bn); other tax provisions (2022: -R0.4bn) and then dividing by the adjusted Group profit before tax. Please refer to the detailed normalised Group GETR reconciliation in the report for the breakdown of the restated normalised GETR.

Group Chief Financial Officer's foreword

Three decades of building resilience and trust

Tsholofelo Molefe CA(SA)
Group Chief Financial Officer



Dear stakeholders

In June 2024, we at MTN Group will mark 30 years in the business: three decades of connecting people and driving digital and financial inclusion. The business's growth and development in this time would not have been possible without the trust and support of our many stakeholders, for which we remain grateful.

One of the ways in which we build public trust is by being transparent about our tax affairs, including through publishing this Tax Report.

In the pages that follow, we detail our overall economic contribution across our markets beyond just the corporate taxes we pay; the evolving tax environment across the world and in Africa; MTN's approach to tax; our tax governance; and finally, we give the Group's TTC by market, as well as the GETR.

In 2023, our TTC amounted to R61.7 billion , representing payments made by the MTN Group to all spheres of governments.

These taxes include corporate tax, indirect taxes, operating licence fees, payroll taxes, property rates, dividend taxes and withholding taxes. These represent significant contributions to the fiscus of the jurisdictions in which we operate: these contributions are used to grow and enhance economic development in our various markets.

We are very pleased to play our part in supporting Africa's progress, and giving Africans hope, dignity and opportunity.

Beyond the continent's borders, the tax landscape continues to evolve. In 2023, there was notable progress in the two-pillar reform to international tax rules to address challenges related to globalisation and digitalisation. Many countries adopted the Global Anti-Base Erosion (GloBE) model rules and in our home base of South Africa, in early 2024, the tax authorities announced plans to introduce the Pillar Two rules. The proposal is to introduce these rules for years of assessment starting on or after 1 January 2024.

Ahead of this change, we at MTN Group performed a preliminary assessment of our potential exposure in relation to the Pillar Two legislation once it comes into effect. Based on the outcome of this assessment, we do not anticipate a material top-up tax impact for the MTN Group in any of the jurisdictions in which we operate.

Appreciation

We acknowledge the growing interest in our tax affairs that comes from many different stakeholders – ranging from governments, regulators, national tax authorities, investors, to employees and civil society. We hope that this Tax Report assists you all in better understanding the contribution we make, and the value we create, across multiple jurisdictions.

We thank you for your interest and look forward to engaging with you in the year ahead.

Tsholofelo Molefe CA(SA)
Group Chief Financial Officer

29 April 2024

Economic contribution (business, social and governance)

As one of the largest mobile operators in our markets, we acknowledge that our activities have significant implications for the communities in the regions in which we operate. It is vital that we understand exactly who is affected by our activities so that we can ensure their interests are promoted when strategic business decisions are made. MTN has identified the following as our most material stakeholders: government; regulators and policymakers; civil society; investment community; subscribers/customers; and MTNers.

Value distribution

Our activities drive economic value within each of the jurisdictions in which we operate. This value is distributed to our stakeholders in a multitude of ways only some of which are measurable. This includes:

Business

During 2023, MTN spent R161.2 billion (2022: R147.2 billion in 2021: R125.0 billion) with suppliers and contractors.

We deployed R63.6 billion to support the focused execution of our **Ambition 2025** strategy (2022: R54.1 billion and 2021: R39.4 billion). MTN South Africa's share of capex amounted to R15.7 billion (2022: R15.3 billion in 2021: R10.4 billion); MTN Nigeria's capex amounted to R16.8 billion (2022: R19.1 billion and 2021: R14.9 billion), WECA region capex amounted to R21.1 billion (2022: R8.6 billion and 2021: R7.5 billion), SEA region capex amounted to R6.1 billion (2022: R6.5 billion and 2021: R3.6 billion), MENA region capex amounted to R1.0 billion (2022: R1.7 billion and 2021: R1.0 billion), Bayobab and Head Office's capex amounted to R1.7 billion (2022: R2.1 billion and 2021: R1.8 billion), and hyperinflation on capex R1.2 billion (2022: R0.8 billion and 2021: R0.2 billion). In the period, we rolled out 3319 3G (2022: 3 498 3G), 5356 4G (2022: 7 993 4G) and 2251 5G (2022: 1 570 5G) sites.

For 2024 we targeting capex of R45 to R49 billion in 2024 (in line with IFRS 16) (2023 plan was: R37.5 billion).

Social

Employees

In 2023, MTN had a 0.61% increase in employees amounting to 17 569 (2022: 17 462 in 2021: 16 390) representing 7212 (2022: 6 547) from SEA region, 5 621 (2022: 6 231) from WECA region, 3 092 (2021: 3 137) from MENA region and 1 716 (2022: 1 547) from Head Office, Business Solutions and Nationalities represented across workforce. We spent R15.1 billion in staff costs (2022: R12.7 billion and 2021: R11.7 billion). A increase of 15.63%. People taxes contributed R3.7 billion (2022: R3.2 billion and 2021: R2.5 billion).

In the year, we invested R307 million in employee learning and development (2022: R280 million and 2021: R190 million). up by 9.64%. Employees are actively encouraged to look for opportunities to continuously improve their capabilities and skills through extensive training available digitally, face-to-face and from other sources supplied by the MTN Academy, or from external accredited and reputable organisations.

For details on MTN people and their remuneration please refer to pages 102 to 146 of the 2023 **IR**.

Corporate social investment

MTN is committed to leveraging our core capabilities to enable the socioeconomic development of the communities within which we operate, underpinned by our core belief that everyone deserves the benefits of a modern, connected life. MTN's corporate social investment (CSI) strategy aligns to this belief by focusing its core initiatives on Digital skills for digital jobs. This allows MTN to address the digital skills shortage in Africa while simultaneously creating opportunities for economic growth through ICT-enabled programmes, including our flagship MTN Skills Academy platform. A secondary focus area aligns to the National Priority Areas (NPA) of the respective countries in which we operate, as well as disaster relief projects in times of crisis. Through these ICT-enabled and NPA programmes, we continue to serve and support the communities in which we operate, growing our impact year-on-year, as seen below.

In 2023, MTN's generic corporate social investment totalled R220 million (2022: R251 million and 2021: R159 million). This investment impacted the lives of 3.6 million (2022: 5.36 million and 2021: 9.9 million) members of our communities, 2.9 million (2022: 4.8 million) of which were youth, as the largest and most impacted population group across our

markets. And 126.2 million (2022: 2.5 million and 2021: 3.2 million) women and young girls were empowered. Our programmes allowed young people to engage in activities to grow their knowledge, access education, learn new skills, and develop through a diverse range of uplifting activities. For details on MTN corporate social investment activities and how we gave back to the communities in our markets, please refer to pages 30 to 44 and 51 to 58 of the 2023 **SR**. Our contribution to this initiative is shown in the GETR reconciliation under the **'Total tax contribution and effective tax rates' section of this report.**

Governance

Governance of tax activities was fortified during 2023 as Opcos adopted and localised our updated Group tax policy.

Owing to complex tax legislation, regulatory requirements and increased focus from revenue authorities on protecting their tax revenues, MTN has developed a systematic approach to tax manage tax obligations and mitigate tax risk. This involves managing and monitoring tax obligations across various business functions and departments, systems and processes within the Group.

The primary risks associated with MTN's tax practices include speculative assessments, reputational risks and compliance risks. These are effectively managed and mitigated through the application of our tax risk management framework. For more details on our risk management framework refer to MTN's approach to tax section of this report.

And for more on our tax contribution to our markets refer to the total tax contributed section of this report.

