What are we doing today?

Annual financial results

for the year ended 31 December 2021

MTN

Contents

* Constant currency information after accounting for the impact of the pro forma adjustments as defined.

Any forward-looking financial information disclosed in this results announcement, including the dividend guidance, has not been reviewed or audited or otherwise reported on by our external joint auditors.

Certain information presented in these results constitutes pro forma financial information and constant currency financial information. The responsibility for preparing and presenting the pro forma financial information and constant currency financial information and for the completeness and accuracy of the pro forma financial information and constant currency financial 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 and constant currency 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 this announcement has been reported on by the Group's joint auditor who has issued reporting accountant's reports thereon and their unmodified reporting accountants reports prepared in terms of ISAE 3420 are available for inspection at the Company's registered office on weekdays from 09:00 to 16:00.

The reporting accountant's report should be read in conjunction with the Annual financial results for the year ended 31 December 2021 for a fuller understanding.

The pro forma financial information presented in the annual financial results for the year ended 31 December 2021 has been prepared excluding the impact of hyperinflation, impairments of goodwill, property, plant and equipment, intangible assets and joint ventures, fair value gain on acquisition of subsidiary, impairment loss on remeasurement of non-current assets held for sale, loss on deconsolidation of subsidiary and profit on disposal of associates and subsidiaries, arbitration settlement, adjustment for the net forex (gains)/losses, net profit on disposal of PPE and intangibles and COVID-19 donations (collectively the "Pro forma adjustments") and constitutes pro forma financial information to the extent that it is not extracted from the segment disclosure included in the audited consolidated annual financial statements for the year ended 31 December 2021. This pro forma financial information has been presented to eliminate the impact of the pro forma adjustments from the annual financial results for the year ended 31 December 2021 to achieve a comparable year-on-year (YoY) analysis.

The pro forma adjustments have been calculated in terms of the Group accounting policies disclosed in the consolidated financial statements for the year ended 31 December 2021.

Constant currency financial 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 ("prior year constant currency results"). The measurement has been performed for each of the Group's currencies, materially being that of the US dollar and Nigerian naira. The constant currency growth percentage has been calculated based on the prior year constant currency results compared to the current year results. In addition, in respect of MTN Irancell, MTN Sudan, MTN South Sudan and MTN Syria, the constant currency information has been prepared excluding the impact of hyperinflation. The economies of Sudan, South Sudan, Iran and Syria were assessed to be hyperinflationary for the period under review and hyperinflation accounting was applied. The constant currency percentage changes over the prior year have been adjusted for disposal activities during the current year.

The joint independent auditors' audit reports by PricewaterhouseCoopers Inc. and Ernst & Young Inc. do not report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the joint independent auditors' engagement they should obtain a copy of the unqualified joint independent auditors' audit reports on the summary group financial statements and the group annual financial statements together with the accompanying financial information from MTN's registered office, website and upon request.

The directors of MTN take full responsibility for the preparation of this provisional report and ensuring that the financial information has been correctly extracted from the underlying audited financial statements.

The key audit matters (pursuant to IAS 701) can be viewed via the full joint independent auditors' audit report and the annual financial statements at www.mtn.com/investors/financialreporting/annual-results. Management proactively reported a breach of fiduciary responsibilities by a prescribed officer to the auditors on 13 December 2021, who entered into an agreement on behalf of a subsidiary of the Group outside of the requisite authority and internal processes and policies. The reportable irregularity was reported to the IRBA in line with reporting obligations of the joint auditors. The subsidiary and the Group Boards took specific remedial actions to address the breach and prevent losses. The joint auditors subsequently reported to the Independent Regulatory Board of Auditors (IRBA) that the reportable irregularity is no longer continuing.

The Group's results and segmental report are presented in line with the Group's operational structure. The Group's underlying operations are clustered as follows: South Africa (SA), Nigeria, the Southern and East Africa (SEA) region, the West and Central Africa (WECA) region and the Middle East and North Africa (MENA) region and their respective underlying operations.

The SEA region includes Uganda, Zambia, Rwanda, South Sudan, Botswana (joint venture-equity accounted), eSwatini (joint venture-equity accounted) and Business Group. The WECA region includes Ghana, Cameroon, Côte d'Ivoire, Benin, Congo-Brazzaville, Liberia, Guinea Conakry and Guinea Bissau. The MENA region includes Iran (joint venture-equity accounted), Syria, Sudan, Yemen and Afghanistan.

In line with the Group's strategy announced in March 2021, MTN Ghana results have been reported under the WECA region effective 1 January 2021 (previously included in SEAGHA region). Prior year numbers have been restated for SEA and WECA accordingly.

Although Iran, Botswana and eSwatini form part of their respective regions geographically and operationally, they are excluded from their respective regional results because they are equity accounted for by the Group.

MTN Syria results have been disclosed up to February for 2021 and up to 31 December for 2020, as a result of loss of control effective February 2021, following MTN Syria being placed under judicial guardianship.

MTN Yemen results have been disclosed up to end of October for 2021 and up to 31 December for 2020, as a result of MTN's decision to exit the operation.

What are we doing today?

Results overview

for the year ended 31 December 2021

MTN

Highlights

MTN is a pan-African mobile operator with the strategic intent of ***'Leading digital solutions for Africa's progress'***. We have 272 million customers in 19 markets and are inspired by our belief that everyone deserves the benefits of a modern connected life.

Subscribers increased **by 2.9 million to 272.4 million** excluding Nigeria **+11 million**

Service revenue grew **by 18.3%***

IFRS reported EBITDA (before once-off items) **increased by 5.3% (up 23.7%*)**

Reported EBITDA margin improved by **1.7 percentage points (pp) to 44.5% (up 2.2 pp* to 44.5%*)**

IFRS reported HEPS **at 987 cps, up 31.8% Non-operational impacts decreased HEPS by 123 cps**

Holding company (Holdco) **leverage improved to 1.0x (2020: 2.2x), Holdco net debt down to R30.1 billion (2020: R43.3 billion)**

ROE **improved to 19.6% (up 2.6pp)**

Capex of **R39.4 billion (R32.7 billion under IAS17 with capex intensity of 18.0%)**

MoMo
Active users up **22.6%** to **56.8 million**

Value of transactions up to **56.8%** to **US$23.9 billion**

Final dividend declared **300cps**

* Constant currency information after accounting for the impact of the pro forma adjustments as defined.
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Results overview

Group President and CEO, Ralph Mupita comments:

"In 2021, we adapted to extraordinary circumstances brought about by the COVID-19 pandemic and started shaping the MTN of the future through the execution of our ***Ambition 2025*** *strategy. During the year, COVID-19 has impacted lives and livelihoods across our markets and, as MTN Group, we were honored to have played a humble role in supporting the Africa Union's efforts to bring much needed vaccines to our markets at a time where the continent was faced with challenging conditions on accessing vaccines equitably with other continents.*

In a challenging macro-economic environment across our markets, we also experienced what we see as structurally higher demand for data services and accelerating transaction values in our fintech businesses. Supported by the leading brand in Africa, strong market share positions, well invested connectivity networks and platforms as well as staff that are committed to our vision, we delivered strong growth and returns in the year under review.

Supported by sustained commercial execution and capital allocation disciplines, we exceeded most of the Group's medium-term targets. During 2021, we deployed R32.7 billion of capex to sustain the growing demand for data services and position the Company well for a future driven by 4G and 5G technologies.

The Group reported solid growth in the year, with service revenue up by 18.3% and EBITDA increasing by 23.7%*. This also demonstrated the strong operating leverage delivered by the business as the EBITDA margin expanded by 2.2pp* to 44.5%*. The performance was driven in part by pleasing growth in our larger operating companies (Opcos) and the benefits of our expense efficiency programme. All of MTN South Africa's (MTN SA) business units achieved healthy growth, while both MTN Nigeria and MTN Ghana each delivered service revenue of more than 20%.*

Reported HEPS rose by 31.8% and were impacted by a number of non-operational and once-off items, which included accounting adjustments relating to our Middle East portfolio, arbitration settlement and material COVID-19 donations to the African Union (AU) for vaccines and the Coalition Against COVID-19 in Nigeria. Adjusting for these items, HEPS growth was strong at 26.6%. The improved earnings further boosted our adjusted ROE, which expanded by 2.6pp to 19.6%.

We paid cash taxes of approximately R11.0 billion, supporting the fiscal resources of the nation states that we operate in, growing at 30.3% YoY.

The Group's strong results were delivered despite the reduction in subscriber additions related to industry-wide regulations in Nigeria, including a ban on new SIM activations in H1. We closed the year with 272.4 million subscribers, up by 2.9 million. Excluding Nigeria, Group subscribers increased by 11.0 million. Encouragingly, subscriber additions in Nigeria returned to a positive trajectory in Q4 adding approximately 1 million customers – this establishes a solid basis for growth going forward. Active data subscribers increased by 11.1 million to 122.0 million.

In our platform businesses, we sustained momentum in the underlying value drivers. For MoMo, the number of monthly active users (MAU) rose by 22.6% YoY, adding 10.4 million MAU, to 56.8 million. Transaction value in our MoMo platform increased by 56.8% to US$239.4 billion.

The work to structurally separate the fintech business is progressing well and now aimed for completion by the end of Q2 2022. We were pleased to have secured the approval in principle for a Payment Services Banking licence in Nigeria in November 2021. The structural separation of the fibre business is also underway and is targeted to be completed in 2023.

We made substantial progress in deleveraging the balance sheet faster, with consolidated net debt-to-EBITDA improving to 0.4x (from 0.8x) and Holdco leverage improving to 1.0x (from 2.2x). This was boosted by cash of R18.4 billion upstreamed from our Opcos – including R7.8 billion from Nigeria – as well as R4.1 billion in net proceeds from our asset realisation programme (ARP) during the financial year.

We have materially advanced our ARP with the listing of IHS Towers on the New York Stock Exchange in October 2021, creating a liquidity platform and future opportunities to monetise the financial investment we have in this business. We also announced a passive tower infrastructure transaction for MTN SA, securing an Opco-friendly sale and lease back deal with anticipated net proceeds of approximately R5.2 billion. This is subject to certain conditions precedent, including regulatory approvals.

On the localisation front, we listed MTN Rwanda and MTN Uganda. We also successfully completed our Series 1 public

Results overview continued

offer of 575 million shares in MTN Nigeria with over 6.6 million Nigerians directly or indirectly becoming shareholders in MTN Nigeria. The Group expects net proceeds of R3.6 billion from the public offer. Our localisation work is one of the avenues through which we are creating shared value and promoting increased local ownership across our markets.

Our exit from the Middle East, in line with our pan-African strategy, is underway. In the year, the Group exited Syria and Yemen and we continue to explore options to exit Afghanistan.

I am pleased with the progress we have made with our Environmental, Social and Governance (ESG) priorities in the year. The inclusion of MTN Group in the FTSE/JSE Responsible Investment index post the year end reflected the work done to date, but more work lies ahead as we drive our shared value and sustainability agenda.

We remain focused on executing on ***Ambition 2025****, driving growth, deleveraging the Holdco balance sheet and unlocking value. We are seeing accelerated growth sustaining at structurally higher levels, underpinned by data and the prospects for our platforms such as fintech.*

To support this growth, we will invest in coverage, capacity and the resilience of our networks, as well as scaling of our platforms. Our Group capex guidance for 2022 is R34.4 billion on current currency assumptions. We expect capex intensity to decelerate over the medium term as the business continues to grow, with Group capex intensity anticipated to reduce in the range of 18% to 15%.

To reflect this stronger growth outlook, we have enhanced elements of our medium-term guidance framework, raising our targets for Group service revenue growth rate and returns.

We previously guided that we anticipated paying a minimum ordinary dividend of 260cps for FY 2021. The Board has declared a final ordinary dividend of 300cps for the year after considering our capital allocation priorities as well as the progress made in ARP execution and cash upstreaming from Opcos.

We also previously advised that the Board would communicate a revised medium-term dividend policy along with the announcement of FY 2021 results. We accordingly announce that the Board has resolved to adopt a policy where, at the announcement of full year results, a minimum dividend guidance will be provided for the financial year ahead on an annual basis.

The new policy supports the enhanced capital allocation framework of the Group, where investment in our core connectivity businesses and platforms and faster deleveraging of the Holdco balance sheet are prioritised over the medium term.

In driving faster deleveraging of the Holdco balance sheet, we will focus on completing the ARP and accelerate the reduction of dollar debt exposures.

In line with our policy, the Board anticipates paying a minimum ordinary final dividend of 330cps for FY 2022.

The declaration and payment of dividends remains at the discretion of the Board in consideration of: repatriation of cash from key markets, Holdco leverage, debt maturity profile and reducing dollar debt mix as well as Holdco liquidity management.

As MTN Group, we remain focused on our vision to provide leading digital solutions for Africa's progress and creating shared value for our stakeholders. Our enhanced medium-term guidance reflects the growth we see across our markets, as we do our part in driving the digital and financial inclusion across Africa."

Overview

MTN delivered a strong set of results in challenging trading conditions in the year ended 31 December 2021. These were largely ahead of our medium-term targets, demonstrating the business' resilience and execution strength.

Group service revenue grew ahead of our medium-term targets with an increase of 18.3%* to R171.8 billion (2020: R170.1 billion), led by growth of 6.5% in MTN SA, 23.2%* in MTN Nigeria and 28.6%* in MTN Ghana. Double-digit overall top-line growth from the regions also contributed to the Group's result.

Our focus on **industry-leading connectivity operations** produced solid voice and data revenue growth.

Voice revenue increased by 5.2%*, enabled by a 3.3% growth in voice traffic. Well-executed customer value management (CVM) initiatives and segmented customer propositions continued to support voice growth.

Data revenue expanded by 36.5%* on the back of a 53.3% increase in data usage (to 6.4 GB per user per month). Although initially triggered by the effects of the pandemic, the higher demand for online work, education, social interaction and entertainment were sustained in 2021. As at 31 December 2021, we had 122.0 million active data users, up 11.1 million.

For the year, the number of people covered by our 3G and 4G networks increased as we added 14.5 million and 54.6 million respectively. We invested further in 5G in SA with the addition of 843 sites; recorded 145.5 million smartphones on our network (53.4% penetration of our customer base); and reduced the average effective rate per megabyte by 15.3% as we worked to bridge the digital divide.

MTN **GlobalConnect** (MTN GC), which is driving our fibreco ambitions, continues to scale its fixed connectivity and wholesale mobility services.

MTN GC delivered a strong commercial and financial performance for the year. We signed fixed external infrastructure deals to the value of US$38.4 million in total contract value terms (TCV) and delivered growth in external revenue of 30.0% YoY to US$288.4 million (total MTN GC revenue of US$503.6 million including mobility, up 29% YoY).

In the year, we continued to build scale infrastructure assets to meet the explosive growth in data traffic and the accelerating digital economy in Africa. During 2021 we rolled out terrestrial fibre in some of our markets including SA, Nigeria, Ghana, Uganda, Kenya, Zambia and Zimbabwe. We concluded 15 new cross-border links across Africa.

Results overview continued

In 2021, MTN rolled out over 15,000km of additional terrestrial fibre, of which MTN GC contributed approximately 4 400km, bringing our total inventory to approximately 100 000km of proprietary fibre. We also increased our subsea fibre capabilities and are preparing for the landing of 2AFRICA in four of our markets, where MTN GC will own fibre pairs around Africa to strengthen the network.

We target a structural separation of the fibre business to be completed in 2023, with asset separations already underway in markets such SA, Nigeria, Ghana Côte d'Ivoire and Uganda. Fibreco's have already been established in Zambia and Kenya. MTN GC is moving towards being a leading pan-African fibreco, with the strategic target to reach a footprint of 135 000km by 2025.

We continued to scale and accelerate our platforms, focused on **building the largest and most valuable platforms**.

Fintech revenue rose by 30.9%*. The number of active MoMo users increased by 10.4 million to 56.8 million compared to December 2020, generating a monthly ARPU of US$1.3. The value of MoMo transactions was up by 56.8% to US$239.4 billion and 10 billion transactions were processed, up 41.1% YoY. There were some reductions in pricing in markets such as Côte d'Ivoire and Cameroon due to competitive dynamics, as well as to drive increased adoption. This resulted in some pressure on revenue growth in H2.

In Nigeria, we added 374 000 agents to end the year with approximately 770 000 registered MoMo agents. We were pleased to secure an approval in principle for a Payment Services Banking licence in Nigeria.

We progressed efforts to scale the payments platform. The number of active merchants accepting MoMo payments was up 78.3% YoY at 785 147 and the total value of MoMo merchant payments (gross merchandise value – GMV) expanded by 66.5% to US$13.3 billion.

The total value of remittances grew by 56.3% to US$2.3 billion at 31 December 2021. In BankTech we facilitated a total loan value of US$1.1 billion, a 47.4% YoY increase. Within InsurTech, our **aYo** insurance business had more than 16.1 million registered policyholders and 6.3 million active policies (up 5.6% YoY). In total, aYo generated US$8.0 million (R128.1 million) in service revenue and US$12.5million (R198.0 million) in premium income.

Digital revenue increased by 22.8%*, supported by the greater uptake of our services. Ayoba, our instant messaging super app, reached 11.6 million monthly active users' milestone as at 31 December 2021. This represents an addition of 6.1 million users since December 2020.

Launched in May 2019, ayoba is globally available with a focus on Africa and has been updated to include music, gaming, channels and money transfer services. The platform aims to harness growth in the African digital economy by breaking down barriers such as limited access to the internet and digital services, low smartphone penetration, lack of locally relevant content and affordability.

Enterprise revenue increased by 13.4%*, supported by growth in MTN SA, which delivered growth of 16.8%, benefiting from increased data usage through work-from- home solutions. Other key markets which contributed to growth included MTN Ghana and MTN Côte d'Ivoire, both of which benefited from some turnaround in the SME segments, albeit with continued headwinds from COVID-19 impacts. Enterprise ICT revenues delivered a 17.8% YoY increase assisted by the Group's platform transformation strategy and the establishing of a dedicated Centre of Excellence focussed on converged services solutions.

Enterprise revenue for MTN Nigeria grew at 10.4%* YoY, supported by the expansion of the core mobile business as we gained market share. Growth was driven through the ongoing short-term COVID-19 deals, the strengthening of its SME CVM initiatives and the sustained recovery of the ICT business.

Wholesale revenue increased by 49.7%* on the back of strong national roaming in MTN SA. We recognised revenue of R2.7 billion (up 33.9% YoY) from Cell C. A balance of R236 billion of national roaming revenue remained unrecognised as at 31 December 2021. We have started to see a contribution from the Telkom roaming deal secured by MTN SA during the year, and we are progressing our efforts to meaningfully launch network as a service in some of our other markets such as Ghana and Cameroon.

The Group's **EBITDA margin** in constant currency terms, and excluding the effects of once-off items, expanded by 2.2pp* to 44.5%*. This included margin improvements of 2.0pp*, 1.8pp*, 2.3pp* and 2.6pp* delivered by MTN Nigeria, MTN Uganda, MTN Ghana and MTN Cameroon respectively.

