Q&A with the CFO

We are encouraged by the Group's resilient performance

Tsholofelo Molefe, CA(SA)
Group CFO

Q

MTN has navigated severe macro headwinds in 2023. How did this impact the financials?

A

The Chairman (page 10) and the CEO (page 12) outlined our macro-context in 2023. Many market dynamics have been at play for some time, but they intensified in the year. Broadly, our financial performance was impacted by elevated inflation, forex volatility and paucity, and geopolitical instability. Given these headwinds, I am very encouraged by the Group's resilient financial performance in 2023.

High inflation placed upward pressure on operating expenses, including our tower lease expenses. In Ghana, we had to apply hyperinflation accounting to the results of MTN Ghana. Currency volatility affected our financial performance in terms of the stronger average rand exchange rate versus the currencies of the Opcos that had a negative impact on MTN's reported growth compared to the growth rate in constant currency. The weaker closing rand rate versus the US dollar and euro negatively impacted our Holdco net debt.

The devaluation of the naira in Nigeria significantly impacted our results, including forex losses of R21.0 billion through the finance cost line in 2023. MTN Nigeria's results also included a restatement of 2022 financial results, reflecting the cumulative net effects of restating the lease liabilities, the deferred tax liabilities, the right-of-use assets, as well as the profit after tax from MTN Nigeria. This had a resultant impact on the Group as we translate into our reported currency, the rand.

This impacted the Group's 2022 opening balances of retained earnings (restated lower by R2.4 billion) and 2022 profit after tax (restated by R407 million). For 2022 earnings per share (EPS), the impact was 17 cents.

In 2023, we had asset impairments of R900 million for MTN Afghanistan (a remeasurement of non-current assets held for sale) and R746 million for MTN Sudan (a result of warehouse damage from the conflict and hyperinflation). These items impacted our expenses, EBITDA and headline EPS. As mentioned, we are pleased with our overall financial performance and resilience in this context, which positions us well to deliver on our growth and strategic ambitions.

Q

Given these headwinds, how was MTN's 2023 financial performance?

A

- Group service revenue grew by 13.5%*
- Group voice revenue up by 3.3%*
- Group data revenue up by 23.0%*
- Group fintech revenue up by 21.8%*
- MTN South Africa service revenue up by 2.5%
- MTN Nigeria service revenue up by 22.1%*
- SEA service revenue up by 17.4%*
- WECA service revenue up by 13.5%*
- MENA service revenue down by 8.7%*

At 13.5%*, service revenue growth to R210.1 billion was in line with our medium-term guidance and was supported by an expansion of 35.0%* in MTN Ghana, 22.1%* in MTN Nigeria, 2.5% in MTN SA and healthy growth in SEA and WECA. Excluding MTN Sudan (where service revenue declined by 12.3%*), Group service revenue increased by 14.1%*.

Q&A with the CFO continued

Data revenue – the largest contributor to Group service revenue – expanded by 23.0%*, driven by more subscribers and greater usage. Voice revenue increased by 3.3%* as voice traffic grew; adjusting for MTN SA – a mature voice market – it was up by 6.3%*. Fintech revenue sustained a strong trajectory and was 21.8%* higher. The momentum in advanced services revenue (up 54.8%*) was particularly pleasing, contributing 20.4% to total fintech revenue, up 4.4 percentage points. In other platforms, we recorded growth of 10.0%*, 23.4%* and 20.6%* for digital, enterprise and wholesale revenue, respectively.

Group EBITDA increased by 9.8%* to R90.4 billion, driven by a solid top line in most markets. It included non-operational items of -R1.57 billion – mostly asset impairment in Afghanistan and Sudan. The EBITDA margin of 41.5%* (2022: 42.7%*) was affected by increased operating expenses resulting from higher inflation and forex devaluation. However, the extent of these impacts was moderated by the delivery of meaningful expense efficiencies (see below for details).

Reported headline earnings per share (HEPS) decreased by 72.3% to 315 cents (2022: restated 1 137 cents), hurt by net non-operational and once-off items of 888 cents – largely hyperinflation adjustments and forex losses stemming from the naira's devaluation. Adjusted HEPS declined by 9.5% to 1 203 cents, a resilient performance in the circumstances.

We continued investing in network capacity expansion, with R63.6 billion of capex on an IFRS 16 basis, a 12.0% increase. Capex (ex-leases) was up by 7.6% to R41.1 billion, including a hyperinflation impact of R1.0 billion and R2.7 billion of capitalised costs of the renewed Ericsson Converged Wallet deal in fintech. Capex intensity (ex-leases) was 18.6%, just above our medium-term target range of 15 to 18%.

Group operating free cash flow decreased by 6.1% to R38.5 billion. Adjusting for licence renewals and spectrum acquisition, it was R45.9 billion. ROE (adjusted for non-operational items, including hyperinflation) increased by 0.2 percentage points to 24.4%, reflecting the resilience of our business in a volatile environment.

Q

Expense efficiencies again exceeded target. Where were key wins and tell us about EEP 2.0?

A

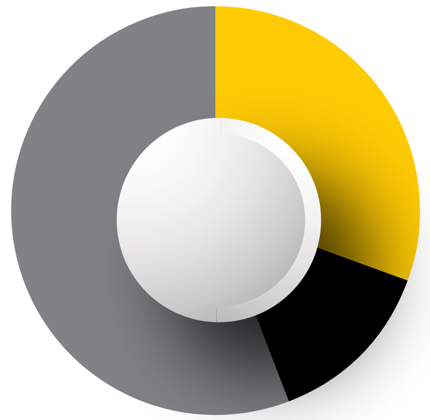
Using a base of 2020, we had previously set ourselves a three-year target of unlocking at least R5 billion in expense efficiencies. By the end of December 2022, we had realised savings of R6.4 billion.

We focused on efficiencies and, in 2023, exceeded our target for the year of R1.5 billion by recording savings of R2.6 billion. These gains were led by MTN SA, WECA, MTN Nigeria and SEA. Most came from general and administration functions; network and IT; followed by sales and distribution, and marketing.

In the year, the ratio of total costs to revenue edged up to 58.6% from 57.4%, clearly illustrating the challenges of the operating environment. Given that macro-headwinds to our business remain, we are now busy with phase two of our expense efficiency programme – EEP 2.0 – with plans to save costs of R7 billion to R8 billion over three years starting in 2024.

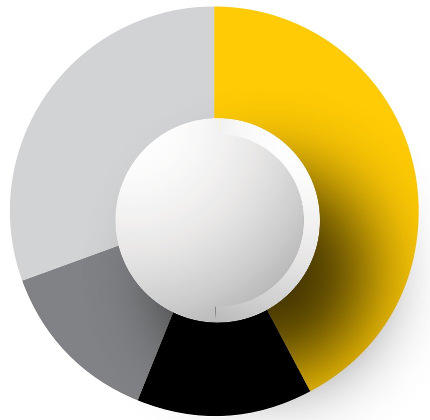
Among the areas we are targeting are a review and renegotiation of our major contracts, including our tower lease contracts; decommissioning of legacy IT and simplification of those contracts; and an optimisation of commission structures, as well as distribution channels.

Savings realised by area



Network and IT	30.7%
S&D and Marketing	13.5%
General and administration functions	55.8%

Savings realised by region



South Africa	42.2%
Nigeria	14.0%
SEA	13.3%
WECA	30.5%

Q&A with the CFO continued

Q

MTN's financial resilience has been key to mitigating the risks of the operating environment. What have been the challenges, and areas of progress and focus?

A

Over the past few years, we have worked hard – and with success – to strengthen our balance sheet to absorb shocks in our operating environment and provide the flexibility to capture opportunities and implement our strategic priorities. The business has benefited from faster deleveraging and de-risking of the Holdco balance sheet, focused on reducing non-rand debt. And I have already highlighted the key role of expense efficiencies, which remain critical in the period ahead.

At the end of 2023, the Group's net-debt-to-EBITDA ratio of 0.4x (2022: 0.3x) and net interest cover of 6.4x were well within covenant thresholds of 2.5x and of no less than 5.0x, respectively. At 1.4x (2022: 0.8x), Holdco's leverage was within the guidance of 1.5x and compared favourably to the 2019 level of 2.2x. It was supported by R13.4 billion in cash upstreamed from operations. However, the leverage was negatively affected by the rand's depreciation, the effects of forex losses from our Eurobonds, as well as our election for scrip dividends from MTN Nigeria and MTN Ghana for FY 2022, the latter decision taken amid scarce forex in those markets. Other impacts were drawdowns from head office facilities, particularly in supporting MTN SA's network resilience programme.

In the year, we raised R24 billion in Holdco loan facilities to refinance maturing debt, manage the debt maturity profile and bolster Holdco liquidity. As part of our work to deleverage non-rand debt at the Holdco through a cash tender offer, we early redeemed US$353 million of the MTN 2024 Eurobonds, bringing the total redeemed to date to US$1.2 billion. The Holdco debt dollar:rand ratio improved to 23:77, well within our target of keeping debt denominated in foreign currencies to below 40%. We ended 2023 with a healthy Holdco liquidity position of R44.1 billion in cash and committed facilities.

Q

Is MTN's capital allocation framework still appropriate in the period ahead?

A

Given the fundamental changes in our macro-environment, in 2023 we spent a lot of time looking at the framework to test it for continued relevance ahead. We concluded that it remains the right one, certainly in the near term. It is designed to help us deliver on our strategy, ranking the allocation of capital to ensure the best returns for the business and providing shareholders with an appropriate return on investment.

Continuing to prioritise investment in the growth of our networks and platforms, for 2024 we target capex (ex-leases) of R35 billion to R39 billion, based on current currency assumptions. Stabilising the leverage remains important, and we plan to settle more of our remaining Eurobonds in the period ahead. We will also maintain prudent management of our liquidity position.

As part of total shareholder return, the dividend remains critical. For FY 2024, in line with our dividend policy, the Board anticipates paying a minimum ordinary final dividend of at least 330cps after announcing full-year results in March 2025.

