Annual financial results

for the year ended 31 December 2022

What are we doing today?

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* 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, including constant currency financial information, constitutes pro forma financial information. The responsibility for preparing and presenting the pro forma financial information as well as the completeness and accuracy of such information is that of the directors of the Company. This is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present MTN's financial position, changes in equity, and results of operations or cash flows. The pro forma financial information and selected constant currency financial information contained in this announcement has been reported on by the Group's joint auditor (Ernst & Young Inc) who has issued reporting accountant's reports thereon and their unmodified reporting accountant's 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 2022 for a fuller understanding.

The pro forma financial information presented in the annual financial results for the period ended 31 December 2022 has been prepared excluding the impact of Impairment of goodwill, PPE, and associates, loss on deconsolidation of subsidiary, impairment loss on remeasurement of disposal group, gain on disposal / dilution of investment in JV/associate and fair value gain on acquisition of subsidiary, net gain (after tax) on disposal of SA towers, other, hyperinflation (excluding impairments), impact of foreign exchange losses and gains, vaccine donations (in 2021), divestments (sell-downs), deferred tax asset remeasurement (on MTN Mauritius), IFRS 2 Charge due to Ghana localisation and other non-operational items (collectively the "Pro forma adjustments") and constitutes pro forma financial information to the extent that it is not extracted from the segment included in the reviewed condensed consolidated financial results for the year ended 31 December 2022. 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 2022 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 2022.

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's constant currency results compared to the current year results. In addition, in respect of MTN Irancell, MTN Sudan and MTN South Sudan the constant currency information has been prepared excluding the impact of hyperinflation. The economies of Sudan, South Sudan and Iran were assessed to be hyperinflationary for the period under review and hyperinflation accounting was applied. The constant currency percentage changes exclude components disposed of in the prior year.

MTN's joint independent external auditors, PricewaterhouseCoopers Inc. and Ernst & Young Inc., have audited the Group's summary and the annual financial statements. The joint independent auditors' audit reports by PricewaterhouseCoopers Inc. and Ernst & Young Inc. do not report on all of the information contained in these 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) are contained in the full joint independent auditors' audit report and the annual financial statements which can be viewed at www.mtn.com/investors/financialreporting/annual-results.

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), Sudan, Yemen and Afghanistan.

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 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 as a result of MTN's decision to exit the operation.

MTN

Results overview

for the year ended 31 December 2022

What are we doing today?

Highlights

Subscribers increased by
6.1% year-on-year (YoY) to 289.1 million

Active data subscribers increased by
12.3% YoY to 137.0 million

Active Mobile Money (MoMo) users
increased by 21.4% YoY to 69.1 million

MoMo volume of transactions
up 33.9% YoY to 13.4 billion

Group service revenue
grew by 14.4% (15.3%*)

Group data revenue
up by 30.4% (32.2%*)

Group fintech revenue
up by 8.6% (14.3%*)

EBITDA (before once-off items)
grew by 12.4% (14.3%*)

EBITDA margin marginally
lower by 0.6pp to 43.9% (0.2pp* lower to 44.0%*)

Reported headline earnings per share (HEPS)
up by 16.9% to 1 154cps;
non-operational impacts decreased HEPS **by 159 cps**

Return on equity (ROE)
improved by 3.8pp to 23.4%

Final dividend declared of 330 cps, up 10%

Capex of **R54.1 billion**
including IFRS16 leases
(R38.2 billion, with capex intensity of 18.5%, under IAS 17)

Holdco leverage
improved to 0.8x
(December 2021: 1.0x)

MTN is a pan-African mobile operator with the strategic intent of **'Leading digital solutions for Africa's progress'.**

We have 289.1 million customers in 19 markets and are inspired by our belief that everyone deserves the benefits of a modern connected life.

* Constant currency information after accounting for the impact of the pro forma adjustments as defined and included throughout this Stock Exchange News Service of the JSE Limited (JSE) (SENS) announcement.

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

Results overview

Group President and CEO Ralph Mupita comments:
Operating resilience and growth in challenging macroeconomic conditions

"MTN delivered a solid operating and financial performance in 2022, as we continued to execute on our Ambition 2025 strategy. We are pleased with the business' continued resilience under challenging global and regional macroeconomic conditions.

Group President and CEO **Ralph Mupita**

Macroeconomic conditions across the markets were mostly impacted by rising and elevated inflation as well as broad-based weakening of local currencies against the US$. The blended inflation rate in our markets averaged 15.1% in 2022 compared to 11.5% in 2021. Coupled with higher interest rates, consumers felt pressure on disposable incomes while enterprises optimised expenditure and capital investment during the period.

In South Africa, operating conditions were significantly impacted by the national grid power availability that worsened in the second half of the year. Globally, ongoing geopolitical volatility, supply chain constraints driven by China's zero COVID-19 policy and exchange rate volatility also added pressure to operating margins.

Against this backdrop, we are pleased that the structurally higher demand for data and fintech was sustained, with data traffic and fintech transactions volume through our ecosystem increasing by 32.6% and 33.9% respectively. To support this growth, we invested R38.2 billion in our networks and platforms in 2022 – with a capex intensity of 18.5% – as we also accelerated capex in some key markets in order to mitigate supply chain and foreign currency risks.

Alongside this continued investment, we put in place proactive commercial, expense efficiency, supply chain, network and financial resilience interventions to mitigate the increased volatility in our operating environment. This enabled us to achieve mid-teen service revenue growth in line with guidance, stable EBITDA margin, ROE expansion and reduced Holdco leverage that remains well within guidance.

Navigating an evolving regulatory and competitive environment

During the year, we continued our work to support and accelerate initiatives aimed at implementing SIM-registration directives notably in Nigeria and Ghana. We are encouraged by the recovery in subscriber momentum post the initial impacts, which supported overall subscriber growth for the Group.

In our fintech business, new fintech taxes and levies were introduced in key markets such as Ghana, Benin and Cameroon. These along with the introduction of price reductions in person-to-person (P2P) transfers and withdrawals in Côte d'Ivoire to maintain our competitive position, have slowed the growth momentum of fintech revenues in the short-term.

Through our focus on driving ecosystem expansion, we sustained robust growth in key metrics such as fintech transaction volumes and active MoMo agents, which underpin our medium-term growth outlook for the business.

Loadshedding impacts in South Africa

In South Africa, the extent of ongoing power outages (loadshedding) worsened into H2 and increased the negative impacts on network availability and pressure on the business. We continued to implement our comprehensive network resilience plan to mitigate these impacts. Our investment in this regard, which included dealing with vandalism and additional security on sites, put additional pressure on operating costs.

We estimate that the overall effect of loadshedding on topline and costs resulted in a negative impact of R695 million (or 3.4%) on MTN South Africa's (MTN SA) EBITDA. MTN SA commenced the rollout of its comprehensive network resilience plan in H2 2022 and targets a completion of this process by the end of May 2023.

A solid financial and operational performance

Group service revenue grew by 15.3% and EBITDA by 14.3%*; EBITDA margin remained largely steady at 44.0%* on the back of topline growth and disciplined execution of our expense efficiency programme (EEP), which yielded R2.7 billion of savings in the year. Data revenue growth remained strong, up 32.2%*, while fintech revenue grew by 14.3%* with solid performances from Nigeria, Uganda and Ghana.*

Across the Group, the total number of subscribers increased by 6.1% to 289.1 million, notwithstanding the impact of SIM registration regulations in Nigeria and Ghana during the year. Active data subscribers rose by 12.3% to 137 million as structurally higher demand for data was sustained.

The investment made into our network helped to drive robust data traffic growth of 32.6%. In the period, we rolled out 3 498 3G and 7 993 4G sites; culminating in our 3G and 4G coverage increasing by 9 million and 45 million people respectively. Our push for greater digital and financial inclusion helped to drive smartphone penetration, which rose to 58.0% of our customer base (up 3.8pp). In 2022, we rolled out 1 570 5G sites, mainly in South Africa and Nigeria, bringing our total number of 5G sites to 2 527.

In our fintech business, active MoMo users rose by 21.4% to 69.1 million, while the volume of transactions processed through our platform grew by 33.9% YoY to 13.4 billion. Although the pricing reductions in Côte d'Ivoire impacted overall service revenue growth, this has recovered in line with expectations, with a positive YoY trajectory in Q4.

We continued to drive the momentum in our MoMo Payment Services Bank (PSB) in Nigeria, following its launch in Q2 2022. Although the growth in active wallets was slowed by the temporary suspension of the Nigerian Interbank Settlement System (NIBSS) interface in Q3. The interface was reopened as planned, starting with inbound transfers in December 2022 and the outbound phase completed post the year end.

A strong financial position

We maintained the good momentum in faster deleveraging our balance sheet, with the consolidated net debt-to-EBITDA ratio improving to 0.3x (December 2021: 0.4x) and the Holdco leverage improving to 0.8x (December 2021: 1.0x). This was supported by the upstreaming of R17.1 billion in cash from our operating companies (including R6.5 billion from Nigeria and R4.0 billion from South Africa), as well as debt repayments.

On 27 October 2022, Moody's affirmed MTN's Ba2 rating with a stable outlook – this is a testament to the work we have done towards deleveraging and strengthening our balance sheet. Similarly, on 15 February 2023, S&P Global Ratings affirmed our stable credit rating outlook despite taking rating actions on other issuers with exposure to Nigeria, following the outlook revision on the foreign currency rating of Nigeria.

Ambition 2025 execution

We continued to make good progress in our strategic priority to create shared value and environmental, social and governance (ESG) work. We advanced important key ESG initiatives in the business, which also reflected in improved scores across our focus ESG raters and rankers. Our Reputation Index Survey (RIS) score of 79.6% for 2022 was above our target of 75%.

Our work to structurally separate the fintech business from the GSM business is broadly on track and the implementation of inter-company agreements is now largely complete. We have now received offers for minority investments into the MTN Group fintech structure from potential strategic partners that have the skill and capabilities to support the acceleration of the platform. The review of these offers and engagement with potential partners is expected to conclude by mid-May 2023.

The structural separation of the fibre business is also underway and is targeted for completion in 2024. The key focus is to secure regulatory approvals across key markets.

We announced, in August 2022, that we received a binding offer for a gross consideration of US$35 million, for our shares in MTN Afghanistan. We have subsequently signed the share purchase agreement (SPA) with MINT Trading Middle East Limited – a 100%-owned subsidiary of M1 Group Limited (M1) – and the transaction, which is subject to conditions precedent and regulatory approvals, is anticipated to conclude in H2 2023.

FY 2022 dividend declaration and FY 2023 guidance

The Board has declared a dividend of 330cps for FY 2022. In line with our dividend policy and guided by our capital allocation framework, the Board anticipates paying a minimum ordinary dividend of at least 330cps as a final dividend for FY 2023, following the announcement of full year results in March 2024.

Outlook and medium-term guidance

*In the context of the ongoing macroeconomic and geopolitical volatility, we remain focused on executing our **Ambition 2025** strategy. We will continue to implement our measures to navigate inflationary pressures and drive accelerated growth, further deleveraging the Holdco balance sheet and unlocking value for our stakeholders.*

Although the macroeconomic conditions are anticipated to remain challenging in the near-term and risks remain elevated in our key markets of South Africa, Nigeria and Ghana, we maintain our medium-term (three to five year) guidance.

However, given the higher-than-expected power and network security costs as well as a re-assessment of the management fee agreement with the Group, we are revising the targeted range for MTN SA's EBITDA margin to 37-39% (previously, 39-42%).

We target capex of R37.4 billion for FY 23 to be invested in coverage, capacity and the resilience of our networks, as well as driving the growth of our platforms over the medium-term. Our target for capex intensity over the medium term remains in the 15-18% range."

Results overview continued

Navigating a challenging operating environment

Our trading environment remained challenging in 2022 characterised by escalating inflation and interest rates; local foreign exchange volatility and scarcity; regulatory flux and rising energy costs and power supply constraints – particularly in South Africa. Our markets took the cue from global trends, which were exacerbated by volatility and constrained availability of local foreign exchange, which also fed into the supply chain challenges.

Our Group blended inflation across our markets averaged 15.1% in 2022, up from 11.5% in 2021. For inflation in our larger markets: South Africa averaged 6.8% (2021: 5.9%); 18.8% (2021: 17.0%) in Nigeria and 31.3% (2021: 8.4%) in Ghana.

Proactive interventions

The proactive interventions we have implemented mitigated the business and social impacts of the macroeconomic pressures. From a **commercial** standpoint, some level of price optimisation is required, given the inflationary environment in our markets, which will help ensure the long-term sustainability of our business and level of investment required to maintain the capacity and quality of our networks.

We accelerated our customer value management (CVM) efforts, driving personalised offers to keep our customers engaged. We also streamlined promotions and rationalised our offerings where necessary to help manage churn and optimise effective pricing.