Taxing in uncertain times and increased legislation

Many sub-Saharan African countries who are still emerging from the COVID-19 pandemic, have now been hit by a sluggish global economy, worldwide inflation, high borrowing cost, currency devaluation and hyperinflation in certain countries and cost-of-living crisis. In order to mitigate the impact of these macroeconomic challenges, African authorities are focusing on reforms to claw back lost ground and to create new space to address the continent's pressing development needs.

Public debt in sub-Saharan Africa increased significantly over the last decade. Countries' fiscal and public investment plans to meet development needs, fiscal slippages, and a series of shocks including the COVID-19 pandemic, climate-related events and natural disasters, and high international prices for food, fuel, and fertilisers after Ukraine's war, have all led to rising debt. More recently, market financing for many sub-Saharan African countries has been depleted or become very expensive as advanced economies have raised interest rates to fight inflation and international investors grow more risk averse.

These factors have exacerbated the social and economic crises in most African economies, straining public finances. Most African governments continue to rebuild their respective public finances through both short-term spending measures and structural reforms. The pursuit of fiscal consolidation to counter higher interest costs and maintain debt sustainability appears to be followed by many African governments. However, achieving such goals continue to be very challenging and most likely will depend on prioritising spending, increasing spending efficiency and improving revenue mobilisation.

Domestic revenue mobilisation continues to be one of the main avenues being implemented to bridge the gap through the mobilisation of tax revenues by widening and deepening the tax net by enacting new laws and carrying out more tax audits. As a result, the expectation is that revenue authorities across the continent will conduct more tax audits to generate tax revenue as well as encourage compliance across all tax types. As a Group, we continue to monitor and manage the tax risks emanating from these.

Following the introduction of a two-pillar solution to reform the international tax rules to address the tax challenges arising from globalisation and digitalisation, the Organisation for Economic Co-operation and Development (OECD) continues its work towards the implementation of Pillars One and Two.

Pillar One

Pillar One is aimed at ensuring a fairer distribution of profits and taxing rights among countries with respect to the largest MNEs, including digital companies. It is aimed at re-allocating some taxing rights over MNEs from their home countries to the markets where they have business activities and earn profits, regardless of whether they there have a physical presence there. MTN Group is currently out of scope for Amount A of Pillar.

Pillar Two

A key part of the OECD/G20 BEPS Project is addressing the tax challenges arising from the digitalisation and globalisation of the economy. The global minimum tax, together with the Subject to Tax Rule, constitutes the second Pillar of the Two-Pillar Solution developed to address those challenges. Pillar Two in its architecture is designed to ensure that large multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions where they operate. The minimum tax is based on an agreed set of model rules, that are designed to be implemented into domestic law as part of a common approach.

On 11 October 2023, the Inclusive Framework released an Implementation Handbook on the minimum tax. This handbook provides an overview of the key provisions of the rules and the considerations to be taken into account by tax policy and administration officials and other stakeholders in assessing implementation options.

Changes to domestic legislation to introduce the GloBE rules have already been implemented by most of G7 countries, the European Union and a number of G20 countries. The ultimate parent entity of the Group is located in SA, while the Group has an intermediate parent entity located in the United Arab Emirates (UAE). MTN Group continues to monitor these legislative changes across the MTN jurisdictions and the world, MTN Group is within the scope of the OECD Pillar Two

model rules. The countries within the MTN market which are seeking to also adopt Pillar Two include:

- **SA** - As part of the SA Minister of Finance's budget speech on 21 February 2024, the implementation of the global top-up tax legislation in SA was announced as mentioned above. In this regard, two draft Tax Bills setting out SA's proposed global top-up tax legislation were released on 21 February 2024 for public comment. Once enacted, it is envisaged that the SA global top-up tax legislation will be effective from 1 January 2024 for Groups with fiscal years commencing on or after that date. The draft legislation was not enacted as at 31 December 2023.

In addition, in terms of Financial Reporting Pronouncement 1 (FRP 1) and guidance issued in the Government Gazette No.41503 dated 16 March 2018, changes in tax laws should be regarded as being substantively enacted when they have been approved by Parliament and signed by the President. Accordingly, the draft legislation released by SA would also not be considered to be substantively enacted as at 31 December 2023 as it was not yet approved by Parliament or signed by the President.

- **UAE** - UAE's new corporate tax law was effective from 1 June 2023 with a headline rate of 9%. On 15 March 2024, the UAE Government released a public consultation paper on the implementation of the Pillar II which is currently in the public domain for consultation and commentary. The UAE has not enacted or substantively enacted new legislation to implement the global top-up tax as at 31 December 2023.
- **Mauritius** - In 2022, the Finance (Miscellaneous Provisions) Act 2022 introduced a 'qualified domestic minimum top-up tax'. However, it is not yet in force at the moment.
- **Netherlands** - The Group also operates in the Netherlands which enacted new legislation to implement the global top-up tax during December 2023. This legislation is effective from 1 January 2024. Therefore, there is no current tax impact for the year ended 31 December 2023.

Taxing in uncertain times and increased legislation continued

The Group determined that the global minimum top-up tax, which it is required to pay under Pillar Two legislation, is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred as provided for in the amendments to IAS 12 issued in May 2023. Under the legislation, the Group will be liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group has performed a preliminary impact assessment of its potential exposure in relation to the Pillar Two legislation once it comes into effect. Based on the outcome of the assessment, the Group does not anticipate a material top-up tax impact in any of the jurisdictions in which it operates.

MTN Group continues to operate a decentralised model meaning that almost all of the MTN Group's profitability is realised by the in-country operating entities (**Opcos**) in their respective jurisdictions. MTN Group reviewed its Group Value Chain Analysis (**VCA**), which is a corroborative economic analysis (over a four-year period) to evaluate the Group's performance relative to its peers, and how value (i.e., EBITDA) manifests between:

- Group companies who do not engage with customers.
- The MTN Opcos who engage with customers.

Consequently, the Group continue to assess whether the profits realised by the MTN Opcos:

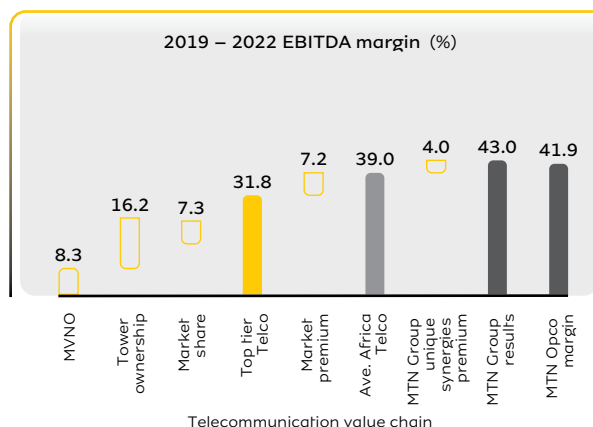
- Align with the functions, risks, and the assets of those Group companies (as a stress test for the BEPS project).
- Is realised in-country (as a stress test of the proposals in the Unified approach).

The outcome of the analysis shows that in the financial year ended 31 December 2022, approximately 97% of profits were realised and taxed in the market jurisdiction where the MTN Opcos operate. This is in line with the expectations that the relative contributions made by each entity to the overall business are realised at the market jurisdiction level.

Graph A* below illustrates the different levels of profitability within the telecommunication industry value chain, worldwide, from 2019 to 2022. The graph also illustrates that:

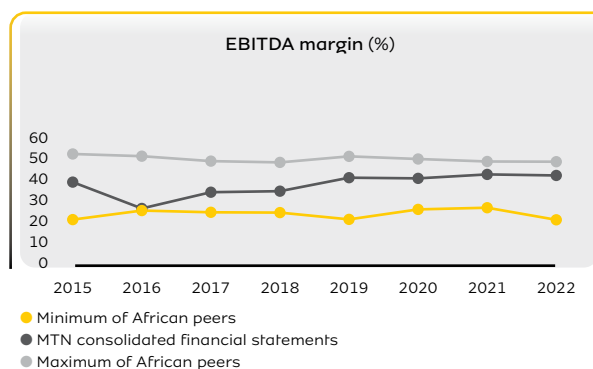
- MTN Group is, on average, performing on par with its peers during the period under review with an EBITDA margin of 43%⁸ as compared to its peers who realised an EBITDA margin of 39%.
- MTN Opcos have consistently achieved (on average) attractive profit margins of 41.9% EBITDA margin between 2019 and 2022 and have taken reasonable tax positions in the countries they operate in.