Guided by our disciplined capital allocation framework

1. **Organic growth**
   Well-invested networks and platforms
   Improving capex intensity
2. **Faster deleveraging of Holdco leverage**
   Rebalancing the mix to have rand debt making up at least 60% of Holdco net debt
3. **Return cash to shareholders through dividends**
   Anticipate paying a minimum ordinary dividend of 330cps for FY 2024
4. **Selective merger and acquisitions**
   Opportunities aligned to the investment case, subject to strict risk and financial criteria
5. **Share repurchases or special dividends**
   Only considered when other capital allocation priorities have been met

Key financial tables

Income statement

Healthy top-line result, impacted by conflict in Sudan | Service revenue +14.1%*, ex-MTN Sudan

(Rm)	2023	Restated 2022	% change reported	% change constant currency*
Revenue	**221 056**	207 003	6.8	13.0
Service revenue	**210 139**	196 493	6.9	13.5
EBITDA before once-off items	**90 350**	90 814	(0.5)	9.8
Once-off items	**(1 570)**	(977)		
Depreciation, amortisation and goodwill impairment	**(42 268)**	(35 241)	19.9	
EBIT	**46 512**	54 596	(14.8)	7.4
Net finance cost	**(39 069)**	(18 326)	113.2	
Hyperinflationary monetary gain	**744**	1 251	(40.5)	
Share of results of associates and joint ventures after tax	**3 581**	3 369	6.3	
Profit before tax (PBT)	**11 768**	40 890	(71.2)	
Income tax expense	**(7 751)**	(17 036)	(54.5)	
Group effective tax rate (GETR)	**65.90%**	41.70%		
Profit after tax	**4 017**	23 854	(83.2)	
Non-controlling interests	**75**	(4 817)	–	
Attributable profit	**4 092**	19 037	(78.5)	
EPS (cents)	**227**	1 054	(78.5)	
HEPS (cents)	**315**	1 137	(72.3)	
Adjusted HEPS (cents)	**1 203**	1 329	(9.5)	

* *Constant currency information after accounting for the impact of the pro forma adjustments as defined and included throughout these Annual Financial Results.*

COMMENTARY

Service revenue
Constant currency growth mainly attributable to data (+23.0%), voice revenue (+3.3%) and fintech (+21.8%).

Net finance cost
This is as a result of forex losses in Nigeria due to significant naira devaluation (R21bn).

Share of results of associates and joint ventures after tax
Solid performance from Iran and improved performance in Iran Internet Group (IIG).

Income tax expense
Lower tax is mainly driven by decline in PBT, mainly in Nigeria due to increase in forex losses from significant devaluation in the naira.

Increase in reported GETR largely due to Sudan current year losses, and unrecognised deferred tax asset in head office.

HEPS
Decreased by 72.3% to 315 cents (2022: restated: 1 137 cents). HEPS were negatively impacted by net non-operational and once-off items amounting to -888 cents (2022: restated -192 cents).

Statement of financial position

Increase in total assets influenced by application of hyperinflation accounting in MTN Ghana

(Rm)	2023	2022 Restated	% change
Property, plant and equipment	**117 197**	108 776	7.7
Intangible assets and goodwill	**74 813**	50 277	48.8
Right-of-use assets	**48 207**	44 095	9.3
Other non-current assets	**49 771**	44 026	12.9
Mobile Money deposits	**49 418**	38 661	27.8
Other current assets	**88 418**	96 158	(8.0)
Non-current assets held for sale	**6 890**	3 358	105.2
Total assets	**434 714**	385 351	12.8
Total equity	**150 183**	119 639	25.5
Interest-bearing liabilities	**55 925**	65 781	(15.0)
Lease liabilities	**54 378**	49 830	9.1
Mobile Money payables	**50 173**	39 273	27.8
Other liabilities	**116 063**	107 727	7.7
Liabilities directly associated with non-current assets held for sale	**7 992**	3 101	NM
Total equity and liabilities	**434 714**	385 351	12.8

COMMENTARY

Intangible assets and goodwill
Increase in intangible assets is primarily due to spectrum acquisition from MTN South Africa, MTN Nigeria and hyperinflation accounting in MTN Ghana.

Right-of-use assets
Increase in right-of-use assets MTN Cameroon and MTN Côte d'Ivoire due to renewal of lease contract.

Lease liabilities
Increase resulting from MTN South Africa, MTN Nigeria, MTN Cameroon and MTN Côte d'Ivoire renewal of contract.

Other current liabilities
Increase driven by MTN Ghana, MTN Benin, MTN Liberia and MTN Uganda.

Certain information presented in these key financial tables, including constant currency financial information, constitutes pro forma financial information.

The responsibility for preparing and presenting the pro forma financial information as well as the completeness and accuracy of such information is that of the directors of the company. This is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present MTN's financial position, changes in equity, and results of operations or cash flows. The pro forma financial information and selected constant currency financial information contained in these key financial tables has been reported on by the Group's auditor (Ernst & Young Inc) who has issued auditor's assurance reports thereon and their unmodified auditor's assurance reports prepared in terms of ISAE 3420 are available for inspection upon request to Investor.Relations@mtn.com at the company's registered office.

Constant currency information has been presented to remove the impact of movement in currency rates on the Group's results and has been calculated by translating the prior financial reporting period's results at the current period's average rates.

Key financial tables continued

Selected cash flow information

Lower free cash flow impacted by dividends paid out and spectrum costs

(Rm)	2023	2022	% change
Cash generated from operations	**93 127**	94 247	(1.2)
Dividends received from associates and joint ventures	**228**	371	(38.5)
Net interest (paid)/received	**(13 473)**	(12 544)	7.4
Tax paid	**(15 824)**	(13 953)	13.4
Cash generated by operating activities	**64 058**	68 121	(6.0)
Acquisition of property, plant and equipment and intangible assets	**(46 798)**	(45 812)	2.2
Movement in investments and other investing activities	**(5 457)**	2 376	(3 297)
Cash used in investing activities	**(52 255)**	(43 436)	20.3
Dividends paid to equity holders of the company	**(5 963)**	(5 414)	10.1
Dividends paid to non-controlling interests	**(3 776)**	(3 689)	2.4
Other financing activities	**254**	(8 316)	103.1
Cash used in financing activities	**(9 485)**	(17 419)	(45.5)
Cash movement	**2 318**	7 266	(68.1)
Cash and cash equivalents at the beginning of the year	**43 634**	39 019	11.8
Effect of exchange rates and net monetary gain	**(8 814)**	(2 105)	318.7
Cash classified as held for sale	**(583)**	(546)	6.8
Cash and cash equivalents at the end of the period	**36 555**	43 634	(16.2)

COMMENTARY

Cash generated from operations
Decline due to increase in interest paid in MTN Ghana and tax paid in MTN Holdings and MTN Nigeria.

Net interest paid
Increase due to MTN Holdings and MTN Nigeria. as a result of an increase in borrowings in the entities.

Tax paid
The increase in taxes paid is mainly due to MTN Ghana's prior year tax credit and translation impact.

Dividends paid to equity holders of the company
Dividend of declaration of 330cps for FY 2023.

Exchange rates
Mainly due to the devaluation of the naira.

Operational performance summary

South Africa

Navigating a challenging South African trading environment

MTN SA delivered a resilient performance in a challenging 2023, with an attestable quarterly recovery in key indicators, demonstrating the benefits of its investment in network resilience.

South Africa's economy grew by just 0.1% in Q4, bringing the full-year growth to 0.6%. Inflation averaged 6.0% in the year (2022: 6.8%), although the trend moderated in H2, recording 5.1% in December 2023 (December 2022: 7.2%). The US dollar appreciated by an average of 12.5% against the rand, which impacted the cost of imports and also fed into inflation. 2023 experienced more intense power outages, with a total of 335 loadshedding days compared to 205 in 2022.

Against this backdrop, MTN SA continued to invest in the resilience of its network, strengthening its operations and supporting resilient quarterly progression in service revenue growth in key verticals, driven by its customer-centric commercial strategy execution.

During the year, MTN SA invested R10.1 billion of capex (ex-leases), including its resilience plan to improve network availability in the context of increased loadshedding. By December 2023, MTN SA's network availability had improved significantly and ahead of schedule, to approximately 95%. This translated into an improvement in customer satisfaction, with the NPS on network recording a notable increase. Our efforts have narrowed the gap to the competition, propelling us to gain network leadership in key regions such as Gauteng, Eastern Cape and KwaZulu-Natal.

Network resilience supported progressive quarterly performance improvements

The improved network availability promoted and enhanced customer experience, enabling MTN SA to drive its commercial strategy to support revenue growth.

This was underpinned by a 2.4% increase in subscribers to 37.4 million, with net additions of 893k for the year. The number of postpaid subscribers grew by 4.4% for the year, reaching 4.1 million (excluding telemetry). Prepaid customers increased by 0.3% to 28.3 million.

Data remained the primary driver of growth, accounting for 47.8% of MTN SA's service revenue and growing by 7.4% for the year. This was driven by an 8.0% increase in active data subscribers to 20.4 million, as well as a 27.7% growth in network traffic.

MTN South Africa

Service revenue increased by **2.5%**

Data revenue increased by **7.4%**

Capex of **R15.7bn** on IFRS 16 basis (R10.1bn ex-leases)

Wholesale revenue increased by **13.4%** (including incoming voice revenue)

Outgoing voice revenue declined by **12.1%**

Enterprise revenue increased by **15.9%**

EBITDA margin decreased by 3.1pp to **36.1%** (down 2.6 percentage points to 35.9%, excluding gain on disposal of towers)

Fintech revenue increased by **14.7%**

EBITDA decreased by **5.8%** (down 4.4%, excluding gain on disposal of towers)

An active prepaid data subscriber now consumes an average of 3.0GB of data a month (up 15.0% YoY); an active postpaid data subscriber uses an average 16.5GB (up 29.6% YoY).

Consumer postpaid service revenue grew by 2.8% for the year, supported by the sustained uplift in data consumption and price-up initiatives. MTN SA delivered steady growth in the residential business, introducing new home propositions (including MTN Fibre) while expanding and diversifying the sales channel. This sustained the customer base and revenue growth.

Consumer prepaid service revenue decreased by 2.8%. In Q4, the softer decline of 1.8% showed a pleasing improvement in trend versus the 2.0%, 2.3% and 5.0% declines recorded in Q3, Q2 and Q1, respectively. Focusing on customer experience excellence, we have made significant progress in product rationalisation and improvements in customer journeys.

Outgoing voice revenue declined by 12.1% for the year (11.9% decline including incoming voice revenue). However, the trajectory over the year was encouraging, with the Q4 decline of 9.9% showing a notable improvement compared to the declines of 10.7%, 11.7% and 16.0% in Q3, Q2 and Q1, respectively.

In addition to the quarterly improvement in network availability, this improvement in voice performance was also enabled by an acceleration in Xtratime penetration, which reached 36% in Q4, up from 26% in Q3, 25% in Q2 and 24% in Q1.

CVM initiatives continued to gain traction with personalised bundle offerings now available on 12 platforms. CVM bundle penetration progressed steadily through 2023, rising to 29% in Q4 2023 (Q4 2022: 22%).

The **enterprise** business continued to achieve double-digit service revenue growth, with 15.9% for the year. This was driven by the ICT business, while the digital mobile advertising and core mobile businesses continued to benefit from strong data product propositions as well as distribution channel expansion.

The **wholesale** business sustained double-digit revenue growth, with an increase of 13.4% (including incoming voice revenue) for the year building on a strong base. Excluding incoming voice, wholesale revenue increased by 20.9%. MTN SA's national roaming revenue rose by 26.1%, driven by Cell C revenues as well as the steady scaling of the multi-year national roaming agreement with Telkom.