For markets with particularly high inflation, such as Ghana, we have implemented selective price reviews while, in February 2023, MTN SA also announced below-inflation tariff increases across its postpaid plans (effective from 1 April 2023). In hyperinflation markets such as South Sudan and Sudan, price revisions are considered on a more ongoing basis.

We remain engaged with regulators in markets such as Nigeria, Uganda, Côte d'Ivoire and Guinea-Bissau regarding market pricing.

From a **supply chain** perspective, our comprehensive risk mitigation strategies have been in place for a number of years and enabled us to manage challenges. As part of this, we leveraged our scale and worked with partners for advance purchase orders to ensure sufficient coverage for critical spares for our networks and operations. We also accelerated initiatives for more local currency pricing for IT and network expenditure as well as improvements in price books.

To manage **network** risks and expenditure, we initiated discussions with the towercos in some markets to renegotiate some tower agreements. Our focus was to ensure terms that will cushion the business from inflationary and foreign currency volatility pressures, as well as optimise arrangements around power to promote MTN Net Zero commitment delivery. MTN Uganda renegotiated pricing terms for some of its leases in 2022.

In 2022, the impact of rising energy costs was well-managed, with energy costs contributing about 6-8% to total costs at Group level, 9-10% in South Africa, 5-7% in Nigeria and 10-12% in Ghana. Most of the MTN Nigeria towerco leases do not include a diesel pass-through, helping mitigate that risk.

Power supply in South Africa was an ever-increasing risk through 2022 with 208 days of loadshedding, with 146 of these in H2. This impacted not only network availability but also some business functions which hampered our customers' ability to recharge and upgrade their packages.

MTN SA made solid progress in the rollout of its network resilience plan, which resulted in the upgrade of 3 253, as at the end of February 2023. The target is to complete the overall process by the end of May 2023, which will enable significant improvement in network availability in H2.

Furthermore, considering the increased frequency and intensity of stage 6 loadshedding, as well as the potential threat of stage 8, MTN SA is working with its partners on further optimising sites to ensure consistent performance of the resilience upgrades. This optimisation process is expected to be concluded by December 2023.

We continued to build the **financial resilience** of our business with a focus on accelerating expense efficiencies, working capital initiatives and liability management. We realised expense efficiencies of R2.7 billion in 2022, anchored largely in network and sales and distributions savings. By market, the key driver of expense efficiencies realised in the year were South Africa and Nigeria; together accounting for approximately 69%. We have now achieved cumulative expense efficiencies of R6.4 billion since the baseline year of 2020.

Our working capital optimisation initiatives released a total of R1 billion largely through handset receivables financing, with additional improvements coming from supply chain financing with major vendors.

We maintained a healthy financial position at Holdco with net debt of R23.1 billion as at 31 December 2022, down from the December 2021 level of R30.1 billion. We also settled R4.8 billion in debt during the period, which helped to reduce our Holdco leverage further to 0.8x (December 2021: 1.0x); this remained comfortably within our medium-term target of 1.5x. As at 31 December 2022, the ratio of non-rand-to-rand denominated debt was 36:64 (December 2021: 41:59), which is broadly in line with our medium-term objective of 40:60.

Our prudent approach to liquidity management enabled us to sustain a Holdco liquidity headroom of R60.2 billion at 31 December 2022, comprising R22.6 billion in cash balances and R37.6 billion in committed, undrawn facilities. In addition to exploring liability management opportunities, we completed the update of our Domestic Medium Term Note (DMTN) programme for the latest JSE debt-listing requirements and regulatory updates; and increased the programme size from R20 billion to R35 billion.

In September 2022, we successfully completed a cash tender offer to early settle US$300 million in Eurobond notes with a 2024 maturity date. Additionally, we issued R4.1 billion in local ZAR bonds and concluded R9 billion in term funding. This is aligned to our focus of optimising the currency mix of our debt, mitigating refinance risk by smoothing and lengthening our debt maturity profile whilst maintaining our liquidity headroom.

Results overview continued

Business overview

MTN delivered a solid set of results in the year ended 31 December 2022 with the business demonstrating resilience and strength of execution in a challenging operating environment.

Group **service revenue** grew in line with our medium-term target with an increase of 15.3%* to R196.5 billion (2021: R171.8 billion), supported by growth of 3.6% in MTN SA, 21.5%* in MTN Nigeria and 28.5%* in MTN Ghana. The healthy top-line growth in the SEA, WECA and MENA regions also contributed to the Group's solid overall result.

Resilient voice, strong data underpin industry-leading connectivity operations

Voice revenue increased by 4.2%*, accelerating in H2, with growth in voice traffic of 3.0% YoY. Performance was negatively impacted by the prepaid market in MTN SA, where loadshedding affected network availability and as consumers navigated a tough macroeconomy. We continued to drive the voice business through CVM initiatives and segmented customer propositions.

Data revenue expanded by 32.2%*, supported by the 12.3% YoY growth in active data subscribers and 18.0% increase in data usage (to 7.47 GB per user per month). Data traffic rose by 32.6% during 2022, underpinned by our continued investment in the capacity and quality of our networks.

The number of people within our 3G and 4G coverage increased by 9 million and 45 million respectively. We recorded 165.0 million smartphones on our network, representing 58.0% penetration of our customer base. We also reduced the average effective rate per megabyte of data by 22.7% YoY, supporting affordability and traffic growth. We continued to play our part in boosting access to data services and ensuring that no one is left behind in the evolution to a digital future.

MTN GlobalConnect (MTN GC)

MTN GC, with subsidiaries in five African countries (Nigeria, Ghana, Uganda, Zambia and Kenya), made further progress to drive our fibreco ambitions and continued to scale its fixed connectivity and wholesale mobility services. In 2022, MTN GC signed fixed external infrastructure deals valued at US$90.8 million. External revenue grew by 19.3% YoY to US$344.4 million, with mobility revenue up by 19.1%.

The wholesale mobility services segment delivered a solid performance during the year. International voice revenue grew 9.6% YoY on the back of growth in voice minutes from Hubbing and Cloud Collaboration. Messaging revenue was up 22.7% YoY, driven by increased mission-critical SMSs processed on our platform to authenticate mobile users. We also launched LTE roaming services during the year, including Voice over LTE (VoLTE) between MTN GC and AT&T Inc in the USA, with roaming traffic levels now above pre-pandemic levels.

Connecting and expanding scale infrastructure assets across Africa remained a key priority, with MTN GC rolling out 5 157km of new fibre in 2022. This brings our total inventory of proprietary fibre to over 105 157km as at 31 December 2022.

MTN GC invested significantly in subsea cable systems such as 2Africa, Google Equiano and ACE. MTN GC landed the 45 000km 2Africa cable in South Africa. This landing is the first in a series of six across five countries: South Africa, Sudan, Côte d'Ivoire, Nigeria, and Ghana. The 2Africa cable east connection will go live during 2023 to bring seamless connectivity across three continents.

To further diversify our international connectivity, MTN GC has partnered with Google for fibre spectrum on the Equiano cable system. This cable spans 15 000km and will boost West African capacity and resilience. Our fibre investments enable an increase in data capacity penetration across Africa that meets the growing demand for international connectivity. These investments will serve future demands on our ICT, fintech and digital applications.

MTN GC has formed a strategic pan-African connectivity partnership with Microsoft. This partnership will see MTN GC provide access to large-scale infrastructure services that will build capacity for Microsoft to drive digital transformation and enable a connected African continent.

Progress in building the largest and most valuable platforms

Fintech revenue increased by 14.3%*, showing a strong recovery in Q4 to growth of 18.3%* following the initial impacts of developments in some of our markets. These developments – which muted fintech revenue development in 2022 – included the introduction of new taxes in key fintech markets such as Ghana, Benin and Cameroon as well as the significant reduction to P2P pricing in markets such as Ghana and Côte d'Ivoire. Excluding the aforementioned markets, overall fintech revenue growth would have been 20.6%* YoY.

We were encouraged by the robust expansion of the fintech ecosystem in 2022. The number of active MoMo users was up by 21.4% YoY to 69.1 million; active agents up by 30.3% to 1.3 million; and active merchants increasing by 86.0% to a total of 1.5 million across the markets. The volume of transactions processed through our fintech platform grew by 33.9% YoY to 13.4 billion, with the value of transactions increasing by 15.8%* to US$221.3 billion.

Key fintech markets

In **Ghana**, revenue and transaction value growth rates were affected by the new e-levy and a reduction of P2P fees aimed at helping mitigate the impact on customers. We are, however, pleased with the recovery of the MoMo business in Ghana in line with guidance to deliver improved revenue growth of 13.7%* in H2 (up 22.5%* in Q4).

In **Uganda**, our second largest fintech market, the active subscriber base grew by 10.6% to 11.0 million while revenue grew by 25.2%* to R2.9 billion, despite the entry of mobile money OTT competitors in the market in late 2021. Revenue growth has been underpinned by strong growth in advanced services activity level, BankTech (loans disbursed), payments (transaction value) and international remittances ($436 million).

In **Côte d'Ivoire**, we reduced P2P and withdrawals pricing in Q3 2021, resulting in negative revenue growth in 2022. Our strategy has started yielding benefits and we were encouraged by the increase in activity levels with MoMo users (up 10.8%) and transaction volumes (up 99.9%), which underpinned the recovery to positive revenue growth in Q4 (up 7.8%*), as previously guided.

In **Nigeria**, we reopened the NIBSS interface, starting with inbound transfers in December 2022, after proactively moderating commercial activity in Q3 2022. This set the foundation to expand the transaction channels to customers and reaccelerate the growth of the ecosystem.

In 2022, Nigeria MoMo PSB increased active agents by about 88 000 to end the period with approximately 224 000, also closing the year with a total of 4.2 million wallets (of which 2 million were active users). The number of overall fintech users reported rose to 13.2 million. MoMo PSB implemented a shift in strategy in December 2022 to focus on accelerating expansion of the active wallet base, which will lay the foundation for medium-term growth of business.

We continued to execute our fintech strategy in **South Africa** and are encouraged by the growth in registered wallets which was up by 54.7% to 6.5 million, of which 1.2 million were active.

Results overview continued

Scaling our new fintech verticals

We have made material progress on our **payments and e-commerce** strategy and are focused on entrenching the momentum and growth through the evolution of our merchant product to e-commerce. Complementing the strong expansion of our merchant network (up 86.0%), the total value of MoMo merchant payments (gross merchandise value – GMV) rose by 44.9%* to US$13.8 billion.

In **BankTech**, we facilitated a total loan value of US$1.4 billion in 2022, growth of 111.1%*, as the business leveraged the scaled customer footprint and mobile wallet base. We successfully completed the commercial launch of MoMo Advance in Uganda and started piloting the product in Congo-Brazzaville and Côte d'Ivoire.

In the year, the total value of **remittances** increased by 19.9%* to US$2.2 billion. This was underpinned by an increase in our markets from eight countries to 11, and expansion of our footprint from 144 remittances corridors to 446. We also grew market share in key regional corridors through revision of our pricing model.

Our **InsurTech** platform (aYo) generated US$4.8 million in service revenue and US$7.7 million in premium income. Active policies were 31.7% lower YoY due to the ongoing shift in strategy to focus on a higher average revenue per policy as well as the platform migration to a proprietary infrastructure. This resulted in the termination of free policies in the portfolio, particularly in Uganda and Zambia.

We anticipate a return to growth in active paid policies with higher average revenue per policy during 2023.

Our strategic alliance with Sanlam Emerging Markets Proprietary Limited (Sanlam) reached a significant milestone on 28 October 2022 following the fulfilment of all conditions precedent including competition and regulatory approvals across the markets in which we operate. This alliance will aid in accelerating our InsurTech platform, which will build and leverage the strengths and assets of both companies to establish a digital insurance and investment capability across Africa.

With regards to the structural separation of the fintech business from the GSM business, we have now largely implemented the inter-company agreements and began allocating costs to the fintech business accordingly.

Scaling our other platforms

Digital revenue increased by 5.6%* to R3.3 billion, mainly driven by Nigeria and Cameroon, which was partially offset by underperformance in SA, Ghana and Côte d'Ivoire. MTN Nigeria benefitted from greater adoption of our digital offerings led by a 165% increase in its Rich media services.

In the period, our instant messaging platform **ayoba** grew its user base, recording 21.7 million monthly active users (MAU), up by 86.6% YoY, driven by an improved service offering, enhanced CVM initiatives and richer experience of content.

Enterprise revenue increased by 30.2%* YoY, supported by the Group's platform transformation approach and focus on converged services solutions. MTN SA, which delivered growth of 17.5%, benefited from higher data usage from work-from-home solutions and growth in the core mobile business from strong data product propositions.

Enterprise revenue for MTN Nigeria grew at 51.6%* YoY, led by the mobile and fixed connectivity services and supported by the onboarding of new customers across segments. The business is actively pursuing its goal of accelerating the uptake of enterprise platforms (internet of things and cloud), creating additional value for customers and enabling them to innovate while remaining profitable.