* No peer data was available for 2023 at the time of preparation of the Integrated Report



⁸ Based on consolidated results.

Graph B* below shows the Group EBITDA margins over the eight-year period as compared to its peers.



Global minimum top-up tax

The Group is within the scope of the OECD Pillar Two model rules. The ultimate parent entity of the Group is located in South Africa, while the Group has an intermediate parent entity located in the United Arab Emirates. The United Arab Emirates has not enacted or substantively enacted new legislation to implement the global top-up tax as at 31 December 2023.

As part of the South African Minister of Finance's budget speech on 21 February 2024, the implementation of the global top-up tax legislation in South Africa was announced. In this regard, two draft Tax Bills setting out South Africa's proposed global top-up tax legislation were released on 21 February 2024, for public comment. Once enacted, it is envisaged that the South African global top-up tax legislation will be effective from 1 January 2024 for Groups with fiscal years commencing on or after that date. The draft legislation was not enacted as at 31 December 2023. In addition, in terms of Financial Reporting Pronouncement 1 (FRP 1) and guidance issued in the Government Gazette No.41503 dated 16 March 2018, changes in tax laws should be regarded as being substantively enacted when they have been approved by Parliament and signed by the President. Accordingly, the draft legislation released by South Africa would also not be considered to be substantively enacted as at 31 December 2023 as it was not yet approved by Parliament or signed by the President.

The Group also operates in the Netherlands, which enacted new legislation to implement the global top-up tax during December 2023. This legislation is effective from 1 January 2024. Therefore, there is no current tax impact for the year ended 31 December 2023.

The Group determined that the global minimum top-up tax, which it is required to pay under Pillar Two legislation, is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred as provided for in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Group will be liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group has performed a preliminary impact assessment of its potential exposure in relation to the Pillar Two legislation once it comes into effect. Based on the outcome of the assessment, the Group does not anticipate a material top-up tax impact in any of the jurisdictions in which it operates.

MTN's approach to tax

Tax governance

The MTN Group Board understands and takes accountability for all risks that potentially affect the achievement of its strategic priorities. Derived from an assurance methodology, MTN has implemented robust risk management frameworks consisting of proactively identifying and understanding the factors and events that may impact our strategic priorities, then managing them through effective mitigation plans, internal controls and monitoring and reporting processes.

The way MTN Group manages its tax affairs is directly relevant to its shareholders and other internal and external stakeholders. Considering an increasingly complex tax legislation environment, multiple regulatory requirements, and the focus of revenue authorities in protecting their tax revenues through the tightening of rules, increased enforcement and improvement of their approach to tax collection, there is an increased focus on tax risk and controls that will mitigate tax risk to an acceptable level.

To this end, the MTN Group has developed a systematic approach to manage tax obligations and tax risk considering that tax obligations and the associated risks are managed and monitored by many different personnel, business functions, systems and processes within the Group.

Principles governing MTN's approach to tax

MTN Group has agreed to the following tax guiding principles that support its approach to tax:

- It is paramount to the MTN Group that its tax affairs are managed in such a manner so as **not to cause a detrimental effect on the reputation or brand of the MTN Group**. Accordingly, the commitment of the MTN Group is to act responsibly and in an accurate, transparent and timely manner in respect of its tax affairs by fulfilling all compliance, disclosure and reporting obligations, in accordance with the prevailing tax laws in all jurisdictions in which it operates.
- The MTN Group seeks to create and manage shareholder value by **undertaking legitimate and responsible tax planning within the tax laws and regulations of the countries in which MTN Group operates**. In this regard, the MTN Group acknowledges that its tax contribution in the jurisdictions in which it operates is significant and manages such obligations in a proactive and forward-looking manner and in accordance with the prevailing legislation.
- MTN is **committed to transparent and constructive relationships with revenue authorities**. These are based on open and honest communication. The need to foster strong relationships with revenue authorities is critical to ensure the management of tax risk.
- The Group commits to **ensure there is the necessary resource capacity and capability to manage its tax affairs** in an efficient and effective manner, including investing in tax knowledge and training of tax resources to ensure they have the requisite skills and knowledge.
- Tax is **integrated into all business processes supported by adequate and robust controls**, clear lines of communication, defined roles and responsibilities and financial systems that are adequately configured for specific tax requirements and controls.

Tax risk management and reporting

One of the fundamental pillars of MTN's approach to tax is a tax risk management framework aimed at ensuring that tax risks are properly identified, prioritised and managed in accordance with MTN Group's integrated risk management process. The Group Board and Group Audit Committee provide oversight over the tax risk management framework considering the potential financial, legal, business and reputational risk of failing to detect and manage tax risks timeously.

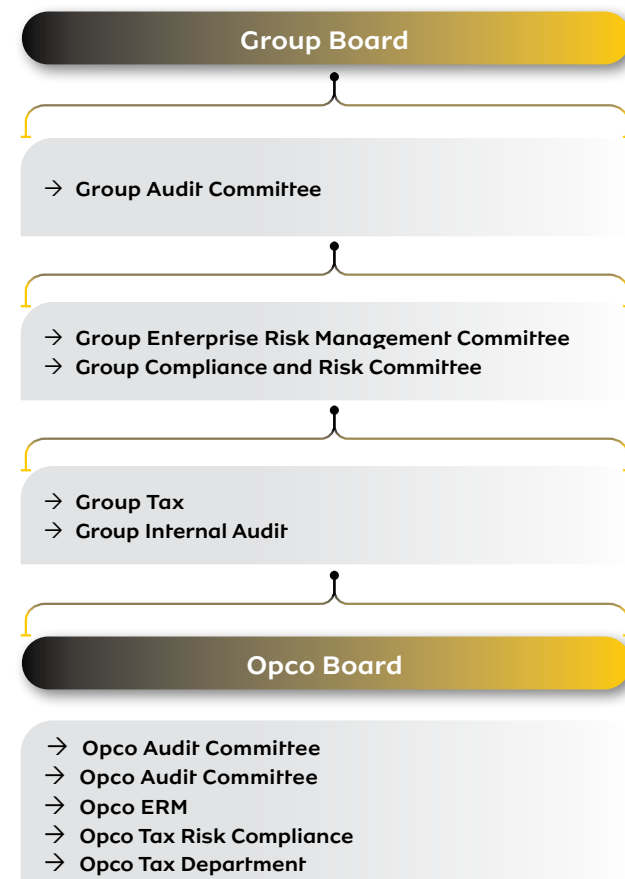
Regular and transparent tax reporting is embedded within the governance structures of the Group, including the Executive Committee, Group Enterprise Risk Management Committee, Group Compliance and Risk Committee, Group Audit Committee, and the Group Board.

Tax risk reporting is achieved through the tax risk management programme. Reporting is done monthly to the Group Enterprise Committee and then quarterly through in-country tax risk management and reporting governance structures and the Group Compliance and Risk Committee, Group Audit Committees and Group Board of Directors.

This process ensures that all tax risks across the countries within which MTN operates are identified, measured, controlled and monitored within the tax risk tolerance levels and managed at the highest governance levels within the Group.