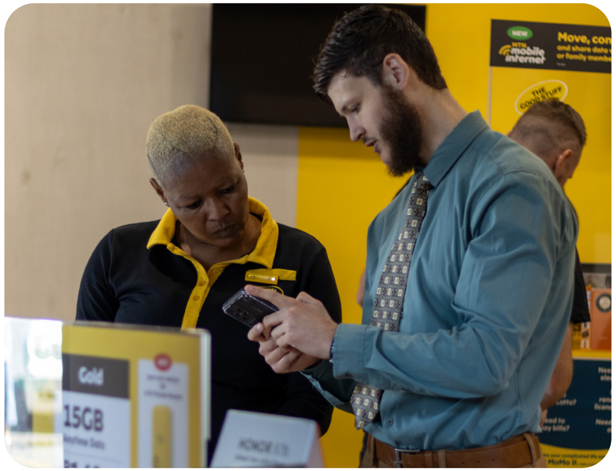
Operational performance summary continued

The **fintech** business grew service revenue by 14.7%. We expanded our platform capabilities significantly in H1 including small to medium enterprise financial solutions and launched MoMo 2.0 in Q3. We also focused on driving advanced services, encompassing international remittances, Point of Sale and funeral cover to name a few.

MTN SA's **EBITDA** declined by 5.8%, including the once-off gain from the disposal of SA towers; excluding this effect, EBITDA declined by 4.4% YoY. The EBITDA margin of 36.1% was 3.1pp lower YoY (down 2.6pp to 35.9%, excluding the gain on disposal of SA towers). The result was also impacted by voluntary severance package provisions of R162 million, which when further adjusted for, FY 2023 EBITDA would have decreased by 3.6% and margin would have been 2.2pp lower to 36.3% (i.e. excluding both gain from disposal of SA towers and impact of VSP provision).

EBITDA was impacted by top-line pressures, as well as higher power and other network-resilience-related costs. We continued with our cost optimisation drive to safeguard profitability and cash flows, underpinned by the EEP. This enabled us to absorb some of the macroeconomic shocks experienced during the year.

MTN SA deployed **capex** of R10.1 billion (ex-leases), at an intensity of 19.5%, which enabled the investment in network resilience and capacity. Including IFRS 16 leases, capex was R15.7 billion. During the year, MTN SA delivered R5.4 billion in cash release initiatives, which helped mitigate the pressure on cash flows.



Nigeria

MTN Nigeria delivered a resilient set of annual results in a challenging environment and impacted by significant devaluation of the local currency. In this context, the operating performance remained solid with good underlying commercial momentum.

Service revenue was up 22.1%* in line with medium-term growth guidance, with a growth acceleration in Q4 to 25.0%*. The main driver of growth was data revenue, with voice growth remaining solid.

Voice revenue increased by 10.2%*, benefiting from the expansion of the mobile subscriber base and higher usage resulting from CVM activities and redesigned voice offerings.

Data revenue rose by 38.6%* (up 48.7%* in Q4) driven by revamped data bundle offerings and considerable investments. This underpinned a 28.5% increase in data usage to 8.2GB and 44.9% growth in traffic on the network. As at December 2023, MTN Nigeria's 4G network covered 81.5% of the population (2022: 79.1%) and 5G covered 11.3%. Smartphone penetration increased to 55.6%, up 4.1pp YoY.

Fintech revenue increased by 3.7%*, largely attributable to Xtratime. MTN Nigeria added 3.3 million active wallets to close the year at 5.3 million, despite the challenges experienced due to NIN requirements for KYC introduced in Q4. MoMo PSB revenue growth of 8.1%*, with an expansion in the ecosystem where active agents and merchants grew to over 326k (up 46.0% YoY) and 324k, respectively. Transaction volume grew by 49.2% YoY, underpinned by the key ecosystem metrics, which all accelerated in Q4.

The **digital** business, which recorded revenue growth of 65.6%*, gained traction through the optimisation of its services. This underpinned the increase in the number of active users of digital services, with rich media subscriptions — excluding ayoba — growing by 57.2% to reach about 8 million. Ayoba saw a 65.6% increase in monthly active users to reach 8.6 million by year-end.

Revenue from the **enterprise** business rose by 45.3%*, on increased uptake of communication and ICT services by enterprises and public sector institutions. Mobile and fixed connection services were the main revenue drivers, fuelled by onboarding of new customers, enhanced offers and growing usage.

The combined effects of naira devaluation and the once-off provision for the Federal Inland Revenue Service (FIRS) VAT assessment resulted in **opex** growth of 39.8%. Excluding these effects, opex increased by 24.5%*.

MTN Nigeria recorded **EBITDA** growth of 14.2%*, while the EBITDA margin declined by 3.6pp* to 49.7%*. The result was impacted by naira devaluation, higher general inflation and energy costs, and the introduction of the 2023 Finance Act VAT on tower leases. Adjusting for the effects of naira devaluation (2.8pp*) and the provision for FIRS VAT assessment (0.9pp*) in particular, the EBITDA margin for FY 2023 would have been 53.4%* (Q4 2023: 53.8%*).

Overall, MTN Nigeria recorded a loss after tax of R2.4 billion. Adjusting for net forex losses, PAT would have been R11.6 billion (down by 3.4%). Further adjusting for the impact of naira devaluation in opex and the once-off provision for the FIRS VAT assessment, PAT would have been up by 12.0% to R13.5 billion. MTN Nigeria generated strong adjusted free cash flow of R20.1 billion, up 22.0%.

MTN Nigeria

Service revenue increased by **22.1%**

Data revenue increased by **38.6%**

Voice revenue increased by **10.2%**

Digital revenue increased by **65.6%**

EBITDA increased by **14.2%**

Capex of **R16.8bn** on IFRS 16 basis (R12.7bn ex-leases)

Fintech revenue increased by **3.7%**

EBITDA margin decreased by 3.6pp to **49.7%**

Operational performance summary continued

Southern and East Africa (SEA) region

The **SEA** region delivered service revenue growth of 17.4%*, YoY, supported by strong growth in data (up 24.3%*), fintech (up 21.4%*) and voice revenue (up 11.4%*) as well as an increase in subscriber numbers by 7.5% YoY to 39.2 million. The annual blended inflation in SEA averaged 10.0%, compared to 14.3% in 2022.

MTN Uganda reported service revenue growth of 16.1%* YoY, underpinned by continued momentum in voice (up 11.6%*) and solid performances from data (up 21.6%*) and fintech (up 17.6%*). The subscriber base grew by 13.3% to 19.5 million. The performance was boosted by the customisation of customer packages through improved CVM offers as well as a revised approach to our regional distribution network, which drove higher traffic.

Data revenue was supported by YoY increases of 22.5% and 49.6% in active data users and data traffic, respectively. The increase in data consumption came on the back of improvements in network speeds following the additional spectrum deployment in the 700MHz, 2300MHz and 2600MHz bands allowing for a better user experience.

Fintech active users were up 10.5% to 12.1 million, which drove transaction volume growth of 30.8% to 3.4 billion. MTN Uganda's ecosystem development was also pleasing, where the active agent and merchant networks expanded by 10.0% (to 170k) and 68.7% (to 292k), respectively.

MTN Uganda's EBITDA increased by 16.2%*. The EBITDA margin held steady at 51.3%*, underpinned by solid top-line growth and focused operational efficiency.

MTN Rwanda reported 6.5% YoY growth in the subscriber base to 7.3 million despite a slowdown in economic growth, elevated inflation and regulatory hurdles. Service revenue grew by 11.3%*, owing to top-line growth in data (up 21.5%*), fintech (up 30.3%*) and enterprise (up 15.1%*).

Data revenue sustained its strong growth momentum, driven by a 14.3% increase in active data users and a 20.8% YoY increase in data traffic – this was boosted by the launch of MTN Rwanda's own 4G network during the year. Commercially, the business drove user engagement and usage through introduction of our affordable, competitive and customised data packages.

Fintech revenue maintained solid YoY development underpinned by a 13.9% expansion of the active user base and 30.3% growth in transaction volumes to 1.9 billion. MTN Rwanda's advanced service revenue rose by 69.5%, supported by continued broadening of its agent and merchant bases (up 8.6% and 138.8%, respectively).

MTN SEA

Service revenue increased by **17.4%**

Data revenue increased by **24.3%**

Voice revenue increased by **11.4%**

Digital revenue increased by **54.5%**

EBITDA increased by **16.3%**

Capex of **R6.0bn** on IFRS 16 basis (R4.4bn ex-leases)

Fintech revenue increased by **21.4%**

EBITDA margin decreased by 0.5pp to **46.0%**

MTN Rwanda reported EBITDA growth of 3.6%* and an EBITDA margin of 46.3%* (down 3.5pp YoY). EBITDA was impacted by a zero-mobile termination rate (MTR) directive from the regulator in Q4, which affected interconnect revenue. There was some mitigation from the launch of MTN Rwanda's own 4G network in July 2023, which reduced data cost of sales and enabled more efficient network expansion.

Overall, the SEA portfolio reported a 0.5pp* decline in the blended EBITDA margin to 46.0%*.

Operational performance summary continued

West and Central Africa (WECA) region

The **WECA** region delivered service revenue growth of 13.5%* largely driven by data (up 24.7%) and fintech (up 28.6%). Active data subscribers increased by 11.5% to 35.7 million and active MoMo users increased by 7.4% to 35.1 million. The average blended inflation for the region was 17.4% in 2023, compared to 14.1% in 2022. Excluding Ghana, the WECA region's service revenue growth was 4.1% compared to blended inflation of 5.0%.

MTN Ghana continued to be a meaningful contributor to the Group's performance. Against a macro-environment that remained challenging – with inflation averaging 40.3% in the year, and the cedi depreciating by 34.5% against the US dollar in 2023 – this outcome was achieved through well-executed commercial strategies, pricing initiatives and focused investment in the network.

Service revenue grew by 35.0%* supported by a solid voice performance, and strong growth in data and fintech notwithstanding the impacts of a regulatory directive to block non-compliant SIMs from the network.

Voice revenue increased by 9.0%*, supported by optimised and customer-centric CVM initiatives, pricing initiatives and improved network coverage. The contribution of voice to total service revenue declined from 33.1% to 26.8%, as customer behaviour continued to evolve in line with global trends.

Data revenue rose by 51.3%*, a robust data performance driven by a 14.0% YoY increase in active data subscribers as well as data pricing initiatives and well-positioned offers in the market. Data demand continued to grow as megabytes (MB) consumed per active user per month grew by 19.3% and data traffic increased by 36.1%. The growth in demand was supported by various commercial interventions coupled with investments in network infrastructure to offer high-speed data services to homes and mobile subscribers.

The **fintech** business reported revenue growth of 46.4%* with pleasing growth in active users (up 20.1%). The outcome was further supported by partnerships with various financial institutions, agents and merchants, which enabled continued expansion of the fintech ecosystem and strong growth in advanced services, whose contribution to fintech revenue grew to 24.8% from 21.8% in 2022.

Digital revenue decreased by 4.5%* YoY, however, due to ongoing efforts to enhance customer experience, as well as to rationalise the digital product portfolio, H2 growth accelerated to 18.2%. The number of active digital subscribers increased by 28.6% YoY, reaching a total of 4.6 million. Our primary focus is on improving the myMTN application and expanding the music and game offerings on ayoba.