Other key markets, which contributed to growth included MTN Ghana and MTN Côte d'Ivoire, both of which showed significant growth in data and connectivity services as customers pivot to hybrid ways of work and due to digital transformation initiatives within our customer base.

Wholesale revenue increased by 12.8%*, with a solid national roaming performance in MTN SA. We recognised revenue of R2.7 billion (up 2.1% YoY) from Cell C, with a balance of R184 million unrecognised at 31 December 2022. In September 2022, Cell C concluded its recapitalisation and it is now deemed appropriate to recognise revenue for national roaming services on an accrual basis of accounting. Revenue from Cell C related to BTS rental remains on a cash basis of accounting. The Telkom roaming deal, secured in November 2021 by MTN SA, continues to gain traction and is scaling steadily.

In 2022, MTN Cameroon signed a strategic national network roaming agreement with Cameroon Telecommunications (Camtel) to expand its 2G/3G and 4G coverage. MTN Ghana and Vodafone Ghana signed a national roaming agreement as part of the broader plan to accelerate digitalisation in Ghana. This is positive progress in expanding our 'network as a service' platform.

Focused on profitability, cash flow generation and returns

The Group's **EBITDA margin** in constant currency terms and excluding the effects of once-off items remained broadly stable at 44.0%*.

The Group's reported EBITDA margin before once-off items was 43.9% compared to 44.5% in December 2021. The 2022 figure included a number of non-operational items totalling a net -R997 million. This comprised of a gain on disposal of SA towers of R371m, impairment of assets in Afghanistan of -R1 263m, Ghana IFRS2 charges of -R85m.

The Group's overall underlying margin in 2022 was supported by the consistent execution of our EEP amid challenging and volatile macroeconomic conditions. In the year, we realised R2.7 billion worth of expense efficiencies, with the largest savings recorded by MTN SA, MTN Nigeria and MTN Cameroon.

Basic **earnings per share** (EPS) increased by 40.4% to 1 071 cents (2021: 763 cents). 2022 EPS were impacted by impairment losses that mainly relate to investments, goodwill and property, plant and equipment totalling approximately -44 cents and an impairment loss on remeasurement of disposal groups of -70 cents. These impacts were offset by a net gain on the disposal of SA towers of 22 cents and the net profit on disposal of property, plant and equipment and intangible assets of 9 cents.

Reported **HEPS** increased by 16.9% to 1 154 cents (2021: 987 cents). HEPS were negatively impacted by net non-operational and once-off items of amounting to -159 cents arising from the following items: hyperinflation adjustments of 125 cents, foreign exchange losses of -181 cents, an IFRS 2 charge arising from the MTN Ghana localisation transaction of -4 cents, divestments of -24 cents, remeasurement of deferred tax asset of -65 cents and other non-operational items of -10 cents.

We are pleased with the underlying momentum in earnings at the bottom line with adjusted HEPS (AHEPS) up by 18.3% to 1 313 cents.

The 22 cents adjustment for FY 2022 relating to the net gain on the disposal of SA towers includes a deferred tax income element of R1.1 billion, which was not included in the H1 2022 HEPS reconciliation, but correctly processed within earnings and basic EPS. The deferred tax element would have, therefore, had the effect of reducing the HEPS reported in H1 2022 by 61 cents to 506 cents, AHEPS reported in H1 2022 by 62 cents to 599 cents and diluted HEPS by 60 cents to 492 cents.

We continued to accelerate our investment and expand the capacity of our networks, investing **capex** of R54.1 billion on an IFRS 16 reported basis, which is 36.8% higher YoY. Capex was up by 17.0% to R38.2 billion under IAS 17, which includes a hyperinflation impact of R857 million (2021: R215 million).

In the period, we rolled out 3 498 3G, 7 993 4G and 1 570 5G sites. Capex intensity (under IAS 17) rose to 18.5% – slightly above our medium-target range of 15-18% – as we front loaded some capex to mitigate supply chain and foreign exchange volatility and focused on investing in the accelerated growth opportunities we have identified to drive service revenue growth.

Group **operating free cash flow** (OpFCF) decreased by 30.5% to 22.3 billion, impacted by payments made for licence renewals, spectrum acquisitions, working capital outflows and dividend payment in April 2022. Adjusting for licence renewals and spectrum acquisition in SA and Nigeria, OpFCF would have been R30.4 billion.

ROE (adjusted for non-operational items, including hyperinflation) expanded by 3.8pp to 23.4%, from 19.6% in December 2021. This was in line with our medium-term guidance and reflected the consistent delivery of our earnings.

Creating shared value

As a purpose-led organisation, MTN is guided by our belief that *'everyone deserves the benefits of a modern connected life'*. In 2022, we advanced our strategic priority to create shared value, with ESG at the core. This was reflected in a further improvement in the scores that key ESG raters and rankers ascribed to MTN in the year.

As part of our commitment to protect the planet, we achieved a 12.3% reduction in absolute scope 1 and 2 emissions (tCO2e) in 2022, excluding MTN SA, against our annual target of 3.5% reductions. Because of the challenges associated with loadshedding, the performance of MTN SA detracted from the overall Group performance. MTN SA worked to mitigate the impact of loadshedding through its network resilience plan, included in its move to a 'power-as-a-service' (PaaS) arrangement being implemented following the sale of its towers.

We thus expect MTN SA's emissions profile to change in the years ahead as the Opco becomes a towerco market; this will lead to the carve out of the majority of related BTS sites, resulting in a significant portion of MTN SA's emissions transferring from scope 1 and 2, to scope 3.

We continue to work closely with our suppliers to reduce our scope 3 emissions across the Group. We remain committed to a 47% reduction in scope 1, 2 and 3 emissions by 2030 and reaching Net Zero emissions by 2040.

In our effort to drive digital inclusion, we broadened access to our networks and lowered the cost to communicate. We expanded broadband coverage to more rural areas, increasing our overall (including rural) broadband coverage to 87.8% (2021: 83.0%), versus our target of 95% by 2025. This resulted in an additional 18.8 million people covered in rural areas in 2022.

We further reduced the cost to communicate, lowering the blended cost of data by 22.7% across our markets.

Diversity and inclusion remained central to our efforts. We achieved 40% women representation across the Group in 2022, moving closer to our 2030 target of gender parity.

As part of our commitment to create and protect value for our partners and stakeholders, we achieved a 79.6% RIS score in 2022 (versus a 75% target). This demonstrates trust and relationship health with our stakeholders. Our digital human rights record continued to improve, with the Digital Human Rights Corporate Accountability Index score assigned to MTN now more than 75% above the industry average.

Our social and economic contribution made a meaningful impact on lives and livelihoods in our markets; this amounted to approximately R149 billion for 2022. We further supported livelihoods, through job creation and touched the lives of 5.3 million people through our foundations' work focused on digital skills development.

Update on asset realisation programme (ARP) and portfolio transformation

The ARP, launched in March 2019 and enhanced in March 2020, aims to reduce debt, simplify our portfolio, reduce risk and improve returns. Our target is to realise proceeds of at least R25 billion in gross proceeds over three years. As at 31 December 2022, we had realised R18.8 billion in gross proceeds since March 2020, with R12.0 billion in assets realised in 2022.

Localisations remain a key pillar of the ARP, as we prioritise creating shared value, broadening local participation and deepening the capital markets in which we operate. During 2022, the Group received gross proceeds of R4.2 billion from the Series 1 MTN Nigeria public offer. We made progress in the further localisation of MTN Ghana, with an increase in local shareholding to 23.7% against our stated target of 30%. As a result, the Group received gross cash proceeds of R708 million.

During the year, we completed an agreement with IHS Towers for the sale and leaseback of MTN SA's passive tower infrastructure of 5 700 towers. We received R6.4 billion in gross proceeds. We also disposed of a 50% interest in aYo Holdings Limited (aYo) to Sanlam and received gross proceeds of R680 million.

The current uncertainty and volatility in the financial markets impacted the monetisation of our investment in IHS. MTN holds 85 176 719 ordinary shares, representing a 25.7% shareholding. At current IHS share price levels, MTN Group believes that the business is materially undervalued, thus we have no intention of selling any shares at this stage. On 30 December 2022, IHS closed US$6.15/share.

In August 2022, we announced that we had received a binding offer for our shares in MTN Afghanistan for a gross consideration of US$35 million. MTN Dubai Limited and MINT Trading Middle East Limited (a 100%-owned subsidiary of M1) have subsequently signed an SPA regarding the sale, and the conclusion of the transaction is expected H2 2023 subject to conditions precedent and regulatory approvals. Once finalised, this will conclude the exit of the previously consolidated Middle East markets.

Updates on regulatory and legal considerations

SIM registration in Nigeria

On 4 April 2022, the Nigerian Communications Commission (NCC) directed all operators to restrict outgoing calls for subscribers whose SIMs were not associated with National Identification Numbers (NINs). MTN Nigeria implemented the directive on approximately 19 million of its affected subscribers at the time.

During the year, MTN Nigeria drove NIN enrolment for subscribers with over 9 600 points across the country and supported authorities in addressing capacity challenges. These mitigating actions led to the recovery of the subscriber base, through reactivations and gross connections, broadly in line with our expectations for FY 2022. General traffic and revenue trends have also evolved in line with expectations since the implementation of the directive.

MTN Ghana SIM re-registration

In November 2022, Ghana's National Communication Authority (NCA) directed telecom operators to deactivate all services to those customers who had not fully completed the subscriber registration process by 30 November 2022, namely linkage of the Ghana card (stage 1) and capture of biometric data (stage 2). MTN Ghana accordingly deactivated approximately 5.4 million subscribers at the time of the deadline.

MTN Ghana deployed its resources and worked with the regulator to accelerate SIM re-registration for all subscribers. As at 12 February 2023, MTN Ghana had reactivated approximately 1.5 million of the 5.4 million subscribers who had originally been deactivated.

MTN Ghana e-levy implementation

In the year, MTN Ghana implemented a 1.5% e-levy on MoMo transfers in compliance with the Electronic Transfer Levy Bill, with Phase 1 from 1 May 2022 and Phase 2 from 1 July 2022. To reduce the impact of the levy on customers, MTN Ghana reduced fees on P2P transactions by 25%.

Effective January 2023, the government reduced the e-levy from 1.5% to 1%. This is a positive development for MTN and its customers.

MTN Ghana classified as a significant market power (SMP)

Since the NCA's 2020 classification of MTN Ghana as a significant market power, the Opco is now compliant with four 'SMP remedies' and remains in constructive discussions with the NCA on the outstanding remedies.

Tax assessment in Ghana issued and subsequently withdrawn

On 13 January 2023, the Ghana Revenue Authority (GRA), issued MTN Ghana with a notice of assessment of tax liability for an amount of approximately GHS8.2 billion (including penalties and interest charges). On 13 January 2023, the GRA temporarily withdrew the notice of assessment for 21 days to allow for further engagements. On 3 February 2023, the GRA withdrew the assessment including related penalties and interest charges.

Turkcell litigation dismissed with costs proceeds to Supreme Court of Appeal

On 1 December 2022, we announced that legal action instituted against MTN and certain of its subsidiaries in 2013 by Turkcell Iletisim Hizmetleri A.S, and Turkcell's wholly owned subsidiary, East Asian Consortium B.V. (EAC), had been dismissed with costs in a judgment handed down by the High Court of South Africa (High Court) on 30 November 2022.

On 19 December 2022 EAC filed an application for leave to appeal the High Court dismissal. On 16 February 2023, the High Court granted EAC's application for leave to appeal against the judgment. The case will now proceed to the Supreme Court of Appeal where it will have to decide whether to uphold EAC's appeal.