The **Group tax policy** is updated every two years and approved by the Group Audit Committee and Group Board Committee after it is reviewed and signed off by the Group Enterprise Risk Management and Compliance and Risk Committee and the Group Approval Committee. Please refer to the **Tax risk management and reporting updates** section regarding the next updates to the Group tax policy and roll-out to the Opco's.

The **Group Internal Audit**, supported by Opco internal audit, conducts robust annual internal audits to monitor adherence to the tax risk management processes as laid out in our Group and Opco tax policies.



For details on our approach to risk refer to pages 47 to 57 of the 2023 **IR**. Our tax risk appetite is very low. We believe all taxes justifiably due must be paid.

MTN's approach to tax continued

Uncertain tax positions

The Group operates in numerous tax jurisdictions and the Group's interpretation and application of the various tax rules applied in direct and indirect tax filings may result in disputes between the Group and the relevant tax authority. Tax legislation is often subject to interpretation, particularly in the absence of established case law, and as such, creates areas of uncertainty on which management is required to make judgements.

The tax risk management programme, through its governance, provides for robust processes and controls in evaluating the tax provisions and the classification and disclosure thereof and is an effective enabler in the reporting of these matters. In arriving at the contingent tax liabilities we have also applied IFRIC 23 and IAS 37 guidelines. The relevant tax provisions and/or contingencies are discussed and agreed with Group Tax and the Group Technical Accounting teams and are communicated to external audit, the Group Audit Committee and the Group Board.

The Group does not recognise liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is raised. Contingent liabilities due to uncertain tax exposures across the various tax jurisdictions where the Group operates amounted to R418 million in 2023 (2022: R1 143 million).

The most significant contingent tax matters relate to transfer pricing disputes across our operating companies in the tax jurisdictions where we operate. Based on internal and external legal and technical advice obtained, the Group remains confident that it has a robust legal case to contest these exposures.

There is no requirement for disclosure of remote tax exposure items with less than 10% possibility of materialising.

Relationships with revenue authorities

In respect of dealings with revenue authorities, the MTN Group values a good working relationship and maintains these relationships based on the following key principles:

- **Transparent, open and honest communications** based on credibility and integrity, thereby building mutual trust;
- **Full disclosure** of all relevant information.
- A high level of **responsiveness** to revenue authorities' queries, by dealing with such in a timely and efficient manner.
- Commitment to **early resolution of tax disputes** with revenue authorities.
- **Do not use any influence** to seek preferential or extra-statutory treatment in tax rulings or settlements.
- Seek to **boost the capacity of revenue authorities in poorer countries** through positive and proactive disclosure and cooperative working practices and to not undermine revenue authorities' capacity or independence.

We believe in open communication and we meet with tax authorities on a regular basis to ensure that our business dealings are better understood by the authorities, to exchange perspectives on various matters in the course of tax audits and follow-up questions.

We support the initiatives of the African Tax Administration Forum (ATAF) and closely follow all relevant tax and transfer pricing developments and endeavour to be compliant with all relevant regulations including guidelines by organisations like the OECD.

Tax havens

The OECD has set out four factors to be considered for identifying tax havens: (1) no or nominal tax is levied on relevant income; (2) lack of effective exchange of information; (3) lack of transparency; and (4) no substantial activities.

MTN has subsidiaries in jurisdictions that may be defined as tax havens. The reason for their existence in these jurisdictions is always based on sound business principles and not merely to obtain a tax benefit. MTN International (Mauritius) Limited and MTN (Mauritius) Investments Limited, which are registered in Mauritius, are tax residents in South Africa.

In Dubai we have an office which facilitates mainly three activities: Holding activity (MTN Dubai), Group sourcing and supply chain activity and recently GlobalConnect activities

The key drivers of choosing Dubai were: Location as a Hub connecting Africa and the Middle East to the world, Business friendly, Talent attractive, closeness to biggest telecom player (Main vendors are based in Dubai). We have been paying VAT and Withholding tax in Dubai (R0.5 billion in 2022 and R0.4 billion in 2021). The UAE has also recently announced the introduction of a CIT. We will be considering the impact of tax changes in the UAE by assessing the rules and ensuring that systems and processes enable compliance, as well as evaluating the impact of future developments of Global Anti-Base Erosion rules as part of the Two-Pillar solution adopted by the OECD.

Advocacy or lobbying activity

MTN seeks to engage openly and proactively lobby with national and international organisations on matters of tax policy and potential changes to tax legislation to ensure regulations promote sustainable investment in the territories in which we operate. This includes information sharing and requesting input on whether subjects for consultation and lobbying are in place or have been monitored in other countries.

Continuous improvement on tax governance and transparency

Tax risk management and reporting updates

Efforts are underway to update the Group tax policy and to obtain the approvals through the Group governance structures as indicated in the Tax Governance section of this report. Once done we will also update the Opco tax policies to align with the updated Group tax policy.

As part of our drive to automate our tax processes and systems we have configured and introduced a tax risk tracker tool. It will facilitate the processes of capturing and tracking progress of all our tax risks across all our Opcos in a standard format in a central share point storage.

Tax technology improvement across MTN Opcos

Full implementation of the tax provisioning system is ongoing.

During 2022, we completed the end-to-end process automation of the tax provisioning system for MTN South Africa Opco. We have extended the same automation configuration for Nigeria and Uganda and the progress is ongoing with the plan to complete their automation of the tax provisioning system during the course of year 2024. We plan to carry out a similar end-to-end process of the tax provisioning system automation across all our Opcos. In 2022 began with a configuration process of a TTC system for the Group. This process has been completed and the TTC system will be used by our tax users across all our Opcos.

Independent assurance review of Group TTC number

As part of our drive and commitment to improving transparency and to increase the credibility of our TTC number, we engaged Ernst & Young to perform a limited assurance review of our total Group TTC number in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits and Reviews of Historical

Financial Information, issued by the International Auditing and Assurance Standards Board. For details of the scope of work, procedures and outcome of the review of the total Group TTC number, please refer to the independent assurance report on selected sustainability information included within our 2023

IR.

Continued adoption of King IV Code on Corporate Governance (King IV Code) principles

Some of the main objectives of King IV are to:

- Promote corporate governance as integral to running an organisation and delivering governance outcomes such as an ethical culture, good performance, effective control and legitimacy.
- Reinforce corporate governance as a holistic and interrelated set of arrangements to be understood and implemented in an integrated manner.
- Encourage transparent and meaningful reporting to stakeholders.
- Present corporate governance as concerned with not only structure and process, but also with an ethical consciousness and conduct.

The King IV Code's fundamental concept regarding tax is that:

- The governing body should be responsible for a tax policy that is compliant with the applicable laws, but that is also congruent with responsible corporate citizenship and that takes account of reputational repercussions.

King IV defines the governing body as among others, the Board of Directors of a company. From a tax perspective in 2021, we continued to adhere to the King IV principles as follows:

- Part 5.1: Leadership, ethics and corporate citizenship (Principles 1-3): **Tax governance considerations.**

With the help of internal auditors, the Group Audit Committee monitors adherence to the tax strategy and policy on a regular basis. A report on these audits is presented to the Group Audit Committee.

- Part 5.2: Strategy, performance and reporting (Principles 4-5): **Tax transparency.**

When publishing the Integrated Report every year, we also publish a separate Tax Report. In this Tax Report we include detailed information about the MTN Group's TTC, on which we have obtained limited assurance from an independent external assurance provider since 2016.

We prepared and submitted our 2020 country-by-country report to the South African Revenue Service.

Refer to 'Tax technology improvement across MTN Opcos' section regarding the tax technology review and implementation progress as a drive to improve our performance, reporting and transparency.

- Part 5.3: Governance functional areas (Principles 11-13 and 15): **Tax function and tax risk framework consideration.**

The tax function is adequately resourced.

The tax risk management framework is stipulated within the Group tax strategy and policy documents.