MTN WECA

Service revenue increased by **13.5%**

Data revenue increased by **24.7%**

Voice revenue increased by **0.9%**

Digital revenue increased by **7.8%**

EBITDA increased by **22.8%**

Capex of **R21.8bn** on IFRS 16 basis (R10.8bn ex-leases)

Fintech revenue increased by **28.6%**

EBITDA margin decreased by 3.0pp to **40.8%**

EBITDA increased by 39.6%* YoY, with the margin increasing by 1.9pp to 58.4%*, due to the top-line growth and ongoing efficiencies. There was a benefit to the EBITDA performance from reversing provisions relating to the TMTA agreement, which was only renewed in December 2023. Adjusting for this, would result in an EBITDA margin of 56.1%*.

MTN Côte d'Ivoire has had a tough year with a stable service revenue outcome (up marginally by 0.1%* YoY). The regulatory environment remained challenging, exacerbated by increased price-based competition in the market.

The result was negatively affected by a decline in voice revenue (down 6.1%*) in the market driven by the removal of the pricing framework by the regulator in April 2023, which led to price dilution. Data revenue growth also slowed (up 10.1%*) due to longer lead times in network rollout arising from tower lease contract renewals and equipment logistics bottlenecks.

Fintech revenue increased by 0.8%*, impacted by lower monthly active users (MAU) (down 29.3% to 4.8 million). This was due to interventions to clean up the user base. More encouragingly, development of the overall ecosystem remained steady with transaction volumes up by 18.0% to 1.1 billion.

More broadly, price repair initiatives in the sector are key focus in Côte d'Ivoire, with engagements underway with relevant authorities in the country. These discussions, along with aggressive commercial interventions, are anticipated to drive a steady recovery of the business over time.

MTN Côte d'Ivoire's EBITDA margin declined slightly by 0.2pp* to 32.9%*, reflecting the macroeconomic and competitive pressures on the business. The impacts were mitigated by expense efficiencies realised in the year.

MTN Cameroon reported solid service revenue growth of 10.9%* and maintained leading market share in a challenging and highly competitive environment. CVM initiatives continued to drive solid growth in data (up 20.1%*) and fintech (up 25.4%*) revenue, despite increased pricing competition in the market. The EBITDA margin for MTN Cameroon improved by 2.2pp* to 37.8%*, driven by strong top-line growth and expense efficiencies.

WECA reported a 22.8%* increase in EBITDA and a blended EBITDA margin of 40.8%*, up by 3.0pp*. Excluding MTN Ghana, the WECA markets reported a 1.3pp* increase in the blended EBITDA margin to 30.8%*.

Operational performance summary continued

Middle East and North Africa (MENA) region

The difficult trading conditions in the MENA region affected service revenue, which fell by 8.7%* YoY. Excluding MTN Irancell, the overall subscriber base fell by 23.3% to 11.6 million and the number of active data users fell by 30.2% to 3.6 million.

MTN Sudan's service revenue decreased by 12.3%* YoY. The situation in the country remained volatile in 2023 given the ongoing conflict in the country and high inflation. As a result, EBITDA margin declined by 21.7pp* to 30.6%*. These effects were mitigated by revenue recovery initiatives, which were supported by expense efficiency measures as well as the restoration of the network where it was safe to do so.

MENA reported a blended EBITDA margin of 29.5%*, down by 12.2pp*, mainly affected by the conflict in Sudan.

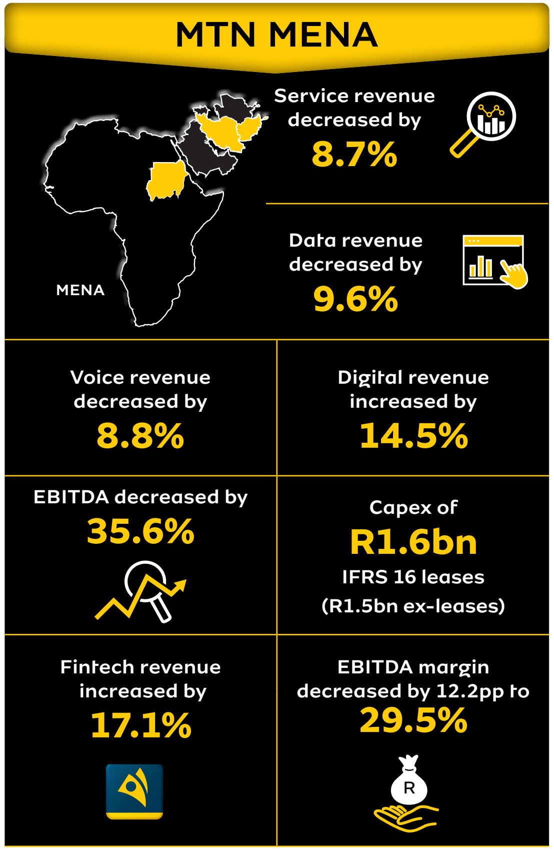
Associates, JVs and investments

Telecoms operations

MTN Irancell, our equity-accounted JV, delivered service revenue growth of 34.5%*, supported by increased data usage. Solid data revenue of 15.9%* was supported by a 9.8% increase in usage, higher effective pricing and a 6.1% increase in active data subscribers. The EBITDA margin declined by 0.5pp* to 41.1%* due to opex pressures as a result of currency depreciation.

E-commerce investments

The **Iran Internet Group** continued its strong performance in the 12 months to December 2023. Ride-hailing app, Snapp remained the market leader, ranking among the top ride-hailing apps globally and reaching 4.7 million daily rides compared to 3.7 million rides in 2022. Last-mile delivery service, Snappbox also remained the market leader with revenue up 97% YoY and daily orders increasing by 28% YoY to almost 390k. Food delivery app, Snappfood grew revenue by 94% YoY and remained the largest player in the country.



Audit Committee Chair's review

"In an evolving and complex landscape across multiple jurisdictions, safeguarding MTN's assets is paramount. Continuing to enhance our financial stewardship is key. We aim to elevate the maturity of our disclosures, ensuring transparency, accuracy and reliability."

Key features of 2023

In addition to the standing items on our annual agenda, we:

- Monitored progress on implementation and standardisation of key controls to further enhance the overall control environment. This included understanding finance operating model's maturity levels; developing an internal control framework; launching an initiative to optimise control processes in six Opcos; and fast-tracking implementation of cloud enterprise resource planning (ERP).
- Strengthened effectiveness of internal controls and internal financial controls.
- Considered management's assessment of identified accounting matters and evaluated AFS restatements, as well as disclosure and related stakeholder engagement. Reviewed root cause analysis as well as corrective actions to mitigate risks in future.
- Provided oversight and guidance on salient matters reported quarterly by audit committees of Group Opcos.
- Reviewed progress on implementation of enterprise cloud solution across Group's footprint.
- Considered ERP set-up and readiness for the implementation of UAE corporate tax.
- Reviewed internal audit and forensic services governance structures, approving their separation.

Key focus areas for 2024

In addition to our annual statutory and governance responsibilities, we shall:

- Consider the potential benefits of robotic process automation for key finance processes and controls.
- Continue to review the implementation of the enterprise cloud solution, the delivery of additional functionality, enhancements to platform performance management and incident resolution and the decommissioning of some legacy platforms.
- Ensure continuous improvement of the separate governance structures for Group Fintech and Bayobab, and enhancements to the related risk and control and compliance capabilities.
- Enhance specialised finance skills across the Group and strengthen centres of excellence of key finance functions.
- Strengthen internal controls to avoid future restatements due to error.

Note: For details of the committee's work in 2023, see the full audit committee report in the AFS.

Chair
Sindi Mabaso-Koyana
CA(SA)

Members	Meetings Scheduled	Meetings Special
Sindi Mabaso-Koyana	4/4	5/5
Noluthando Gosa	4/4	5/5
Nosipho Molope^	4/4	4/5
Tim Pennington	4/4	5/5
Vincent Rague#	4/4	3/5

All members are independent non-executive directors.

Special meetings are scheduled on an ad hoc basis and at short notice to address urgent matters. Due to the nature of these meetings, it is not always possible for all directors to attend.

By invitation: Chair of the Audit Committee, Group President and CEO, Group Chief Financial Officer, Group Chief Risk Officer, Group Chief Operating Officer and the external auditor.

Mandate:
The committee assists the Board in discharging its duties by independently monitoring the strength of the operational, financial and control processes. These include internal financial controls and ensuring that assurance services and functions enable an effective control environment and that these support the integrity of information produced in compliance with applicable legal and regulatory requirements.

Finance and Investment Committee Chair's review

"The committee reviewed a large number of significant transactions, major contracts and financing transactions. The committee diligently challenged management and was able to report and recommend to the Board around the various matters considered, enabling the Board to fulfil its oversight of the strategic execution of the Group."

Key features of 2023

- Considered and approved:
  - Fintech strategic investment by Mastercard of up to US$200 million.
  - Disposal of MTN Afghanistan.
  - Renewal of tower contracts approaching expiry.
  - Acquisition of spectrum assets.
  - Renewal of fintech system contract.
  - Proposals for additional capital investment and operational expenditure where it exceeded approved budgets.
  - The medium-term funding strategy.
  - The investment framework including the criteria for the application of WACC across the Group.
- Provided oversight on:
  - Middle East market exit process.
  - Smaller markets exit process.
  - Various localisation share transactions.
  - Various market consolidation opportunities.
  - Various new market opportunities.
  - Structural separation process.
- Ensured all the opportunities considered followed a strict financial criteria and risk assessment in line with our disciplined capital allocation framework.

Key focus areas for 2024

+ Remain committed to our disciplined capital allocation framework.
+ Consider selective M&A and business development opportunities, aligned to our investment case, as well as strict risk and financial criteria.
+ Review and approve the Group funding plan.
+ Oversee:
  - The setup of the Group fintech holding company and its work to secure strategic partners to support the accelerated growth of the business
  - The case for new market expansion opportunities
  - The case for in-country market consolidation opportunities.
  - Further Opco licence renewals.

Chair
Tim Pennington

Members	Meetings: Scheduled	Meetings: Special
Tim Pennington	4/4	3/3
Noluthando Gosa	4/4	3/3
Sindi Mabaso-Koyana	4/4	2/3
Lamido Sanusi	4/4	3/3
Nosipho Molope	4/4	2/3

All members are independent non-executive directors.

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By invitation: Chair of the Audit Committee, Group President and CEO, Group Chief Financial Officer, Group Chief Risk Officer, Group Chief Operating Officer and the external auditor.

Mandate:
The committee was constituted to assess all investment cases against a predetermined set of criteria to ensure the viability and feasibility of the investment. The focus is assessing the key risks and returns, applying the appropriate capital allocation, and ensuring necessary mitigation controls are implemented. This includes requirements for capital expenditure, funding strategies and M&A activities.

Our *Ambition 2025* strategy

Three years into the execution of our *Ambition 2025*, we are still driven by our intent to lead digital solutions for Africa's progress by harnessing the power of MTN – our leading brand, broad presence and skills, connectivity infrastructure and technology platforms.