Final dividend of 330cps for FY 2022

In line with our policy, the Board has declared an increased ordinary final dividend of 330cps for FY 2022 (2021: 300cps)

CAPEX GUIDANCE 2023

Rm	Estimated (IFRS 16) 2023	Estimated (IAS 17) 2023	Capitalised (IFRS 16) 2022	Capitalised (IAS 17) 2022	Capitalised (IFRS 16) 2021	Capitalised (IAS 17) 2021
South Africa	**13 240**	**9 084**	15 294	8 816	10 409	9 139
Nigeria	**18 665**	**12 680**	19 088	13 673	14 905	11 092
SEA	**4 044**	**2 994**	6 483	3 260	3 608	2 601
WECA	**9 550**	**8 337**	8 588	8 063	7 477	6 869
MENA	**1 887**	**1 887**	1 647	1 425	1 015	812
Head offices, GlobalConnect and eliminations	**2 463**	**2 463**	2 144	2 146	1 804	1 960
Total	**49 849**	**37 445**	53 244	37 383	39 218	32 473
Hyperinflation	**-**	**-**	857	857	167	215
Total reported	**49 849**	**37 445**	54 101	38 240	39 385	32 688
Iran (49%)	**3 019**	**2 821**	3 834	3 469	2 237	2 400

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

Financial review
Headline earnings reconciliation

Rm	IFRS reported 2022	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]	Net gain (after tax) on disposal of SA towers[5]
2022						
Revenue	**207 003**	**–**	**–**	**–**	**–**	**–**
Other income	**412**	**–**	**–**	**–**	**–**	**(371)**
EBITDA	**90 348**	**184**	**–**	**753**	**–**	**(371)**
Depreciation, amortisation and impairment of goodwill	**(35 785)**	**625**	**–**	**510**	**–**	**–**
Profit from operations	**54 563**	**809**	**–**	**1 263**	**–**	**(371)**
Net finance cost	**(17 686)**	**–**	**–**	**–**	**–**	**–**
Hyperinflationary monetary gain	**1 251**	**–**	**–**	**–**	**–**	**–**
Share of results of associates and joint ventures after tax	**3 369**	**–**	**–**	**–**	**–**	**–**
Profit before tax	**41 497**	**809**	**–**	**1 263**	**–**	**(371)**
Income tax expense	**(17 236)**	**–**	**–**	**–**	**–**	**(34)**
Profit after tax	**24 261**	**809**	**–**	**1 263**	**–**	**(405)**
Non-controlling interests	**(4 924)**	**(9)**	**–**	**–**	**–**	**–**
Attributable profit	**19 337**	**800**	**–**	**1 263**	**–**	**(405)**
EBITDA margin	**43.6%**					
Effective tax rate	**41.5%**					

Other[6]	Headline earnings	Hyper-inflation (excluding impair-ments)[7]	Impact of foreign exchange losses and gains[8]	Vaccine donations[9]	IFRS 2 Charge due to Ghana localisation[10]	Divestments (Sell-downs)[11]	Deferred Tax Asset remea-surement[12]	Other non-operational items[13]	Adjusted 2022	% movement
–	207 003	(2 484)	–	–	–	–	–	–	204 519	12.6
–	41	(8)	–	–	–	–	–	–	33	(62.9)
(183)	90 731	(851)	–	–	85	432	–	178	90 575	12.3
–	(34 650)	335	–	–	–	–	–	–	(34 315)	(0.4)
(183)	56 081	(516)	–	–	85	432	–	178	56 260	21.9
–	(17 686)	253	5 048	–	–	–	–	–	(12 385)	5.3
–	1 251	(1 251)	–	–	–	–	–	–	–	0.0
(5)	3 364	(1 174)	12	–	–	–	–	–	2 202	54.9
(188)	43 010	(2 688)	5 060	–	85	432	–	178	46 077	28.6
–	(17 270)	218	(1 461)	–	(4)	–	1 171	–	(17 346)	38.7
(188)	25 740	(2 470)	3 599	–	81	432	1 171	178	28 731	23.2
25	(4 908)	206	(335)	–	(13)	–	–	–	(5 050)	51.9
(163)	20 832	(2 264)	3 264	–	68	432	1 171	178	23 681	18.4
	43.8%								44.3%	
	40.2%								37.6%	

Results overview continued

Financial review (continued)

Headline earnings reconciliation (continued)

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]	Net gain (after tax) on disposal of SA towers[5]
2021						
Revenue	181 646	–	–	–	–	–
Other income	1 889	–	–	–	(1 791)	–
EBITDA	76 158	545	4 720	53	(1 791)	–
Depreciation, amortisation and impairment of goodwill	(35 223)	583	–	–	–	–
Profit from operations	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[6]	Headline earnings	Hyper-inflation (excluding impair-ments)[7]	Impact of foreign exchange losses and gains[8]	Vaccine donations[9]	IFRS 2 Charge due to Ghana localisation[10]	Divestments (Sell-downs)[11]	Deferred Tax Asset remea-surement[12]	Other non-operational items[13]	Adjusted 2021
–	181 646	13	–	–	–	–	–	–	181 659
–	98	(9)	–	–	–	–	–	–	89
(79)	79 606	5	–	486	–	–	–	536	80 633
–	(34 640)	175	–	–	–	–	–	–	(34 465)
(79)	44 966	180	–	486	–	–	–	536	46 168
–	(14 448)	(213)	2 899	–	–	–	–	–	(11 762)
–	275	(275)	–	–	–	–	–	–	–
(8)	2 046	(546)	(78)	–	–	–	–	–	1 422
(87)	32 839	(854)	2 821	486	–	–	–	536	35 828
–	(11 822)	62	(718)	(31)	–	–	–		(12 509)
(87)	21 017	(792)	2 103	455	–	–	–	536	23 319
12	(3 236)	30	(102)	(15)	–	–	–		(3 323)
(75)	17 781	(762)	2 001	440	–	–	–	536	19 996
	43.8%								44.4%
	36.0%								34.9%

Results overview continued

[1] Represents the exclusion of the impact of goodwill, PPE, intangibles and joint venture impairments. 2022: Goodwill (Mowali: R149 million, Bissau: R251 million, Botswana: R31 million and MEIH: R193 million), PPE (R173 million) and Intangibles (R11 million); 2021: Goodwill (Yemen: R550 million and Mednet: R33 million) and PPE (R545 million).

[2] Represents the deconsolidation of Syria. (2022: R0 million; 2021: R4 720 million).

[3] Represents the impairment loss on remeasurement of disposal group. 2022: Afghanistan (R1 263 million); 2021: Syria (R40 million).

[4] Represents the gain on disposal of investment in JV/Associate and fair value gain on acquisition of subsidiary. 2022: R0 million; 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).

[5] Represents net gain (after tax) on disposal of SA towers. (2022: R405 million; 2021: R0 million).

[6] Represents the net profit on disposal of PPE and intangibles. 2022: PPE (R170 million profit), intangibles (R12 million loss) and share of results from Iran (R5 million profit); 2021: PPE (R76 million profit), intangibles (R9 million loss) and share of results from Iran (R8 million profit).

[7] 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.

[8] Adjustment for the net forex (gains)/losses impacting earnings for the respective periods. 2022: forex loss of R3 264 million; 2021: forex loss of R2 001 million. This includes the impact of forex in Iran.

[9] Represents the donations contributed towards vaccinations for COVID-19 (H1 22: R0 million; 2021: R440 million).

[10] Represents IFRS 2 Charge due to Ghana localisation (2022: R68 million; 2021: R0 million).

[11] Represents share of profits lost on disinvestments (sell-down) in Nigeria and Ghana (2022: R432 million; 2021: R0 million).

[12] Represents deferred tax asset remeasurement on MTN Mauritius (2022: R1 171 million; 2021: R0 million).

[13] Represents other non-operational items relating to 2022: fintech separation costs of R174 million and 2021: arbitration settlement R536 million.

Inflation

In 2022, rising inflation and higher interest rates impacted consumer discretionary spend in key markets.

Exchange rates

The stronger average rand against most functional currencies had a negative overall translation impact on rand-reported results. The average naira weakened by 4.3% YoY against the US dollar and closed 8.0% weaker. The average rand weakened by 10.5% YoY against the US dollar and closed 6.5% weaker, which impacted negatively on the balance sheet especially owing to our US dollar-denominated debt.

Total revenue

Group total revenue increased by 14.8%* supported by healthy growth across most of our larger operations: MTN SA (up 3.9%), MTN Nigeria (up 21.7%*), MTN Ghana (up 28.6%*), MTN Uganda (up 11.0%*), and MTN Cameroon (up 8.7%*).

Total Group revenue in our connectivity business: **voice** grew by 4.2%* to R86.0 billion and **data** expanded by 32.2%* to R73.7 billion. Group revenue in our platforms: **fintech** grew by 14.3%* to R17.3 billion; **digital** was up by 5.6%* to R3.3 billion; **enterprise** grew by 30.2%* to R21.5 billion; and **wholesale** increased by 12.8%* to R7.0 billion.

Group revenue by country

Table 1: Group revenue by country

	2022 Rm	2021 Rm	Reported % change	Constant currency % change	Contribution to revenue %
South Africa	**50 640**	48 716	3.9	3.9	24.5
Nigeria	**77 260**	60 050	28.7	21.7	37.3
SEA	**19 342**	16 955	14.1	11.6	9.3
Uganda	**10 126**	8 549	18.4	11.0	4.9
Zambia	**3 316**	2 429	36.5	7.1	1.6
Other SEA	**5 900**	5 977	(1.3)	15.3	2.9
WECA	**48 279**	48 005	0.6	12.7	23.3
Ghana	**18 031**	19 187	(6.0)	28.6	8.7
Cameroon	**7 727**	7 244	6.7	8.7	3.7
Côte d'Ivoire	**8 918**	8 903	0.2	2.1	4.3
Other WECA	**13 603**	12 671	7.4	5.0	6.6
MENA	**6 212**	6 550	(5.2)	68.2	3.0
Sudan	**4 032**	2 226	81.1	159.1	1.9
Afghanistan	**2 180**	2 092	4.2	2.0	1.1
Other MENA^#	**–**	2 232	(100.0)	0.0	0.0
Head offices, GlobalConnect and eliminations	**2 786**	1 383			1.3
Total	**204 519**	181 659	12.6	14.8	98.8
Hyperinflation	**2 484**	(13)			1.2
Total reported	**207 003**	181 646	14.0	14.8	100.0

^ Constant currency excludes Yemen and Syria.

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

Group service revenue by country

Table 2: Group service revenue by country

	2022 Rm	2021 Rm	Reported % change	Constant currency % change	Contribution to service revenue %
South Africa	**40 848**	39 446	3.6	3.6	20.8
Nigeria	**77 023**	59 943	28.5	21.5	39.2
SEA	**19 102**	16 744	14.1	11.8	9.7
Uganda	**10 036**	8 465	18.6	11.1	5.1
Zambia	**3 212**	2 352	36.6	7.2	1.6
Other SEA	**5 854**	5 927	(1.2)	15.6	3.0
WECA	**48 075**	47 782	0.6	12.8	24.5
Ghana	**17 969**	19 131	(6.1)	28.5	9.1
Cameroon	**7 699**	7 206	6.8	8.9	3.9
Côte d'Ivoire	**8 872**	8 856	0.2	2.1	4.5
Other WECA	**13 535**	12 589	7.5	5.2	6.9
MENA	**6 185**	6 537	(5.4)	67.9	3.1
Sudan	**4 013**	2 220	80.8	158.6	2.0
Afghanistan	**2 172**	2 085	4.2	1.9	1.1
Other MENA^#	**–**	2 232	(100.0)	0.0	0.0
Head offices, GlobalConnect and eliminations	**2 789**	1 383			1.4
Total	**194 022**	171 835	12.9	15.3	98.7
Hyperinflation	**2 471**	(14)			1.3
Total reported	**196 493**	171 821	14.4	15.3	100.0

^ Constant currency excludes Yemen and Syria.

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

Group revenue analysis

Table 3: Group revenue analysis

	2022 Rm	2021 Rm	Reported % change	Constant currency % change	Contribution to revenue %
Outgoing voice[1]	**72 629**	71 676	1.3	3.3	35.1
Incoming voice[2]	**12 220**	10 774	13.4	10.3	5.9
Data[3]	**72 473**	56 454	28.4	32.2	35.0
Digital[4]	**3 298**	3 269	0.9	5.6	1.6
Fintech[5]	**17 269**	15 906	8.6	14.3	8.3
SMS	**5 084**	4 173	21.8	25.6	2.5
Devices	**10 497**	9 824	6.9	6.6	5.1
Wholesale[6]	**6 971**	6 029	15.6	12.8	3.4
Other	**4 078**	3 554	14.7	14.7	2.0
Total	**204 519**	181 659	12.6	14.8	98.8
Hyperinflation	**2 484**	(13)			1.2
Total reported	**207 003**	181 646	14.0	14.8	100.0

[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, e-commerce and mobile advertising.
[5] Includes Xtratime and mobile financial services.
[6] Includes domestic wholesale, voice, SMS and data, leased lines and BTS rentals.