The Group's reported EBITDA margin was 41.9% compared to 45.3% in December 2020. The 2021 figure included a number of non-operational items totalling a net -R4.6 billion. This comprises gains on disposal/transition of assets (R1.8 billion), loss on remeasurement/ deconsolidation of MTN Syria (-R4.8 billion), impairment of MTN Yemen (-R0.6 billion), COVID-19 donations (-R0.5 billion) and arbitration settlement (-R0.5 billion).

The 2020 margin had also included the effects of the gain on disposal of our ATC Uganda and ATC Ghana tower associates (R6.1 billion) and the impairment loss on the remeasurement of the MTN Syria disposal group and remeasurement of BICS disposal group (-R0.8 billion).

The Group's overall underlying margin improvement in 2021 was supported by our expense efficiency programme. In the year, we realised a total of R3.7 billion worth of efficiencies, with the largest savings recorded by MTN SA and MTN Nigeria.

Basic **earnings per share** (EPS) decreased by 19.3% to 763 cents (2020: 946 cents). 2021 EPS were impacted by impairment losses of 64 cents relating mainly to MTN Yemen and derecognition losses relating to MTN Syria of approximately 262 cents. There was some offset arising from fair value gains amounting to approximately 99 cents, mainly from BICS and aYo. EPS in December 2020 had included the benefit from gains amounting to approximately 341 cents on the disposal of the ATC Uganda and ATC Ghana tower associates announced in March 2020.

Results overview continued

Reported **HEPS** increased by 31.8% to 987 cents (2020: 749 cents). HEPS were negatively impacted by net non-operational and once-off items amounting to 123 cents from the following items: hyperinflation (excluding impairments) of 42 cents (30 cents in 2020), the impact of foreign exchange gains and losses of -111 cents (-168 cents in 2020), the reversal of the time value loss recognised on the Irancell receivable of 0 cents (10 cents in 2020), material COVID-19 donations of -24 cents (0 cents) as well as arbitration settlement of -30 cents (0 cents in 2020).

We thus continued to show pleasing momentum in the growth of underlying earnings at the bottom line; adjusting for items mentioned above, HEPS was up 26.6% to 1 110 cents (877 cents in 2020).

Accelerating our investment and expanding the capacity of our networks remained in focus despite varying COVID-19 lockdown restrictions. For the year we invested **capex** of R39.4 billion on an IFRS 16 reported basis, which is 19.2% higher YoY (up by 14.3% to R32.7 billion under IAS 17).

We rolled out 3 566 3G, 9 158 4G sites and 849 5G sites. Capex intensity edged up to 18.0% from 16.0% under IAS 17 in December 2020, as we continued to invest in the accelerated growth opportunities we have identified.

Group **operating free cash flow** (OpFCF) increased by 13.2% to R32.1 billion, benefiting from a good underlying EBITDA performance, driven by positive operating leverage. If payments made for licence renewals and spectrum acquisitions are adjusted for, OpFCF would have been 35.2% higher.

Return on equity (ROE) (adjusted for non-operational items, including hyperinflation) expanded 2.6pp to 19.6%, from 17.0% in December 2020, reflecting the improvement in the quality of our earnings. The solid result in ROE was enabled by the Group's healthy revenue growth, cost efficiency gains, positive operating leverage as well as lower finance costs and depreciation.

COVID-19 pandemic impact on the business

2021 was shaped by the Delta and Omicron variants of COVID-19 infections. Some markets saw rapid increases in cases, leading to tighter lockdown restrictions. Vaccination rates increased, with around ~11% of all Africans fully vaccinated by the end February 2022, according to the Africa Centres for Disease Control and Prevention. Increased vaccination rates will help keep people healthier, contribute to a return to normality in our social and professional lives as well as improve overall economic activity.

In the year, we continued to manage the effects of COVID-19 by focusing on four key areas: **social** (our people, communities and stakeholders); **commercial** (including our customers); **network and supply chain**; and **funding and liquidity**.

Social

Safeguarding the wellbeing of our staff, customers and communities is of utmost importance to us. For our people, in 2021 we permitted work from home for most staff; for those who are unable to work remotely, we enforced strict protocols. The MTN Global Staff Emergency Fund for employees and ***Y'ello*** Hope packages for other stakeholders continued to support our staff, customers and communities.

We remain committed to providing a safe workplace. MTN is now following a hybrid working policy, with a mix of on-site and work-from-home solutions. In December, we approved and rolled out a COVID-19 vaccination policy, which includes making COVID-19 vaccinations mandatory. Through this policy, we aim to encourage more employees to vaccinate, ensuring the protection of themselves and others from the spread and adverse effects of the virus.

Through our partnership with the African Union (AU), we have contributed to efforts to limit the spread of the disease in Africa. Together, we launched the #OneMorePush campaign encouraging people to not give up in the fight against COVID-19, and to continue to wear their masks, wash their hands and practise social distancing.

This campaign was also an extension of the AU's '*Adapted Africa Joint Continental Strategy for COVID-19 Pandemic*' endorsed by Africa's Health Ministers and aligned to the '*Prevent, Monitor and Treat*' approach. We also extended the partnership by supporting the rollout of COVID-19 vaccines across the continent through the Group's US$25 million donation. Through this donation, 1.5 million vaccination doses have been delivered to 14 countries. 1.3 million doses are planned for delivery before end of Q1 2022 and will go to six countries – this will complete deliveries under the donation.

Commercial

After peaking amid the first wave of COVID-19 in 2020, our commercial trends in 2021 levelled out and remained resilient, lapping the high base of 2020.

Overall Group **data** traffic (including MTN Irancell) grew by 53.3% YoY in 2021. MTN SA was up by 58.3%, MTN Nigeria increased by 85.3%, and MTN Ghana was 54.9% higher.

Group **fintech** transaction volumes rose by 41.1% YoY and the value of fintech transactions in US dollar terms increased by 56.8%. In some markets, MTN continues to zero-rate transactions to support customers and drive increased adoption.

Results overview continued

Network and supply chain

Safeguarding the capacity and resilience of our networks remained of paramount importance. To cater for demand, we added 3 566 3G, 9 158 4G and 849 5G radio sites by 31 December 2021.

The headroom in our core data networks of our larger markets at peak utilisation was approximately 26% in South Africa, 27% in Nigeria and 35% in Ghana. Continual upgrades are in progress in these three markets, as well as others, ensuring that we are able to meet consumer and business demand.

Funding and liquidity

The resilience of our balance sheet was sustained. We accelerated the deleveraging of the Holdco balance sheet and optimised our debt mix, enabled by solid operational performance and cash flow generation, cash upstreaming, asset realisations and the prudent management of potential liabilities.

As at 31 December 2021, our Group net debt was R30.5 billion. Our net debt-to-EBITDA ratio of 0.4x remained well within our covenant limit of 2.5x. Our interest cover was 9.1x, comparing favourably with the covenant limit of no less than 5.0x.

We recorded a healthy liquidity position at the Holdco level: the Holdco net debt of R30.1 billion at December 2021 compared to the December 2020 level of R43.3 billion. Our Holdco leverage was 1.0x at year end (vs 2.2x in December 2020) – tracking well within our medium-term target of 1.5x. In achieving this, we repaid R21.5 billion in debt during the year, including the early redemption of the 2022 Eurobonds of US$500 million.

The acceleration in the deleveraging of our Holdco balance sheet was underpinned by the significant progress made in upstreaming cash to the Group. We upstreamed R18.4 billion in cash from our Opcos, including R7.8 billion from Nigeria. Post FY end, we upstreamed further cash of approximately R0.4 billion from Nigeria. As at 31 December 2021 the ratio of non-rand to rand-denominated debt at the Holdco improved to 41:59, from 48:52 in December 2020.

Our prudent approach to liquidity management resulted in Holdco liquidity headroom of R54.1 billion at 31 December 2021, made up of R20.1 billion in cash and R34.0 billion in committed, undrawn credit facilities.

Our focus over the medium term remains to deleverage faster through reducing our exposure to US dollar debt and improving the funding mix at the Holdco level through executing on our ARP, upstreaming cash from the operations and executing on liability management opportunities when they arise.

Creating shared value

In the year we made good advances in **creating shared value**, one of our four strategic priorities of Ambition 2025. We remained steadfast in contributing to Africa's progress, driven by our belief that *everyone deserves the benefits of a modern connected life* and our strategic intent of '*Leading digital solutions for Africa's progress*'.

Across our markets we remain committed to driving digital and financial inclusion. We connected 23 million more people to broadband and improved affordability, with a 15.3% YoY reduction in the blended cost of data across our markets.

Our social and economic contribution made a meaningful impact on lives and livelihoods in our markets – this amounted to approximately R115 billion for 2021. We paid taxes of approximately R11.0 billion in support of the fiscal resources of the nation states in which we operate and invested R67.0 billion in our networks, advancing fixed investment. On the ground, we continued to support the livelihoods, including job creation and skills development, of approximately 6 million people.

The work to close the coverage gap in rural areas continued through our rapid rural rollout programme (R3) by rolling out 912 additional rural sites (2020: 684). Since the inception of the programme, we have expanded our coverage to more than 23 million (2020: 8.5 million) people in rural areas.

Our commitment to improve our ESG performance led to a significant upgrade in the Group's ESG rating by FTSE Russell to an overall rating to 4.3 (out of 5) at end-December 2021 from 2.9 previously. MTN is now placed above the mobile telecoms sub-sector average and was also included in the FTSE/JSE Responsible Investment Top 30 Index.

In respect of eco-responsibility, we advanced our efforts to reach net zero emissions by 2040, including working closely with our suppliers to reduce our scope 3 emissions. We remain committed to reduction of carbon emissions by 47% (off a 2019 base) by 2030 across scope 1, scope 2 and scope 3 emissions, and to achieving net zero by 2040.

Results overview continued

ARP and portfolio transformation

Our work to **accelerate portfolio transformation** progressed in the year. Our ARP, launched in March 2019 and enhanced in March 2020, aims to reduce debt, simplify our portfolio, reduce risk and improve returns. MTN's broader portfolio transformation plan is to accelerate these goals in line with our focus on pan-Africa, support our shared value objectives and structure the business to reveal value.

During FY 2021, the Group received net proceeds of 4.1 billion (including BICS and MTN Uganda IPO) and we expect further net proceeds of approximately R8.8 billion from the successful MTN Nigeria public offer and the sale of MTN SA's passive tower infrastructure once completed.

In October, IHS Towers – which is key to our ARP – listed and started trading on the NYSE after a public offering of 18 million ordinary shares priced at US$21.00 each. MTN now holds 85 176 719 ordinary shares, which is 26.0% of the asset. There was no secondary offer following the initial public offering (IPO) and MTN thus did not sell any shares, however the listing creates a liquidity platform and future opportunities to monetise the financial investment we have in this business. As at 31 December 2021, IHS traded at US$14.10/share.

In November, MTN SA announced a passive tower infrastructure transaction with IHS Towers. This entailed the sale and leaseback of 5 709 towers: approximately 4 000 greenfield and 1 700 rooftop sites. Completion of the transaction is subject to certain conditions precedent which include regulatory approvals. We anticipate net proceeds of R5.2 billion from the transaction.

In the year we made very good progress with localisations, which also supports our work to create shared value, broadening local participation and deepening the capital markets in which we operate.

In May, MTN Rwanda listed on the Rwanda Stock Exchange by introduction. In December 2021, we completed the IPO and listing of MTN Uganda on the Uganda Securities Exchange. Of the 4.5 billion shares (20% of MTN Uganda) on offer, 2.9 billion were allocated, realising net proceeds of R2.3 billion. The listing of MTN Uganda was ranked by Dealogic as the second largest SSA IPO in 2021.

Also in December 2021, we proceeded with a public offer for sale of up to 575 million shares in MTN Nigeria, by way of a bookbuild to institutional investors and fixed price to retail investors of NGN169 per share. After year-end the offer was successfully completed and was 1.39 times oversubscribed with a total of 802.0 million shares subscribed for by more than 126 000 investors. These included Nigerian retail and institutional investors. According to Dealogic, this was the largest SSA public offer in 2021.

Net proceeds anticipated from the offer amount to approximately R3.6 billion. Following the offer, MTN Group's shareholding in MTN Nigeria consequently reduced from 78.8% to 75.6%. We will continue the work to deliver on our stated intention of broadening the local shareholder base in MTN Nigeria, subject to market condition and regulatory approvals, with a goal to hold approximately 65% of the business in the medium-term.

We also continue our work for the further localisation of MTN Ghana, concluding a staff ESOP scheme of approximately 5% that takes the localisation level in the Opco to 17.5%. The Group is working on further localisation efforts in Ghana and now targeting a further 12.5% to achieve a 30% localisation outcome as part of the shared value strategy.

In line with our pan-Africa focus, we advanced our exit from the Middle East. We abandoned the operation in Syria in August 2021 – having deconsolidated the operation in February 2021 – given the regulatory actions and demands that made operating there untenable. We exited from our operation in Yemen through a transfer of our shareholding to a third party in November 2021 for a consideration of AED1. We continue to explore options to exit Afghanistan in an orderly manner.

Update on regulatory and legal considerations

SIM registration in Nigeria

In December 2020, the Nigerian Communications Commission (NCC) suspended the sale and activation of new SIMs for all operators in Nigeria, directing them to update SIM registration records with national identification numbers (NINs) for every SIM connected to networks in the country.

Since then, MTN Nigeria has made good progress, with approximately 44 million subscribers having submitted their NINs by 31 December 2021. This represents around 64% of the subscriber base and 74% of service revenue.

MTN Nigeria continues to actively support the Federal Government's NIN enrolment programme, having deployed more than 2 300 points of enrolment across the country. At the same time, MTN Nigeria is working with the National Identity Management Commission (NIMC) to accelerate the bulk verification of NINs collected.

The current deadline for NIN verification is 31 March 2022. While an extension is solely in the hands of the authorities, MTN Nigeria is working constructively with them and the industry, supporting the NIN enrolment drive, to ensure that customers are not unduly inconvenienced and the service revenue for 2022 is not significantly impacted.

Spectrum allocation and auction in South Africa

On 26 November 2021, ICASA granted the provisional assignments of radio frequency spectrum to operators (including MTN SA) as an interim measure and a step towards urgently finalising the permanent high-demand spectrum licensing process. The licences are valid from 1 December 2021 to 30 June 2022 or three months after the termination of the National State of Disaster, whichever comes first.

In December, ICASA issued a final Invitation to Apply (ITA) in respect of the licensing process for the International Mobile Telecommunications (IMT) spectrum. The regulator resolved to separate the auction of high-demand spectrum and the licensing of the Wireless Open Access Network.

The qualifying bidders were announced 21 February 2022 and the commencement of the actual auction was launched on 8 March 2022 for the opt-in round, and the main auction will take place on 10 March 2022.

Results overview continued

MTN SA looks forward to the finalisation of the licensing process, as it will enable the provision of faster and more widespread high-speed data services and result in the reduction in the cost of data to consumers, as well as an increase in consumer access to the internet. This supports our commitment to bridge the digital divide and deliver on our belief that everyone deserves the benefits of a modern connected life.

MTN Ghana classification as a significant market power

Since October 2020, MTN Ghana has applied a 30% asymmetrical interconnect rate, effective for two years, in line with a directive from the National Communications Authority (NCA) which followed its classification of MTN Ghana as a significant market power. MTN Ghana remains in constructive discussions with the NCA and will update stakeholders on any significant developments.

Dividend and medium-term dividend policy update

Final dividend of 300cps for FY 2021

MTN's Board of directors (Board) had suspended dividend payments in 2020 and MTN guided in 2021 that the suspension would remain in place until March 2022. We also guided that the Group anticipates paying a minimum ordinary final dividend of 260cps for FY 2021.

We are, therefore, pleased to announce that the Board has declared a final ordinary dividend of 300cps for FY 2021.

Annual dividend declaration policy

We also previously advised that the Board would communicate a revised medium-term dividend policy along with the announcement of FY 2021 results. We accordingly announce that the Board has resolved to adopt a policy where, at the announcement of full year results, a minimum dividend guidance will be provided for the financial year ahead on an annual basis.

The new policy supports the enhanced capital allocation framework of the Group, where investment in our core connectivity businesses and platforms and faster deleveraging of the Holdco balance sheet are prioritised over the medium term.

Increased capital expenditure over the medium term will drive higher service revenue growth, with Group capex intensity (under IAS 17) anticipated to reduce in the medium term in the range of 18% to 15%, supporting operating cash flow growth.

In driving faster deleveraging of the Holdco balance sheet, we will focus on completing the ARP and accelerate the reduction of dollar debt exposures.

In line with our policy, the Board anticipates paying a minimum ordinary final dividend of 330cps for FY 2022.