In line with the tax strategy and policy, tax risk registers are updated regularly and reported to the audit committees on a quarterly basis.

- Part 5.4: Stakeholder relationships (Principles 16): **Tax stakeholder relationships.**

Our tax policy details guidance on how we should relate with our stakeholders to ensure a harmonious relationship that balances the needs, interests and expectations of our stakeholders and the best interest of MTN. This is also aligned with our stakeholder engagement policy.

Continuous improvement on tax governance and transparency

continued

Guiding principles of Global Reporting Initiative's Sustainability Reporting Standard on Tax (GRI 207)

In addition to the adoption of the corporate governance principles contained in the King IV Code, MTN also continues to voluntarily consider the guiding principles of GRI 207 as a fundamental basis for our tax transparency reporting. Our approach to tax, the tax governance and control framework, stakeholder engagement are underpinned by the building blocks of the GRI 207 standard. Under GRI 207, there are four disclosures that need to be made: Disclosure 207-1 Approach to tax, Disclosure 207-2, tax governance, control and risk management, Disclosure 207-3 Stakeholder engagement and management of concerns related to tax and Disclosure 207-4 CbCR.

GRI 207 disclosure adhered to:	MTN's adoption:
207-1: Approach to tax:	In this report we detail our approach to tax and principles governing our approach to tax.
207-2: Tax governance, control and risk management:	Under the approach to tax section of this report we provide disclosure on tax governance and our tax risk management framework.
207-3: Stakeholder engagement and management of concerns related to tax:	Under the approach to tax section of this report we provide disclosure on our approach to stakeholder engagement.
207-4: CbCR:	No disclosure yet.



Total tax contributed in our markets

MTN Total tax contribution (TTC)

The TTC represents payments made by the MTN Group (including the MTN proportionate share of JVs and associates) to all spheres of governments within the regions in which we operate. The amounts represent actual cash payments made in the respective financial year rather than the tax charge as reported in the income statement.

Total value

R61.7bn¹

(2022: R54.8bn)

12.59% increase

(2021: R47.3bn)

Restatement of 2021 and 2022 Group TTC numbers was due to a change as a result of prior year adjustments.

	2023	2022	2021
South Africa ²	10.7	14.8	11.5
Nigeria	31.1	30.0	36.0
SEA ³	13.8	12.4	11.5
WECA ⁴	38.8	36.8	35.2
MENA ⁵	5.5	6.0	5.8
	100.0	100.0	100.0

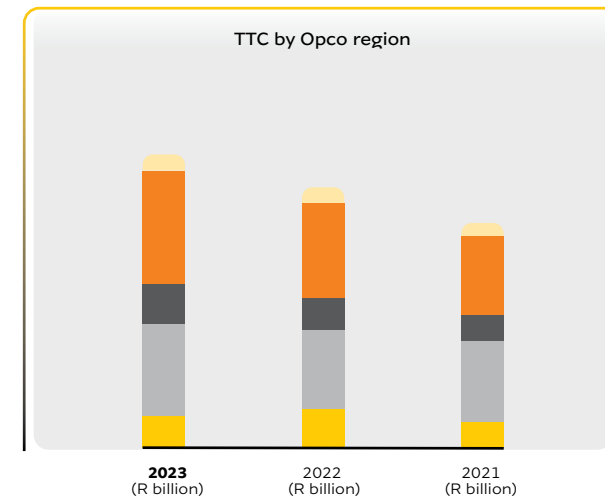
¹ The R61.7bn total Group TTC number was independently assured. For details of the scope of work, procedures and outcome of the review of the total Group TTC number, please refer to the independent assurance report on selected sustainability information included within our 2023 **IR**.

² This comprises of MTN South Africa Opco and its subsidiaries, South African Head office companies including Mauritius International, Manco, MCellco, Holdings, International, Simfy and Group Fintech).

³ SEA region: Uganda, Zambia, Rwanda, South Sudan, Botswana (joint venture-equity accounted), eSwatini (joint venture-equity accounted).

⁴ WECA region: Ghana, Cameroon, Côte d'Ivoire, Benin, Guinea-Conakry, Congo-Brazzaville, Liberia and Guinea-Bissau.

⁵ MENA region: Bayobab, Sudan, Afghanistan, Dubai and MTN proportionate share in Iran.



- South Africa 2023: R6.63 billion (10.7%), 2022: R8.12 billion (14.8%) 2021: R5.43 billion (11.5%)
- Nigeria 2023: R19.20 billion (31.1%), 2022: R16.45 billion (30.0%) 2021: R17.02 billion (36.0%)
- SEA 2023: R8.48 billion (13.8%), 2022: R6.77 billion (12.4%) 2021: R5.42 billion (11.5%)
- WECA 2023: R23.97 billion (38.8%), 2022: R20.13 billion (36.8%) 2021: R16.63 billion (35.2%)
- MENA 2023: R3.39 billion (5.5%), 2022: R3.29 billion (6.0%) 2021: R2.76 billion (5.8%)

Total tax contributed in our markets continued

This table reflects the total of all tax amounts and government levies paid in respect of the 2023, 2022 and 2021 financial years classified by Opco country and regions.

Country	2023 Proportionate contribution Rm	2022 Proportionate contribution Rm	2021 Proportionate contribution Rm	2023 Proportionate TTC %	2022 Proportionate TTC* %	2021 Proportionate TTC^ %
South Africa	6 625	8 116 [#]	5 427	10.74	14.82	11.48
Nigeria	19 198	16 449 [#]	17 015 [†]	31.13	30.04	36.01
Uganda	5 469	4 040	3 043	8.88	7.38	6.45
Rwanda	1 096	953	1 009	1.78	1.74	2.14
Zambia	1 000	915	776	1.62	1.67	1.64
South Sudan	834	744	461	1.35	1.36	0.98
Botswana (joint venture)	4	12	14	0.01	0.02	0.03
Swaziland (joint venture)	82	102	114	0.13	0.19	0.24
Total SEA	8 485	6 766	5 417	13.77	12.36	11.48
Cameroon	3 898	2 855	2 064	6.32	5.21	4.37
Ivory Coast	3 506	3 275	2 308	5.69	5.98	4.88
Benin	3 595	3 102	2 275	5.83	5.67	4.81
Guinea-Conakry	659	1 066	766	1.07	1.95	1.62
Congo Brazzaville	1 835	1 677	1 932	2.98	3.06	4.09
Liberia	572	407	266	0.93	0.74	0.56
Guinea-Bissau	128	113	141	0.21	0.21	0.30
Ghana	9 772	7 637	6 882	15.85	13.95	14.56
Total WECA	23 965	20 132	16 634	38.88	36.77	35.19
Iran (joint venture)	949	893	693	1.54	1.63	1.47
Sudan	709	1 258	647	1.15	2.30	1.37
Bayobab	100	–	–	0.16	0.00	0.00
Yemen	–	–	430	0.00	0.00	0.91
Afghanistan	1 076	658	640	1.74	1.20	1.35
Dubai	562	480	352	0.91	0.88	0.74
Total MENA	3 396	3 289	2 762	5.50	6.01	5.84
Total Contribution	61 669	54 752	47 255	100.00	100.00	100.00

* Restatement of 2022 TTC proportionate percentages was due to a change as a result of prior year adjustments.

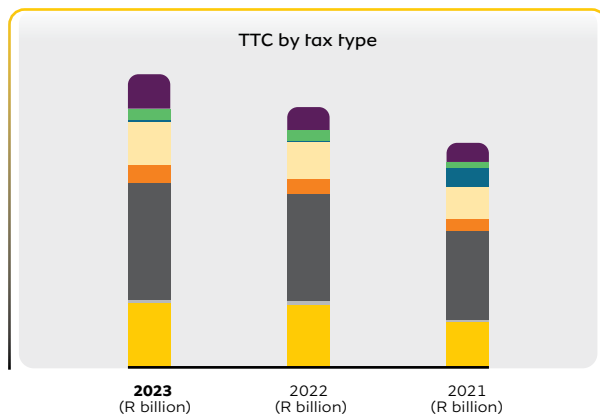
^ Restatement of 2021 TTC proportionate percentages was due to a change as a result of prior year adjustments.