Group data revenue by country

Table 4: Group data revenue[1]

	2022 Rm	2021 Rm	Reported % change	Constant currency % change
South Africa	**18 640**	16 479	13.1	13.1
Nigeria	**29 405**	18 729	57.0	48.0
SEA	**4 558**	3 692	23.5	23.0
Uganda	**2 267**	1 717	32.0	23.7
Zambia	**925**	607	52.4	19.5
Other SEA	**1 366**	1 368	(0.1)	24.4
WECA	**16 831**	15 109	11.4	27.4
Ghana	**7 041**	6 865	2.6	42.0
Cameroon	**2 750**	2 300	19.6	21.7
Côte d'Ivoire	**2 624**	2 154	21.8	24.0
Other WECA	**4 416**	3 790	16.5	13.8
MENA	**2 791**	2 192	27.3	111.6
Sudan	**1 923**	825	133.1	238.6
Afghanistan	**868**	730	18.9	15.6
Other MENA^#	**–**	637	(100.0)	0.0
Head offices, GlobalConnect and eliminations	**248**	253		
Total	**72 473**	56 454	28.4	32.2
Hyperinflation	**1 206**	31		
Total reported	**73 679**	56 485	30.4	32.2

[1] Includes mobile and fixed access data and excludes roaming and wholesale.
^ Constant currency excludes Yemen and Syria.
[#] 2021 reported numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Group fintech revenue by country

Table 5: Group fintech revenue[2]

	2022 Rm	2021 Rm	Reported % change	Constant currency % change
South Africa	**1 058**	1 089	(2.8)	(2.8)
Nigeria	**3 238**	2 559	26.5	19.4
SEA	**4 940**	3 536	39.7	27.2
Uganda	**2 911**	2 181	33.5	25.2
Zambia	**839**	584	43.7	12.9
Other SEA	**1 190**	771	54.3	46.2
WECA	**8 020**	8 685	(7.7)	8.3
Ghana	**3 898**	4 711	(17.3)	12.8
Cameroon	**1 223**	1 110	10.2	12.2
Côte d'Ivoire	**807**	1 129	(28.5)	(27.0)
Other WECA	**2 092**	1 735	20.6	19.1
MENA	**35**	57	(38.6)	59.1
Sudan	**6**	2	200.0	200.0
Afghanistan	**29**	19	52.6	45.0
Other MENA^#	**–**	36	(100.0)	0.0
Head offices, GlobalConnect and eliminations	**(22)**	(20)		
Total	**17 269**	15 906	8.6	14.3
Hyperinflation	**2**	(4)		
Total reported	**17 271**	15 902	8.6	14.3

[2] Includes Xtratime and mobile financial services.
^ Constant currency excludes Yemen and Syria.
# 2021 reported numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Group digital revenue by country

Table 6: Group digital revenue[3]

	2022 Rm	2021 Rm	Reported % change	Constant currency % change
South Africa	**1 359**	1 340	1.4	1.4
Nigeria	**849**	657	29.2	22.5
SEA	**79**	62	27.4	21.5
Uganda	**21**	18	16.7	5.0
Zambia	**30**	12	150.0	87.5
Other SEA	**28**	32	(12.5)	(3.4)
WECA	**900**	1 065	(15.5)	(6.3)
Ghana	**272**	440	(38.2)	(19.3)
Cameroon	**199**	152	30.9	33.6
Côte d'Ivoire	**309**	327	(5.5)	(3.4)
Other WECA	**120**	146	(17.8)	(22.1)
MENA	**111**	143	(22.4)	76.2
Sudan	**72**	41	75.6	200.0
Afghanistan	**39**	38	2.6	0.0
Other MENA^#	**–**	64	(100.0)	0.0
Head offices, GlobalConnect and eliminations	**–**	2		
Total	**3 298**	3 269	0.9	5.6
Hyperinflation	**47**	(1)		
Total reported	**3 345**	3 268	2.4	5.6

[3] Includes rich media services, content VAS, eCommerce and mobile advertising.
^ Constant currency excludes Yemen and Syria.
# 2021 reported 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

Cost analysis

Table 7: Cost analysis

	2022 Rm	2021 Rm	Reported % change	Constant currency % change	% of revenue
Handsets and other accessories	**11 956**	10 552	13.3	13.0	5.8
Interconnect	**10 027**	8 744	14.7	13.6	4.8
Roaming	**1 190**	912	30.5	32.8	0.6
Commissions	**12 846**	12 121	6.0	11.9	6.2
Government and regulatory costs	**7 277**	6 745	7.9	10.5	3.5
VAS/Digital revenue share^	**3 275**	3 143	4.2	31.8	1.6
Service provider discounts	**4 562**	3 854	18.4	11.5	2.2
Network and IS maintenance	**32 368**	27 611	17.2	18.2	15.6
Marketing	**4 112**	3 539	16.2	19.6	2.0
Staff costs	**12 589**	11 698	7.6	10.1	6.1
Other opex	**14 386**	13 078	10.0	8.8	6.9
Total	**114 588**	101 997	12.3	14.1	55.4
IFRS 2 Charge from localisation in Ghana	**85**	–			0.0
Impairment loss on remeasurement of disposal group	**1 263**	53			0.6
Loss on deconsolidation of subsidiary	**–**	4 720			0.0
Impairment loss on MTN Yemen PPE and intangible assets	**–**	609			0.0
Hyperinflation	**1 640**	(2)			0.8
Total reported	**117 576**	107 377	9.5	14.1	56.8

2021 reported numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.
^ Reallocation of EBU costs that were previously classified under other costs and now in VAS costs.

Total costs increased by 14.1%*, mainly as a result of higher network costs in MTN Nigeria due to increased site rollout and the forex and inflation impacts on BTS lease rentals. Furthermore, network costs were impacted by the impacts of increased frequency and severity of loadshedding affecting MTN SA.

Excluding the forex and inflation impacts on lease rentals, growth in operating expenses was approximately 13.4%*. Cost increases were also driven by higher interconnect and roaming, commissions and distributions costs in major markets.

Our EEP – focused on enhanced oversight of expenditure such as distribution, IT and network costs – helped contain overall cost increases. The total realised savings for 2022 were R2.7 billion, mainly from network and sales and distribution. These were made up of approximately R910 million, R915 million and R226 million in savings from MTN SA, MTN Nigeria and MTN Cameroon respectively.

Group EBITDA by country

Table 8: Group EBITDA by country

	2022 Rm	2021 Rm	Reported % change	Constant currency % change
South Africa	**19 480**	18 956	2.8	2.8
Nigeria	**41 087**	31 852	29.0	22.1
SEA	**8 877**	7 847	13.1	13.5
Uganda	**5 233**	4 387	19.3	11.8
Zambia	**847**	556	52.3	17.8
Other SEA	**2 797**	2 904	(3.7)	15.4
WECA	**19 194**	19 369	(0.9)	17.1
Ghana	**10 295**	10 557	(2.5)	33.8
Cameroon	**2 752**	2 507	9.8	11.9
Côte d'Ivoire	**2 950**	3 096	(4.7)	(3.0)
Other WECA	**3 197**	3 209	(0.4)	0.0
MENA	**2 716**	2 082	30.5	89.7
Sudan	**2 128**	1 085	96.1	164.3
Afghanistan	**588**	615	(4.4)	(6.2)
Other MENA^#	**–**	382	(100.0)	0.0
Head offices, GlobalConnect and eliminations	**(1 390)**	(355)		
CODM EBITDA	**89 964**	79 751	12.8	15.8
Gain on disposal of SA towers	**371**	–		
IFRS 2 Charge from localisation in Ghana	**(85)**	–		
Impairment loss on remeasurement of disposal group	**(1 263)**	(53)		
Gain on disposal/dilution of investment in joint ventures and associates	**–**	1 212		
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)		
Hyperinflation	**851**	(2)		
CODM EBITDA before impairment of goodwill and joint ventures	**89 838**	76 158	18.0	15.8

^ Constant currency excludes Yemen and Syria.
# 2021 reported numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

Group EBITDA increased by 18.0% on a reported basis and increased by 14.3%* in constant currency terms, before once-off items. This was driven by solid operational results from most operations, with MTN SA up 2.8%, MTN Nigeria up 22.1%* and increases of 13.5%* and 17.1%* in SEA and WECA respectively. The solid service revenue and EBITDA growth resulted in a relatively stable Group EBITDA margin of 44.0%* (2021: 44.2%*).

Depreciation and amortisation

Table 9: Group depreciation and amortisation

	Depreciation				Amortisation			
	2022 Rm	2021 Rm	Reported % change	Constant currency % change	**2022 Rm**	2021 Rm	Reported % change	Constant currency % change
South Africa	**8 371**	9 130	(8.3)	(8.3)	**1 342**	1 294	3.7	3.7
Nigeria	**10 872**	8 984	21.0	14.0	**2 075**	1 626	27.6	23.8
SEA	**2 540**	1 954	30.0	20.7	**644**	786	(18.1)	(25.7)
Uganda	**1 464**	1 131	29.4	21.4	**339**	619	(45.2)	(49.3)
Zambia	**362**	258	40.3	10.0	**147**	94	56.4	22.5
Other SEA	**714**	565	26.4	25.3	**158**	73	116.4	100.0
WECA	**5 937**	7 167	(17.2)	(9.6)	**1 463**	1 383	5.8	14.6
Ghana	**1 879**	2 172	(13.5)	18.1	**311**	398	(21.9)	5.8
Cameroon	**984**	1 494	(34.1)	(32.8)	**226**	213	6.1	8.1
Côte d'Ivoire	**1 517**	1 741	(12.9)	(11.2)	**381**	321	18.7	21.7
Other WECA	**1 557**	1 760	(11.5)	(13.7)	**545**	451	20.8	18.2
MENA	**223**	594	(62.5)	(50.3)	**53**	302	(82.5)	(36.1)
Sudan	**46**	45	2.2	91.7	**15**	8	87.5	275.0
Afghanistan	**177**	416	(57.5)	(58.4)	**38**	79	(51.9)	(51.9)
Other MENA^#	**–**	133	(100.0)	0.0	**–**	215	(100.0)	0.0
Head offices, GlobalConnect and eliminations	**472**	432			**323**	813		
Total	**28 415**	28 261	0.5	0.5	**5 900**	6 204	(4.9)	(1.8)
Hyperinflation	**233**	136			**102**	39		
Total reported	**28 648**	28 397	0.9	0.5	**6 002**	6 243	(3.9)	(1.8)

^ Constant currency excludes Yemen and Syria.
# 2021 reported 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 0.5%* as the trajectory continued to normalise following the elevated capex profile of the past few years. Amortisation costs decreased by 1.8%*, driven largely by MTN SA, MTN Uganda and MTN Ghana.

At every reporting period, the Group performs impairment testing on our assets. For 2022, the Group made goodwill and JVs impairments of R625 million.

Net finance costs

Table 10: Net finance cost

	2022 Rm	2021 Rm	Reported % change	Constant currency % change	% of revenue
Net interest paid/(received)	**12 433**	11 763	5.7	4.5	6.0
Net forex losses/(gains)	**5 000**	2 898	72.5	137.0	2.4
Total	**17 433**	14 661	18.9	24.4	8.4
Hyperinflation	**253**	(213)			0.1
Total reported	**17 686**	14 448	22.4	24.4	8.5

Constant currency excludes Yemen and Syria.
2021 reported numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively

Net finance costs increased by 24.4%* to R17.4 billion. Higher finance costs were predominantly due to increase in net foreign exchange (forex) losses in head offices mainly from repatriation of dividends from Nigeria and forex losses on borrowings. At 31 December 2022, we recognised an increase of 137.0%* in net forex losses to R5.0 billion. This was largely because of higher forex losses in head office resulting mainly from the upstreaming of cash from our operations.

Excluding the impact of forex, underlying net finance costs increased by 4.5% to R12.4 billion, as the average cost of borrowing increased to 9.3% (2021: 7.6%), due to higher variable interest rates across our markets and higher borrowing costs in MTN Nigeria from its refinancing and funding activities.

Share of results of associates and joint ventures after tax

We recorded a positive contribution of R3.4 billion from associates and joint ventures, compared to R2.1 billion in December 2021. The contribution for 2022 was largely attributable to MTN Irancell's underlying operational performance.

Results overview continued

Taxation

Table 11: Taxation

	2022 Rm	2021 Rm	Reported % change	Constant currency % change	Contribution to taxation %
Normal tax	**17 645**	11 719	50.6	47.3	102.4
Deferred tax	**(2 222)**	(1 186)	(87.4)	(66.2)	(12.9)
Foreign income and withholding taxes	**1 595**	1 227	30.0	23.2	9.3
Total	**17 018**	11 760	44.7	42.2	98.7
Hyperinflation	**218**	62			1.3
Total reported	**17 236**	11 822	45.8	42.2	100.0

Constant currency excludes Yemen and Syria.
2021 reported numbers are inclusive of MTN Syria and MTN Yemen up to the date of deconsolidation effective February 2021 and October 2021 respectively.

The reported Group effective tax rate (GETR) was 41.5%; largely similar to the prior year's rate of 41.0%. This was due, in part, to the remeasurement of the deferred tax asset in MTN International Mauritius, which contributed to the higher reported GETR.

Other contributors to the higher reported GETR included the Nigeria Education tax, the Ghana special levy and overall withholding taxes. South Sudan started to deliver taxable profits, resulting in the utilisation of previously unrecognised deferred tax credits, which offset some of the increase in the GETR.

For the period ended 31 December 2022, the Group's reported taxation charge increased by 45.8% to R17.2 billion from December 2021. Normalising for once-off items such as impairment of assets in Afghanistan and Guinea Bissau, capital gains and tax impact from sales of SA tower, impairment of goodwill and investments in Joint Ventures, change in corporate income tax rate, and the remeasurement of the deferred tax asset, the underlying GETR was 37.1% (December 2021: 35.5%) – this is in line with our expected normalised range for GETR of mid-to-high 30%s.