The declaration and payment of dividends remains at the discretion of the Board in consideration of:

- Repatriation of cash from key markets
- Holdco leverage, debt maturity profile and reducing dollar debt mix
- Holdco liquidity management

Disciplined capital allocation framework remains intact

The new policy will enable the Company to continue to adhere to its disciplined capital allocation framework, which prioritises:

- Capital investment to grow the Group's platform and connectivity businesses
- Maintain Holdco leverage within guidance levels, with focus on optimising debt mix and paying down non-ZAR debt
- Return cash to shareholders in alignment with the new dividend policy
- Selective M&A opportunities aligned to investment case as well strict risk and financial criteria
- Special dividends or share buy-backs to considered if there is surplus cash after meeting other capital allocation priorities

Capex guidance 2022

Rm	Estimated (IFRS 16) 2022	Estimated (IAS 17) 2022	Capitalised (IFRS 16) 2021	Capitalised (IAS 17) 2021	Capitalised (IFRS 16) 2020	Capitalised (IAS 17) 2020
South Africa	**9 539**	8 650	**10 409**	9 139	7 542	7 209
Nigeria	**15 777**	10 444	**14 905**	11 092	12 694	10 016
SEA	**4 015**	2 977	**3 608**	2 601	3 042	2 279
WECA	**10 437**	8 215	**7 477**	6 869	6 439	6 028
MENA	**1 250**	1 126	**1 015**	812	1 642	1 573
Head offices, GlobalConnect and eliminations	**2 993**	2 988	**1 804**	1 960	1 286	1 127
Total	**44 011**	34 400	**39 218**	32 473	32 645	28 232
Hyperinflation	**–**	–	**167**	215	394	377
Total reported	**44 011**	34 400	**39 385**	32 688	33 039	28 609
Iran (49%)	**2 564**	2 463	**2 237**	2 400	1 865	1 773

Results overview continued

Financial review

Headline earnings reconciliation

Rm	IFRS reported 2021	Impairment of goodwill, PPE and associates[1]	Loss on decon-solidation of subsidiary[2]	Impairment loss on remeasure-ment of disposal group[3]	Gain on disposal / dilution of investment in JV/Associate and fair value gain on acquisition of subsidiary[4]
2021					
Revenue	**181 646**	**–**	**–**	**–**	**–**
Other income	**1 889**	**–**	**–**	**–**	**(1 791)**
CODM EBITDA before impairment of goodwill	**76 158**	**545**	**4 720**	**53**	**(1 791)**
Depreciation. amortisation and impairment of goodwill	**(35 223)**	**583**	**–**	**–**	**–**
CODM EBIT	**40 935**	**1 128**	**4 720**	**53**	**(1 791)**
Net finance cost	**(14 448)**	**–**	**–**	**–**	**–**
Hyperinflationary monetary gain	**275**	**–**	**–**	**–**	**–**
Share of results of associates and joint ventures after tax	**2 054**	**–**	**–**	**–**	**–**
Profit before tax	**28 816**	**1 128**	**4 720**	**53**	**(1 791)**
Income tax expense	**(11 822)**	**–**	**–**	**–**	
Profit after tax	**16 994**	**1 128**	**4 720**	**53**	**(1 791)**
Non-controlling interests	**(3 244)**	**9**	**–**	**(13)**	**–**
Attributable profit	**13 750**	**1 137**	**4 720**	**40**	**(1 791)**
EBITDA margin	**41.9%**				
Effective tax rate	**41.0%**				

Other[5]	Headline earnings	Hyper-inflation (excluding impair-ments)[6]	Impact of foreign exchange losses and gains[7]	Reversal of time value loss recognised on the Iran receivable[8]	Vaccine donations[9]	Other non-operational items[10]	Adjusted 2021	% movement
–	181 646	13	–	–	–	–	181 659	3.0
–	98	(9)	–	–	–	–	89	(21.6)
(79)	79 606	5	–	–	486	536	80 633	7.3
–	(34 640)	175	–	–	–	–	(34 465)	(0.0)
(79)	44 966	180	–	–	486	536	46 168	13.6
–	(14 448)	(213)	2 899	–	–	–	(11 762)	(12.2)
–	275	(275)	–	–	–	–	–	0.0
(8)	2 046	(546)	(78)	–	–	–	1 422	(4.9)
(87)	32 839	(854)	2 821	–	486	536	35 828	24.6
	(11 822)	62	(718)	–	(31)		(12 509)	20.9
(87)	21 017	(792)	2 103	–	455	536	23 319	26.7
12	(3 236)	30	(102)	–	(15)		(3 323)	26.4
(75)	17 781	(762)	2 001	–	440	536	19 996	26.8
	43.8%						44.4%	
	36.0%						34.9%	

Results overview continued

Financial review continued

Headline earnings reconciliation continued

Rm	IFRS reported 2020	Impairment of goodwill, PPE and associates[1]	Loss on decon-solidation of subsidiary[2]	Impairment loss on re-measurement of disposal group[3]	Gain on disposal / dilution of investment in JV/Associate and fair value gain on acquisition of subsidiary[4]
2020					
Revenue	179 361	–	–	–	–
Other income	6 228	–	–	–	(6 129)
CODM EBITDA before impairment of goodwill	81 311	42	–	1 113	(6 129)
Depreciation. amortisation and impairment of goodwill	(36 716)	1 065	–	397	–
CODM EBIT	44 595	1 107	–	1 510	(6 129)
Net finance cost	(18 233)	–	–	–	–
Hyperinflationary monetary gain	1 582	–	–	–	–
Share of results of associates and joint ventures after tax	1 142	–	–	–	–
Profit before tax	29 086	1 107	–	1 510	(6 129)
Income tax expense	(9 439)	–	–	–	–
Profit after tax	19 647	1 107	–	1 510	(6 129)
Non-controlling interests	(2 625)	(9)	–	(7)	–
Attributable profit	17 022	1 098	–	1 503	(6 129)
EBITDA margin	45.3%				
Effective tax rate	32.5%				

Other[5]	Headline earnings	Hyper-inflation (excluding impair-ments)[6]	Impact of foreign exchange losses and gains[7]	Reversal of time value loss recognised on the Iran receivable[8]	Vaccine donations[9]	Other non-operational items[10]	Adjusted 2020
–	179 361	(2 925)	–	–	–	–	176 436
–	99	15	–	–	–	–	114
(22)	76 315	(1 186)	–	–	–	–	75 129
–	(35 254)	951	–	(174)	–	–	(34 477)
(22)	41 061	(235)	–	(174)	–	–	40 652
–	(18 233)	868	3 972	–	–	–	(13 393)
–	1 582	(1 582)	–	–	–	–	–
–	1 142	69	284	–	–	–	1 495
(22)	25 552	(880)	4 256	(174)	–	–	28 754
–	(9 439)	193	(1 103)	–	–	–	(10 349)
(22)	16 113	(687)	3 153	(174)	–	–	18 405
1	(2 640)	148	(137)	–	–	–	(2 629)
(21)	13 473	(539)	3 016	(174)	–	–	15 776
	42.5%						42.5%
	36.9%						36.0%

[1] *Represents the exclusion of the impact of goodwill, PPE, intangibles and joint venture impairments. 2021: Goodwill (Yemen: R550 million and Mednet: R33 million) and PPE (R545 million); 2020: MEIH (R67million), goodwill (Liberia: R308 million, Guinea-Bissau: R165 million and Yemen: R525 million) and PPE (R42 million).*

[2] *Represents the deconsolidation of Syria (2021: R4 720 million; 2020: R0 million).*

[3] *Represents the impairment loss on remeasurement of disposal group: 2021: Syria (R40 million); 2020: Syria (R1 106 million) and BICS (R397 million).*

[4] *Represents the gain on disposal of investment in JV/Associate and fair value gain on acquisition of subsidiary. 2021: Fair value gain on acquisition of aYo (R526 million), the profit on sale of BICS (R1 212 million), profit on sale of Namibia (R38 million) and profit on disposal of Yemen (R15 million); 2020: Gain on disposal of tower companies (R6 136 million) and loss on disposal of CCA (R7 million).*

[5] *Represents the net profit on disposal of PPE and intangibles. 2021: PPE (R76 million profit), intangibles (R9 million loss) and share of results from Iran (R8 million profit); 2020: PPE (R21 million).*

[6] *The impact of hyperinflation is excluded for the operations that are currently accounted for on a hyperinflationary basis (MTN Irancell, MTN Sudan and MTN South Sudan), as well as those that have previously been accounted for on a hyperinflationary basis. The economy of Iran was assessed to be hyperinflationary effective 1 January 2020 and hyperinflation accounting has since been applied. The economy of Sudan was assessed to be hyperinflationary during 2018 and hyperinflation accounting has since been applied. The economy of South Sudan was assessed to be hyperinflationary effective 1 January 2016 and hyperinflation accounting has since been applied.*

[7] *Adjustment for the net forex (gains)/losses impacting earnings for the respective periods. 2021: Forex loss of R2 001 million; 2020: Forex loss of R3 016 million). This includes the impact of forex in Iran.*

[8] *Represents the (reversal)/recognition of the time value loss recognised on the Iran receivable (2021: R0 million; 2020: -R174 million).*

[9] *Represents the donations contributed towards vaccinations for COVID-19 (2021: R440 million; 2020: R0 million).*

[10] *Represents other non-operational items relating to arbitration settlement (2021: R536 million; 2020: R0 million).*

Exchange rates

The stronger average rand against most local currencies had a negative overall translation impact on rand-reported results. The average naira weakened 7.1% YoY against the US dollar and closed 5.6% weaker. The average rand strengthened by 10.2% YoY against the US dollar and closed 7.9% weaker, which impacted negatively on the balance sheet especially owing to our US dollar-denominated debt.

Table 1: Group revenue by country

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	Contribution to revenue %
South Africa	**48 716**	45 473	7.1	7.1	26.8
Nigeria	**60 050**	57 980	3.6	22.7	33.1
SEA	**16 955**	16 789	1.0	22.4	9.3
Uganda	**8 549**	8 320	2.8	9.7	4.7
Zambia	**2 429**	2 576	(5.7)	11.0	1.3
Other SEA	**5 977**	5 893	1.4	54.3	3.3
WECA	**48 005**	44 872	7.0	18.2	26.4
Ghana	**19 187**	17 245	11.3	28.0	10.6
Cameroon	**7 244**	6 686	8.3	16.2	4.0
Côte d'Ivoire	**8 903**	8 776	1.4	9.0	4.9
Other WECA	**12 671**	12 165	4.2	12.9	7.0
MENA	**6 550**	10 423	(37.2)	47.1	3.6
Sudan	**2 226**	3 306	(32.7)	294.0	1.2
Afghanistan	**2 092**	2 310	(9.4)	9.2	1.2
Other MENA^	**2 232**	4 807	(53.6)	13.1	1.2
Head offices, GlobalConnect and eliminations	**1 383**	899			0.8
Total	**181 659**	176 436	3.0	17.6	100.0
Hyperinflation	**(13)**	2 925			(0.0)
Total reported	**181 646**	179 361	1.3	17.6	100.0

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.
^ Numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Revenue and service revenue

In constant currency terms, Group total revenue increased by 17.6%* and service revenue increased by 18.3%*, supported by growth across most of our operations: MTN SA (up 6.5%), MTN Nigeria (up 23.2%*), MTN Uganda (up 9.3%*), MTN Ghana (up 28.6%*), MTN Cote d'Ivoire (up 9.0%*) and MTN Cameroon (up 16.4%*).

Group revenue in our connectivity business: voice grew by 5.2%* to R82.4 billion, data expanded by 36.5%* to R56.5 billion. Group revenue in our platforms: fintech grew by 30.9%* to R15.9 billion, digital was up by 22.8%* to R3.3 billion, enterprise revenue grew by 13.4%* to R16.6 billion and wholesale increased by 49.7%* to R6.0 billion.

Results overview continued

Table 2: Group service revenue by country

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	Contribution to service revenue %
South Africa	**39 446**	37 024	6.5	6.5	23.0
Nigeria	**59 943**	57 686	3.9	23.2	34.9
SEA	**16 744**	16 577	1.0	22.5	9.7
Uganda	**8 465**	8 267	2.4	9.3	4.9
Zambia	**2 352**	2 471	(4.8)	12.0	1.4
Other SEA	**5 927**	5 839	1.5	54.8	3.4
WECA	**47 782**	44 569	7.2	18.4	27.8
Ghana	**19 131**	17 125	11.7	28.6	11.1
Cameroon	**7 206**	6 640	8.5	16.4	4.2
Côte d'Ivoire	**8 856**	8 729	1.5	9.0	5.2
Other WECA	**12 589**	12 075	4.3	13.0	7.3
MENA	**6 537**	10 402	(37.2)	47.1	3.8
Sudan	**2 220**	3 295	(32.6)	294.3	1.3
Afghanistan	**2 085**	2 301	(9.4)	9.3	1.2
Other MENA^	**2 232**	4 806	(53.6)	13.1	1.3
Head offices, GlobalConnect and eliminations	**1 383**	900			0.8
Total	**171 835**	167 158	2.8	18.3	100.0
Hyperinflation	**(14)**	2 914			(0.0)
Total reported	**171 821**	170 072	1.0	18.3	100.0

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.

^ Numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Table 3: Group revenue analysis

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	Contribution to revenue %
Outgoing voice[1]	**71 676**	78 811	(9.1)	5.8	39.5
Incoming voice[2]	**10 774**	12 290	(12.3)	1.4	5.9
Data[3]	**56 454**	47 615	18.6	36.5	31.1
Digital[4]	**3 269**	3 133	4.3	22.8	1.8
Fintech[5]	**15 906**	13 563	17.3	30.9	8.8
SMS	**4 173**	3 959	5.4	18.4	2.3
Devices	**9 824**	9 278	5.9	6.9	5.4
Wholesale[6]	**6 029**	4 204	43.4	49.7	3.3
Other	**3 554**	3 583	(0.8)	10.2	2.0
Total	**181 659**	176 436	3.0	17.6	100.0
Hyperinflation	**(13)**	2 925			(0.0)
Total reported	**181 646**	179 361	1.3	17.6	100.0

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.

1 Excludes international roaming and wholesale.
2 Includes local and international roaming and excludes wholesale.
3 Includes mobile and fixed access data and excludes roaming and wholesale.
4 Includes rich media services, content VAS, eCommerce and mobile advertising.
5 Includes Xtratime and mobile financial services.
6 Includes domestic wholesale voice, SMS and data, leased lines and BTS rentals.

Table 4: Group data revenue[1]

	Actual Rm	Prior Rm	Reported % change	Constant currency % change
South Africa	**16 479**	14 565	13.1	13.1
Nigeria	**18 729**	14 360	30.4	55.3
SEA	**3 692**	3 314	11.4	39.5
Uganda	**1 717**	1 505	14.1	22.5
Zambia	**607**	599	1.3	20.7
Other SEA	**1 368**	1 210	13.1	84.4
WECA	**15 109**	11 689	29.3	43.6
Ghana	**6 865**	5 066	35.5	56.1
Cameroon	**2 300**	1 834	25.4	34.8
Côte d'Ivoire	**2 154**	1 645	30.9	41.4
Other WECA	**3 790**	3 144	20.5	30.9
MENA	**2 192**	3 458	(36.6)	65.2
Sudan	**825**	1 240	(33.5)	298.6
Afghanistan	**730**	703	3.8	25.9
Other MENA^	**637**	1 515	(58.0)	18.0
Head offices, GlobalConnect and eliminations	**253**	229		
Total	**56 454**	47 615	18.6	36.5
Hyperinflation	**31**	1 091		
Total reported	**56 485**	48 706	16.0	36.5

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.

1 Includes mobile and fixed access data and excludes roaming and wholesale.
^ Numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Results overview continued

Table 5: Group fintech revenue[2]

	Actual Rm	Prior Rm	Reported % change	Constant currency % change
South Africa	**1 089**	1 052	3.5	3.5
Nigeria	**2 559**	1 931	32.5	57.0
SEA	**3 536**	3 163	11.8	22.6
Uganda	**2 181**	2 111	3.3	10.0
Zambia	**584**	515	13.4	31.2
Other SEA	**771**	537	43.6	68.3
WECA	**8 685**	7 268	19.5	32.9
Ghana	**4 711**	3 928	19.9	37.3
Cameroon	**1 110**	883	25.7	35.0
Côte d'Ivoire	**1 129**	1 156	(2.3)	5.0
Other WECA	**1 735**	1 301	33.4	44.0
MENA	**57**	146	(61.0)	18.8
Sudan	**2**	2	0.0	100.0
Afghanistan	**19**	16	18.8	35.7
Other MENA^	**36**	128	(71.9)	5.9
Head offices, GlobalConnect and eliminations	**(20)**	3		
Total	**15 906**	13 563	17.3	30.9
Hyperinflation	**(4)**	(23)		
Total reported	**15 902**	13 540	17.4	30.9

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.
[2] Includes Xtratime and mobile financial services.
^ Numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Table 6: Group digital revenue[3]

	Actual Rm	Prior Rm	Reported % change	Constant currency % change
South Africa	**1 340**	1 118	19.9	19.9
Nigeria	**657**	410	60.2	91.5
SEA	**62**	127	(51.2)	(39.2)
Uganda	**18**	24	(25.0)	(18.2)
Zambia	**12**	55	(78.2)	(73.9)
Other SEA	**32**	48	(33.3)	(5.9)
WECA	**1 065**	1 140	(6.6)	6.6
Ghana	**440**	559	(21.3)	(4.3)
Cameroon	**152**	111	36.9	47.6
Côte d'Ivoire	**327**	316	3.5	10.8
Other WECA	**146**	154	(5.2)	3.5
MENA	**143**	331	(56.8)	49.0
Sudan	**41**	117	(65.0)	105.0
Afghanistan	**38**	34	11.8	35.7
Other MENA^	**64**	180	(64.4)	33.3
Head offices, GlobalConnect and eliminations	**2**	7		
Total	**3 269**	3 133	4.3	22.8
Hyperinflation	**(1)**	89		
Total reported	**3 268**	3 222	1.4	22.8

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.
[3] Includes rich media services, content VAS, eCommerce and mobile advertising.
^ Numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Costs

Table 7: Cost analysis

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	% of revenue
Handsets and other accessories	**10 552**	10 899	(3.2)	(0.6)	5.8
Interconnect	**8 744**	9 867	(11.4)	4.0	4.8
Roaming	**912**	872	4.6	16.0	0.5
Commissions	**12 121**	13 919	(12.9)	(1.2)	6.7
Government and regulatory costs	**6 745**	6 274	7.5	21.2	3.7
VAS/Digital revenue share	**2 602**	2 884	(9.8)	23.9	1.4
Service provider discounts	**3 854**	1 321	191.7	192.2	2.1
Network and IS maintenance	**27 611**	17 867	54.5	82.5	15.2
Marketing	**3 539**	2 948	20.0	32.1	1.9
Staff costs	**11 698**	12 616	(7.3)	1.3	6.4
Other opex	**13 619**	21 760	(37.4)	(27.7)	7.5
Total	**101 997**	101 227	0.8	14.3	56.2
Loss on deconsolidation of subsidary	**4 720**	–			2.6
Impairment loss on MTN Yemen PPE and intangible assets	**609**	–			0.3
Impairment loss on remeasurement of disposal group	**53**	1 510			0.0
Hyperinflation	**(2)**	1 541			(0.0)
Total reported	**107 377**	104 278	3.0	14.3	59.1

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.

Total costs increased by 14.3%*, due to higher network costs from site rollout and the forex impact and CPI impact on BTS lease rentals from MTN Nigeria. Increased commissions paid by MTN Ghana contributed to higher costs.

Included in total costs are non-operational and once-off items, namely: R0.5 billion for COVID-19 donations and arbitration settlement of R0.5 billion. Adjusting for these items, costs were up by 13.1%*.

Our expense efficiency programme includes an enhanced oversight of expenditure such as distribution, IT and network costs. The programme has since facilitated a containment of overall cost increases. The total realised efficiencies for the year were R3.7 billion, mainly from network and sales and efficency. Total efficiencies included approximately R1 440 million, R935 million and R282 million in savings from MTN Nigeria, MTN SA and MTN Cote d'Ivoire respectively.

EBITDA

Table 8: Group EBITDA by country

	Actual Rm	Prior Rm	Reported % change	Constant Currency % change
South Africa	**18 956**	17 742	6.8	6.8
Nigeria	**31 852**	29 506	8.0	27.8
SEA	**7 847**	7 705	1.8	25.0
Uganda	**4 387**	4 118	6.5	13.7
Zambia	**556**	765	(27.3)	(11.6)
Other SEA	**2 904**	2 822	2.9	62.1
WECA	**19 369**	17 717	9.3	21.9
Ghana	**10 557**	9 097	16.0	33.8
Cameroon	**2 507**	2 149	16.7	25.5
Côte d'Ivoire	**3 096**	3 042	1.8	9.1
Other WECA	**3 209**	3 429	(6.4)	1.4
MENA	**2 082**	3 352	(37.9)	56.2
Sudan	**1 085**	1 428	(24.0)	361.7
Afghanistan	**615**	585	5.1	27.1
Other MENA^	**382**	1 339	(71.5)	(37.8)
Head offices, GlobalConnect and eliminations	**(355)**	(699)		
CODM EBITDA	**79 751**	75 323	5.9	22.1
Gain on disposal/dilution of investment in joint ventures and associates	**1 212**	6 129		
Fair value gain on acquisition of subsidiary	**526**	–		
Profit on disposal of Namibia and Yemen	**53**			
Loss on deconsolidation of subsidiary	**(4 720)**	–		
Impairment loss on MTN Yemen PPE and intangible assets	**(609)**	–		
Impairment loss on remeasurement of disposal group	**(53)**	(1 510)		
Hyperinflation	**(2)**	1 369		
CODM EBITDA before impairment of goodwill and joint ventures	**76 158**	81 311	(6.3)	22.1

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.

^ Numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Group EBITDA decreased by 6.3% on an IFRS reported basis. On a constant currency basis before once-off items, EBITDA increased by 23.7%. This was driven by healthy operational results across most operations, with MTN SA up 6.8%, MTN Nigeria up 27.8%*, MTN Ghana up 33.8%* and increases of 25.0%*and 21.9%* in SEA and overall WECA respectively.

The strong service revenue and EBITDA growth resulted in an increase in the Group EBITDA margin by 1.6pp* to 43.9%*. Excluding the COVID-19 donations and arbitration settlement, the EBITDA margin was 44.5%*.

Depreciation, amortisation and impairment of goodwill

Table 9: Group depreciation and amortisation

	Depreciation				Amortisation			
	Actual Rm	Prior Rm	Reported % change	Constant currency % change	**Actual Rm**	Prior Rm	Reported % change	Constant currency % change
South Africa	**9 130**	8 417	8.5	8.5	**1 294**	1 062	21.8	21.8
Nigeria	**8 984**	9 598	(6.4)	11.3	**1 626**	1 576	3.2	21.8
SEA	**1 954**	1 978	(1.2)	10.8	**786**	411	91.2	107.4
Uganda	**1 131**	1 138	(0.6)	6.1	**619**	327	89.3	101.0
Zambia	**258**	298	(13.4)	3.2	**94**	81	16.0	36.2
Other SEA	**565**	542	4.2	26.1	**73**	3	2 333.3	3 550.0
WECA	**7 167**	7 339	(2.3)	7.1	**1 383**	1 531	(9.7)	0.4
Ghana	**2 172**	2 137	1.6	16.7	**398**	368	8.2	24.4
Cameroon	**1 494**	1 655	(9.7)	(3.1)	**213**	246	(13.4)	(6.2)
Côte d'Ivoire	**1 741**	1 636	6.4	14.5	**321**	546	(41.2)	(36.2)
Other WECA	**1 760**	1 911	(7.9)	(0.3)	**451**	371	21.6	37.5
MENA	**594**	1 263	(53.0)	(13.3)	**302**	470	(35.7)	(14.2)
Sudan	**45**	202	(77.7)	18.4	**8**	24	(66.7)	60.0
Afghanistan	**416**	526	(20.9)	(4.8)	**79**	97	(18.6)	(1.3)
Other MENA^	**133**	535	(75.1)	(36.7)	**215**	349	(38.4)	(19.5)
Head offices, GlobalConnect and eliminations	**432**	503			**813**	552		
Total	**28 261**	29 098	(2.9)	8.5	**6 204**	5 602	10.7	23.9
Hyperinflation	**136**	810			**39**	141		
Total reported	**28 397**	29 908	(5.1)	8.5	**6 243**	5 743	8.7	23.9

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.
^ Numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

The Group depreciation charge increased by 8.5%* as the trajectory continued to normalise following the elevated capex profile of the past few years. Amortisation costs increased by 23.9%* driven largely by IT software in MTN SA and network licences in MTN Nigeria and MTN Uganda.

At every reporting period, the Group performs impairment testing on our assets. For the year, the Group made goodwill impairments of R583 million, including R550 million for MTN Yemen. This resulted from a write down of the cash-generating unit's recoverable amount, which the Group considered to be negligible.

Net finance costs

Table 10: Net finance cost

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	% of revenue
Net interest paid/(received)	**11 763**	13 393	(12.2)	(3.3)	6.5
Net forex losses/(gains)	**2 898**	3 972	(27.0)	(36.7)	1.6
Total	**14 661**	17 365	(15.6)	(12.5)	8.1
Hyperinflation	**(213)**	868			(0.1)
Total reported	**14 448**	18 233	(20.8)	(12.5)	8.0

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.

Net finance costs decreased by 12.5%* to R14.4 billion, driven by a decrease in forex losses and a lower interest rate environment. Finance costs relating to interest-bearing liabilities decreased by 19.3% to R5.8 billion (from R7.1 billion) following repayment of debt.

The average cost of borrowing declined by 0.2pp to 7.6% from 7.8% as the interest rate environment declined together with a reduction in debt, underpinned by improved cash generation enabled by a strong underlying performance.

We recognised net forex losses of R2.6 billion at 31 December 2021 compared to R4.5 billion in the prior year. This was largely due to the stronger rand.

Share of results of associates and joint ventures after tax

We recorded a positive contribution of R2.1 billion from associates and joint ventures, compared to R1.1 billion in the prior year. The contribution was largely attributable to MTN Irancell's strong financial performance which was supported by a stronger Iranian rial.

Taxation

Table 11: Taxation

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	Contribution to taxation %
Normal tax	**11 719**	9 293	26.1	45.6	99.1
Deferred tax	**(1 186)**	(1 469)	19.3	12.1	(10.0)
Foreign income and withholding taxes	**1 227**	1 421	(13.7)	(9.3)	10.4
Total	**11 760**	9 245	27.2	46.1	99.5
Hyperinflation	**62**	194			0.5
Total reported	**11 822**	9 439	25.2	46.1	100.0

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.

The reported Group effective tax rate (GETR) was 41.0% – higher than the prior year's rate of 32.5%, mainly due to the non-deductible loss on deconsolidation of subsidiary, the non-deductible impairment of goodwill, PPE and intangible assets in MTN Yemen; and withholding taxes on dividends repatriated from MTN Nigeria. The GETR in December 2020 had benefited from the non-taxable gain from the disposal of the tower companies.

For the year ended 31 December 2021, the Group's reported taxation charge increased by 25.2% to R11.8 billion. Normalising for the aforementioned items, the underlying GETR was 35.5% (December 2020: 37.0%) – this is in line with our medium-term guidance range (mid-to-high 30%s).

Cash flow

Cash inflows generated from operations increased by 12.8% to R88.7 billion, driven by a strong operational performance across our markets. Key cash outflows included tax paid of R11.0 billion, net interest paid of R11.0 billion and capex of R35.2 billion (R6.2 billion of which relates to spectrum and operating licence payments).

Underlying operating free cash grew by 13.2% to R32.1 billion, driven by positive operating leverage. If payments made for licence renewals and spectrum acquisitions are adjusted for, OpFCF would have been 35.2% higher.

Capital expenditure

Table 12: Capital expenditure

	Actual IFRS 16 Rm	Actual IAS 17 Rm	Prior IAS 17 Rm	Reported % change	Constant currency % change
South Africa	**10 409**	**9 139**	7 209	26.8	26.8
Nigeria	**14 905**	**11 092**	10 016	10.7	27.7
SEA	**3 608**	**2 601**	2 279	14.1	44.0
Uganda	**1 743**	**1 104**	1 032	7.0	13.0
Zambia	**507**	**507**	436	16.3	45.1
Other SEA	**1 358**	**990**	811	22.1	106.1
WECA	**7 477**	**6 869**	6 028	14.0	22.7
Ghana	**3 651**	**3 110**	2 773	12.2	25.0
Cameroon	**967**	**961**	900	6.8	15.5
Côte d'Ivoire	**1 290**	**1 265**	1 036	22.1	33.4
Other WECA	**1 569**	**1 533**	1 319	16.2	15.3
MENA	**1 015**	**812**	1 573	(48.4)	24.7
Sudan	**504**	**470**	473	(0.6)	726.8
Afghanistan	**378**	**216**	257	(16.0)	2.5
Other MENA^	**133**	**126**	843	(85.1)	(67.2)
Head offices, GlobalConnect and eliminations	**1 804**	**1 960**	1 127		
Total	**39 218**	**32 473**	28 232	15.0	25.4
Hyperinflation	**167**	**215**	377		
Total reported	**39 385**	**32 688**	28 609	14.3	25.4

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.

^ Numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Financial position

Table 13: Net debt analysis

Rm	Cash and cash equivalents*	Interest-bearing liabilities	Inter-company eliminations	Net interest-bearing liabilities	Net debt/ (cash) December 2021	Net debt/ (cash) December 2020
South Africa	3 733	27 501	(27 501)	–	**(3 733)**	(1 901)
Nigeria	17 467	18 539	–	18 539	**1 072**	1 877
SEA	1 907	5 085	(527)	4 558	**2 651**	1 725
Uganda	847	1 633	–	1 633	**786**	1 321
Zambia	81	1 598	(172)	1 426	**1 345**	962
Other SEA	979	1 854	(355)	1 499	**520**	(558)
WECA	6 353	12 256	(4 657)	7 599	**1 246**	6 082
Ghana	2 723	1 438	–	1 438	**(1 285)**	377
Cameroon	809	1 276	(427)	849	**40**	1 095
Côte d'Ivoire	696	2 392	–	2 392	**1 696**	2 973
Other WECA	2 125	7 150	(4 230)	2 920	**795**	1 637
MENA	900	3 397	(3 397)	–	**(900)**	(1 384)
Sudan	378	3 397	(3 397)	–	**(378)**	(451)
Afghanistan	522	–	–	–	**(522)**	(283)
Other MENA^	–	–	–	–	**–**	(650)
Head offices, GlobalConnect and eliminations	20 057	50 208	(2)	50 206	**30 149**	43 282
Total reported	50 417	116 986	(36 084)	80 902	**30 485**	49 681
Iran	1 779	663	–	663	**(1 116)**	(426)

The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.
* Includes restricted cash and current investments.
^ Numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Group net debt reduced to R30.5 billion from R49.7 billion in December 2020, driven by an improved operational cash position and debt repayments. Holdco borrowings declined to R30.1 billion, from R43.3 billion in December 2020, also boosted by the cash upstreamed from Opcos. At the end of December 2021, our Holdco leverage had improved to 1.0x, compared to our medium-term target of below 1.5x.

The currency mix of MTN's Holdco debt as at 31 December 2021 was 41% US dollar/euro and 59% rand (December 2020: 48% and 52% respectively), reflecting pleasing advances in our work to optimise the mix of our Holdco debt.

We closed the year comfortably within our debt covenants, which are evaluated on a Group consolidated basis. Our Group net debt-to-EBITDA ratio stood at 0.4x at 31 December 2021 (December 2020: 0.8x) against our covenant of 2.5x. Our interest cover ratio was 9.1x (December 2020: 7.7x) compared to the covenant of no less than 5.0x. Our Group cash balance at the end of December 2021 was R50.4 billion.

Results overview continued

Operational review

MTN South Africa

- Service revenue increased by 6.5%
- Data revenue increased by 13.1%
- Fintech revenue increased by 3.5%
- Digital revenue increased by 19.9%
- EBITDA increased by 6.8%
- EBITDA margin decreased by 0.1pp to 38.9%
- Capex of R10.4 billion on IFRS reported basis (R9.1 billion under IAS 17)

MTN SA delivered very strong overall results in 2021, on sustained commercial and operational execution across all business units. The Opco maintained a solid growth trajectory in all core businesses, namely: the prepaid consumer business unit (CBU); the postpaid CBU; the enterprise business unit (EBU); and the wholesale business.

This performance was achieved in a challenging macroeconomic and consumer backdrop and increasing unemployment rates in industries such as hospitality and tourism. MTN SA was also impacted by shifts in customer spending patterns as lockdown restrictions abated and the movement of people increased. This intensified the competition for share of the consumer's wallet.

Service revenue grew by 6.5%, exceeding the medium-term target and supported by healthy performances by prepaid CBU (up 2.1%), postpaid CBU (up 4.5%), EBU (up 16.8%) and wholesale (up 21.7%).

In a highly competitive market, MTN SA sustained it **#1 NPS** position and recorded market share gains in voice and data.

The number of **subscribers** increased by 3.0 million to 35.0 million as churn stabilised and MTN SA recorded higher gross additions. The postpaid subscriber base recovered well, aided by data value offers and advanced CVM churn management, with a 456 000 increase in subscribers to 7.4 million.

MTN SA added 2.4 million prepaid subscribers to close the year at 27.6 million, supported by an increase in 4G customers. The CBU business recorded the highest base growth in more than four years, with an increase in the number of active data users.

Data consumption accelerated in 2021, with data traffic growth of 58.3% and a 12.5% increase in the number of customers actively using the internet. As at 31 December 2021, MTN SA had 17.7 million active data users. This drove a 12.2% increase in overall **mobile data** revenue.

MTN SA's work to make data more affordable led to a 29.7% reduction in the effective data tariff. An active prepaid data subscriber now consumes an average of 2.3GB of data a month and an active postpaid data subscriber uses nearly 10.3GB per month.

The **consumer postpaid** business remained resilient in the year with service revenue growth of 4.5%. The focus on subscriber additions driven by channel expansion, well-managed churn and a consistent drive of SIM-only and data-orientated packages contributed to this growth.

The **consumer prepaid** business's performance was supported by strong data revenue, however there was offset by pressure from voice substitution, challenging macroeconomic conditions and increased split of consumer wallet share. Service revenue increased by 2.1%, slowing in the fourth quarter.

The **enterprise business** delivered a 16.8% increase in service revenue. The business recorded growth for nine consecutive quarters supported by the expansion of the core mobile business as MTN SA gained market share. Growth was driven through fixed data deals, strengthening of the SME CVM initiatives and the sustained recovery of the ICT business.

In March 2021, MTN SA was appointed as a service provider to the national government, enabling an expansion of service offerings to the public sector through the leveraging of its strong network quality. The enterprise business continued to grow its market share in this segment.

Wholesale revenue increased by 21.7%, supported by the national roaming deal with Cell C and solid growth in the MVNO portfolio. Revenue recognition remains on a cash basis as Cell C works towards its recapitalisation. MTN SA recognised R2.7 billion (up 33.9% YoY) in national roaming revenue from Cell C and a balance of R236 million remained unrecognised, as at 31 December 2021. MTN SA continues to invest in the expansion of its network capacity to further enable infrastructure sharing.

During the year MTN SA concluded a new multi-year national roaming agreement with Telkom which came into effect on 1 November 2021. MTN SA will provide 2G, 3G and 4G services to Telkom. This agreement aligns with the Group's strategy to monetise the investments it has made in networks and continue to build on the network as a service (NaaS) platform, where MTN SA is a key driver. In line with this strategy, MTN SA's MVNO business continues to grow. At the end of 2021, there were over 550k active customers, from MVNO partners connected to the MTN network.

The **fintech** business launched in February 2020 continued to grow, with 4.2 million registered MoMo users and 602 000 MAU on 31 December 2021. The growth in uptake surpasses that achieved in previous launches, setting the foundation to pass the key inflection point of one million MAU within the next 12 months. The platform continues to grow transactions driven by innovative and relevant solutions – such as airtime, electricity, gaming, e-commerce and e-government services.

MTN SA achieved **EBITDA** of R19.0 billion (up 6.8% YoY) with an EBITDA margin of 38.9%. Share price appreciation had a significant impact on the IFRS 2 expenses recorded by MTN SA. Excluding these impacts, MTN SA would have recorded EBITDA growth of 13.8% with a margin of 41.4%, within the medium-term guidance range.

This 2.4pp* YoY EBITDA margin improvement resulted from a solid service revenue performance and the successful execution of the expense efficiency programme. MTN SA improved device gross margins through the optimisation of device subsidies, which contributed 0.5pp to the EBITDA margin expansion.

The profitability of the business was supported by a strong operational performance. Profit after tax (PAT) of R4.7 billion was up 82.1%, also benefiting from lower finance costs and operational improvements. MTN SA's adjusted free cash flow grew to R8.3 billion (up 32.1%) on the back of EBITDA growth and improvement in working capital.

MTN SA sustained the **best network** quality in South Africa, as shown in both customer and independent measures over the course of 2021. MTN SA has now maintained this leadership position for three years in a row. The Opco maintained its #1 network NPS through most of the year, with a clear focus on accelerating 5G, launched in June 2020. MTN SA currently has over 1 000 5G sites across several spectrum bands, with plans to significantly scale up should it be allocated 3 500MHz high-demand spectrum.

Network availability and leadership came under some pressure in Q4 due to increased frequency in electricity outages and MTN SA is rolling out a comprehensive resilience plan aimed at maintaining network leadership.

MTN SA was announced as a **2022 Top Employer** in South Africa. The Top Employers Institute programme certifies organisations based on the participation and results of their HR Best Practices Survey. Being certified as a Top Employer showcases an organisation's dedication to a better world of work and exhibits this through excellent HR policies and people practices.

MTN SA's outlook will continue to be shaped by the macroeconomic conditions in the country and the impact on consumer behaviour. In this regard, there is increased pressure in the consumer prepaid business, particularly for lower-income customers impacted by job losses. MTN SA is accelerating its high growth business areas, with ongoing emphasis on the overall expense efficiency programme to deliver EBITDA and cash flow growth.

MTN Nigeria

- Service revenue increased by 23.2%*
- Data revenue increased by 55.3%*
- Fintech revenue increased by 57.0%*
- Digital revenue increased by 91.5%*
- EBITDA grew by 27.8%*
- EBITDA margin increased by 2.0pp* to 53.0%*
- Capex of R14.9 billion on an IFRS 16 reported basis (R11.1 billion under IAS 17)

Service revenue grew by 23.2%* despite the 10.6% decline in MTN Nigeria's subscriber base. Data continued to lead service revenue growth, supported by voice, fintech and digital service.

Voice revenue grew by 8.0%* due to higher usage in the active SIM base, resulting in a 7.9% growth in minutes of use. This was supported by the success of customer value management (CVM) initiatives, reducing the impact of SIM registration and activation restrictions in H1 and network restrictions in some locations towards the end of 2021.

In addition, MTN Nigeria continued to ramp up gross connections through our rural telephony initiatives while expanding our customer acquisition points, further supporting growth in voice revenue.

MTN Nigeria's **data** revenue rose by 55.3%*, maintaining an accelerated growth trajectory in Q4 as it continued to accelerate the expansion of our 4G coverage, enhance the quality and capacity of its network to support increasing data traffic, and grow active data users.

Average MB per active user rose by 62.7%, enabling overall data traffic growth of 85.3%. Also, smartphone penetration on the network grew by 4.0pp to 50%. MTN Nigeria's 4G network now covers 70.3% of the population, up from 60.1% in December 2020.

Fintech revenue rose by 57.0%* due to sustained growth in the use of Xtratime and broader fintech services by customers. MTN Nigeria expanded its MoMo agent network, through its one distribution strategy, with the addition of over 374 000 registered agents bringing the total number to approximately 770 000, up 94.8%. As a result, transaction volume rose by 167.0% to 137.5 million from an active user base of 9.4 million, up 102.0%.

Additionally, the Approval in Principle MTN Nigeria recently obtained in relation to its MoMo PSB licence application is an important step towards final approval, which will allow the Opco to expand its service offerings and scale its fintech business, thereby achieving more meaningful financial inclusion in the country.