Restatement of 2022 TTC number was due to a change as a result of prior year adjustments.

† Restatement of 2021 TTC number was due to a change as a result of prior year adjustments.

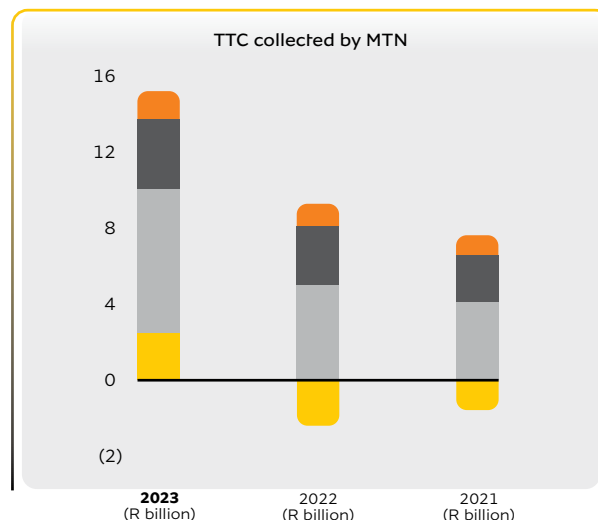
Total tax contributed in our markets continued

This graph shows all the total types of taxes and levies the Group contributed to the authorities in the markets where MTN operates.



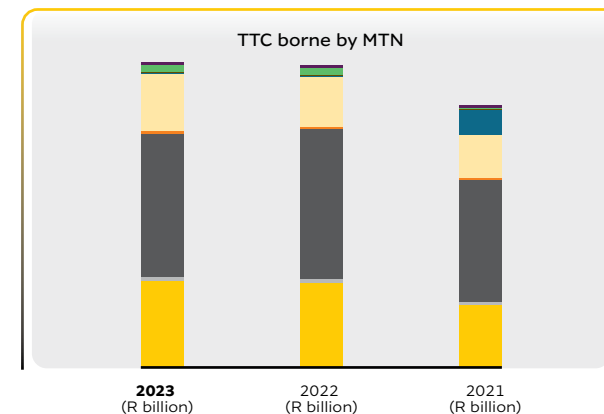
- Corporate tax 2023: R13.5 billion (22%), 2022: R13.1 billion (24%), 2021: R9.6 billion (21%)
- Education tax 2023: R0.6 billion (1%), 2022: R0.7 billion (1%), 2021: R0.4 billion (1%)
- Indirect taxes 2023: R24.8 billion (40%), 2022: R22.6 billion (41%), 2021: R18.7 billion (39%)
- Payroll taxes 2023: R3.7 billion (6%), 2022: R3.2 billion (6%), 2021: R2.5 billion (5%)
- Operating licence fees and levies 2023: R9.0 billion (15%), 2022: R7.8 billion (14%), 2021: R6.7 billion (14%)
- Other 2023: R0.3 billion (1%), 2022: R0.2 billion (0%), 2021: R4.1 billion (8%)
- Property rates 2023: R0.0 billion (0%), 2022: R0.0 billion (0%), 2021: R0.0 billion (0%)
- Dividend tax 2023: R2.5 billion (4%), 2022: R2.2 billion (4%), 2021: R1.2 billion (3%)
- Withholding taxes 2023: R7.3 billion (12%), 2022: R4.9 billion (9%), 2021: R4.0 billion (9%)

This graph shows all the taxes collected by the Group and paid over to the tax authorities in the markets where MTN operates.



- Indirect taxes 2023: R2.2 billion (16%), 2022: -R1.1 billion (-15%), 2021: -R0.7 billion (-12%)
- Withholding taxes 2023: R6.9 billion (50%), 2022: R4.5 billion (62%), 2021: R3.6 billion (60%)
- Payroll taxes 2023: R3.3 billion (24%), 2022: R2.8 billion (38%), 2021: R2.2 billion (36%)
- Dividend tax 2023: R1.3 billion (10%), 2022: R1.0 billion (15%), 2021: R1.0 billion (16%)

This graph shows all the taxes, operating fees and other government levies incurred by the Group and paid to the authorities in the markets where MTN operates.



- Corporate tax 2023: R13.5 billion (28%), 2022: R13.1 billion (28%), 2021: R9.7 billion (23.5%)
- Education tax 2023: R0.6 billion (1%), 2022: R0.7 billion (1%), 2021: R0.4 billion (1%)
- Indirect taxes 2023: R22.6 billion (47%), 2022: R23.7 billion (50%), 2021: R19.4 billion (47%)
- Payroll taxes 2023: R0.4 billion (1%), 2022: R0.4 billion (1%), 2021: R0.3 billion (0.7%)
- Operating licence fees and levies 2023: R9.0 billion (19%), 2022: R7.8 billion (17%), 2021: R6.7 billion (16.1%)
- Other 2023: R0.3 billion (1%), 2022: R0.2 billion (0%), 2021: R4.1 billion (10%)
- Property rates 2023: R0.0 billion (0%), 2022: R0.0 billion (0%), 2021: R0.0 billion (0%)
- Dividend tax 2023: R1.2 billion (2%), 2022: R1.1 billion* (2%), 2021: R0.2 billion* (0.7%)
- Withholding taxes 2023: R0.4 billion (1%), 2022: R0.5 billion* (1%), 2021: R0.4 billion* (1%)

* Restatement of 2022 and 2021 TTC numbers and percentage was due to a change as a result of prior year adjustments.

"Other" relates to small taxes like transfer duties, stamp duties and other government levies.

Total tax contributed in our markets continued

Total fiscas tax revenues collected in some of our major markets vs MTN total tax contribution

The table below shows the Fiscas revenues collected in a form of taxes in the respective countries and compared to MTN's contribution towards the respective tax revenues. We have chosen some of the major markets in which MTN operates.

Country	Total Tax Revenues for Fiscas 2023 (Local Currency)	Total Tax Revenues for Fiscas 2023 (US\$) (Billion)	MTN Total Tax Contribution 2023 (US\$) (Billion)	% of MTN contribution	MTN Total Tax Contribution 2023 (ZAR) (Billion)	Verifiable Source	Source
South Africa	ZAR2 150 500 000 000	116 624	359	0.31	6 625	SARS and Government News	https://www.sanews.gov.za/south-africa/cabinet-welcomes-r2155-trillion-tax-returns#:~:text=Cabinet%20has%20commended%20the%20millions,the%202023%2F24%20financial%20year.
Nigeria (excluding Petroleum tax)	₦12 374 000 000 000	18 913	1 041	5.50	19 198	News outlet	https://www.premiumtimesng.com/promoted/661902-firs-collects-record-n12trn-in-2023-targets-n19trn-in-2024.html?tztc=1
Uganda	UGX25 151 570 000 000	6 734	297	4.40	5 469	Uganda Revenue Authority	https://thetaxman.ura.go.ug/wp-content/uploads/2023/08/Annual-pressor-2022-23-final.docx https://thetaxman.ura.go.ug/wp-content/uploads/2023/08/Annual-pressor-2022-23-final.docx
Rwanda	Rwf2 250 400 000 000	1 925	59	3.09	1 096	Rwanda Revenue Authority	https://www.rra.gov.rw/fileadmin/user_upload/RRA_ANNUAL_ACTIVITY_REPORT_2022-2023_FINAL.pdf
Ghana	GH113 060 000 000	9 498	530	5.58	9 772	The bftonline web	https://thebftonline.com/2024/02/12/gras-domestic-tax-division-collected-gh%C2%A282bn-in-2023/#:~:text=The%20Domestic%20Tax%20Revenue%20Division,for%20the%202023%20fiscal%20year.
		153 693	2 286	1.49	42 160		
MTN Group Total Tax Contribution:			3 344		61 669		