Cash flow

Cash inflows generated from operations decreased by 6.3% to R94.2 billion, supported overall by solid operating performances across our markets. Key cash outflows included tax paid of R14.0 billion, net interest paid of R12.5 billion and cash capex of R37.8 billion (excluding spectrum and licence payments amounting to R8.1 billion).

OpFCF declined by 30.5%, impacted by working capital, the dividend payment in April 2022 and the acquisition of spectrum and licences. Excluding the acquisition of spectrum and licences in South Africa and Nigeria, underlying OpFCF was down 20.7%.

Capital expenditure

Table 12: Capital expenditure

	2022 IFRS 16 Rm	2022 IAS 17 Rm	2021 IAS 17 Rm	Reported % change	Constant currency % change
South Africa	**15 294**	**8 816**	9 139	(3.5)	(3.5)
Nigeria	**19 088**	**13 673**	11 092	23.3	17.0
SEA	**6 483**	**3 260**	2 601	25.3	23.3
Uganda	**4 261**	**1 453**	1 104	31.6	21.0
Zambia	**636**	**636**	507	25.4	8.2
Other SEA	**1 586**	**1 171**	990	18.3	36.9
WECA	**8 588**	**8 063**	6 869	17.4	31.1
Ghana	**3 515**	**3 208**	3 110	3.2	38.3
Cameroon	**1 075**	**1 072**	961	11.6	13.8
Côte d'Ivoire	**1 844**	**1 722**	1 265	36.1	40.9
Other WECA	**2 154**	**2 061**	1 533	34.4	23.8
MENA	**1 647**	**1 425**	812	75.5	139.2
Sudan	**1 264**	**1 264**	470	168.9	247.2
Afghanistan	**383**	**161**	216	(25.5)	(30.5)
Other MENA^#	**–**	**–**	126	(100.0)	0.0
Head offices, GlobalConnect and eliminations	**2 144**	**2 146**	1 960		
Total	**53 244**	**37 383**	32 473	15.1	15.0
Hyperinflation	**857**	**857**	215		
Total reported	**54 101**	**38 240**	32 688	17.0	15.0

^ Constant currency excludes Yemen and Syria.
# 2021 reported 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 2022**	Net debt/ (cash) December 2021
South Africa	2 270	24 833	(24 833)	–	**(2 270)**	(3 733)
Nigeria	20 874	25 498	–	25 498	**4 624**	1 072
SEA	2 175	4 517	(399)	4 118	**1 943**	2 651
Uganda	919	1 143	–	1 143	**224**	786
Zambia	68	1 922	(367)	1 555	**1 487**	1 345
Other SEA	1 188	1 452	(32)	1 420	**232**	520
WECA	7 017	11 615	(5 023)	6 592	**(425)**	1 246
Ghana	2 854	622	–	622	**(2 232)**	(1 285)
Cameroon	1 204	734	(457)	277	**(927)**	40
Côte d'Ivoire	947	2 948	–	2 948	**2 001**	1 696
Other WECA	2 012	7 311	(4 566)	2 745	**733**	795
MENA	1 427	3 760	(3 760)	–	**(1 427)**	(900)
Sudan	881	3 760	(3 760)	–	**(881)**	(378)
Afghanistan	546	–	–	–	**(546)**	(522)
Other MENA#	–	–	–	–	**–**	–
Head offices, GlobalConnect and eliminations	24 629	45 782	–	45 782	**21 153**	30 149
Total reported	58 392	116 005	(34 015)	81 990	**23 598**	30 485
Iran	679	478	–	478	**(201)**	(1 116)

2021 reported 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 decreased to R23.6 billion from R30.5 billion and Holdco net debt declined to R23.1 billion from R30.1 billion in December 2022, largely driven by the execution of our liability management plans. Furthermore, the reduction in the Holdco net debt was boosted by ARP proceeds and cash upstreamed from Opcos.

We are pleased with the advances made in our work to optimise the mix of our Holdco debt with a debt mix as at December 2022, of 36% US dollar and 64% rand (December 2021: 41% and 59%, respectively). At the end of December 2022, our Holdco leverage improved to 0.8x, compared to our medium-term target of below 1.5x.

We remain comfortably within our debt covenants, which are evaluated on a Group consolidated basis. Our Group net debt-to-EBITDA ratio stood at 0.3x at 31 December 2022 (December 2021: 0.4x) against our covenant of 2.5x. Our interest cover ratio has remained healthy at 9.0x (December 2021: 9.1x) compared to the covenant of no less than 5.0x.

Our Group cash balance at the end of December 2022 was R58.4 billion.

Opcos' FY 22 published results:

Our listed Opcos' FY 22 published results can be viewed at:
MTN Nigeria
https://www.mtn.ng/about-us/investor/financial-reporting/annual-results/
MTN Ghana
https://mtn.com.gh/financial-reports/
MTN Uganda
https://www.mtn.co.ug/investors/financial-reports/annual-results/?financial-year=2022
MTN Rwanda
https://www.mtn.co.rw/investors-financial-reporting/

Operational review

MTN South Africa

- Service revenue increased by 3.6%
- Data revenue increased by 13.1%
- Enterprise revenue increased by 17.5%
- Wholesale revenue increased by 5.3%
- Fintech revenue decreased by 2.9%
- EBITDA increased by 4.7% (2.8% increase excluding gain on disposal of towers)
- EBITDA margin increased by 0.3pp to 39.2% (down 0.4pp to 38.5% excluding gain on disposal of towers)
- Capex of R15.3 billion on IFRS 16 reported basis (R8.8 billion under IAS 17)

MTN SA delivered solid service revenue growth of 3.6% in 2022, driven across all its customer segments. The performance included the continued double-digit growth in the enterprise business and a return to robust growth in the wholesale business. The Opco sustained strong growth in overall data revenue, driven by expansion in the active data subscriber base and higher average data consumption.

Navigating challenging macroeconomic conditions, compounded by loadshedding

South Africa faced numerous challenges in 2022, with the economy remaining under significant pressure with the growth outcome for the year estimated to be sluggish at 2.1% (2021: 4.9%). Inflation averaged 6.8% in the year (2021: 5.9%), exacerbated by the rand which depreciated by 10.5% against the US dollar. This put pressure on consumer spending and costs in the business.

The South African Reserve Bank (SARB) hiked interest rates by 3.0pp during the year – with the prime lending rate closing 2022 – at 10.5%, aimed at containing escalating inflation which has trended above the SARB's target range of 3-6% since June 2022.

In April 2022, some parts of the country experienced devastating floods. These impacted lives and livelihoods as well as MTN SA's network infrastructure, also slowing the Opco's ability to access and restore affected sites at the time.

The frequency and severity of loadshedding worsened as the year progressed. Of the total 208 loadshedding days in 2022, the country experienced 146 in H2 of which 91 were in Q4. This put an enormous strain on the MTN SA network, impacting availability as well as some business functions including those supporting recharge and upgrade activity.

These dynamics weighed heavily on consumer disposable income, spending patterns and sentiment, as well as costs in our business and our ability to operate. In this difficult environment, MTN SA demonstrated its resilience with a focus on commercial and operational execution across all business units to defend its market position amid intense competition. The Opco also executed on the EEP to deliver efficiencies and counter rising inflation.

Solid operational and financial performance

MTN SA's total **service revenue** grew by 3.6%, driven by data which contributed 45.6% to service revenue (up from 41.8% in 2021). The performance was significantly impacted by the increasing severity of loadshedding during the year, which reduced service revenue growth by 1.6pp.

The total number of **subscribers** increased by 4.4% to 36.5 million, a net addition of 1.5 million, underpinned by effective customer acquisition initiatives and MTN SA's market-leading brand. The Opco drove growth of 12.5% to 8.3 million in postpaid subscribers, through competitive integrated voice and data-centric plans. The number of prepaid customers increased by 2.3% to 28.3 million.

Data remained a key driver of overall growth and mobile data revenue expanded by 13.1% as data traffic increased by 33.2%. Revenue growth was also supported by a 7.2% increase in the number of active data subscribers to 18.9 million. The Opco also reduced overall consumer tariffs for data, with the average price of 1GB of prepaid 30-day data down by 11.6% in the year.

An active prepaid data subscriber now consumes an average of 2.7GB of data a month, up 18.7% YoY; and an active postpaid data subscriber uses nearly 13.1GB per month, an increase of 22.1%. This ongoing growth in usage demonstrates the continued structural demand for our data services, which supports MTN SA's medium-term growth outlook.

In progressing its 'Own the Home' priority, MTN SA grew the number of residential subscribers by 127.3% YoY to 68k, underpinned by a continued focus on accelerating the penetration of the home segment. This was enabled by growing sales through open access home fibre as well as growing our 5G and Tarana footprint.

Consumer postpaid service revenue increased by 3.2%, driven by growth in subscriber numbers and the sustained uplift in data consumption. The **consumer prepaid** business recorded service revenue growth of 0.3% in 2022. This was supported by strong data demand and achieved in spite of the pressure on voice revenue from loadshedding.

The **enterprise business** continued to deliver double-digit service revenue growth and expanded by 17.5%, supported by growth in mobile data revenues, bulk SMS and IoT. The core mobile business benefited from enhanced data product propositions as well as the expansion of the distribution channel.

Growth in the ICT business was driven by increased demand for connectivity. MTN SA continued to leverage our strong network quality to gain further traction among both private and public sector entities, with a focus on expanding mobile service offerings. The Opco continues to prioritize RT15 customer acquisition and onboarding, which will support continued growth in the enterprise business.

The **wholesale** business recorded 5.3% YoY revenue growth on the back of national roaming deals with Cell C and Telkom. In September 2022, Cell C concluded its recapilalisation, enabling MTN SA to adopt the accrual basis of accounting on national roaming revenue (BTS rental remains on the cash basis of accounting). The multi-year national roaming agreement with Telkom – which came into effect in November 2021 – continued to scale steadily, with the stronger H2 2022 growth momentum expected to carry over into 2023.

MTN SA continued to scale its **fintech** ecosystem, with 6.5 million registered MoMo users (up 54.7%) and 1.2 million MAU (up 105.3% YoY) by end-2022. Transactions on the platform increased, driven by innovative solutions relating to airtime, electricity, gaming, e-commerce and e-government services. The fintech business is well positioned to contribute to the Opco's growth over the medium term.

MTN SA sustained strong growth in profitability, with **EBITDA** of R19.9 billion (up 4.7% YoY) and an EBITDA margin of 39.2% representing an increase of 0.3pp. This included the gain on disposal of SA towers. Excluding this effect, EBITDA would have been up by 2.8% and the EBITDA margin would have been 38.5% (down 0.4pp).

This outcome was achieved despite the implementation of the sale of MTN SA's towers, which included a move to a PaaS arrangement. This resulted in power costs which were previously capitalised, being recognised as an expense. The increased burden of loadshedding also added further costs which impacted margin.

The effects of moving to PaaS and additional loadshedding-related costs detracted approximately 1.7pp from EBITDA margin in 2022.

MTN SA deployed **capex** of R8.8 billion in 2022 and continued to scale up its 5G offering after being allotted 3 500MHz spectrum in the regulator's broadband auction. The Opco rolled out 598 5G sites in the period, bringing the total number of 5G sites to 1 546, covering nearly 21.5% of the population, exceeding its December 2022 target of 20%.

PAT, which increased by 8.2% to R5.0 billion, was boosted by lower finance costs.

Creating shared value for South Africa

MTN SA's commitment to creating shared value for its stakeholders is underscored by the significant investment it has made in its network over time, contributing to fixed investment in the country and enabling economic activity. The Opco's activities also drive digital inclusion through its networks and lowering the cost to communicate, with its effective rate for data reduced by 38.3% over the past two years.

In H1 2022, MTN SA contributed R73 million to support the communities it serves through the MTN Foundation. This was focused on the digitisation of education, skills development, and developing entrepreneurs, with project support specifically focused on women and the youth in ICT.

MTN SA zero rates over 1 300 sites with a primary focus on education. More than 700 university and TVET college websites are available are zero rated on the MTN SA network including student portals, research portals, e-learning portals, and online exam portals. E-learning platforms and SASSA platforms are also zero rated by MTN. In the period under review, the MTN Online School attracted 264 000 users and 106 000 educator assistants.

In the year, Kantar Brandz named MTN SA the most valuable South African brand, with our brand value increasing 85%. MTN SA was the fastest riser in the survey, jumping four places to rank number one in the country for the first time.

Positioned to weather the tough trading conditions

Notwithstanding ongoing macroeconomic pressures, MTN SA is positioned to defend its competitive position and sustain growth over the medium-term. As the Opco navigates the effects of macroeconomic pressures on its customers and business, it also continues its work to mitigate the impacts of worsening loadshedding.