Digital adoption in Nigeria continues to accelerate as customers use more digital products and services, a trend accelerated by COVID-19. As a result, digital revenue grew by 91.5%* as the active user base grew and penetration of our digital products deepened. The active user base rose by 162.1% to 7.5 million led by instant messaging platform ayoba, with active users up 172.9% to approximately 3.8 million.

Enterprise business performance was underpinned by the onboarding of new customers across key segments and the uptake of enhanced services. As a result, service revenue from MTN Nigeria's enterprise business was up by 10.9%*. Pleasingly, the implementation of the new pricing framework for USSD services will pave the way for full recovery of the outstanding debts.

On the costs side, MTN Nigeria made good progress with its expense efficiency programme realising R1.4 billion in cost savings, representing a 1.5pp* margin impact. However, the continued effects of naira depreciation on lease rental costs, acceleration in site rollout, and ongoing COVID-19 related expenditure resulted in operating expenses increasing by 21.7%*. Despite this, MTN Nigeria's ability to drive operating leverage drove **EBITDA** growth of 27.8%* and a 2.0pp* expansion in EBITDA margin to 53.0%*.

MTN Nigeria sustained higher demand for data, which extended beyond the usage spikes seen during COVID lockdowns. This drove acceleration of capex investment. As a result, **capex** in the period was up by 27.7%* to R14.9 billion, as MTN Nigeria ramped up investment in its network to capture growth through service quality leadership and aggressive coverage expansion, focusing on the 4G network.

MTN Nigeria deployed 9 336 4G sites representing approximately 75% of the total sites deployed during the period, reflecting solid data revenue growth.

Free cash flow was up by 21.1%*, substantiating the quality of MTN Nigeria's accelerated investment. Capex under IAS 17 was R11.1 billion, with capex intensity remaining within target levels at 18.5%*.

Results overview continued

Southern and East Africa (SEA)

- Service revenue increased by 22.5%*
- Data revenue increased by 39.5%*
- Fintech revenue increased by 22.6%*
- Digital revenue declined by 39.2%*

In the year, MTN's **SEA** region weathered persistently challenging trading conditions including the ongoing health crisis, slow economic recovery and higher inflation to yield double-digit top-line growth across most markets. This result was achieved on the back of strong growth in data and fintech revenue. Total subscribers increased by 2.2 million to 35.1 million.

MTN Uganda recorded service revenue growth of 9.3%*. This was supported by an uplift in data revenue (up 22.5%*) which was driven by sustained growth in the base and usage and fintech revenue (up 10.0%*) as basic services continued to grow steadily. Voice revenue (up 3.4%*) came under some pressure in H2 due in part to revised offerings that provided more value to customers, particularly during lockdown periods.

Despite the challenging conditions in the market, MTN Uganda's EBITDA margin expanded by 1.8pp* to 51.3%* on the back of revenue growth and effective implementation of expense efficiencies.

MTN Rwanda demonstrated its resilience through the year, delivering strong service revenue growth of 24.0%*. The uplift in service revenue was supported by solid fintech revenue growth (up 65.4%*) driven by growth in the active base, data revenue (up 18.8%*) and voice revenue (up 12.1%*). The Opco delivered EBITDA margin of 47.6%* down 1.2pp, impacted mainly by higher cost of sales as a result of increased interconnect and fintech costs.

The rest of the SEA portfolio also reported a pleasing set of results for the year, with MTN Zambia and MTN South Sudan growing at a double-digit rate. A positive operating leverage was achieved in the year with service revenue growing ahead of costs in most markets. Disciplined cost containment measures across the region supported a 1.0pp* YoY expansion in the blended SEA portfolio EBITDA margin to 46.3%*.

Our associate investment in eSwatini has also delivered strong results for the year, driven by data and fintech; both supported by the underlying penetration into the base (smartphone penetration of 57% and MoMo penetration of 58.6%).

West and Central Africa (WECA)

- Service revenue increased by 18.4%*
- Data revenue increased by 43.6%*
- Fintech revenue increased by 32.9%*
- Digital revenue increased by 6.6%*

The **WECA** region recorded a decent performance for the year, supported by double-digit growth across most Opcos as well as an expansion of the subscriber base. The solid performance was brought about by the work that was carried out to accelerate data and fintech revenue in the year.

Service revenue growth of 18.4%* was well in excess of the blended inflation (8.0%) of the region. The continued momentum in the year on the expense efficiency programme which delivered cost optimisation resulted in most WECA Opcos improving their EBITDA margins for the year. The aggregate EBITDA margin of WECA increased by 1.2pp* to 40.3%*. Total subscribers increased by 4.5 million to 68.1 million.

MTN Ghana delivered a solid result, as the country began its recovery from COVID-9 impacts. The resilience of the business and diligent execution of Ambition 2025 commercial initiatives led to service revenue growth of 28.6%*. This performance was boosted mainly by data (up 56.1%*) and fintech (up 37.3%*) as the Opco drove increased digital and financial inclusion in the year. The EBITDA margin increased by 2.3pp* to 55.0%*.

MTN Côte d'Ivoire's ongoing base growth, segmented marketing approach and aggressive sales & distribution led to service revenue growth of 9.0%*. The positive result was supported by growth in data revenue (up 41.4%*) and fintech revenue (up 5.0%*). The EBITDA margin rose by 0.1pp* to 34.8%*.

MTN Cameroon reported service revenue growth of 16.4%* in a challenging environment where the Opco continues to have leading market share. This was supported by focused value propositions which led to growth in data (up 34.8%*), fintech (up 35.0%*) and digital (up 47.6%*) revenue. The EBITDA margin for MTN Cameroon expanded by 2.6pp* to 34.6%*.

Overall, excluding MTN Ghana, the WECA markets grew service revenue by 12.5%* – compared to blended inflation of 5.3%, on the same basis – and reported a 0.6pp* decline in EBITDA margin to 30.6%*.

Results overview continued

Middle East and North Africa (MENA) (excluding Iran)

- Service revenue increased by 47.1%*
- Data revenue increased by 65.2%*
- Fintech revenue increased by 18.8%*
- Digital revenue increased by 49.0%*

Notwithstanding difficult trading conditions in the region, the Opcos within the MENA portfolio delivered a strong performance with a solid EBITDA margin despite local currency devaluations and high inflation which were managed through a focus on optimisation initiatives. This performance was supported by solid growth in data, with an increase in active data users and smartphone penetration. The total number of subscribers (excluding MTN Irancell) was 15.3 million.

MTN Sudan increased service revenue by 294.3%*, underpinned by growth in voice (up 307.2%*) supported by re-pricing, and data (up 298.6%*) on the back of an increase in data bundle prices and usage. The EBITDA margin expanded by 7.1 pp* to 48.7%*, driven by strong growth in revenue.

MENA service revenue increased by 47.1%*, with the EBITDA margin increasing by 1.9pp to 31.8%*. This includes MTN Syria and MTN Yemen, which were exited during 2021, on a like-for-like basis.

Excluding MTN Syria, which is consolidated for just two months in the period and MTN Yemen (consolidated for 10 months), MENA blended EBITDA margin was 39.4%* (up 10.4pp*).

Associates, joint ventures and investments

Telecoms operations

MTN Irancell delivered a healthy performance in the year despite the economy operating under US sanctions and being negatively impacted by the pandemic. Service revenue grew by 33.2%*, with voice revenue up by 19.2%* and data revenue up by 41.5%*. As at 31 December 2021, the total number of subscribers was 50.4 million.

MTN Irancell's EBITDA margin contracted by 0.5pp* to 36.4%* due to higher costs which were partially impacted by currency devaluation and increased site roll-out. Invested capex was R2.4 billion under IAS 17. The value of the Irancell loan and receivable at 31 December 2021 was R3.4 billion.

E-commerce investments

The Iran Internet Group (IIG) continued its strong growth in 2021. Ride-hailing app Snapp remained the market leader, ranking among the top ride-hailing apps globally and reaching 3 million daily rides. Food delivery app Snappfood is the largest food delivery platform in the country, with 215k daily orders. Last-mile delivery service Snappbox maintained its position as market leader with almost 250k orders daily.

Within Middle East Internet Holding (MEIH), ride-hailing service Jeeny and cleaning service app Helpling continued to recover strongly from the impact of COVID-19, with Jeeny reaching a peak of 85k daily rides. These e-commerce holdings, while important investments, are not viewed as long-term strategic holdings for the Group and form part of the ARP.

Investments in tower and infrastructure companies

As at 31 December 2021, the fair value of our 26.0% investment in **IHS** was recognised at R19.1 billion. IHS Towers listed on the NYSE and started trading on 14 October 2021. IHS Towers concluded its IPO of 18 million ordinary shares at a public offering price of US$21.00 per share.

MTN now holds 85 176 719 ordinary shares of IHS Towers which results in a 26.0% investment, a dilution from 29.0% due to the management shares and the primary issue of 18 million additional shares at IPO. Management shares are part of the long-term incentive plan where 15.8 million shares vest immediately at IPO.

Prospects and guidance

Positioning the business for accelerated growth and relevance to 2025

The MTN Group demonstrated resilience under a challenging trading environment which featured ongoing COVID-19 uncertainties. Our focus on strategy execution as well as sustaining commercial momentum led to the delivery of service revenue that tracked favourably against our medium-term guidance and expanded EBITDA margins. We are encouraged by the delivery of 15 successive quarters of operating improvements.

COVID-19 has accelerated development of digital ecosystems across our markets and led to a significant uptake in telecommunication services and supported shifts to cashless payments. Although accelerated by the pandemic, this increased demand and growth is sustaining at higher levels.

Our ***Ambition 2025*** strategy is supporting greater digital and financial inclusion across Africa while aligning to the development agendas of nation states. We want to take advantage of the opportunity to win in digital services as customers come online for the first time as we see a notable demand for digital services. We are well positioned to capture the opportunities for growth while unlocking value.

Our strategy is underpinned by a solid financial framework with a value-based approach to capital allocation and improving returns.

Driving industry-leading connectivity operations

In our drive to be the industry-leading connectivity business, we are focused on accelerating growth in MTN SA and MTN Nigeria. In terms of the operating environment, South Africa is experiencing pressure, particularly in the lower-income consumer segment due in part to job losses. This is impacting MTN SA's consumer prepaid segment. In Nigeria, economic activity is expected to normalise in 2022 benefitting from higher oil prices and moderating inflation. MTN Nigeria is well-positioned to sustain accelerated growth in the medium-term.

We will continue to drive sustained growth in data throughout our footprint and 'Own the Home'. Our target over the medium term is to grow our total subscriber base to 300 million, our mobile data users to 200 million data and our home broadband users to 10 million.

Building the largest and most valuable platforms

Scaling and building the largest and most valuable platforms is key and underpin our long-term growth outlook and achieving our medium-term guidance targets. Mobile Money remains a prime growth driver as it plays a critical role in enhancing financial inclusion. We aim to exponentially increase MoMo and ayoba active users to 100 million over the medium term as we move from a product to a platform play.

For the year ahead we will continue our work to structurally separate our fintech and fibre businesses. We aim to have a clear operational and resourcing focus to accelerate growth while allowing the entities to leverage the MTN base, brand, network and footprint. The separated operations will remain controlled by the Group but will be better able to engage value-adding partnerships to scale and accelerate their growth as well as reveal the value held within the Group.

We secured the approval in principle for a Payment Services Banking licence in Nigeria and await the decision of the Central Bank of Nigeria, which will help to complete the setup of the

Group fintech holding company. Once this is completed, we plan to secure strategic partners into the Group fintech holding company in the course of 2022 in order to support the accelerated growth of the business.

Structural separation of the fibre businesses is targeted for 2023, depending on the regulatory approvals required for cross-market fibre deployment.

Driving financial efficiencies and investing in accelerated growth
We are targeting more than R5 billion in expense efficiencies over three years (with 2020 as a baseline) and are on track to achieving this. We are working with hyperscalers on taking over 80% of our network and IT workloads over time into the cloud. This virtualisation of workloads will drive efficiencies over time that will support improvement in returns.

The further strengthening of our financial position by accelerating the deleveraging of our Holdco balance sheet, protecting liquidity and preserving cash are key as we will focus on upstreaming cash from the markets and executing on our ARP and portfolio transformation.

As we work to deliver accelerated growth across our operations and defend our 'second-to-none' networks and platforms position, investing appropriately in the capacity and resilience of our networks and technology platforms will be crucial. Our guidance for capex in 2022 is R34.4 billion. We will have an increased focus on reducing capex intensity, with an expected range of between 18% to 15% as the business continues to grow over the medium term.

A step-change in approach to sustainability and improving our risk profile
We have taken a step change in our sustainability approach and further improving the risk profile of the Group. While we have made good progress in this area, we continue to work towards more notable improvements in ESG.

To this end, we are committed to achieve net zero emissions by 2040. To accelerate diversity and inclusion, we set a target of 50% women representation of executives and boards across our Opcos and 50% (from 39% currently) women in the workforce overall by 2030. Creating shared value is integral to the sustainability of our business as we work to play our part in the socioeconomic development of our markets and, in turn, our continent.

Enhanced medium-term guidance
Against a backdrop of anticipated higher and sustained growth opportunities in our markets, we have enhanced elements of our medium-term (three to five years) guidance framework.

Group service revenue: 'at least mid-teens' percentage growth in Group in constant currency terms (from 'low-to-mid teens').

MTN SA service revenue: mid-single-digit percentage growth from MTN SA (unchanged).

MTN Nigeria service revenue: 'at least 20%' growth in constant currency terms from MTN Nigeria (from 'mid-teens' percentage growth).

Fintech service revenue: 'at least 20%' of Group service revenue contribution by 2025 (unchanged).

Holdco leverage: target ratio over the medium term of 'below 1.5x', with increased focus on faster reduction of non-ZAR borrowings and optimising debt mix.

Adjusted ROE: improvement towards 25% (from 'at least 20%').

Board and senior management changes

Swazi Tshabalala retirement at the 2022 annual general meeting (AGM)

In compliance with paragraph 3.59 of the JSE Listings Requirements, the board of directors of the Company wishes to advise shareholders of the following Board change:

MTN announces that Swazi Tshabalala will not stand for re-election at the 2022 AGM and will step down as a director of the Company immediately after the AGM on 25 May 2022.

Swazi has indicated a wish to focus on her executive responsibilities because of the exponential changes in her role and responsibilities arising from her appointment as Senior Vice President at the African Development Bank.

Swazi has been a director of MTN since 2018 and has served on the Group Audit Committee, Group Remuneration and Human Resources Committee, and Directors Affairs and Governance Committee for the last four years.

Swazi has been a valuable member of the Board, and the Board would like to express its gratitude for her significant contribution to the Company and guidance to management. The MTN Board wish her great success in the new role.

Other Board changes

In the year we announced the following changes to the Board effective 1 April 2021, unless otherwise stated:

- Tsholofelo Molefe was appointed Group Chief Financial Officer (GCFO) and executive director;
- Nosipho Molope was appointed as an independent non-executive director;
- Noluthando Gosa was appointed as an independent non-executive director; and
- Azmi Mikati retired as a non-executive director effective 28 May 2021, as part of the structured board evolution process which has been underway since 2019; we thank him for his service over many years and wish him well.

Senior management changes

In support of the execution and acceleration of Ambition 2025, we announced an evolution to the executive committee structure where MTN's core connectivity business will be streamlined into South Africa, Nigeria and Markets (comprising of WECA, SEA and MENA), the legal and regulatory responsibilities are now consolidated into one and sustainability as well strategy will form part of the Executive Committee (Exco) going forward.

We also announced the following evolution in the Group's management and Exco responsibilities, which all became effective on 1 February 2022 unless otherwise stated:

- Charles Molapisi assumed the position of CEO of MTN SA, effective 1 January 2022;
- Mazen Mroue was appointed as Group Chief Technology Information Officer (CTIO);
- Ebenezer Asante assumed the new role of Senior Vice President (SVP) of Markets, with overall P&L responsibility of the three regions. Part of the focus is to ensure seamless execution of the structural separation of the fintech and infraco assets within the Markets portfolio;
- Serigne Dioum assumed the streamlined role of Group Chief Fintech Officer;
- Jens Schulte-Bockum, the Group COO, became responsible for driving the faster scaling of all platforms other than fintech. The digital, infraco, enterprise services, network as a service and Chenosis platforms now all report to Jens;
- Nompilo Morafo was appointed as the Group Chief Sustainability and Corporate Affairs Officer; and
- Chika Ekeji was appointed as the Group Chief Strategy and Transformation Officer.

Declaration of final ordinary dividend

Notice is hereby given that a gross final dividend of 300 cents per share for the period to 31 December 2021 has been declared and will be paid out of revenue reserves. The number of ordinary shares in issue at the date of this declaration is 1 884 269 758 (including 2 775 926 treasury shares held by MTN Holdings, the 1 434 152 shares held by the 2016 MTN ESOP trust and 76 835 378 shares held by MTN Zakhele Futhi).

The dividend will be subject to a maximum local dividend tax rate of 20% which will result in a net dividend of 240 cents per share to those shareholders who bear the maximum rate of dividend withholding tax of 60 cents per share. The net dividend per share for the respective categories of shareholders for the different dividend tax rates is as follows:

- 0% 300.00 cents per share
- 5% 285.00 cents per share
- 7.5% 277.50 cents per share
- 10% 270.00 cents per share
- 12.5% 262.50 cents per share
- 15% 255.00 cents per share

These different dividend tax rates are a result of the application of tax rates in various double-taxation agreements as well as exemptions from dividend tax.

MTN's tax reference number is 9692/942/71/8. In compliance with the requirements of Strate, the electronic settlement and custody system used by the JSE Limited, the salient dates relating to the payment of the dividend are as follows:

Declaration date	Wednesday, 9 March 2022
Last day to trade cum dividend on the JSE	Tuesday, 29 March 2022
First trading day ex dividend on the JSE	Wednesday, 30 March 2022
Record date	Friday, 1 April 2022
Payment date	Monday, 4 April 2022

No share certificates may be dematerialised or re-materialised between Wednesday, 30 March 2022 and Friday, 1 April 2022, both days inclusive. On Monday, 4 April 2022 the dividend will be transferred electronically to the bank accounts of certificated shareholders who make use of this facility. In respect of those who do not use this facility, cheques dated Monday, 4 April 2022 will be posted on or about this date. Shareholders who hold dematerialised shares will have their accounts held by the Central Securities Depository Participant or broker credited on Monday, 4 April 2022.