Strategic intent: *Ambition 2025* 'Leading digital solutions for Africa's progress'

Build the largest and most valuable platforms

We are building the largest and most valuable platforms and creating a marketplace that supports cashless and digital economies through affordable, inclusive, understandable and comprehensive financial services.

Our platforms are the drivers of innovation and growth. Some will be structurally separated as they scale within different regulatory domains, unlocking and crystallising shared value for all stakeholders.

Drive industry-leading connectivity operations

In our connectivity business, we are focused on protecting the voice segment through integrated bundle offerings; doubling consumer mobile data; owning the home; being the leading FibreCo in Africa; and achieving a step change in efficiencies and service levels.

We aim to provide increased access by reducing the cost to communicate and advancing digital inclusion.

Create shared value

Creating shared value is integral to the sustainability of our business and our markets. MTN's strategy is premised on our belief that we have a genuine opportunity to play a positive and meaningful role in creating a sustainable and inclusive world.

Accelerate portfolio transformation

There are three elements in our work to accelerate portfolio transformation. The first is executing on the ARP and deleveraging the balance sheet. The second is to continue to exit the Middle East in an orderly fashion, allowing us to simplify the business. The third is to reveal the value in fintech and the fibre infrastructure assets.

Ambition 2025 targets

Fintech
- ▷ 100m MoMo users
- ▷ High 20% to low 30% fintech service revenue growth

Digital including ayoba
- ▷ 100m ayoba users

Enterprise services revenue
- ▷ R30bn

NaaS
- ▷ Secure more roaming deals

Chenosis
- ▷ Leading developer accelerator platform across Africa

Data
- ▷ 200m active users

Voice
- ▷ 300m subscribers

OTH
- ▷ 10m home users

FibreCo
- ▷ Fibre footprint >- 135 000km

Doing for planet
- ▷ Net Zero by 2040

Doing for people
- ▷ 95% broadband coverage

Doing it right
- ▷ 75% Reputation Index Survey score

Doing for growth
- ▷ R159bn contribution

ARP
- ▷ ARP proceeds >R25bn

Portfolio transformation
- ▷ Orderly exit from the Middle East

Reveal value of assets
- ▷ Separate FibreCo and fintech infrastructure

Relevant capitals

Natural | Financial | Intellectual | Human | Manufactured | Social

Relevant material matters

MM 1 | MM 2 | MM 3 | MM 4 | MM 5 | MM 7 | MM 8 | MM 9 | MM 10

Our strategic performance dashboard

In 2023, we accelerated the execution of our *Ambition 2025* strategy to shape the MTN of tomorrow.

Our KPIs are used to measure our performance aligned to our four strategic priorities. Although our strategic priority targets are for 2025, executive remuneration is dependent on delivery every year against annual goals towards achieving these 2025 KPIs. For more information, see pages 102 to 143 in the Remuneration Report.

Strategic priority / Objectives	How we measure success – *Ambition 2025*	Performance 2022	Performance 2023
Build the largest and most valuable platforms (pg 72)			
Pivot from 'product' to 'platform' play	300m subscribers	290m	**295m**
	200m data users	137m	**150m**
	100m MoMo users	69.1m	**72.5m**
	100m ayoba users	21.7m	**35.8m**
	High 20% to low 30% growth in fintech service revenue	8.9%	**10.0%**
	NaaS – secure more roaming deals	Roaming deals – Cameroon, Ghana	**Roaming deals in eight countries**
Drive industry-leading connectivity operations (pg 80)			
Doubling of consumer mobile data	200m active data users	137m	**150m**
Own the Home (OTH)	10m homes	2.4m	**3.8m**
Leading FibreCo in Africa	Fibre footprint >135 000km	~105 000km	**114 000km**
Digital transformation | Step change in efficiencies and service levels	>R5bn of expense savings off 2020 base	R2.7bn of savings in 2022, R6.4bn since 2020	**R2.6bn (vs R1.5bn target for FY 2023)**
Create shared value (pg 86)			
Step change in ESG positioning of the Group	Top quartile ESG ratings	Improving	**Improving, refer to page 87**
Broad-based ownership and inclusion across markets	Localisations:		
	– MTN Nigeria (localise 35%)	–	**–**
	– MTN Ghana (localise 30%)	1.2% sold	**–**
	– MTN Uganda (localise 20%)	–	**–**
	– MTN Rwanda	–	**–**
	aYo partnership	50% sold	**–**
Sentiment shift through stakeholder management efforts	MTN reputation >75%	79.6 %	**79.5%**
Continuous growth in contribution to society	Continue to contribute to society	~R149bn	**R159bn**
GHG emissions	~50% average reduction target by 2030 and Net Zero emissions by 2040	~13.9%^	**~13.1%†**
Broadband coverage	95% broadband coverage by 2025	88%	**89.2%**
Diversity and inclusion	50% female representation by 2030	40%	**40%**
Accelerate portfolio transformation (pg 88)			
Execute on ARP and reduction of leverage	ARP proceeds >R25bn	• R12.0bn gross proceeds in 2022; ~R19bn# since March 2020.	• Agreed to sell MTN's equity interests in MTN Guinea-Bissau and MTN Guinea-Conakry subject to conditions precedent.
Middle East exit	Orderly exit from Middle East	• Signed sales and purchase agreement (SPA) for sale of MTN Afghanistan.	• In early 2024 we finalised the sale of MTN Afghanistan.
Reveal value of infrastructure assets and platforms	Fintech I fibreco separation	• Completed fintech inter-company agreements. • Progressed work on fibre asset separation.	• Mastercard agreed to invest US$200m for 4% of MTN Group Fintech. • Progressed work on fibre separation.

^ Excluding South Africa which was impacted by loadshedding.
# ARP includes gross proceeds relating to Nigeria preference share redemption (R154m), Content Connect Africa (R9m), Jumia (R2 316m), Zambia localisation (R200m), BICS exit (R1 830m), Uganda localisation (R2 271m), Nigeria IPO (R4 228m), MTN SA Tower sales (R6 364m), Ghana localisation (R708m) and aYo (R680m).
~ Approximately US$25 million on a discounted basis.
† 41.8% including MTN South Africa.

Key:
Achieved annual targets
In progress

Our strategic performance

Build the largest and most valuable platforms

Fintech

In 2023, a key highlight was concluding an agreement for payment network processor Mastercard to invest up to US$200 million for a minority stake in MTN Group Fintech at a valuation of US$5.2 billion.

Sub-Saharan Africa growth opportunities through driving financial inclusion^

>65% Unbanked or underbanked in sub-Saharan Africa

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

~4% Adult population has access to formal credit

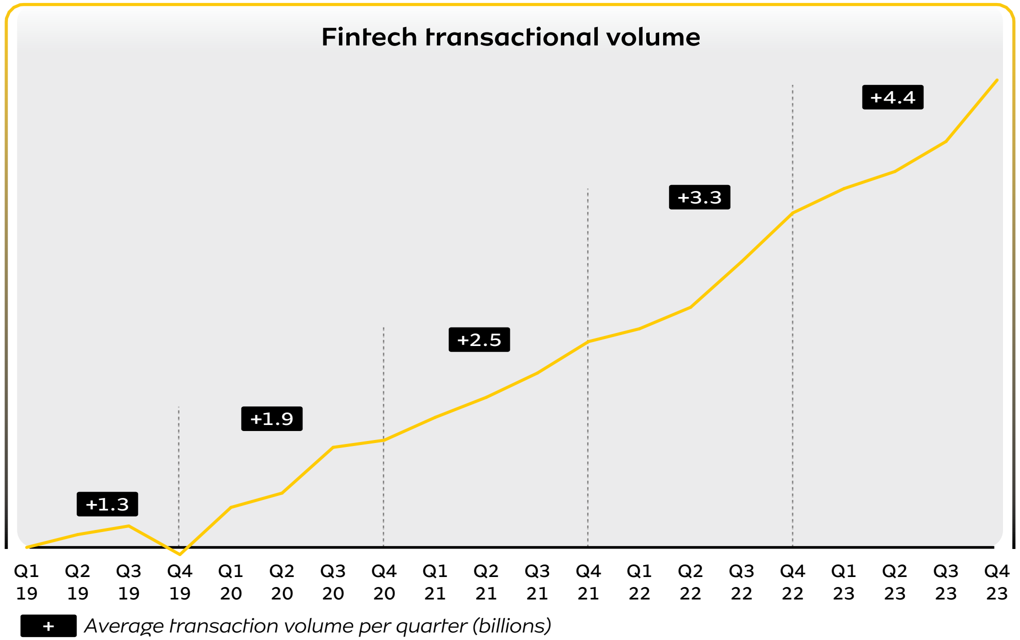
~3% Insurance penetration

>90% Of payments are still in cash

Unique MTN assets to leverage the opportunity

- Comprehensive understanding of user needs in Africa
- Multi-channel access to large user base
- Established agent presence in key markets
- Scaled fintech ecosystem
- Unique Experience and People combination in key industries

Structural demand for fintech services continues to grow



Our growth levers

- Acquisition of new customers
- Customer retention and loyalty programmes
- Product innovation
- Expand partnerships (non-exclusive)
- Geographic expansion

^ Sources: CB Insights; Fitch Solutions

Our strategic performance continued

Build the largest and most valuable platforms continued

Fintech

Performance in 2023

Group fintech revenue **+21.8%***

US$272.1bn transaction value
+47.4%*

17.6bn transaction volumes
+32.2%

Our offerings

Wallet
The wallet remains our core and has allowed us to leapfrog and drive advanced financial services through our other verticals.

Payment and e-commerce
Our ecosystem grew strongly as we leveraged our consumer and merchant footprint.

Remittance
Growth was driven by more active corridors as well as focused marketing efforts and improved customer experience. We launched international remittance services in South Africa and Nigeria, providing a low-cost and real-time transfer service that enables customers to share in the benefits of formal financial services.

BankTech
We capitalised on our scaled mobile wallet business, rich data and customer footprint. Uganda and Ghana were the key drivers of performance with strong growth in loan users.

Insurtech
aYo, within our strategic alliance, reported 6.1%* growth in revenue, driven by our focus on higher average revenue per policy, products with improved margins and new revenue streams. We are working to enable expansion into new markets and long-term sustainable growth. In South Africa, the partnership delivered pleasing growth in device insurance.