Loadshedding is anticipated to occur more frequently and with greater intensity, which has implications for MTN SA's outlook for both service revenue and costs. We anticipate increased prevalence of loadshedding above stage 4 in the medium-term. To moderate these impacts, the Opco will continue to focus on accelerating its network resilience plan, which includes additional batteries, generators and enhanced security features.

MTN SA remains committed and focused on ensuring the quality of its customers' connectivity, accelerating high-growth business areas and driving further expense efficiencies to sustain the delivery of strong EBITDA and cash flows.

MTN SA maintains its medium-term guidance for service revenue of mid-single-digits growth. The targeted range for MTN SA's EBITDA margin is revised to 37-39% (previously 39-42%), driven by higher-than-expected power costs, increased hubs and switches costs as a result of loadshedding, higher network security and resilience costs as well as a reassessment management fee agreement with the Group.

MTN Nigeria

- Service revenue increased by 21.5%*
- Data revenue increased by 48.0%*
- Fintech revenue decreased by 19.4%*
- Digital revenue increased by 22.5%*
- EBITDA increased by 22.1%*
- EBITDA margin increased by 0.2pp to 53.2%*
- Capex of R13.7 billion, with capex intensity of 17.6 % under IAS 17

MTN Nigeria delivered pleasing overall performance for FY 22 given macroeconomic and operational challenges and reported its results on 31 January 2022.

Below is the performance summary for MTN Nigeria.

Service revenue growth of 21.5%* YoY, in-line with medium-term guidance of at least 20%. This was largely driven by data, fintech and digital revenue, while voice revenue maintained a steady recovery as more customers' SIMs were re-activated and gross connections ramped up following the implementation of the NCC directive on NIN-SIM registration. Overall, voice revenue grew by 6.9%* YoY.

Data revenue rose by 48.0%* maintaining the accelerated growth trajectory through increases in active data users (up 15.3% YoY) and traffic (up 66.6% YoY).

Fintech revenue rose by 19.4%*, with solid growth in Xtratime, the airtime lending product, and core fintech services.

Fintech active users rose by 57.5% to 14.9 million, with approximately 2 million active MoMo wallets. Following the launch of MoMo PSB in May 2022, the number of registered MoMo wallets reached 13.2 million, indicating the underlying momentum in the ecosystem. This helped to drive growth in the total volume of transactions to over 287.8 million.

The MoMo agent network grew by 88 000 active agents, bringing the total number to approximately 224 000.

Digital revenue grew by 22.5%* driven by increased usage from the active base which increased by 37.5% YoY to 10.3 million, with ayoba accounting for approximately half of the base. Rich media services, mobile advertising and content VAS, continue to drive revenue growth.

Revenue from the **enterprise** business rose by 51.6%*, led by the mobile and fixed connectivity services and underpinned by onboarding new customers across segments. In addition, the Opco made good progress in its enterprise business transformation journey while offering additional go-to-market bundles across customer segments to support growth in the business.

Notwithstanding increased cost pressures – including the continued impact of Naira depreciation and higher dollar CPI on lease rental costs, the acceleration in our site rollout, and rising energy costs – MTN Nigeria's service revenue growth, while unlocking efficiencies through disciplined execution of the EEP drove an increase in **EBITDA** of 22.1%* to R41.1 billion and a 0.2pp improvement in EBITDA margin to 53.2%*.

Southern and East Africa (SEA)

- Service revenue increased by 11.8%*
- Data revenue increased by 23.0%*
- Fintech revenue increased by 27.2%*
- Digital revenue declined by 21.5%*

The **SEA** region recorded double-digit growth in service revenue and EBITDA across most markets driven by strong growth in data and fintech. The performance was delivered despite challenging trading conditions where the blended inflation rate in SEA rose to 14.3% by December 2022, compared to 8.7% in January 2022. Service revenue grew by 11.8%* with the total number of subscribers increasing by 3.9% YoY to 36.5 million.

MTN Uganda – which published FY 22 results on 6 March 2022 – recorded service revenue growth of 11.1%*, largely driven by continued growth momentum in data (23.7%*) and fintech (25.2%*) revenue. Voice revenue declined by 0.4%* YoY but reported an encouraging improvement in growth in H2 (up 4.3%*) on subscriber base growth of 9.2% YoY, improved network quality and price optimisation strategies.

The EBITDA margin remains within medium-term target and increased by 0.4pp* to 51.7%*.

MTN Rwanda – which published FY 22 results on 2 March 2022 – grew service revenue by 19.7%* YoY enabled by a 5.9% increase in subscribers to 6.8 million. The performance was driven by broad-based growth across the voice (3.8%*), data (15.4%*) and fintech (47.1%*) segments.

MTN Rwanda recorded a 2.2pp improvement in EBITDA margin to 49.8%*, which was in line with the medium-term target range, as the Opco unlocked efficiencies through disciplined execution of the expense efficiency programme.

MTN Zambia grew service revenue by 7.2%* YoY driven by a 19.5%* increase in data revenue and **MTN South Sudan** increased service revenue by 19.0%* YoY benefitting from the regulatory price increases approved in Q4.

The aggregate EBITDA margin of SEA improved by 0.8pp* to 45.9%*, underpinned by the growth in service revenue and the realisation of cost efficiencies despite increases in commissions and distribution, particularly in Uganda and Rwanda, and network costs across most markets in the region.

Results overview continued

West and Central Africa (WECA)

- Service revenue increased by 12.8%*
- Data revenue increased by 27.4%*
- Fintech revenue increased by 8.3%*
- Digital revenue declined by 6.3%*

The **WECA** region sustained a robust performance in 2022, with aggregate service revenue up by 12.8%*, supported by subscriber growth of 6.6%, to 72.6 million. This was despite increased competitive pressures in the region alongside global and local macroeconomic volatility.

The key growth segment driver was data (27.4%*), while fintech revenue remained resilient notwithstanding regulatory taxes and escalating inflation, where the average annual inflation rate in the year was 14.1% in the region (4.8% excluding Ghana), rising to a blended rate of 43.9% by December 2022.

MTN Ghana's – which published FY 22 results on 28 February 2022 – performance in 2022 was solid in a challenging macroeconomic and regulatory environment. **Service revenue** grew 28.5%* YoY in 2022, driven by growth in voice (23.8%*), data (42.0%*) and fintech (12.8%*) and supported by 12.8% increase in the subscriber base to 28.6 million.

While operational costs were impacted by inflation, the focus on operational efficiency drove an expansion in MTN Ghana's **EBITDA** margin by 2.2 pp* to 57.1%*.

MTN Côte d'Ivoire service revenue was up by 2.1%* in 2022, with a strong recovery in Q4 (up 12.5%*). This result was encouraging in a competitive environment that put pressure on the performance of fintech revenue which declined by 27.0%*.

Pleasingly, fintech revenue returned to positive growth (up 7.7%) in Q4, in line with expectations. This was achieved on the back of good user and usage growth, and as the effects of price reductions were lapped in the quarter. The overall decline in fintech revenue in the year was mitigated by strong growth in data (24.0%*), supported by an increase in data penetration and usage.

EBITDA margin declined by 1.7pp YoY to 33.1%* due to pricing pressures, fintech channel subsidies and macroeconomic challenges, including local currency devaluation and higher inflation. Margin was softer in Q4, impacted by once-off opex items.

MTN Cameroon reported service revenue growth of 8.9%* and maintained leading market share in a challenging and highly competitive environment. The launch of various campaigns focused on CVM drove strong growth in data (up 21.7%*), fintech (up 12.2%*) and digital (up 33.6%*) revenues. The EBITDA margin for MTN Cameroon improved by 1.0pp* to 35.6%* due to cost optimisation initiatives.

Overall, the WECA region delivered **EBITDA** growth of 17.1%* and an improvement in EBITDA margin of 1.5pp* to 39.8%*, benefitting from the robust top-line growth and execution of the EEP. Excluding MTN Ghana, the WECA markets reported a 0.8pp* decrease in the blended EBITDA margin to 29.4%*.

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

- Service revenue increased by 67.9%*
- Data revenue increased by 111.6%*
- Fintech revenue increased by 59.1%*
- Digital revenue increased by 76.2%*

The MENA portfolio delivered a solid performance, with a healthy EBITDA margin under challenging trading conditions. The total number of subscribers (excluding MTN Irancell) was 15.1 million. MENA service revenue increased by 67.9%* in 2022, with the **EBITDA** margin up by 4.9pp* to 43.7%*.

MTN Sudan increased service revenue by 158.6%* in an evolving political and economic environment. Service revenue growth was underpinned by the continuous drive to increase connections and positive re-pricing, which led to growth in voice revenue (up 106.8%*) and data revenue (up 238.6%*). The EBITDA margin improved by 1.1pp* to 52.8%* due to continued efficiency measures.

Associates, joint ventures and investments

Telecoms operations

MTN Irancell recorded a robust set of results in an economy that has continued to rebound despite continued US sanctions. Service revenue grew by 29.8%*, supported by strong commercial execution and subscriber growth – up 4.7% in the period to 52.7 million. Voice revenue grew by 23.1%*, driven by an increase in billed minutes stemming from the increase in the subscriber base. Data revenue was up by 24.2%* due to higher usage.

MTN Irancell's EBITDA margin increased by 4.9pp* to 41.5%*. Capex was R3.8 billion under IFRS 16 (R3.5 billion under IAS 17). The value of the Irancell loan and receivable at 31 December 2022 was R5.8 billion.

E-commerce investments

The Iran Internet Group (IIG) continued its strong recovery in 2022. Ride-hailing app Snapp remained the market leader, ranking among the top ride-hailing apps globally and reaching 4 million daily rides. Last-mile delivery service Snappbox also remained the market leader with over 300 000 daily orders. Food delivery app Snappfood grew revenue by 99.0% YoY with daily orders growing 33% YoY.

Within Middle East Internet Holding (MEIH), ride-hailing service Jeeny continued its strong growth with almost 100 000 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 2022, the fair value of our 25.7% investment in IHS was recognised at R8.9 billion.

Prospects and guidance

Resilient business positions MTN for accelerated growth and relevance to 2025

MTN is well positioned to weather the prevailing global and regional macroeconomic volatility affecting our customers and business – we are encouraged by the resilience of our business. We are also reassured by the effectiveness of the proactive interventions we have implemented to manage the inflationary and regulatory environment in our markets, entrench the resilience in our networks and safeguard the financial flexibility we have built into our business.

Against this challenging backdrop, we are committed to continue keeping our customers connected and providing them with even more value through our innovative services and offers. We will continue to invest in our networks and platforms to sustain the structurally higher demand we see for our data and fintech services, which underpins our medium-term growth outlook.

As part of our interventions to manage the high-inflation conditions we are experiencing across many of our markets, we will continue to optimise pricing and engage with regulators regarding selective price revisions where appropriate. The engagements with our partners on towerco agreements are ongoing, to seek terms that will cushion the business from the pressures arising from inflationary and foreign currency volatility.

MTN is also committed to supporting our broader stakeholders through the volatility and fulfilling our role as the partner of choice in the socioeconomic development of the nation states we serve.

Driving the industry-leading connectivity business

We are working to accelerate growth in MTN SA and MTN Nigeria as well as drive continued growth in the data business across our footprint.

Building resilience in MTN SA to sustain medium-term growth

We anticipate that the power constrained environment in South Africa will continue with loadshedding levels persisting at stage 4 and above, which will affect MTN SA's network availability. In this regard, the Opco's network resilience plans is in progress and being accelerated with a target to complete by Q3 2023, as we add generators into the mix of backup power.

In addition to the grid power issues, the macroeconomic pressures continue to weigh on consumers, especially those in lower-income brackets. These factors will impact service revenue and EBITDA margin in H1 2023 also considering that grid power availability will be lower (compared to H1 2022); the lead time to ramp up the resilience plan in collaboration with our towerco partners and the effect of price increases taking effect.

MTN SA implemented modest, below-inflation price increases across its postpaid offerings to help manage the effects on the business of higher inflation, loadshedding and fuel usage, as well as battery theft and vandalism which have resulted in increased input costs. The Opco is also exploring the possibility to optimise pricing in its prepaid and other business segments during the course of the coming year.

We believe that our interventions to tackle loadshedding and build network resilience; innovative commercial offerings and selective price optimisation, as well as acceleration of further expense efficiency unlock will safeguard MTN SA's medium-term outlook for steady growth and cash flow generation. This will be supported by the ongoing investment in faster-growing areas of the business.

The key risks to MTN SA's outlook remain elevated inflation, the challenging environment for consumers and the worsening loadshedding situation in the country. Due to these factors, as well as a re-assessment of the management fee agreement with the Group, we have revised our target range for MTN SA's medium-term EBITDA margin to 37-39% (from 39-42%). Our medium-target for MTN SA's service revenue growth remains unchanged (mid-single-digits).

Positioned for sustained medium-term growth in Nigeria

Our continued investment in the resilience of its business has positioned MTN Nigeria well to take advantage of the growth opportunities available in Nigeria. The ramp up of gross connections is ongoing as MTN Nigeria continues to implement NIN recovery initiatives to grow the subscriber base. This will be complemented by an aggressive pursuit of our rural telephony programme to expand broadband access and drive further digital inclusion.