For and on behalf of the board

MH Jonas
Group Chairman

RT Mupita
Group President and CEO

TBL Molefe
Group CFO

8 March 2022
Fairland
Date of release 9 March 2022

Lead sponsor
JP Morgan Equities South Africa Proprietary Limited

Joint sponsor
Tamela Holdings Proprietary Limited

Results overview continued

Appendix

Definitions:

- All financial numbers are YoY unless otherwise stated
- All subscriber numbers are compared to the end of December 2021 unless otherwise stated
- Service revenue excludes device and SIM card revenue
- Data revenue is mobile and fixed access data and excludes roaming and wholesale
- Fintech includes MoMo, insurance, airtime lending and ecommerce
- MoMo users are 30-day active users
- CODM EBITDA (referred to as EBITDA) is defined as earnings before finance income and finance costs (which includes gains or losses on foreign exchange transactions), tax, depreciation and amortisation, and is also presented before recognising the following items: the impact of hyperinflation, impairments of goodwill, property, plant and equipment, intangible assets and joint ventures, fair value gain on acquisition of subsidiary, impairment loss on remeasurement of non-current assets held for sale, loss on deconsolidation of subsidiary and profit on disposal of associates and subsidiaries, arbitration settlement and COVID-19 donations. EBITDA including these once-off items increased by 22.1%*.
- CODM EBIT is CODM EBITDA before impairment of goodwill less depreciation, amortisation and impairment of goodwill
- ROE is calculated based on reported Group HEPS of 1 110 cps after adjusting for non-operational impacts of 123 cps. Equity is also adjusted for non-operational items such as hyperinflation
- Holdco leverage: Holdco net debt (including MTN GC)/SA EBITDA + cash upstreaming
- ARPU: average revenue per user
- SME: small and medium-sized enterprises
- MVNO: Mobile virtual network operator
- PSB: Payment service bank
- Profit from operations: Consists of total of CODM EBITDA before impairment of goodwill less depreciation, amortisation
- Other income and gains include gains on disposal/dilution of investment in JV/associate
- JCPOA: Joint Comprehensive Plan of Action

Audited summary Group financial statements for the year ended 31 December 2021

The audited summary Group financial statements have been independently audited by the Group's external auditors. The audited summary Group financial statements have been prepared by the MTN finance staff under the guidance of the Group Finance Executive, S Perumal, CA(SA), and were supervised by the Group Chief Financial Officer, TBL Molefe CA (SA).

The results were made available on 9 March 2022.

Results overview

for the year ended 31 December 2021

MTN

Independent auditors' report on the summary consolidated financial statements

TO THE SHAREHOLDERS OF MTN GROUP LIMITED

OPINION

The audited summary consolidated financial statements of MTN Group Limited, contained in the accompanying provisional report, which comprise the summary Group statement of financial position as at 31 December 2021, the summary Group income statement and the summary Group statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of MTN Group Limited for the year ended 31 December 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 3 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 8 March 2022. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 3 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements.*

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: SN Madikane
Registered Auditor
Johannesburg, South Africa

8 March 2022

Ernst & Young Inc.

Ernst & Young Inc.
Director: EAL Botha
Registered Auditor
Johannesburg, South Africa

8 March 2022

Summary Group income statement

for the year ended 31 December 2021

	Note	2021 Rm	2020 Rm
Revenue	**7**	**181 646**	179 361
Other income	**18.4; 18.5**	**677**	99
Direct network and technology operating costs		**(27 649)**	(28 208)
Costs of handsets and other accessories		**(10 584)**	(11 093)
Interconnect and roaming costs		**(9 622)**	(10 992)
Staff costs		**(11 716)**	(12 741)
Selling, distribution and marketing expenses		**(22 452)**	(21 158)
Government and regulatory costs		**(6 895)**	(6 823)
Impairment and write-down of trade receivables and contract assets		**(1 116)**	(2 169)
Other operating expenses		**(12 570)**	(9 584)
Depreciation of property, plant and equipment		**(21 181)**	(22 704)
Depreciation of right-of-use assets		**(7 216)**	(7 204)
Amortisation of intangible assets		**(6 243)**	(5 743)
Impairment of goodwill and investment in joint ventures	**8**	**(583)**	(1 065)
Gain on disposal of investment in associates	**18.1**	**1 212**	6 129
Loss on deconsolidation of subsidiary	**18.3**	**(4 720)**	–
Impairment loss on remeasurement of non-current assets held for sale		**(53)**	(1 510)
Net finance costs	**9**	**(14 448)**	(18 233)
Net monetary gain		**275**	1 582
Share of results of associates and joint ventures after tax	**10**	**2 054**	1 142
Profit before tax		**28 816**	29 086
Income tax expense		**(11 822)**	(9 439)
Profit after tax		**16 994**	19 647
Attributable to:			
Equity holders of the Company		**13 750**	17 022
Non-controlling interests		**3 244**	2 625
		16 994	19 647
Basic earnings per share (cents)	**11**	**763**	946
Diluted earnings per share (cents)	**11**	**744**	936

Summary Group statement of comprehensive income

for the year ended 31 December 2021

	Note	2021 Rm	2020 Rm
Profit after tax		**16 994**	19 647
Other comprehensive income after tax			
Items that may be and/or have been reclassified to profit or loss:		**1 759**	5 243
Net investment hedges	**17**	**(1 152)**	(878)
Foreign exchange movement on hedging instruments		**(1 600)**	(1 219)
Normal tax		**448**	341
Exchange differences on translating foreign operations including the effect of hyperinflation[1]		**2 911**	6 121
Gains arising during the year		**579**	4 453
Reclassification of foreign currency translation differences, including hyperinflation on loss of significant influence and control	**18.1; 18.3; 18.4**	**2 332**	1 668
Items that will not be reclassified to profit or loss:		**(10 317)**	(622)
Equity investments at fair value through other comprehensive income[1,2]			
Losses arising during the year	**12**	**(10 336)**	(622)
Remeasurement gain on defined benefit obligation		**19**	–
Other comprehensive income for the year		**(8 558)**	4 621
Attributable to:			
Equity holders of the Company		**(7 671)**	3 955
Non-controlling interests		**(887)**	666
Total comprehensive income for the year		**8 436**	24 268
Attributable to:			
Equity holders of the Company		**6 079**	20 977
Non-controlling interests		**2 357**	3 291
		8 436	24 268

[1] This component of other comprehensive income (OCI) does not attract any tax.
[2] Equity investments at fair value through other comprehensive income mainly relates to the Group's investment in IHS Holding Limited (IHS Group).

Summary Group statement of financial position

as at 31 December 2021

	Note	2021 Rm	2020 Rm
Non-current assets		**232 707**	235 166
Property, plant and equipment		**99 769**	100 576
Intangible assets and goodwill		**43 760**	39 069
Right-of-use assets		**42 957**	46 156
Investments	**12**	**19 916**	28 518
Investment in associates and joint ventures		**13 848**	10 306
Deferred tax and other non-current assets		**12 457**	10 541
Current assets		**125 800**	109 760
Cash and cash equivalents		**39 488**	30 990
Mobile Money deposits		**38 260**	27 679
Trade and other receivables		**31 002**	29 826
Restricted cash		**6 801**	6 888
Other current assets		**10 249**	14 377
Non-current assets held for sale	**19**	**7 291**	4 016
Total assets		**365 798**	348 942
Total equity		**114 982**	106 225
Attributable to equity holders of the Company		**111 047**	102 873
Non-controlling interests		**3 935**	3 352
Non-current liabilities		**118 486**	133 334
Interest-bearing liabilities	**14**	**65 484**	78 457
Lease liabilities		**41 409**	43 753
Deferred tax and other non-current liabilities		**11 593**	11 124
Current liabilities		**127 928**	108 299
Mobile Money payables		**38 869**	28 008
Trade and other payables		**50 767**	41 880
Interest-bearing liabilities	**14**	**15 418**	17 792
Lease liabilities		**6 505**	5 728
Other current and tax liabilities		**16 369**	14 891
Liabilities directly associated with non-current assets held for sale	**19**	**4 402**	1 084
Total equity and liabilities		**365 798**	348 942

Summary Group statement of changes in equity

for the year ended 31 December 2021

	Note	2021 Rm	2020 Rm
Opening balance at 1 January		**102 873**	83 897
Opening reserve adjustment for impact of hyperinflation		**–**	3 677
Total comprehensive income		**6 079**	20 977
Profit after tax		**13 750**	17 022
Other comprehensive income after tax		**(7 671)**	3 955
Transactions with owners of the Company			
Share-based payment transactions		**710**	695
Dividends declared		**–**	(6 393)
Gain on disposal of shares in MTN Zambia		**–**	180
Gain on MTN Uganda initial public offering	**18.2**	**1 774**	–
Acquisition of aYo non-controlling interests	**18.5**	**(212)**	–
Other movements		**(177)**	(160)
Attributable to equity holders of the Company		**111 047**	102 873
Non-controlling interests		**3 935**	3 352
Closing balance		**114 982**	106 225

Summary Group statement of cash flows

for the year ended 31 December 2021

	Note	2021 Rm	2020 Rm
Net cash generated from operating activities		**67 286**	58 513
Cash generated from operations		**88 670**	78 580
Interest received		**1 161**	1 305
Interest paid		**(12 145)**	(13 576)
Dividends received from associates and joint ventures		**554**	608
Income tax paid		**(10 954)**	(8 404)
Net cash used in investing activities		**(30 953)**	(33 512)
Acquisition of property, plant and equipment		**(24 413)**	(23 502)
Acquisition of intangible assets		**(10 812)**	(6 678)
Proceeds from sale of investment in associates	**18.1**	**1 807**	8 962
Increase in non-current investment and joint venture		**(22)**	(260)
Proceeds from sale of investment in Jumia		**–**	2 315
Proceeds from exiting Yemen, net of cash deconsolidated, net of cash disposed	**18.4**	**(900)**	–
Decrease in loan receivables		**19**	25
Realisation of non-current investment bonds		**667**	–
Purchase of non-current investment bonds and fixed deposits[1]		**(121)**	(1 219)
Realisation/(purchase) of current investment bonds, treasury bills and foreign deposits[1]		**4 521**	(6 897)
Net increase in restricted cash		**(1 502)**	(6 285)
Cash acquired on acquisition of subsidiary	**18.5**	**68**	–
Cash deconsolidated on loss of control	**18.3**	**(228)**	–
Movement in other investing activities		**(37)**	27
Net cash used in financing activities		**(26 179)**	(13 705)
Proceeds from borrowings	**15**	**23 754**	22 551
Repayment of borrowings	**15**	**(43 953)**	(22 655)
Repayment of lease liabilities		**(5 949)**	(4 998)
Dividends paid to equity holders of the Company		**–**	(6 462)
Dividends paid to non-controlling interests		**(2 084)**	(2 093)
Proceeds from MTN Uganda initial public offering	**18.2**	**2 191**	–
Acquisition of additional shares in aYo	**18.5**	**(257)**	–
Other financing activities		**119**	(48)
Net increase in cash and cash equivalents		**10 154**	11 296
Net cash and cash equivalents at beginning of the year		**30 636**	21 607
Exchange losses on cash and cash equivalents		**(1 515)**	(2 179)
Net monetary (loss)/gain on cash and cash equivalents		**(380)**	36
Decrease/(increase) in cash classified as held for sale	**18.3**	**124**	(124)
Net cash and cash equivalents at end of the year		**39 019**	30 636

[1] Purchase of non-current investments have been disaggregated in the current financial year and comparative numbers have been re-presented accordingly.

Notes to the summary Group financial statements

for the year ended 31 December 2021

1. **INDEPENDENT AUDIT**

The summary Group financial statements have been derived from the audited Group financial statements. The directors of the Company take full responsibility for the preparation of the summary Group financial statements and that the financial information has been correctly derived and are consistent in all material respects with the underlying audited Group financial statements. The summary Group financial statements for the year ended 31 December 2021 have been audited by our joint auditors PricewaterhouseCoopers Inc. and Ernst & Young Inc., who have expressed an unmodified opinion thereon. The auditors also expressed an unmodified opinion on the Group financial statements from which the summary Group financial statements were derived. A copy of the auditors' report on the Group financial statements is available for inspection at the Company's registered office or can be downloaded from the Company's website www.mtn.com/investors/financial-reporting/annual-results, together with the financial statements identified in the auditors' report.

2. **GENERAL INFORMATION**

The Group is a leading pan-African mobile operator that provides a diverse range of voice, data, digital, fintech, wholesale and enterprise services.

3. **BASIS OF PREPARATION**

The summary Group financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional financial statements and the requirements of the Companies Act, No. 71 of 2008 as amended applicable to summary financial statements. The summary financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC) and the Financial Pronouncements as issued by the Financial Reporting Standard Council (FRSC), and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The summary Group financial statements should be read in conjunction with the Group financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS. A copy of the full set of the audited Group financial statements is available for inspection from the Company Secretary at the registered office of the Company or can be downloaded from the Company's website: www.mtn.com/investors/financial-reporting/annual-results.

4. **PRINCIPAL ACCOUNTING POLICIES**

The accounting policies applied in the preparation of the Group financial statements from which the summary Group financial statements are derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated Annual Financial Statements except as described below.

A number of amendments to accounting pronouncements are effective from 1 January 2021, but they do not have a material effect on the Group's summary financial statements.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

5.1 MTN SA revenue recognition

Significant judgement

On 1 May 2020, Mobile Telephone Networks Proprietary Limited's (MTN SA) new long-form roaming agreement (Phase 2 agreement) with Cell C Limited (Cell C) became effective. In February 2021, Cell C entered into a settlement agreement specifying the repayment schedule for the long outstanding amounts.

Based on Cell C's liquidity issues, the Group has assessed that it is not probable that it will receive all consideration to which it is entitled under the Phase 2 agreement, and therefore the agreement does not meet the definition of a contract for revenue recognition purposes in terms of IFRS 15 Revenue from Contracts with Customers (IFRS 15). As a result, MTN SA did not recognise all revenue accrued on satisfied performance obligations during the period under review. Revenue was only recognised on completed services based on the non-refundable consideration received.

MTN SA recorded revenue of R2 667 million from Cell C during the year ended 31 December 2021 (2020: R1 992 million). As at 31 December 2021, R448 million (2020: R525 million) of revenue in relation to satisfied performance obligations remains unrecognised.

Cell C continues to work on its recapitalisation programme which, if adequately resolved, would result in a change in the Group's accounting treatment of Cell C revenues, back to an accounting methodology of recognising revenue as performance obligations are satisfied.

5.2 Deferred tax

Source of estimation uncertainty

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The Group is required to make significant estimates in assessing whether future taxable profits will be available.

Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the probable reversal of taxable temporary differences in future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The Group's recognised and unrecognised deferred tax assets for the current year amounted to R7 223 million (2020: R6 355 million) and R9 804 million (2020: R8 399 million[1]) respectively.

MTN International (Mauritius) Limited (MTN Mauritius) recognised a deferred tax asset of R5 750 million (2020: R5 290 million), mainly resulting from an assessed loss.

The Group considered the following factors in assessing whether it is probable that MTN Mauritius will have future taxable profits available against which the deferred tax asset can be used:

- it is unlikely that the circumstances that resulted in MTN Mauritius incurring assessed losses will recur;
- interest expense and foreign exchange exposures will reduce as MTN Mauritius repays its US$ denominated intercompany debt. The repayments are currently scheduled to occur in 2024 and 2026; and
- technical service fees from subsidiaries are expected to increase as more services are provided centrally.

Based on current business plans and stress scenarios, the Group expects to utilise the deferred tax asset in the next eight to eleven years.

[1] Deductible temporary differences and unused tax losses for which no deffered tax asset had been recognised as at 31 December 2020 have been restated to incorporate additional foreign exchange considerations present at that date.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

6. HYPERINFLATION

The financial statements (including comparative amounts) of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

The Group has classified the economies of Syria, South Sudan, Sudan and Iran as hyperinflationary effective 2014, 2016, 2018 and 2020 respectively.

On 31 May 2020, MTN Syria was classified as a disposal group held for sale and was remeasured to its fair value less cost to sell and the Group has therefore discontinued adjusting MTN Syria's net assets for hyperinflation from this date to date of deconsolidation.

The economy of Iran was assessed to be hyperinflationary effective 1 January 2020, and hyperinflation accounting was applied for the current financial year. Upon first application of hyperinflation, prior period gains of R3 677 million were recognised directly in equity. The impacts of hyperinflation disclosed for Irancell have been proportioned for the Group's shareholding.

The impact of hyperinflation on the segment analysis is as follows:

	2021	
	Revenue Rm	**Capital expenditure Rm**
Sudan	**542**	**266**
South Sudan (included in other SEA)	**(555)**	**(99)**
	(13)	**167**
Major joint venture – Irancell	**1 099**	**352**

	2020	
	Revenue Rm	Capital expenditure Rm
Syria	(669)	(139)
Sudan	3 429	507
South Sudan (included in other SEA)	165	26
	2 925	394
Major joint venture – Irancell	(2 312)	(121)

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

7. SEGMENT ANALYSIS

The Group has identified reportable segments that are used by the Group Executive Committee (the Chief Operating Decision Maker (CODM)) to make key operating decisions, allocate resources and assess performance. The reportable segments are largely grouped according to their geographic locations and reporting lines to the CODM.

The Group's underlying operations are clustered as follows:
- South Africa;
- Nigeria;
- South and East Africa (SEA);
- West and Central Africa (WECA); and
- Middle East and North Africa (MENA).

South Africa and Nigeria comprise the segment information for the South African and Nigerian network services providers respectively.

The SEA, WECA, and MENA clusters comprise segment information for operations in those regions which are also network services providers in the Group. In line with the Group's strategy, segment information for the Ghana operation has been reported under the WECA cluster effective 1 January 2021 (previously included in SEAGHA, now renamed SEA). Prior year operating segment information for SEA and WECA has been restated accordingly.

Operating results are reported and reviewed regularly by the CODM and include items directly attributable to a segment as well as those that are attributed on a reasonable basis, whether from external transactions or from transactions with other Group segments.

A key performance measure of reporting profit for the Group is CODM EBITDA. CODM EBITDA is defined as earnings before finance income and finance costs (which includes gains or losses on foreign exchange transactions and a unwind of revision of cash flows), tax, depreciation, and amortisation, and is also presented before recognising the following items:
- impairment of goodwill and investment in joint ventures (note 8);
- net monetary gain resulting from the application of hyperinflation;
- share of results of associates and joint ventures after tax (note 10);
- hyperinflation (note 6);
- gain on disposal of investment in associate (note 18.1);
- fair value gain on acquisition of subsidiary (note 18.5);
- loss on deconsolidation of subsidiary (note 18.3);
- impairment loss on Yemen property, plant and equipment (PPE) and intangible assets (note 8);
- gain on exit in Yemen (note 18.4);
- gain on disposal of subsidiary; and
- impairment loss on remeasurement of non-current asset held for sale.

These exclusions have remained unchanged from the prior year, apart from the fair value gain on acquisition of subsidiary, loss on deconsolidation of subsidiary, gain on disposal of subsidiaries and impairment loss on Yemen PPE and intangible assets. Impairment losses on PPE and intangible assets are generally included in the CODM EBITDA as they are operational in nature. As the impairment of Yemen's PPE and intangible assets arises from the MENA exit strategy, it is not considered reflective of Yemen's performance for the period.