1.3m active agents
+5.4%

2.1m active merchants
+42.5%

US$16.1bn value of merchant payments
+46.1%

US$3.3bn value of remittances
+44.4%

US$1.9bn loans disbursed
+66.0%

4.1m active aYo policies
-4.7%

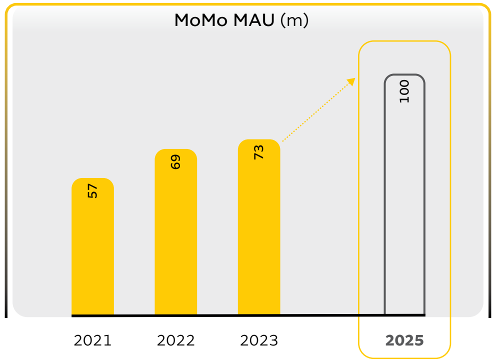
Strategic partnerships

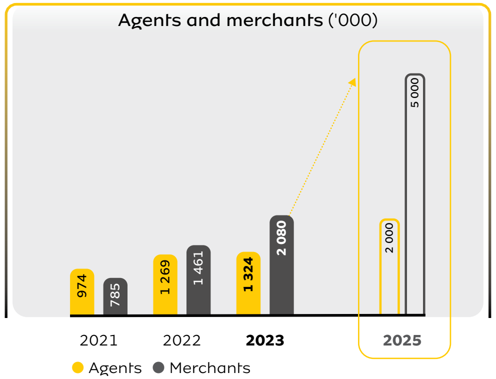
Doing more in 2024 (in the short term) ST

- Distribution transformation.
- Signed a renewed scope for partnership with Ericsson.
- Signed Mastercard commercial agreements.
- Empowered more businesses through OpenAPI to assist with bill payments and other collection services.
- Facilitated 644m OpenAPI transactions from over 2k partners
- "As-a-service" capabilities launch in key operations
- Expanded our lending partnerships

Doing more over the medium term MT

- Deploy full MoMo product offering and grow ecosystem in Nigeria
- Grow adoption of advanced services across the footprint
- Diversify payment use cases and services through MoMo API
- Continue roll-out of MoMoAdvance for consumers, agents and merchants
- Roll-out virtual card, powered by Mastercard partnership
- Continue piloting e-commerce operations in Uganda, Ghana, and Ivory Coast
- MoMoApp focus with MoMo becoming OTT (over-the-top)





Our strategic performance continued

Build the largest and most valuable platforms continued

Digital

The Digital business is building up MTN Group's content inventory of gaming, video on demand, and music. This content will then be linked through various MTN channels, such as ayoba and MoMo to reduce churn, manage our base and create loyalty. In this way we will be better able to monetise our offerings.

Africa's digital context and opportunity

Service penetration levels	Instant messaging apps	Subscription video-on-demand portals	Using music streaming	Online gaming
Sub-Saharan Africa	18%	0.3%	5%	7%
China	73%	63%	18%	26%
United States of America	66%	79%	37%	22%

Performance in 2023

Increased digital revenue by
10.0%*
to R3.5 billion, driven by Nigeria.

Gaming and Video grew by
26.8% and **30.8%**
respectively.

Expanded our digital services portfolio with partnerships such as Apple Music in Nigeria, Disney+ and Showmax in South Africa.

Focused on gaming, with the launch of MTN Gameworld, a Gameloft offering in Ghana, Côte d'Ivoire following South Africa and Nigeria.

Doing more over the medium term MT

- Enhance Play with super aggregator attributes.
- Launch new verticals and innovation play (e.g., Education, health, Home Security, Home Energy).
- Launch MTN TV to support fixed offers; launch MTN Studios.
- Investigate potential M&A opportunities.

Our strategic performance continued

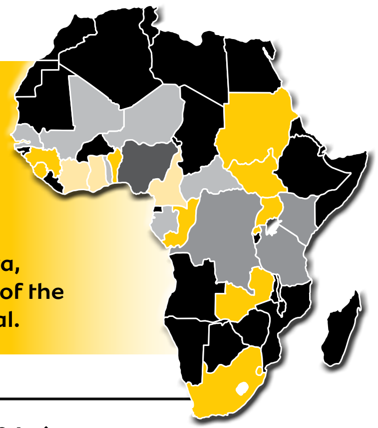
Build the largest and most valuable platforms continued

ayoba

ayoba, our instant messaging super app, is one of the key channels through which we disseminate our digital services. Through the ayoba platform, we are able to give users across Africa an ecosystem of digital services and content through its channels, micro-apps and embedded payment solutions.

Performance in 2023

- **The introduction of improved communication tools, combined with a mix of top-notch global and local content spanning music, channels, games and services, resulted in a significant increase in user engagement.**
- **In 2023, significant progress was made in testing and implementing strategies for generating revenue, promoting products, and forming collaborations.**



ayoba has grown its MAU base in countries where MTN does not have GSM operations, highlighting its ability to expand as an over-the-top (OTT) service, particularly in regions like Kenya, Tanzania, Democratic Republic of the Congo (DRC), Egypt and Senegal.

Doing more in 2024 ST

- Focus on platform enablers, communication capabilities for businesses and features to facilitate platform monetisation.
- Scaling digital advertising is the key driver behind revenue growth in 2024.
- To accelerate growth and platform development, bringing in strategic partner(s) will be prioritised.

Doing more over the medium term MT

- Reach 100m active ayoba users by 2025.
- Launch of zero rated display advertising network across the continent, with new formats and positionings
- Expansion of territories in Africa

Launch of new gaming offering with MTN
- Inclusion of MTN Play across the continent
- Boost content offering with strong partnerships
- Focus on Platform offerings and revenue opportunities such as monetised APIs

35.8m active monthly users

303 124 average active monthly micro-app users

23 languages supported

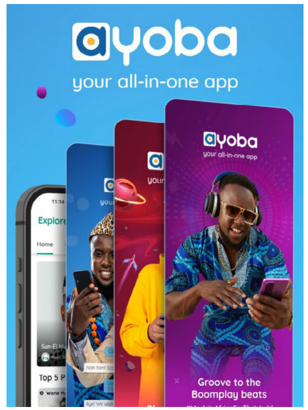
469 805 average monthly active gaming users

17 live markets

1 364 916 average active monthly channel users

MAU in top MTN markets (total 24m):

- Nigeria: **8.6m**
- Cameroon, Côte d'Ivoire, Ghana: **~3m**
- South Africa, Uganda, Zambia, Benin, Congo-Brazzaville, Sudan, South Sudan, Guinea-Conakry, Liberia, Rwanda, Eswatini: **0 – 2m**



MAU in top non-MTN markets (total 6m):

- DRC, Kenya, Tanzania: **2-3m**
- Other non-MTN markets: **3m+**

Our strategic performance continued

Build the largest and most valuable platforms continued

Enterprise services

MTN's Enterprise business strategy, centred on driving the adoption of enterprise platforms, is bolstered by the Group's emphasis on converged services solutions and platform transformation. Our Centre of Excellence, founded in 2021, is focused on enhancing capabilities in converged ICT solutions to further support our customers' digital transformation efforts and deliver added value.

Market opportunity
The addressable market has increased significantly since 2021, with ICT outpacing the traditional core services.

Connectivity ~R500bn^

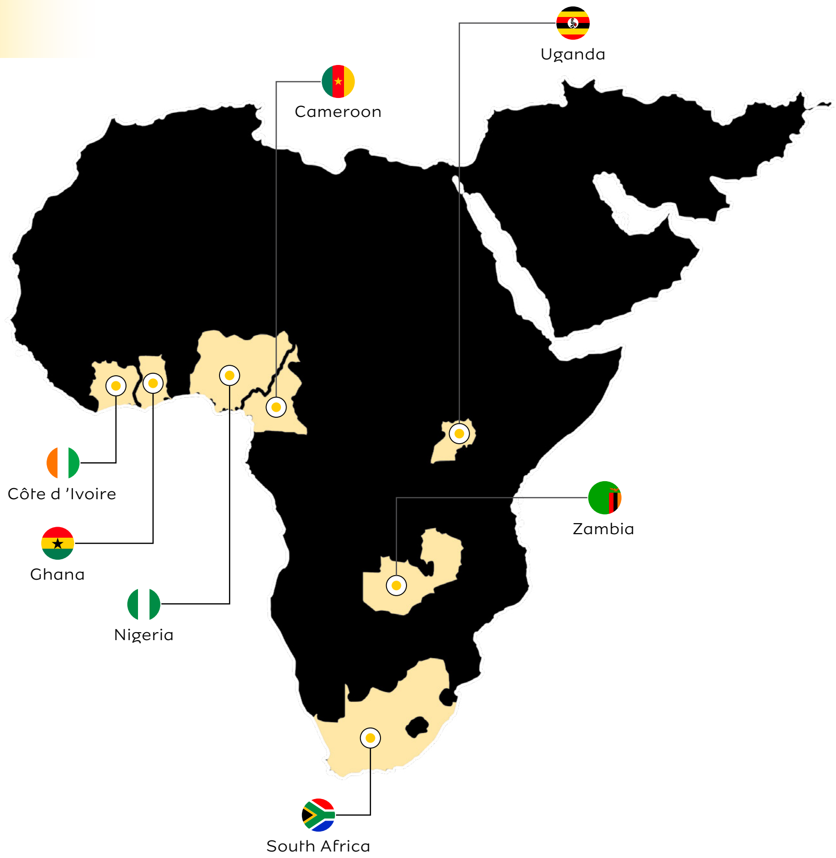
Connectivity market sizing to 2025 (CAGR 2020-2025)

CAGR 2020-2025	Fixed	Mobile
	R227.2bn	R272.3bn
	1%	7%

ICT ~R733bn^

ICT market sizing to 2025 (CAGR 2020-2025)

CAGR 2020-2025	Internet of Things	Cloud	Security	UCC
	R263.2bn	R243.2bn	R114bn	R112.2bn
	15%	23%	10%	14%



Sources: IDC and McKinsey MTN contracted research
^ Cumulative market size for 2020-2025 for our top six markets.

Our strategic performance continued

Build the largest and most valuable platforms continued

Enterprise services continued

Performance in 2023

Our emphasis on strategic initiatives and platform transformation, particularly in the realm of converged services solutions, was instrumental in achieving double-digit revenue growth.

Enterprise revenue up by

23.4%*

- South Africa up 15.9%
- Nigeria up 45.3%*

Revenue contribution by service:

- Mobility 79%
- Fixed and MNS 16%
- ICT 5%

90%*

of revenue generated in top seven markets

Top customers

ABInBev

momentum
METROPOLITAN

UNITED NATIONS

Doing more in 2024 ST

- Accelerating the development of Converged Services to secure a larger share of the ICT market.
- Enhancing customer acquisition and retention in the SME sector.
- Deploying and expanding converged solutions that integrate Core Mobile and Fixed Services.
- Maximising digital transformation for SMEs, driving their growth and ours.
- Leveraging our private network and 5G capabilities to deliver industry-specific solutions.
- Refining our product offerings and distribution channels for optimal market penetration.
- Broadening our partner network to extend our enterprise reach and capabilities.
- Cultivating a high-performance culture that fosters collaboration and innovation.
- Maintaining our commitment to customer satisfaction and delivering exceptional value.
- Tracking and executing strategic initiatives with precision and focus.

Doing more over the medium term MT

- Continuing the execution of strategic initiatives aligned to EBU ***Ambition 2025*** strategy that drive our vision forward.
- Accelerating maturity with state-of-the-art operating models, frameworks and controls.
- Boosting brand visibility and strengthening our position in the enterprise space through targeted marketing efforts.
- Streamlining business processes and reducing costs by embracing digitisation and AI technologies.
- Collaborating with key stakeholders to fuel growth and expand our market presence.
- Transforming our operating model as we evolve from a traditional Telco to a Techno-centric business unit, shifting from product-focused to solution-oriented offerings.