Our effective tax rates

Reported Group effective tax rate (GETR) reconciliations

	2023 %	2022 %	2021 %	Comment
Reported GETR	65.87	41.66	41.03	The Group had a lower PBT YoY, however, the significantly higher Sudan non-deductible expenses, hyperinflationary adjustments, the WHT due to cash upstreaming via dividend payments to Group and unrecognised deferred tax assets contributed to the higher GETR.
Main reconciling items:				
Other	(0.42)	(1.30)	(4.33) ¹	
Sudan non-deductible expenses	(18.54)	(2.97)	(1.90)	Turnover tax applied with result that bulk of operational expenses and loss not allowable for tax purposes, i.e. a tax at 10% of (Turnover and Other Income) less: (interconnect, roaming and transmission costs, and commission and discounts). Higher impact on GETR because of higher expense in 2023 (R8.1 billion gross amount) and 2022 (R1.9 billion) and R2.0 billion in 2021) coupled with lower organic Group PBT.
Net assessed loss AND other timing	(10.83)	(4.12)	(0.74)	This relates to the net of unrecognised/ (utilised) deferred tax credits on assessed losses and other timing differences mainly in South Africa (Business Solutions Group, Simy, Smartvillage) Group, South Sudan, Guinea-Conakry, Liberia, Netherlands, South Africa (Smartvillage), Yemen and Mauritius. The increased impact to GETR is attributable to the lower organic Group PBT.
Disallowed interest expenses	(0.90)	(0.34) ²	(0.70)	
Impairment of goodwill and investment in joint ventures	–	(0.43)	–	
Goodwill impairment in Yemen	–	–	(0.57)	
Impairment loss on remeasurement of non-current assets held for sale	(2.07)	(0.87)	(0.59)	This relates to Afghanistan (and impairment loss on Yemen PPE and intangible assets in 2021).
COVID-19 donation	–	–	(0.36)	This relates to the donation towards the vaccination programme.
Loss on deconsolidation of MTN Syria	–	–	(4.59)	

	2023 %	2022 %	2021 %	Comment
Share-based payment transactions	2.28	0.30	2.71	Higher impact to GETR due to a higher share-based payment coupled with lower organic Group PBT.
Foreign income and withholding taxes	(10.46)	(3.92)	(4.26)	Higher impact to GETR mainly due to lower organic Group PBT i.e. lower withholding tax value in 2023 (R1.2 billion) compared to 2022 (R1.60 billion) and 2021 (R1.23 billion).
Gain on disposal	–	–	1.18	This relates to disposal of investment in associates
Gain on MTN SA tower sale	–	0.19	–	
Change in corporate income tax rate	–	(0.42)	–	
Reversal of deferred tax asset	–	(2.86)	–	This relates to the reversal of prior year deferred tax asset in Mauritius after reassessment and remeasurement of its recoverability as explained in note 1.5.4 of the Group AFS .
Controlled foreign company legislation imputation	(2.23)	(0.62)	(0.88)	This relates to imputation provision as per S9D of the South African Income Tax Act as a form of an anti-avoidance provision aimed at preventing South African residents from excluding tainted forms of taxable income from the South African taxing jurisdiction through investment in Controlled Foreign Companies. Higher impact to GETR mainly due to lower organic Group PBT.
Hyperinflation	(3.92)	1.39	–	This includes the effect of hyperinflation and comparative has been re-presented to include hyperinflation which was previously included in other. Higher impact to GETR due to higher hyperinflation and lower organic Group PBT.
Share of results of associates and joint ventures	8.22	2.31	2.00	Higher impact to GETR mainly due to higher hyperinflation and lower organic Group PBT.
Standard effective tax rate	27.00	28.00	28.00	

¹ This mainly consists of: Nigeria investment allowances relief/Cameroon reinvestment allowance (+0.39%); foreign tax rate adjustment to RSA standard rate (+2.12%); Nigeria education tax (-1.64%); Ghana special levy (5%) of IFRS PBT (-1.22%); other non-deductible expenses (-2.82%); additional minimum tax (mainly from Cameroon, Liberia, Guinea-Bissau, Syria and Guinea-Conakry) (-0.13%); gain from Ayo fair-valuing (+0.51%) and other miscellaneous (-1.54%).

² This mainly relates to non-deductible interest expense incurred in MTN Holdings (Proprietary) Limited and MTN Mauritius Limited (two of the Group's holding companies). Lower impact to GETR in 2022 since the interest was lower R 0.5bn (2021: R0.7bn) as a result of the Group paying and decreasing its debt and coupled with higher organic Group PBT.

Our effective tax rates continued

Normalised Group effective tax rate (GETR) reconciliations

	2023 %	2022 %	2021 %	Comment
Normalised GETR:¹	39.50	37.60	35.46	The normalised GETR reflects our GETR as it would be expected with income taxes relating to our normal business operations. Please refer below for the break down and comments.
Main reconciling items				
Other	(0.67)	(0.79)	(4.18) ²	
Sudan non-deductible expenses	(3.26)	(2.84)	(1.64)	Turnover tax applied with result that bulk of operational expenses and loss not allowable for tax purposes, i.e. a tax at 10% of (Turnover and Other income) less: (interconnect, roaming and transmission costs, and commission and discounts). Lower impact in GETR because of lower expense in 2022 (R1.9 billion gross amount and R2.0 billion in 2021) and higher organic Group PBT. The different % impact to normalised GETR is due to the adjustments made to the reported Group PBT as indicated at the beginning of this report.
Net assessed loss and other timing	(6.82)	(3.8)	(0.64)	The different % impact to normalised GETR is due to the adjustments made to the reported Group PBT as indicated at the beginning of this report.
Disallowed interest expenses	(0.58)	(0.334)	(0.61)	The different % impact to normalised GETR is due to the adjustments made to the reported Group PBT as indicated at the beginning of this report.
Impairment of goodwill and investment in joint ventures	–	–	–	Adjusted from reported Group PBT since this was a once-off transaction. We have removed it for normalisation of GETR.
Goodwill impairment in Yemen	–	–	–	Adjusted from reported Group PBT since this was a once-off transaction. We have removed it for normalisation of GETR.
Impairment loss on remeasurement of non-current assets held for sale	–	–	–	Adjusted from reported PBT since this was a once-off transaction. We have removed it for normalisation of GETR.
COVID-19 donation	–	–	–	Adjusted from reported PBT since this was a once-off transaction. We have removed it for normalisation of GETR.
Loss on deconsolidation of MTN Syria	–	–	–	Adjusted from reported PBT since this was a once-off transaction. We have removed it for normalisation of GETR.