Irancell Telecommunications Company Services (PJSC) (Irancell) proportionate results are included in the segment analysis as reviewed by the CODM and excluded from reported results for revenue, CODM EBITDA and capital expenditure due to equity accounting for joint ventures. The results of Irancell in the segment analysis exclude the impact of hyperinflation accounting.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

7. SEGMENT ANALYSIS continued

REVENUE	Network services Rm	Mobile devices Rm	Interconnect and roaming Rm
2021			
South Africa	31 030	9 271	4 070
Nigeria	50 241	107	5 594
SEA	11 830	211	759
Uganda	5 728	84	378
Zambia	1 606	77	108
Other SEA	4 496	50	273
WECA	34 371	223	2 499
Ghana	13 046	56	642
Côte d'Ivoire	6 022	47	879
Cameroon	5 475	38	385
Other WECA	9 828	82	593
MENA	5 209	13	1 055
Sudan	1 619	6	548
Afghanistan	1 670	7	341
Other MENA[1]	1 920	–	166
Major joint venture – Irancell[2]	5 831	128	289
Head office companies[3]	1 515	–	5 076
Eliminations	(438)	(1)	(5 303)
Hyperinflation impact	(229)	1	226
Irancell revenue exclusion	(5 831)	(128)	(289)
Consolidated revenue	133 529	9 825	13 976

[1] Syria and Yemen segment analysis has been included until the Group lost control of MTN Syria on 25 February 2021 and the Group exited Yemen on 17 November 2021. Refer to note 18.3 and note 18.4.

[2] Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

[3] Head office companies consist mainly of revenue from GlobalConnect Solutions Limited (GlobalConnect), the Group's central financing activities and management fees from segments.

Digital and fintech Rm	Other Rm	Revenue from contracts with customers Rm	Interest revenue Rm	Total revenue Rm
2 429	1 521	48 321	395	48 716
3 216	892	60 050	–	60 050
3 598	557	16 955	–	16 955
2 199	160	8 549	–	8 549
596	42	2 429	–	2 429
803	355	5 977	–	5 977
9 750	1 162	48 005	–	48 005
5 151	292	19 187	–	19 187
1 456	499	8 903	–	8 903
1 262	84	7 244	–	7 244
1 881	287	12 671	–	12 671
200	73	6 550	–	6 550
43	10	2 226	–	2 226
57	17	2 092	–	2 092
100	46	2 232	–	2 232
324	138	6 710	15	6 725
188	12 183	18 962	134	19 096
(206)	(11 635)	(17 583)	(130)	(17 713)
(5)	(6)	(13)	–	(13)
(324)	(138)	(6 710)	(15)	(6 725)
19 170	4 747	181 247	399	181 646

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

7. **SEGMENT ANALYSIS** continued

REVENUE	Network services Rm	Mobile devices Rm	Interconnect and roaming Rm
2020 – Restated[1]			
South Africa	29 639	8 449	3 481
Nigeria	49 054	294	5 732
SEA	11 837	212	910
Uganda	5 570	53	437
Zambia	1 696	105	161
Other SEA	4 571	54	312
WECA	31 755	303	3 330
Ghana	11 648	120	749
Côte d'Ivoire	5 697	47	1 101
Cameroon	5 118	46	459
Other WECA	9 292	90	1 021
MENA	8 568	21	1 228
Sudan	2 526	11	623
Afghanistan	1 882	9	354
Other MENA	4 160	1	251
Major joint venture – Irancell[2]	6 539	92	414
Head office companies[3]	1 077	–	4 553
Eliminations	(166)	(1)	(4 661)
Hyperinflation impact	2 169	11	651
Irancell revenue exclusion	(6 539)	(92)	(414)
Consolidated revenue	133 933	9 289	15 224

[1] 2020 operating segments have been restated due to Ghana being moved from the SEA cluster (previously named SEAGHA) to the WECA cluster, Zambia being disaggregated from other SEA, Afghanistan disaggregated from other MENA and Syria aggregated to other MENA.

[2] Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

[3] Head office companies consist mainly of revenue from GlobalConnect, the Group's central financing activities, and management fees from segments.

Digital and fintech Rm	Other Rm	Revenue from contracts with customers Rm	Interest revenue Rm	Total revenue Rm
2 170	1 331	45 070	403	45 473
2 341	559	57 980	–	57 980
3 290	540	16 789	–	16 789
2 135	125	8 320	–	8 320
570	44	2 576	–	2 576
585	371	5 893	–	5 893
8 408	1 076	44 872	–	44 872
4 487	241	17 245	–	17 245
1 472	459	8 776	–	8 776
994	69	6 686	–	6 686
1 455	307	12 165	–	12 165
477	129	10 423	–	10 423
119	27	3 306	–	3 306
50	15	2 310	–	2 310
308	87	4 807	–	4 807
393	114	7 552	21	7 573
10	11 902	17 542	148	17 690
–	(11 822)	(16 650)	(141)	(16 791)
66	28	2 925	–	2 925
(393)	(114)	(7 552)	(21)	(7 573)
16 762	3 743	178 951	410	179 361

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

7. **SEGMENT ANALYSIS** continued

External versus inter-segment revenue	2021 External revenue Rm	2021 Inter-segment revenue Rm	2021 Total revenue Rm	2020 Restated[1] External revenue Rm	2020 Restated[1] Inter-segment revenue Rm	2020 Restated[1] Total revenue Rm
South Africa	**48 223**	**493**	**48 716**	45 045	428	45 473
Nigeria	**58 835**	**1 215**	**60 050**	57 355	625	57 980
SEA	**16 498**	**457**	**16 955**	16 237	552	16 789
Uganda	**8 223**	**326**	**8 549**	7 936	384	8 320
Zambia	**2 366**	**63**	**2 429**	2 519	57	2 576
Other SEA	**5 909**	**68**	**5 977**	5 782	111	5 893
WECA	**46 717**	**1 288**	**48 005**	43 458	1 414	44 872
Ghana	**18 659**	**528**	**19 187**	16 697	548	17 245
Côte d'Ivoire	**8 735**	**168**	**8 903**	8 643	133	8 776
Cameroon	**7 028**	**216**	**7 244**	6 440	246	6 686
Other WECA	**12 295**	**376**	**12 671**	11 678	487	12 165
MENA	**5 908**	**642**	**6 550**	9 781	642	10 423
Sudan	**1 748**	**478**	**2 226**	2 804	502	3 306
Afghanistan	**1 928**	**164**	**2 092**	2 170	140	2 310
Other MENA[2]	**2 232**	**–**	**2 232**	4 807	0	4 807
Major joint venture – Irancell[3]	**6 725**	**–**	**6 725**	7 573	–	7 573
Head office companies[4]	**5 452**	**13 644**	**19 096**	4 557	13 133	17 690
Eliminations	**–**	**(17 713)**	**(17 713)**	–	(16 791)	(16 791)
Hyperinflation impact	**13**	**(26)**	**(13)**	2 928	(3)	2 925
Irancell revenue exclusion	**(6 725)**	**–**	**(6 725)**	(7 573)	–	(7 573)
Consolidated revenue	**181 646**	**–**	**181 646**	179 361	–	179 361

[1] 2020 operating segments have been restated due to Ghana being moved from the SEA cluster (previously named SEAGHA) to the WECA cluster, Zambia being disaggregated from other SEA, Afghanistan disaggregated from other MENA and Syria aggregated to other MENA.

[2] Syria and Yemen segment analysis has been included until the Group lost control of MTN Syria on 25 February 2021 and the Group exited Yemen on 17 November 2021. Refer to note 18.3 and note 18.4 respectively.

[3] Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

[4] Head office companies consist mainly of revenue from GlobalConnect, the Group's central financing activities, and management fees from segments.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

7. SEGMENT ANALYSIS continued

CODM EBITDA	2021 Rm	2020 Restated[1] Rm
South Africa	**18 956**	17 742
Nigeria	**31 852**	29 506
SEA	**7 847**	7 705
Uganda	**4 387**	4 118
Zambia	**556**	765
Other SEA	**2 904**	2 822
WECA	**19 369**	17 717
Ghana	**10 557**	9 097
Côte d'Ivoire	**3 096**	3 042
Cameroon	**2 507**	2 149
Other WECA	**3 209**	3 429
MENA	**2 082**	3 352
Sudan	**1 085**	1 428
Afghanistan	**615**	585
Other MENA[2]	**382**	1 339
Head office companies	**(1 007)**	1 871
Eliminations	**652**	(2 570)
CODM EBITDA	**79 751**	75 323
Major joint venture – Irancell[3]	**2 446**	2 818
Hyperinflation	**(2)**	1 369
Gain on disposal of investment in associates	**1 212**	6 129
Loss on deconsolidation of subsidiary	**(4 720)**	–
Gain on exit in Yemen	**15**	–
Gain on disposal of subsidiary	**38**	–
Fair value gain on acquisition of subsidiary	**526**	–
Impairment loss on remeasurement of non-current assets held for sale	**(53)**	(1 510)
Impairment loss on Yemen PPE and intangible assets	**(609)**	–
Irancell CODM EBITDA exclusion	**(2 446)**	(2 818)
CODM EBITDA before impairment of goodwill	**76 158**	81 311
Depreciation, amortisation and impairment of goodwill and investment in joint ventures	**(35 223)**	(36 716)
Net finance cost	**(14 448)**	(18 233)
Net monetary gain	**275**	1 582
Share of results of associates and joint ventures after tax	**2 054**	1 142
Profit before tax	**28 816**	29 086

[1] 2020 operating segments have been restated due to Ghana being moved from the SEA cluster (previously named SEAGHA) to the WECA cluster, Zambia being disaggregated from other SEA, Afghanistan disaggregated from other MENA and Syria aggregated to other MENA.
[2] Syria and Yemen CODM EBITDA has been included until the Group lost control of MTN Syria on 25 February 2021 and the Group exited Yemen on 17 November 2021. Refer to note 18.3 and note 18.4 respectively.
[3] Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

7. SEGMENT ANALYSIS continued

CAPITAL EXPENDITURE INCURRED	2021 Rm	2020 Restated[1] Rm
South Africa	**10 409**	7 542
Nigeria	**14 905**	12 694
SEA	**3 608**	3 042
Uganda	**1 743**	1 328
Zambia	**507**	436
Other SEA	**1 358**	1 278
WECA	**7 477**	6 439
Ghana	**3 651**	3 021
Cote d'Ivoire	**1 290**	1 064
Cameroon	**967**	950
Other WECA	**1 569**	1 404
MENA	**1 015**	1 642
Sudan	**504**	495
Afghanistan	**378**	274
Other MENA[2]	**133**	873
Major joint venture – Irancell[3]	**2 237**	1 865
Head office companies	**1 804**	1 286
Hyperinflation impact	**167**	394
Irancell capital expenditure exclusion	**(2 237)**	(1 865)
	39 385	33 039

[1] 2020 operating segments have been restated due to Ghana being moved from the SEA cluster (previously named SEAGHA) to the WECA cluster, Zambia being disaggregated from other SEA, Afghanistan disaggregated from other MENA and Syria aggregated to other MENA.

[2] Syria and Yemen capital expenditure has been included until the Group lost control of MTN Syria on 25 February 2021 and the Group exited Yemen on 17 November 2021. Refer to note 18.3 and note 18.4.

[3] Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

8. IMPAIRMENT OF GOODWILL AND INVESTMENT IN JOINT VENTURE

Impairments of goodwill relating to subsidiaries and the impairment of the joint venture are disclosed below:

	2021 Rm	2020 Rm
MTN Yemen	**(550)**	(525)
MTN Liberia	**–**	(308)
MTN Guinea-Bissau	**–**	(165)
Other	**(33)**	–
	(583)	(998)
Impairment of joint venture-MEIH	**–**	(67)

9. NET FINANCE COSTS

	2021 Rm	2020 Rm
Interest income on loans and receivables	**396**	605
Interest income on bank deposits	**802**	888
Finance income	**1 198**	1 493
Interest expense on financial liabilities measured at amortised cost	**(7 010)**	(8 816)
Net foreign exchange losses	**(2 551)**	(4 537)
Unwind of revision of cash flows[1]	**43**	174
Lease liability interest expense	**(6 128)**	(6 547)
Finance costs	**(15 646)**	(19 726)
Net finance costs recognised in profit or loss	**(14 448)**	(18 233)

[1] Refer to note 10 for details on the balance with Irancell.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

10. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES AFTER TAX

	2021 Rm	2020 Rm
	2 054	1 142
Irancell	**1 709**	538
Others	**345**	604

Irancell loan and receivable

On 20 September 2019, the US Treasury Department's Office of Foreign Assets Control (OFAC) designated the Central Bank of Iran (CBI) as being subject to sanctions. Sanctions imposed on the CBI creates a secondary sanctions risk for MTN entities if the CBI allocates foreign currency to an MTN entity for the purpose of repatriating the receivable and/or loan. As at 31 December 2021, Iranian rial denominated receivables amounted to R1 531 million[1] (2020: R1 037 million) and the Iranian rial denominated loan amounted to R1 882 million[2] (2020: R1 733 million).

[1] Receivables denominated in Iranian rial to the value of R1 525 million (2020: R840 million) were translated at the SANA rate, while the remaining Iranian rial amounts outstanding at year end were translated at the CBI rate.

[2] The amount outstanding was translated at the CBI rate.

11. EARNINGS PER ORDINARY SHARE

Number of ordinary shares	2021	2020
Number of ordinary shares in issue		
At end of the year (excluding MTN Zakhele Futhi and treasury shares)	**1 803 226 302**	1 798 990 980
Weighted average number of shares	**1 801 959 524**	1 798 503 457
Add: Dilutive shares		
– Share options – MTN Zakhele Futhi	**24 698 778**	11 045 701
– Share schemes	**22 509 453**	8 443 911
Shares for dilutive earnings per share	**1 849 167 755**	1 817 993 069

Treasury shares

Treasury shares of 4 208 078 (2020: 8 443 400) are held by the Group and 76 835 378 (2020: 76 835 378) are held by MTN Zakhele Futhi (RF) Limited (MTN Zakhele Futhi).

Headline earnings

Headline earnings is calculated in accordance with Circular 1/2021 *Headline Earnings* as issued by SAICA as amended from time to time and as required by the JSE Limited.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

11. EARNINGS PER ORDINARY SHARE continued

	2021 Rm	2020 Rm
Reconciliation between net profit attributable to the equity holders of the Company and headline earnings:		
Profit attributable to equity holders of the Company	**13 750**	17 022
Net profit on disposal of property, plant and equipment and intangible assets	**(99)**	(24)
– Subsidiaries (IAS 16)	**(79)**	(22)
– Joint ventures (IAS 28)	**(20)**	(2)
Impairment of goodwill and investments in joint ventures (IAS 36)	**583**	1 065
Net impairment loss on property, plant and equipment, right-of-use assets and intangibles (IAS 36)	**545**	42
Impairment loss on remeasurement of non-current asset held for sale (IFRS 5)	**53**	1 510
– Subsidiary	**53**	1 113
– Associate	**–**	397
Gain on disposal of investment in associate (IAS 28)	**(1 212)**	(6 129)
Gain on exit in Yemen (IFRS 10)	**(15)**	–
Gain on disposal of a subsidiary (IFRS 10)[1]	**(38)**	–
Fair value gain on acquisition of subsidiary (IFRS 10)	**(526)**	–
Loss on derecognition of subsidiary (IFRS 10)	**4 720**	
Total non-controlling interest and tax effect of adjustments	**20**	(13)
Headline earnings	**17 781**	13 473
Earnings per share (cents)		
– Basic	**763**	946
– Basic headline	**987**	749
Diluted earnings per share (cents)		
– Diluted	**744**	936
– Diluted headline	**962**	741

[1] In August 2021 the Group disposed of its 70% shareholding in MTN Business Solutions Namibia Proprietary Limited for R1 million and realised a net gain of R38 million included in other income in the summary Group income statement.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

12. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

12.1 Financial assets and financial liabilities at amortised cost

The carrying value of current receivables and liabilities measured at amortised cost approximates their fair value.

Listed long-term borrowings

The Group has listed long-term fixed interest rate senior unsecured notes in issue which were issued in prior years, with a carrying amount of R20 135 million at 31 December 2021 (2020: R25 987 million) and a fair value of R21 425 million (2020: R27 691 million). The notes are listed on the Irish bond market and the fair values of these instruments are determined by reference to quoted prices in this market. The market for these bonds is not considered to be liquid and consequently the fair value measurement is categorised within level 2 of the fair value hierarchy.

12.2 Financial instruments measured at fair value

IHS Group listed equity investment

The fair values of financial instruments measured at fair value are determined as follows:

Included in investments in the statement of financial position is an equity investment in IHS Group at fair value of R19 144 million (2020: R27 197 million). The fair value of the investment is determined by reference to published price quotations on the New York Stock Exchange. The share price of IHS Group was US$14.10 on the last trading day of the year. The fair value of this investment is categorised within level 1 of the fair value hierarchy in comparison to the categorisation within level 3 as at 31 December 2020. This change resulted from the entity's listing on 14 October 2021, where the Groups interest was diluted from 28.98% to 25.96%.

A fair value decrease of R10 393 million (2020: R1 151 million) translated at the closing rate has been recognised. On 7 March 2022, the IHS Group share price was US$10.11, equating to a reduction in the fair value of R5 901 million subsequent to 31 December 2021.