Our strategic performance continued

Build the largest and most valuable platforms continued

NaaS

MTN's NaaS strategy is focused on utilising our robust infrastructure to enhance value and support the telecommunications industry in our markets. In South Africa, MTN SA has taken the lead in national roaming revenue, with plans for expansion in other key markets.

Performance in 2023

- Recognised ~R3.7bn in revenue from national roaming agreement and MVNOs South Africa.
- Continued to steadily scale roaming deal in South Africa and expanded to other countries.
- Implemented national roaming in eight countries, with ~20% roaming traffic carried on MTN's network increasing month on month.

Doing more over the medium term MT

- Exploring other markets for NaaS and strategic group engagements with other MNOs.
- Proactive and collaborative engagement with regulators - jointly with other MNOs - to drive problem solving.
- Pursue NaaS opportunities as mitigation to unfavourable economic conditions ensuring capex and operating efficiencies.
- Spectral efficiencies and access additional capacity in some of our markets will remain a focus for NaaS.
- Intend to build out NaaS further than national and active radio access network sharing into passive and transmission opportunities and other platforms.

[1] MVNO deals tracked separately.
[2] Acquired by Telecel.

Market opportunity across our footprint

~R10-20bn

Our strategic performance continued

Build the largest and most valuable platforms continued

Chenosis – developer accelerator platform

Chenosis is Africa's first cross-industry developer accelerator platform serving developers across start-ups, SMEs, enterprises and the public sector. We provide a single platform to create, publish, discover and subscribe to APIs from across the continent and will evolve to offer many additional capabilities.

Chenosis in 2020

- Conception.
- Announcement.
- Platform development.

Chenosis today

- Revamped leadership team for commercialisation.
- Commenced monetisation through strategic partnerships.
- Grew quarterly revenue across Africa.

Ambition 2025

- Multiple platform offerings.
- Leading developer accelerator platform across Africa.
- A leading contributor to GSMA Open Gateway initiative.

Our strategic performance continued

Drive industry-leading connectivity operations

In our connectivity business, we are leveraging our substantial subscriber base of 295m to further accelerate consumer mobile data; protecting the voice segment through integrated bundle offerings; owning the home; being the leading FibreCo in Africa; and achieving a step change in service levels. We aim to provide increased access through reducing the cost to communicate and advancing digital inclusion.

We drove industry-leading connectivity operations with:

R82.9bn
voice revenue +3.3%
(6.3%* excluding MTN SA – a mature voice market)

+17.5%
voice traffic
(excluding JVs)

+26.3%
data traffic

Expanded our fibre footprint to include
~114 000km
proprietary-owned fibre

New fixed connectivity infrastructure deals valued at
US$24.4m
secured

R84.0bn
data revenue
+23.0%*

+149.7m
active data users +9.3%
(+10.2% excluding JVs)

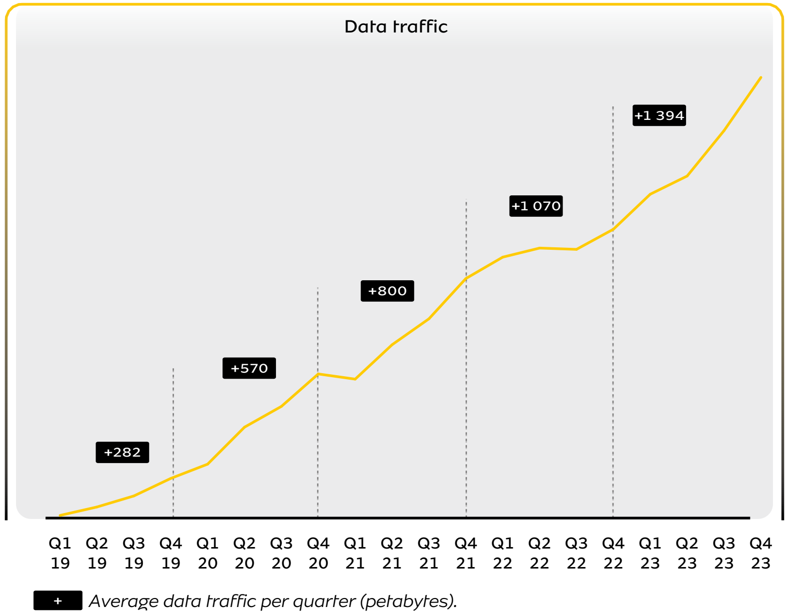
Our strategic performance continued

Drive industry-leading connectivity operations continued

Data

Data is the single largest structural growth opportunity and was the biggest source of revenue for MTN in 2023. Our data-driven approach and network modernisation has enabled strong subscriber growth and higher data usage since the pandemic.

Our investment case and medium-term growth outlook are underpinned by structural demand.



Our CHASE framework, introduced in 2018, guides us in overcoming the five key barriers to mobile internet adoption: coverage, handsets, affordability, service bundling, and education and ease of access.

Coverage
Ensure sufficient and affordable data coverage in rural and low-income areas

Handsets
Increase affordability and access to data-enabled devices

Affordability
Increase data services affordability

Service bundling
Create service offerings that are relevant, simple and meaningful to customers

Education and ease of access
Enhance digital literacy and ease with which data can be accessed

Our strategic performance continued

Drive industry-leading connectivity operations continued

Performance in 2023

Coverage

Site rollout

3G: **3 317** (2022: 3 498)
4G: **5 326** (2022: 7 993)
5G: **2 251** (2022: 1 570)

Increased coverage

3G: **+10.6 million** people
4G: **+32.3 million** people
5G: **+46.2 million** people

Population coverage (%)

2G = **92.42%**
3G = **87.74%**
4G = **78.86%**
5G = MTN SA **35.5%** and MTN Nigeria **11.25%**

Handsets

Smartphone penetration

Group: 183.3 million
62.6% penetration
SA:
84.90% penetration

Nigeria:
55.6% penetration
Ghana:
63.80% penetration

Device financing to Nigeria, South Africa, Uganda, Ghana, Côte d'Ivoire, Cameroon, Rwanda through various partnerships.

Affordability

Reducing costs of communication

Reduced effective data tariff by approximately **17%.**

16 of our markets are within the UN recommended affordability range within the UN's affordable internet usage target, with price of 1GB of mobile broadband data costing 2% or less of gross national income per capita

Service bundling

Data usage

26.3%
increase in total data use
(8.8GB per user per month)

Competitive integrated voice and data-centric plans

Education and ease of access

Education

Educated over 15.7m people on digital literacy

Extended MTN Data-smart programme to four markets

Doing more over the medium term MT

- Reach 200 million active data subscribers.
- Grow data to contribute 50% to MTN Group's total revenue.
- Expand device financing initiatives to new markets.
- Accelerate CHASE framework to support transition from voice to data and close the data usage gap to reach broadband population coverage of 95%.
- Drive industry engagement to reduce handset costs.

Our strategic performance continued

Drive industry-leading connectivity operations continued

Voice

Unlike the developed world, in many of MTN's developing markets demand for voice services continues to grow. As the demand for data continues to grow, voice services still play a key role in generating revenue for the Group by serving as a crucial lifeline for customers in areas with limited data coverage. At MTN, we are dedicated to providing everyone with the benefits of a modern connected life, which is why we are continuously committed to improving network quality and implementing enhanced customer value management strategies.

Performance in 2023

Achieved **295m** subscribers

-18.2% **voice tariff decrease in 2023**

Grew our voice user base by **+2.0%** YoY, despite SIM regulatory challenges across some of our key markets

- **Managed voice substitution risk** by accelerating integrated bundle penetration across our base 2023: 20.2% | 2022: 17.9% | 2021: 16.5% and giving our customers more voice value.

The Voice USME strategic framework is pivotal in ensuring we protect voice revenues across our footprint

U – Voice **U**ser growth

Voice user subscriber growth grew to 295 million in 2023

S – Voice **S**ubstitution risk

We managed the risk by increasing the penetration of customers consuming Integrated bundle ~20% of the subscriber base

M – Proactive **M**TR management

We managed mobile termination rates by following clear benchmark guidelines from regulators

E – Voice **E**lasticity

Continued to scale innovative voice solutions that stimulate usage across our footprint

Doing more in 2024 ST

- Targeting 300m subscribers by 2025

Doing more over the medium term MT

- Continue to drive increased integrated bundle penetration percentage across our base
- Defend and grow our share of wallet through CVM initiatives and segmented customer propositions.
- Close monitoring of voice pricing initiatives both above the line and below the line to ensure stability of voice effective rates across our footprint, particularly where inflation is high.

Our strategic performance continued

Drive industry-leading connectivity operations continued

Own the Home

Our ambition continues to garner momentum as we leverage the home segment in key markets, targeting 10m homes by 2025. We aim to capture the opportunity through a portfolio offering that covers different technologies of mobile broadband, 5G fixed wireless access and fibre, and customer needs.

Performance in 2023

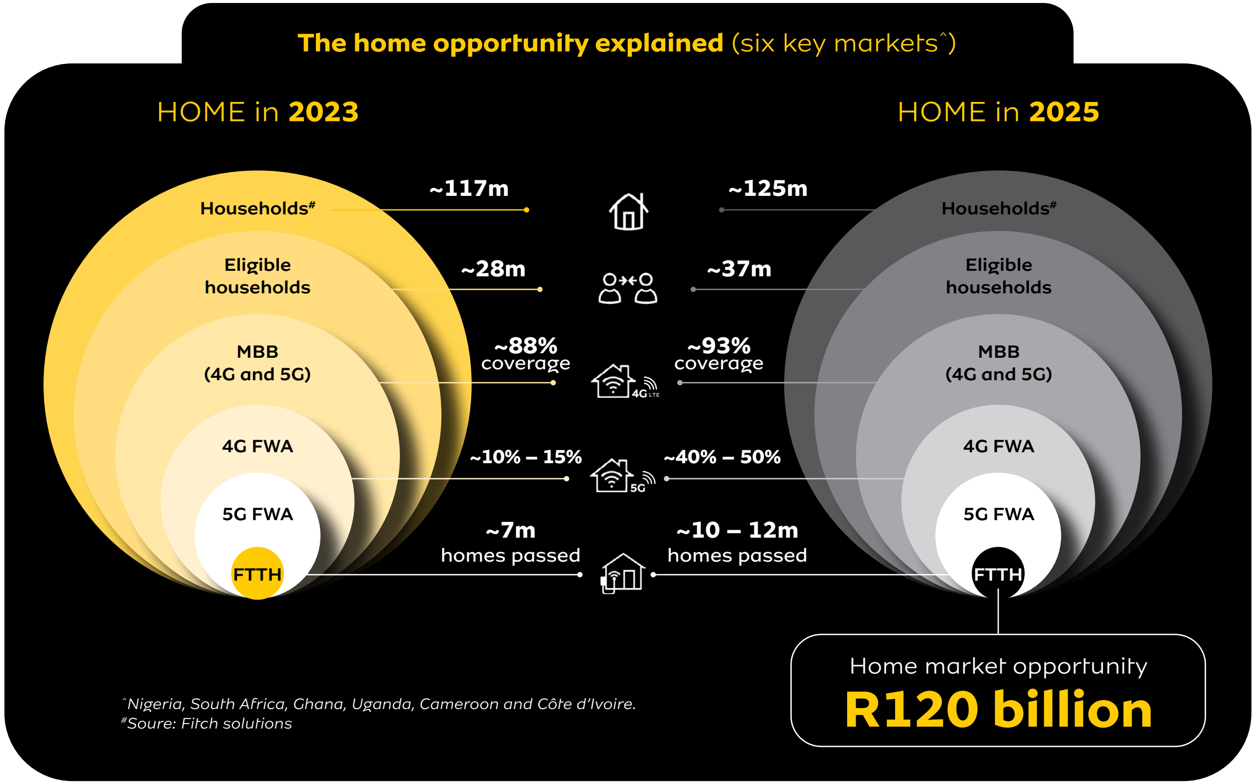
- ~1.4 million incremental subscribers were added to the base – reaching 3.77 million MTN home subscribers.
- MTN Nigeria accelerated growth through sales channel and sales force expansion with new demand for FWA/FTTH peaking in Q4 2023 at ~87,000.
- Data consumption per home in Nigeria exceeded 430 GB for FTTH and ~88 GB for FWA.
- The investment into the 5G network in MTN SA, is paying dividends with ~20% of new home customers on 5G, using ~230Gb per month.
- MTN SA's launch of a new product portfolio focused on Residential led to a growth of ~70% in postpaid fixed wireless access subscribers in 2023.