	2023 %	2022 %	2021 %	Comment
Share-based payment transactions	1.48	0.28	2.34	The different % impact to normalised GETR is due to the adjustments made to the reported Group PBT as indicated at the beginning of this report. Lower impact to normalised GETR due to lower amount R 0.4bn (2021: R 2.8bn).
Foreign income and withholding taxes	(6.53)	(3.74)	(3.68)	Higher mainly due to higher withholding tax value. In 2022 (R1,60bn) compared to 2021 (R1,23bn). The different % impact to normalised GETR is due to the adjustments made to the reported Group PBT as indicated at the beginning of this report.
Gain on disposal	–	–	–	Adjusted from reported Group PBT since this was a once-off transaction. We have removed it for normalisation of GETR.
Gain on MTN SA tower sale	–	–	–	Adjusted from reported Group PBT since this was a once-off transaction. We have removed it for normalisation of GETR.
Change in corporate income tax rate	–	–	–	Adjusted from reported Group PBT since this was a once-off transaction. We have removed it for normalisation of GETR.
Reversal of deferred tax asset	–	–	–	Adjusted from reported Group income tax expense since this was a once-off transaction. We have removed it for normalisation of GETR.
Controlled foreign company legislation imputation	(1.44)	(0.59)	(0.76)	The different % impact to normalised GETR is due to the adjustments made to the reported Group PBT as indicated at the beginning of this report.
Hyperinflation	–	–	–	Adjusted as it is deemed as an abnormal item.
Share of results of associates and joint ventures	5.32	2.21	1.71	The different % impact to normalised GETR is due to the adjustments made to the reported Group PBT as indicated at the beginning of this report.
Standard effective tax rate	27.00	28.00	28.00	

¹ Normalised GETR is calculated by adjusting the Group reported income tax expense number (mainly for Reassessment of recoverability of Deferred Tax asset (2022: -R1.2bn); corporate income tax rate change (2022: -R0.2bn); other tax provisions (2022: -R0.4bn) and then dividing by the adjusted Group profit before tax

² This mainly consists of: Nigeria investment allowances relief/Cameroon reinvestment allowance (+0.34%); foreign tax rate adjustment to RSA standard rate (+1.18%); Nigeria education tax (-1.42%); Ghana special levy (5%) of IFRS PBT (-1.05%); other non-deductible expenses (-2.43%); additional minimum tax (mainly from Cameroon, Liberia, Guinea-Bissau, Syria and Guinea-Conakry) (-0.11%); gain from Ayo fair-valuing (0% - since this was a once-off transaction, we have removed it for normalisation of GETR) and other miscellaneous (-0.69%).

Our effective tax rates continued

Effective tax rates and standard corporate income tax rates by Opco

Country	2023 GETR ¹ %	2023 standard corporate income tax rates ² %	2022 GETR ³ %	2022 standard corporate income tax rates ⁴ %	2021 GETR ³ %	2021 standard corporate income tax rates ⁴ %
South Africa ⁵	29.47	27.00	27.73	28.00	28.99	28.00
Nigeria	16.07	30.00	32.01	30.00	32.83	30.00
Mauritius ⁶	12.74 ⁷	27.00	14.11	28.00	2.74	28.00
Dubai	11.25 ⁸	–	5.70	–	14.24	–
Ghana	28.72	25.00	30.32	25.00	29.77	25.00
Uganda	30.26	30.00	31.25	30.00	30.70	30.00
Rwanda	33.24	28.00	29.89	30.00	35.98	30.00
Zambia	(3.79)	35.00	(53.91)	40.00	32.32	40.00
South Sudan	– ⁹	30.00	–	30.00 ¹⁰	–	25.00
Botswana (joint venture)	128.68	22.00	3.72	22.00	10.29	22.00
eSwatini (joint venture)	23.99	30.00	23.82 ¹¹	30.00	28.03	30.00
Cameroon	42.12	33.00	44.18	33.00	63.41	33.00
Côte d'Ivoire	40.17	30.00	41.02	30.00	32.25	30.00
Benin	19.83	30.00	41.06	30.00	54.29	30.00
Guinea-Conakry	(0.93)	35.00	(0.16)	35.00	(0.11)	35.00
Congo-Brazzaville	29.54	28.00	28.36	28.00 ¹²	32.12	28.00 ¹³
Liberia	62.33	25.00	96.52	25.00	(57.58)	25.00
Guinea-Bissau	(1.11)	25.00	(0.59)	25.00	(1.69)	25.00
Iran (joint venture)	17.80	25.00	8.03	25.00	8.33	25.00
Syria	–	–	– ¹⁴	14.00	12.20	14.00
Sudan	(18.62)	10.00	17.42	10.00	43.45	10.00
Yemen	–	–	– ¹⁵	50.00	(1032.25)	50.00
Afghanistan	16.07	20.00	(15.72)	20.00	(58.92)	20.00

¹ These are all based on ZAR currency converted profit before tax and income tax expenses and are for the Group in the applicable countries.

² These are standard CIT rates at the respective jurisdictions where our Opco's operate. They are in line with their in-country income tax legislation.

³ These are all based on ZAR currency converted profit before tax and income tax expenses and are for the Group in the applicable countries.

⁴ These are standard CIT rates at the respective jurisdictions where our Opco's operate. They are in line with their in-country income tax legislation.

⁵ This is MTN South Africa Opco Group of companies. In the budget speech read in Parliament on 23 February 2022, South Africa's finance minister announced that the corporate tax rate be reduced from 28% to 27% for years of assessment ending on or after 31 March 2023.

⁶ MTN Mauritius International (Pty) Ltd is a South African resident company.

⁷ Lower ETR% because Mauritius International is in a tax loss position but the deferred tax credit attributable to tax losses is also not recognised. The 12.74% is mainly attributable to withholding taxes from dividends paid.

⁸ In Dubai there is currently 0% CIT being levied. However, as reported in an article in May 2021, the United Arab Emirates will implement a federal CIT on corporate profits at 9 percent, effective for fiscal years beginning on or after 1 June 2023. This ETR relates to withholding tax levied by the MTN Dubai office. Lower ETR mainly due to forex fluctuation impacting PBT and higher non-taxable profits.

⁹ MTN South Sudan made a taxable profit in year 2023 but utilised the tax losses from prior years to write-off the tax profit and hence levied 0% income tax.

¹⁰ Effective from 18 July 2022 the Republic of South Sudan National Revenue Authority changed the CIT rate to 30%.

¹¹ This entity is an equity-accounted entity for purposes of MTN Group reporting. This ETR reflects ETR before equity accounting application.

¹² MTN Syria was sold during year 2021.

¹³ MTN Yemen was sold during year 2021.

Administration

MTN GROUP LIMITED

Incorporated in the Republic of South Africa

Company registration number:

1994/009584/06

ISIN: ZAE000042164

Share code: MTN

Board of Directors

MH Jonas¹

KDK Mokhele²

RT Mupita³

TBL Molefe¹

NP Gosa⁴

S Kheradpir²

SN Mabaso-Koyana⁴

SP Miller³

CWN Molope⁴

N Newton-King⁴

T Pennington⁴

NL Sowazi⁴

SLA Sanusi⁵

VM Rague⁶

¹ Executive

² American

³ Belgian

⁴ British

⁵ Nigerian

⁶ Kenyan

[^] Independent non-executive director

[#] Non-executive director

Group Company Secretary

PT Sishuba-Bonoyi

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Group Executive: Tax

T Desai

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American depository receipt (ADR) programme

Cusip No. 62474M108

ADR to ordinary share 1:1

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Registration number 2004/003647/070

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Forward looking information

Opinions and forward looking statements expressed in this report represent those of the company at the time. Undue reliance should not be placed on such statements and opinions because by nature, they are subjective to known and unknown risk and uncertainties and can be affected by other factors that could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward looking statements.

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Mapping our SDG impact:

In 2023, MTN Group implemented an SDG reprioritisation tool to determine the SDGs and SDG Ambition Benchmarks on which we could deliver the biggest impact, while creating business value. As part of our sustainability strategy, we have identified primary and secondary UNSDGs where we have the greatest contribution, aligning these with our four sustainability pillars. Guided by the best practice proposed in the SDG Compass and the SDG Impact Standards we have conducted a comprehensive analysis of impact along MTN's value chain to help identify which SDGs MTN is best positioned to make a difference on. As we further engage with business and look to consciously embed SDGs in our organisation there could be slight adjustments to MTN's priority areas.





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