As at 31 December 2020, the fair value was determined using models considered to be appropriate by management, due to the absence of transactions between market participants. The fair value was calculated using an earnings multiple technique and was based on unobservable market inputs including international tower industry earnings multiples of between 10x to 13x applied to Group management's estimates of earnings, less estimated net debt of R23 330 million. In addition, the Group had applied a combined liquidity and macro discount of 30%.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

12. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

12.3 Financial instruments measured at fair value

Reconciliation of level 3 financial assets

The table below sets out the reconciliation of financial assets that are measured at fair value based on inputs that are not based on observable market data (level 3):

Insurance cell captives	Rm
Balance at 1 January 2020	1 812
Contributions paid to insurance cell captives	605
Claims received by insurance cell captives	(869)
Loss recognised in profit or loss	(410)
Balance at 1 January 2021	**1 138**
Contributions paid to insurance cell captives	**583**
Claims received by insurance cell captives	**(910)**
Gain recognised in profit or loss	**483**
Balance at 31 December 2021	**1 294**

Investments	Rm
Balance at 1 January 2020	27 158
Acquisitions	158
Loss on equity investments at fair value through other comprehensive income	(1 575)
Foreign exchange movements	1 829
Balance at 1 January 2021	**27 570**
Gain on equity investments at fair value through other comprehensive income	**3 890**
Foreign exchange movements	**432**
Change in fair value hierarchy	**(31 528)**
Balance at 31 December 2021	**364**

12.4 Capital management

Management regularly monitors and reviews covenant ratios. In terms of the banking facilities, the Group is required to comply with financial covenants. These financial covenants differ based on the contractual terms of each facility and incorporate both IFRS and non-IFRS financial measures. For the year ended 31 December 2020, MTN Zambia breached its debt service cover ratio covenant and MTN Cameroon defaulted in respect of repayment provisions, both of which were subsequently remedied by a waiver from the affected lenders. MTN Cameroon successfully concluded the restructuring of their debt by 31 December 2020. For the year ended 31 December 2021, MTN Cameroon breached a loan requirement to recapitalise in accordance with the OHADA Uniform Act on Commercial Companies. This breach related to an outstanding loan balance of R849 million. The process of equity recapitalisation is currently underway and on 4 January 2022, the lenders granted MTN Cameroon a waiver of this requirement, thereby remedying the breach. The Group has complied with all other external loan covenants during the current financial year.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

13. AUTHORISED COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT AND SOFTWARE

	2021 Rm	2020 Rm
	34 535	29 408
– Contracted	**12 725**	6 814
– Not contracted	**21 810**	22 594

14. INTEREST-BEARING LIABILITIES

	2021 Rm	2020 Rm
	80 902	96 249
Non-current borrowings	**65 484**	78 457
Current liabilities	**15 418**	17 792
Bank overdrafts	**469**	354
Current borrowings	**14 949**	17 438
Non-current borrowings	**65 484**	78 457

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

15. ISSUE AND REPAYMENT OF DEBT SECURITIES

During the year under review the following entities raised and repaid significant debt instruments:

	Raised 2021 Rm	Repaid[1] 2021 Rm	Raised 2020 Rm	Repaid 2020 Rm
Mobile Telephone Networks Holdings Limited	**5 350**	**11 128**	12 250	14 512
Loan facilities	**700**	**9 028**	5 550	9 458
General banking facilities	**–**	**–**	2 500	2 500
Domestic medium term programme	**4 650**	**2 100**	4 200	2 554
MTN Mauritius	**–**	**2 202**	–	1 913
Loan facilities	**–**	**2 202**	–	1 913
MTN (Mauritius) Investments Limited	**–**	**7 550**	–	–
United States dollar senior unsecured notes	**–**	**7 550**	–	–
Scancom PLC (MTN Ghana)[2]	**410**	**1 104**	1 583	638
Term loan	**–**	**285**	1 290	330
Revolving credit facility	**410**	**819**	293	308
MTN Côte d'Ivoire S.A. (MTN Cote d'voire)[2]	**5**	**1 035**	295	1 014
Syndicated term loan	**5**	**1 035**	295	1 014
MTN Nigeria Communications Plc (MTN Nigeria)	**15 178**	**18 239**	6 182	1 796
Term loans	**5 494**	**12 402**	1 841	1 022
Bond and commercial paper [3,4]	**9 684**	**5 837**	4 341	774
Other	**2 811**	**2 695**	2 241	2 782
Total	**23 754**	**43 953**	22 551	22 655

[1] The current year saw a substantial increase in borrowing repayments in line with the Group's strategy to accelerate the deleveraging of the Holdco^ balance sheet, reducing exposure to United States dollar debt and improving the funding mix at a Holdco level.

[2] Debt securities related to MTN Ghana and MTN Cote d'Ivoire were included in other in 2020. These have been disaggregated in 2021.

[3] On 22 March 2021, MTN Nigeria issued commercial paper with a face value of NGN19.8 billion (R737 million) for 181 days and NGN53.7 billion (R2 billion) for 269 days.

[4] On 5 May 2021, MTN Nigeria issued local bond series I with a face value of NGN110 billion (R3 857 million) with a seven year tenor and series II on 4 November 2021 with a face value of NGN90 billion (R3 322 million) with a 10-year tenor.

^ Holdco comprises of the Group excluding operating segments per note 7 and GlobalConnect.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

16. CONTINGENT LIABILITIES

	2021 Rm	2020 Rm
	2 878	3 831
Uncertain tax exposures	**1 622**	1 796
Legal and regulatory matters	**1 256**	2 035

Uncertain tax exposures

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. The outcome of such disputes may not be favourable to the Group. At 31 December 2021, there were a number of tax disputes ongoing in various of the Group's operating entities. The most significant matter relates to a transfer pricing dispute which the Group is contesting with the South African Revenue Service that relates to the 2009 to 2012 tax years. Based on internal and external legal and technical advice obtained, the Group remains confident that it has a robust legal case to contest the exposure.

Legal and regulatory matters

The Group is involved in various legal and regulatory matters, the outcome of which may not be favourable to the Group and none of which are considered individually material.

The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

17. EXCHANGE RATES TO SOUTH AFRICAN RAND

		Closing rates		Average rates	
		2021	2020	**2021**	2020
Foreign currency to South African rand:					
United States dollar	US$	**15.94**	14.68	**14.82**	16.50
South African rand to foreign currency:					
Nigerian naira	NGN	**26.61**	27.28	**27.54**	23.24
Iranian rial[1,2]	IRR	**15 391.55**	17 458.88	**15 425.94**	10 117.96
Ghanaian cedi	GHS	**0.40**	0.40	**0.40**	0.35
Cameroon Communauté Financière Africaine franc	XAF	**36.15**	36.42	**37.37**	34.69
Côte d'Ivoire Communauté Financière Africaine franc	CFA	**36.14**	36.47	**37.36**	34.76
Ugandan shilling	UGX	**222.99**	249.19	**241.06**	225.45
Syrian pound[2]	SYP	**157.59**	85.57	**147.69**	50.53
Sudanese pound[2]	SDG	**27.47**	3.76	**25.07**	3.32

[1] SANA rate.
[2] The financial results, positions and cash flows of foreign operations trading in hyperinflationary economies are translated as set out in note 6.

The Group's functional and presentation currency is rand. The weakening of the closing rate of the rand against the functional currencies of the Group's largest operations contributed to the increase in consolidated assets and liabilities and the resulting foreign currency translation reserve increase of R579 million (2020: R4 453 million increase) for the year.

Net investment hedges

The Group hedges a designated portion of its dollar net assets in MTN Dubai for foreign currency exposure arising between the US$ and ZAR as part of the Group's risk management objectives. The Group designated external borrowings denominated in US$ held by MTN (Mauritius) Investments Limited with a value of R21.4 billion (2020: of R27.7 billion). For the period of the hedge relationship, foreign exchange movements on these hedging instruments are recognised in other comprehensive income as part of the foreign currency translation reserve (FCTR), offsetting the exchange differences recognised in other comprehensive income, arising on translation of the designated dollar net assets of MTN Dubai to ZAR. The cumulative foreign exchange movement recognised in other comprehensive income will only be reclassified to profit or loss upon loss of control of MTN Dubai. There was no hedge ineffectiveness recognised in profit or loss during the current or prior year.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

18. CHANGES IN SHAREHOLDING

18.1 Disposal of Belgacom International Carrier Services SA (BICS)

On 5 August 2020, the Group classified its shareholding in BICS as a non-current asset held for sale following discussions regarding a potential sale. An impairment loss of R397 million was recognised in profit or loss in 2020 to write down the carrying amount of the non-current asset held for sale to its fair value less costs to sell.

During the current year, the Group concluded an agreement to sell its 20% shareholding in BICS. The transaction closed 24 February 2021 and the Group received net cash proceeds of EUR99.1 million (R1.8 billion[1]) and realised a profit of R1.2 billion, mainly comprising of reclassified FCTR gains. The reclassified FCTR gains form part of earnings per share but have no impact on headline earnings per share, equity and cash flows.

The Group recognised revenue to the amount of R267 million (2020: R1 447 million) from transactions with BICS and incurred expenses to the amount of R95 million (2020: R368 million) for interconnect, roaming and other services received from the associate.

18.2 Initial public offering of MTN Uganda

The Group disposed of 2 902 003 800 shares in MTN Uganda to the public as part of an initial public offering following which MTN Uganda listed on the Uganda Securities Exchange. This took the Group's shareholding from 96.00% to 83.05%. Proceeds generated from the sale of shares, net of transaction costs, amounted to UGX522.9 billion (R2.3 billion[1]) which has been included in cash flows from financing activities. The share allocation was finalised on 6 December 2021 and resulted in a net gain of R1.8 billion that was recognised in equity as a transaction with non-controlling interests.

[1] Translated at the effective date of the sale. Cash proceeds per the statement of cash flows are translated at the spot rate on the date of receipt of the proceeds.

18.3 Loss of control of MTN Syria

As at 31 December 2020, MTN Syria's assets and liabilities were presented as held for sale due to the Group concluding that a sale to Teleinvest Limited (Teleinvest) (the non-controlling shareholder in MTN Syria) was considered to be highly probable. An impairment loss of R53 million (2020: R1 113 million) was recognised in profit or loss for the year due to writing down the carrying amount of the disposal group to its fair value less costs to sell.

On 25 February 2021, the Administrative Court of Damascus placed MTN Syria under judicial guardianship, appointing the chairman of TeleInvest as the judicial guardian with the responsibility for managing MTN Syria's day-to-day operations. The appointment of the judicial guardian significantly reduced the Group's ability to direct relevant activities in MTN Syria and therefore the Group lost control over MTN Syria on this date. MTN Syria was presented as part of the MENA cluster in the segment information (note 7) up to the date control was lost.

On loss of control the Group recognised its 75% shareholding in MTN Syria as a financial instrument at fair value. Given the appointment of the judicial guardian and the related shift of power from the majority shareholder to the judicial guardian, the fair value of the shares was determined to be negligible. Subsequently, on 12 August 2021 the Group exited Syria through abandonment of the operation.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

18. CHANGES IN SHAREHOLDING continued

18.3 Loss of control of MTN Syria continued

Included in the 2021 Group results is R308 million (2020: R2 295 million) revenue representing 0.2% (2020: 1.3%) of the Group's total revenue and R105 million (2020: R574 million) CODM EBITDA[1] representing 0.1% (2020: 0.8%) of the Group's CODM EBITDA[1] relating to MTN Syria up to the date control was lost. These amounts exclude the impact of hyperinflation.

[1] CODM EBITDA is defined in note 7.

The carrying amounts of the assets and liabilities as at the date of loss of control were:

	Rm
Property, plant and equipment	**1 095**
Right-of-use assets	**133**
Intangible assets	**381**
Trade receivables and other current assets	**508**
Cash and cash equivalents	**228**
Total assets	**2 345**
Deferred tax and other non-current liabilities	**387**
Current liabilities	**694**
Total liabilities	**1 081**
Net carrying amount of assets	**(1 264)**
Non-controlling interests derecognised	**240**
Reclassification of foreign currency translation reserve including hyperinflation	**(3 696)**
Fair value of remaining interest held in MTN Syria	**–**
Loss on deconsolidation of subsidiary	**(4 720)**
Cash and cash equivalents in MTN Syria	**228**
Cash derecognised on loss of control	**228**

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

18. CHANGES IN SHAREHOLDING continued

18.4 Exit in Yemen

During 2021, the Group initiated a process to exit Yemen, in accordance with its MENA exit strategy. The Group did not expect to recover any of its investment in MTN Yemen through ongoing operations until the date of exit and therefore the recoverable amount of the cash-generating unit was considered to be negligible.

The Group recognised the following impairment losses during 2021:

	Rm
	1 159
Impairment of goodwill	**550**
Impairment of property, plant and equipment	**453**
Impairment of intangible assets	**60**
Impairment of right-of-use assets	**96**

Effective 17 November 2021, the Group exited Yemen (including MTN Yemen and associated companies) by way of a transfer of its shareholding in Investcom Telecommunications Yemen Limited (MTN Yemen's direct holding company) to Emerald International Investment LCC (Emerald) for 1 United Arab Emirates dirham. Emerald is a subsidiary of Zubair Investment Center LLC, an affiliate of Zubair Corporation LLC, which is the minority shareholder in MTN Yemen. The decision to exit Yemen was driven by a need to simplify the portfolio, reduce risk and focus on executing a pan-African strategy.

The carrying amounts of the assets and liabilities as at the date of exit were:

	Rm
Property, plant and equipment	**141**
Right-of-use assets	**30**
Intangible assets	**20**
Trade receivables and other current assets	**1 108**
Restricted cash	**35**
Cash and cash equivalents	**900**
Total assets	**2 234**
Deferred tax and other non-current liabilities	**75**
Taxation liabilities	**524**
Current liabilities	**1 461**
Total liabilities	**2 060**
Net carrying amount of assets	**(174)**
Non-controlling interests derecognised	**6**
Total share transfer consideration - cash	*****
Reclassification of foreign currency translation reserve	**183**
Gain on exit of subsidiary[1]	**15**
Net cash:	
Cash received	*****
Less: Cash and cash equivalents in MTN Yemen and associated entities	**900**
Net cash deconsolidated	**900**

[1]Included in other income in the Group income statement.
*Amounts less than R1 million.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

18. CHANGES IN SHAREHOLDING continued

18.4 Exit in Yemen continued

Included in the 2021 Group results is R1 924 million (2020: R2 512 million) revenue representing 1.1% (2020: 1.4%) of the Group's total revenue and R277 million (2020: R764 million) CODM EBITDA[1] representing 0.3% (2020: 0.9%) of the Group's CODM EBITDA relating to MTN Yemen up to the date of exit.

[1]CODM EBITDA is defined in note 7.

18.5 aYo Holdings Limited (aYo)

Acquisition of subsidiary

aYo is a micro-insurance fintech firm. On 30 June 2021, the Group subscribed for additional shares in aYo for R1 thousand. As a result, the Group's equity interest in aYo increased from 50% to 75%, resulting in the Group obtaining control of aYo. Taking control of aYo will allow the Group to grow its micro-insurance business.

Identifiable assets acquired and liabilities assumed at acquisition are as follows:

	Fair value Rm
Property, plant and equipment	**12**
Right-of-use assets	**3**
Intangible assets	**24**
Deferred tax assets	**1**
Trade receivables and other current assets	**89**
Cash and cash equivalents	**68**
Total assets	**197**
Lease liabilities - non-current	**2**
Borrowings - current	**203**
Trade payables and other current liabilities	**57**
Total liabilities	**262**
Net identifiable liabilities acquired	**(65)**

Goodwill arising from acquisition has been recognised as follows:

	Rm
Total consideration transferred	*****
Non-controlling interests, based on their proportionate share of recognised amounts of assets and liabilities in aYo	**(18)**
Fair value of existing interest in aYo[1]	**526**
Fair value of identifiable net assets	**65**
Goodwill	**573**

[1]Included in other income in the Group income statement.
*Amounts less than R1 million.

Remeasurement of the Group's existing 50% interest in aYo resulted in a R526 million gain. The goodwill is attributable to the previously unrecognised costs of researching the market approach, product innovation, developing distribution channels and developing a business model for a successful micro-insurance business and the anticipated high revenue growth of the entity. None of the goodwill is expected to be deductible for tax purposes.

Following aYo's acquisition on 30 June 2021, the acquired business contributed revenue and loss after tax of R47 million and R86 million respectively to the Group for the year ended 31 December 2021. Had the acquisition occurred on 1 January 2021, the Group's consolidated revenue and consolidated profit after tax for the period ended 31 December 2021 would have been R181 703 million and R16 870 million respectively.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

18. **CHANGES IN SHAREHOLDING** continued

18.5 **aYo Holdings Limited (aYo)** continued

Acquisition of subsidiary continued

The fair value of the Group's existing 50% interest in aYo was determined using a model considered to be appropriate by management, due to the absence of transactions between market participants. The fair value was calculated using cash flow projections for the next eight years. Cash flows beyond this were extrapolated at an estimated growth rate of 2.3%. The cash flows were discounted at 17%, which reflects both the time value of money and other specific risks related to aYo. Due to the significant unobservable inputs included in this fair value measurement, it has been classified as level 3 of the fair value hierarchy.

Transaction with non-controlling interest

Effective 1 September 2021, the Group subscribed for an additional 25% interest in aYo. As a result, the Group's equity interest in aYo increased from 75% to 100% on this date. As the Group already controlled aYo prior to the increase in ownership interest to 100%, the acquisition of the additional shares has been accounted for as an equity transaction at a purchase consideration of US$17 million (R255 million[1]).

[1]Translated at the effective date of acquisition. Acquisition cash outflows per the statement of cash flows are translated at the spot rate on the date of payment.

19. **NON-CURRENT ASSETS HELD FOR SALE**

MTN SA initiated a competitive bid process for a transaction in which it would sell its tower infrastructure, passive assets and power assets; cede related agreements including land lease agreements (on which the towers are constructed) to a tower company; and lease back space on the towers which it would sell. On 16 November 2021, MTN SA and IHS Group signed the related agreements, subject to certain conditions including approvals from Reserve Bank and the Competition Commission.

As the transaction is expected to be effective within the next twelve months, the disposal group was classified as held for sale on 16 November 2021.

The carrying amounts of assets and liabilities that have been reclassified to non-current assets held for sale are as follows:

	Rm
Property, plant and equipment	**3 578**
Right-of-use assets	**3 701**
Intangible assets	**12**
Non-current assets held for sale	**7 291**
Lease liabilities	**4 402**
Liabilities directly associated with non-current assets held for sale	**4 402**

20. **BREACH OF FIDUCIARY RESPONSIBILITIES**

Management proactively reported a breach of fiduciary responsibilities by a prescribed officer to the auditors on 13 December 2021, who entered into an agreement on behalf of a subsidiary of the Group outside of the requisite authority and internal processes and policies. The reportable irregularity was reported to the Independent Regulatory Board for Auditors (IRBA) in line with reporting obligations of the joint auditors. The subsidiary and the Group Boards took specific remedial actions to address the breach and prevent losses. The joint auditors subsequently reported to the IRBA that the reportable irregularity is no longer continuing.

Notes to the summary Group financial statements continued

for the year ended 31 December 2021

21. EVENTS AFTER REPORTING PERIOD

21.1 Disposal of MTN Nigeria shares

On 31 January 2022, the Group disposed of 661.25 million shares in MTN Nigeria following a secondary offer. This took the Group's shareholding from 78.83% to 75.58%. Proceeds generated from the sale of shares, net of taxes and transaction costs amounted to approximately NGN97.6 billion (approximately R3.6 billion translated at the effective date). This resulted in a net gain of approximately R3.2 billion that will be recognised in equity as a transaction with non-controlling interest.

21. 2 MTN Nigeria 5G Licence

On 13 December 2021, MTN Nigeria emerged as the winner of one of the two 100MHz lots in the 3.5GHz spectrum band auction and secured the 3.5-3.6GHz band. The initial deposit of NGN8.2 billion (R314 million[1]) was paid on 23 November 2021 as part of MTN Nigeria's intention to participate in the bid which was accounted for as a prepayment. Subsequently, MTN Nigeria paid NGN104.5 billion (R3.9 billion[1]) of the bid price and NGN6.5 billion (R244 million[1]) additional fees on 27 January 2022 and is awaiting issue of the related spectrum license.

[1] Translated at spot rate on date of payment.

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 Jonas*
KDK Mokhele*
RT Mupita[1]
TBL Molefe[1] (appointed 1 April 2021)
NP Gosa* (appointed 1 April 2021)
CWN Molope* (appointed 1 April 2021)
PB Hanratty[2]*
S Kheradpir[3]*
AT Mikati[4#] (retired 28 May 2021)
SN Mabaso-Koyana*
SP Miller[5]*
NL Sowazi*
BS Tshabalala*
SLA Sanusi[6]*
VM Rague[7]

[1] *Executive*
[2] *Irish*
[3] *American*
[4] *Lebanese*
[5] *Belgian*
[6] *Nigerian*
[7] *Kenyan*
* *Independent non-executive director*
\# *Non-executive director*

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American depository receipt (ADR) programme
Cusip No. 62474M108
ADR to ordinary share 1:1

Depository: The Bank of New York Mellon
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