~1.4m
Incremental subscribers added to the base – reached 3.77m MTN home subscribers

In Nigeria, new demand for FWA/FTTH peaked at
87 000
in Q4 2023

Doing more over the medium term MT

- Extend fibre deployment to the home networks in our top six markets.
- Increasing deployment of homes passed, yielding input costs benefits.
- Dedicated home teams in the operating companies and use of smart planning tools for fixed broadband acceleration.
- Tailored propositions to address customers' use cases for fixed broadband, while addressing reliability and affordability.
- Drive home portfolio adoption in the markets leveraging fixed-mobile convergence to protect and grow the MTN high value base.
- Tailored market strategies due to differing market dynamics and conditions around home density, availability of spectrum and reserve capacity.



Our strategic performance continued

Drive industry-leading connectivity operations continued

Leading FibreCo in Africa

Bayobab is a next-generation services company connecting Africa with digital solutions. Through an open-access business model tailored to industry trends, we serve as a gateway for massive data traffic, catering to MTN Opcos and a global client base. By integrating the Bayobab Fibre network and Bayobab Communication Platforms, the ecosystem facilitates secure and scalable global traffic within Africa and beyond.

Performance in 2023

External revenue grew by
8.1%
YoY to US$372.3m

Launched over
6.8k
roaming services

First provider across Africa to become a telecom business solution provider for *'WhatsApp for business'*

- Took an important step in our evolution by unveiling a new name and positioning, Bayobab, replacing MTN GlobalConnect and made up of two distinct businesses, Bayobab Fibre and Bayobab Communication Platforms.
- Advanced work to structurally separate the business, with engagements to secure regulatory clearances in key markets.
- Partnered with Africa50 to develop Project East2West, a terrestrial fibre optic cable network to help bridge Africa's connectivity gap by improving broadband access for the continent's landlocked countries.
- Acquired the fibre network of MTN Zambia.
- Added new fibre operating licence in Uganda, Côte d'Ivoire and Central African Republic.

Bayobab is a successful digital infrastructure player for Africa

bayobab

Bayobab Communication Platforms

Voice
Messaging
Roaming
IPX

Bayobab Fibre

Offering access to 16 submarine cables

Operating the largest pan-African terrestrial fibre network (114 000km proprietary fibre network)

Doing more over the medium term MT

- Targeting 135,000 km of proprietary terrestrial fibre by 2025.
- Explore partnerships with specialists to modernise our data centres.

Our strategic performance continued

Create shared value

As we move ahead with our strategic delivery, our focus remains on creating value that goes beyond the bottom line. MTN is committed to meeting our customers' current and future needs, leveraging digital capabilities for a more sustainable future and fostering *partnerships for progress*.

Read more about how we create shared value in our SR

Performance in 2023

Creating shared value		Achieved in 2023	Our commitments
Doing for planet "We are committed to protecting our planet and achieving Net Zero emissions by 2040"	• **Reduce GHG emissions.** • **Improve energy efficiency.** • **Water management.**	10.9% reduction in Scope 1 and 2 emissions^	Net Zero by 2040
Doing for people "We are committed to driving digital and financial inclusion and diverse society"	• **Increase broadband coverage.** • **Reduce cost to communicate.** • **Diversity and inclusion.**	89.18% broadband coverage	95% by 2025
		40% women representation	50% female representation by 2030
Doing it right "We are committed partners to stakeholders to create and protect value"	• **Reputation Index Survey: Achieve 75% score.** • **Protect human rights.**	79.5%	75%

Doing more over the medium term MT

Net Zero emissions

- Reduce carbon emissions by 50% (off a 2019 base) by 2030 (Scope 1, 2 and 3) and achieve Net Zero emissions by 2040.

Diversity and inclusion

- Accelerate diversity and inclusion, targeting 50% female representation in the workforce, and among executives and directors across our operations by 2030.
- Recognise, transparently declare and consciously reduce gender pay gaps that exist in our organisation.

Localisation

- Target localisations of 35%, 30% and 20% in MTN Nigeria, MTN Ghana and MTN Uganda, respectively.

^Excluding South Africa, which was impacted by loadshedding.

Our strategic performance continued

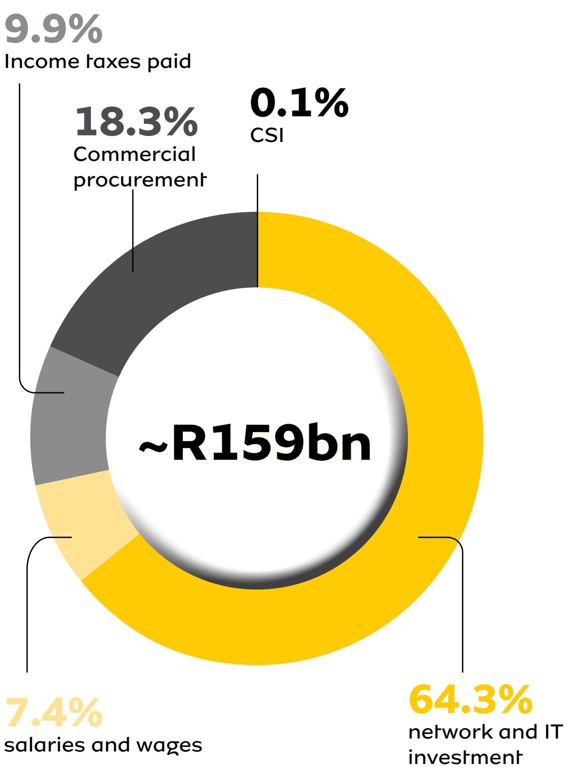
Create shared value continued

Our ESG positioning

With ESG at the core of *Ambition 2025*, we take sustainability seriously and are committed to continuous improvement. We track our progress through multiple mechanisms including benchmarking to best practice and monitoring selected ESG rankings and ratings, each with their own approach to evaluating performance. We are committed to transparency and reporting on our progress in a way that is meaningful and relevant to our stakeholders.

Doing for growth

"We are committed to boosting inclusive economic growth on the continent"



Ratings agency	Changes on prior year
Sustainalytics	**Improved ESG risk rating to 22.2^ in the medium risk category, better than our target for the year.** This is a result of an improvement across six out of the eight key areas, with the greatest improvement in the area of business ethics. Carbon (own operations) and data privacy and security are the two areas with no change. Regulatory scrutiny for product governance, including network quality and marketing practices are areas requiring more attention, as failure to comply with regulators may result in significant monetary penalties and could adversely affect our customers' confidence in our services. Heightened exposure to data privacy and security risks due to the high volume of customer data we process. MTN's focus on expanding into developing markets increases our exposure to potential business ethics risks and challenges. Despite our exit from the Middle East, we still face significant business ethics risks due to operations in high-conflict countries.
S&P Global ESG rating	**MTN's score declined to 45 in 2023 from 47 in 2022.** S&P has changed its methodology to include a new Global ESG score, which is a combination of company disclosures, media analysis and stakeholder engagement. This change has resulted in a new set of recommendations for improvement areas, which MTN is committed to addressing. Specific focus will be placed on enhancing environmental reporting on water and waste, and placing greater emphasis on biodiversity and deforestation. Improving our talent attraction and retention to remain competitive within the industry remains a priority.
Morgan Stanley Capital International (MSCI)	**MTN's rating is unchanged at 'AA'** MTN leads most global peers in corporate governance practices. Led by a fully independent chair, the Board is majority independent, and backed by fully independent audit, remuneration, and nomination committees. Such practices may enhance oversight of management. Further, MTN's labour management initiatives are relatively strong compared to those of industry peers. However, business ethics and tax-related allegations (as of August 2023) weigh on the company's assessment.

^ Latest data

Our strategic performance continued

Accelerate portfolio transformation

There are three elements in our work to accelerate portfolio transformation. The first is executing on the ARP and deleveraging the balance sheet. The second is to continue to optimise our portfolio, including exiting the Middle East in an orderly fashion, allowing us to simplify the business. The third is to reveal the value in fintech and the fibre infrastructure assets over the medium term.

ARP and deleveraging | R19.6bn of target achieved to date

	Realisations and other	Localisations
Progress to date	• Jumia, BICS, aYo and other – R5.0bn. • SA tower transaction – R6.4bn. • Mastercard – up to US$200m.	• Nigeria IPO – R4.2bn. • Ghana, Uganda and Zambia localisations – R4bn.
Future focus	• Platform minority investments. • Digital group: › MEIH. › IIG.	• Further sell-downs: › Nigeria ~11%. › Ghana ~7%. › Uganda ~7%. › Cameroon ~10%.

>R25bn targeted over the medium term

Portfolio transformation	Separation: fintech and fibre infrastructure
• Concluded MTN Afghanistan disposal. • Offer received for MTN Guinea-Bissau and MTN Guinea-Conakry. • Irancell managed for value.	• Definitive agreements signed with Mastercard for a minority investment of up to change to US$200m, subject to customary closing conditions. • Structural separation of fibre business advanced – engagements to secure regulatory clearances main priority.
Simplify the portfolio and reduce risk	***Unlock value***

Doing more over the medium term MT

ARP

- Broaden the local shareholder base in MTN Nigeria – aiming to hold 65% in time.
- Further localise MTN Ghana, targeting another 6.3% to achieve a 30% localisation outcome.
- Sell-down of a further 7% of MTN Uganda.
- Localise MTN Cameroon.

Portfolio transformation

- Explore M&A opportunities in line with the capital allocation framework.
- Continue engagement with potential partners.

Structural separation

- Conclude structural separation of the fintech business and partnership agreement.
- Complete separation of fibre infrastructure businesses.