We will further accelerate 4G and 5G coverage to accommodate the demand for data in Nigeria while pursuing our home broadband strategy to capture market growth. MTN Nigeria aims to achieve 83% 4G population coverage in FY 2023 while continuing to roll out additional 5G sites and bring the 5G network experience to more smartphone users.

The scaling of MoMo PSB in Nigeria remains a key priority of our overall fintech strategy. Our focus in the year ahead is to accelerate wallet creation and expand services offered to include BankTech and payments. We plan to merge MoMo PSB and Yello Digital Financial Services (YDFS) businesses to create a single financial services business in Nigeria.

MoMo PSB has implemented a shift strategy to focus on accelerating expansion of the active wallet base. This will impact the number of overall fintech users in Nigeria in the short term, although we anticipate that this will be offset by the growth in active wallets by year-end. With just focus on just wallet expansion we do not anticipate a significant impact previously guided on MTN Nigeria's overall EBITDA margin in the year ahead.

Over time, we will leverage our market-leading distribution in Nigeria to grow our fintech verticals with an emphasis on evolving the mix towards more advanced services, in line with our ***Ambition 2025*** strategy.

MTN Nigeria will continue to invest in the network to further strengthen its commercial operations and growth outlook. We will maintain our focus on expense efficiencies and disciplined capital allocation in Nigeria to support earnings and cash flow generation. As a result, we maintain our service revenue growth guidance for MTN Nigeria of "at least 20%" and EBITDA margin target range of 53-55% over the medium term. The key risks to this guidance are a significant devaluation of the naira, heightened inflation and lack of tariff increases. MTN Nigeria remains engaged with the authorities in relation to regulated tariff increases in the current high-inflation environment.

Building the largest and most valuable platforms

Our fintech business is critical to our ambition of building the largest and most valuable platforms, and underpins our long-term growth outlook. In several of our key markets, the MoMo competitive and regulatory environment continues to evolve. New fintech taxes in Benin and Cameroon, the e-levy tax in Ghana and our deliberate cuts to P2P pricing in several markets has affected shorter-term performance.

We are pleased with the recovery we are seeing in both the ecosystem drivers and financial performance of our fintech business, particularly where there have been regulatory and competition driven interventions. Our performance, especially in Q4 gives us comfort in our strategy execution and foundation for future growth.

We are staying focused on building a long-term scale fintech platform ecosystem, in driving users, agents, merchants and advanced services that continue to grow strongly. We are leveraging our scale wallet business to seize the opportunities, and accelerate the expansion, of our lending, InsurTech, remittances as well as payment and e-commerce verticals.

With the inter-company agreements between the Group fintech structure and the GSM business now largely complete, we have begun to allocate costs to the fintech business on a fully allocated basis. We have also received bids from potential strategic minority investors into the Group fintech platform and we plan to conclude the process by May 2023.

Increasing financial flexibility and accelerating portfolio transformation

We have realised R6.4 billion in efficiencies since 2020, exceeding our three-year target from that date of more than R5 billion in expense efficiencies. As part of our mitigation strategies in the current inflationary environment, we are accelerating our efforts to unlock additional efficiencies.

Cash preservation remains a key priority in the current environment. We will continue with our efforts to improve working capital including cash release initiatives through supply chain financing and the handset receivables financing. We expect underlying OpFCF (excluding spectrum payments) to recover in the second half of 2023 through these initiatives.

The volatility in local currencies and limited availability of forex means that the near-term outlook for upstreaming cash from our Opcos remains challenged. We will build on the significant progress we have made to accelerate the deleveraging of our Holdco balance sheet, with a focus on reducing our non-rand debt through liability management of the 2024 and 2026 bonds over the medium-term.

The current uncertainty and volatility in the financial markets has slowed our ARP progress, particularly the monetisation of our investment in IHS. Given current market conditions, we are taking comfort in the strength of our Holdco balance sheet which provides us with the flexibility to execute our ARP in a manner that will maximise value for the business and our shareholders.

Ambition 2025 strategy execution and medium-term guidance

We remain keenly focused on continuing to execute on our ***Ambition 2025*** strategy to sustain medium-term growth, deleverage the Holdco balance sheet faster, create shared value and unlock value for our stakeholders.

Although the macroeconomic conditions are anticipated to remain challenging in the near-term, we maintain our medium-term (three to five year) guidance. We have updated the target range for MTN SA's EBITDA margin to 37-39% (previously, 39-42%).

We will continue with our disciplined approach to capital allocation, investing in faster growing areas in support of our investment case. We expect our capex envelope for 2023 to be approximately R37.4 billion in support of accelerated growth, and we maintain a medium-term target range of 15-18% for capex intensity on current currency assumptions.

Declaration of final ordinary dividend

Notice is hereby given that a gross final dividend of 330 cents per share for the period to 31 December 2022 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 264 cents per share to those shareholders who bear the maximum rate of dividend withholding tax of 66 cents per share. The net dividend per share for the respective categories of shareholders for the different dividend tax rates is as follows:

- 0% 330.00 cents per share
- 5% 313.50 cents per share
- 7.5% 305.25 cents per share
- 10% 297.00 cents per share
- 12.5% 288.75 cents per share
- 15% 280.50 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:	Monday, 13 March 2023
Last day to trade cum dividend:	Monday, 3 April 2023
First trading day ex dividend:	Tuesday, 4 April 2023
Record date:	Thursday, 6 April 2023
Payment date:	Tuesday, 11 April 2023

No share certificates may be dematerialised or re-materialised between Tuesday, 4 April 2023 and Thursday, 6 April 2023, both days inclusive. On Tuesday, 11 April 2023 the dividend will be transferred electronically to the bank accounts of certificated shareholders who make use of this facility. Shareholders who hold dematerialised shares will have their accounts held by the Central Securities Depository Participant or broker credited on Tuesday, 11 April 2023.

Board changes

We previously announced the following changes to the Board during the reporting period:

- Swazi Tshabalala resigned as an independent non-executive director effective 25 May 2022.
- Tim Pennington was appointed as an independent non-executive director effective 1 August 2022.
- Nicky Newton-King was appointed as an independent non-executive director effective 1 January 2023.

In addition, Paul Hanratty will step down as an independent non-executive director on 30 April 2023, to focus on his executive responsibilities. Paul has been an independent non-executive director since 2016 and has served as the Chairman of the Finance and Investment Committee. He has also served on the Audit and the Risk and Compliance Committees. His contribution to the Company's M&A transactions, its funding strategies, as well as enhancing the execution of ***Ambition 2025***, has been invaluable.

Evolution from the Independent Advisory Board (IAB) to an open-architected stakeholder forum

In light of the evolution and strengthening of the Board since 2019, and the three-year term of the IAB coming to an end, MTN has made the decision to evolve the structure of the IAB into an open-architected stakeholder engagement forum.

The evolution to this forum will support and build on the external stakeholder engagements already undertaken by the Group Chairman, Group President and CEO and the Board, with former members of the IAB and other experts remaining available to provide counsel on nation states issues as and when required.

For and on behalf of the Board,

MH Jonas	**RT Mupita**	**TBL Molefe**
Group Chairman	Group President and CEO	Group CFO

13 March 2023
Fairland
Date of release: 13 March 2023

Lead sponsor
JP Morgan Equities (SA) Proprietary Limited

Joint sponsor
Tamela Holdings Proprietary Limited

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 e-commerce
- MoMo users are 30-day active users
- CODM EBITDA (referred to as EBITDA) is defined as earnings before finance income and finance costs (impact of Impairment of goodwill, PPE, and associate, impairment loss on remeasurement of disposal group, net loss (after tax) on disposal of SA towers, other, hyperinflation (excluding impairments), impact of foreign exchange losses and gain, and IFRS 2 Charge from Ghana localisation) EBITDA including these once-off items increased by 14.3%*.
- ROE is calculated based on reported Group HEPS of 1 313 cps after adjusting for non-operational impacts of 159 cps. Equity is also adjusted for non-operational items such as hyperinflation
- Holdco leverage: Holdco net debt (excluding GlobalConnect)/SA EBITDA + cash upstreaming
- ARPU: average revenue per user
- BTS: base transceiver station
- Capex: capital expenditure
- CVM: customer value management
- DMTN: Domestic Medium Term Note
- FCF: free cash flow
- GB: gigabytes
- GSM: Global System for Mobile Communication
- ICT: information and communications technology
- IoT: Internet of Things
- KYC: know your customer
- LTE: long-term evolution
- MAU: monthly active users
- MB: megabytes
- MiFi: my WiFi
- MoMo: Mobile Money
- NPS: net promoter score
- Opcos: Operating companies
- Opex: operating expenditure
- OTC: over the counter
- OTT: over the top
- PAT: profit after tax
- PBT: profit before tax
- PPE: property, plant and equipment
- SASSA: South African Social Security Agency
- SIM: Subscriber Identity/Identification Module
- SME: small- and medium-sized enterprises
- SMS: Short Message Service
- TVET: Technical Vocational Education and Training
- VAS: value-added services

Notes

MTN

Results overview

for the year ended 31 December 2022

Audited summary Group financial statements for the year ended 31 December 2022

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 13 March 2023.

What are we doing today?

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 preliminary report, which comprise the summary Group statement of financial position as at 31 December 2022, 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 2022.

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 auditors' report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditors' 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 12 March 2023. That report also includes the 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

12 March 2023

Ernst & Young Inc.

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

12 March 2023

Summary Group income statement
for the year ended 31 December 2022

	Note	2022 Rm	2021 Rm
Revenue	7	**207 003**	181 646
Other income		**410**	677
Direct network and technology operating costs		**(32 854)**	(27 649)
Costs of handsets and other accessories		**(12 055)**	(10 584)
Interconnect and roaming costs		**(11 288)**	(9 622)
Staff costs		**(12 675)**	(11 716)
Selling, distribution and marketing expenses		**(24 819)**	(22 452)
Government and regulatory costs		**(7 610)**	(6 895)
Impairment and write-down of trade receivables and contract assets		**(1 579)**	(1 116)
Other operating expenses		**(13 431)**	(12 570)
Depreciation of property, plant and equipment		**(20 812)**	(21 181)
Depreciation of right-of-use assets		**(7 840)**	(7 216)
Amortisation of intangible assets		**(5 999)**	(6 243)
Impairment of goodwill and investment in joint ventures	8	**(625)**	(583)
Gain on disposal of investment in associates		**–**	1 212
Loss on deconsolidation of subsidiary		**–**	(4 720)
Impairment loss on remeasurement of non-current assets held for sale	18.4	**(1 263)**	(53)
Finance income	9	**2 042**	1 198
Finance costs		**(19 728)**	(15 646)
Net monetary gain		**1 251**	275
Share of results of associates and joint ventures after tax	10	**3 369**	2 054
Profit before tax		**41 497**	28 816
Income tax expense		**(17 236)**	(11 822)
Profit after tax		**24 261**	16 994
Attributable to:			
Equity holders of the company		**19 337**	13 750
Non-controlling interests		**4 924**	3 244
		24 261	16 994
Basic earnings per share (cents)	11	**1 071**	763
Diluted earnings per share (cents)	11	**1 044**	744

Summary Group statement of comprehensive income

for the year ended 31 December 2022

	Note	**2022 Rm**	2021 Rm
Profit after tax		**24 261**	16 994
Other comprehensive income after tax			
Items that may be and/or have been reclassified to profit or loss:		**(1 079)**	1 759
Net investment hedges	17	**(800)**	(1 152)
Foreign exchange movement on hedging instruments		**(1 112)**	(1 600)
Normal tax		**312**	448
Exchange differences on translating foreign operations including the effect of hyperinflation[1]		**(279)**	2 911
(Losses)/gains arising during the year		**(279)**	579
Reclassification of foreign currency translation differences, including hyperinflation on loss of significant influence and control		**–**	2 332
Items that will not be reclassified to profit or loss:		**(10 873)**	(10 317)
Losses arising during the year on equity investments at fair value through other comprehensive income[1,2]	12	**(10 908)**	(10 336)
Remeasurement gain on defined benefit obligation[1]		**35**	19
Other comprehensive income for the year		**(11 952)**	(8 558)
Attributable to:			
Equity holders of the Company		**(11 156)**	(7 671)
Non-controlling interests		**(796)**	(887)
Total comprehensive income for the year		**12 309**	8 436
Attributable to:			
Equity holders of the Company		**8 181**	6 079
Non-controlling interests		**4 128**	2 357
		12 309	8 436

1 This component of other comprehensive income (OCI) does not attract any tax.

2 Equity investments at fair value through OCI relate mainly to the Group's investment in IHS Holding Limited (IHS Group).

Summary Group statement of financial position
as at 31 December 2022

	Note	**2022 Rm**	2021 Rm
Non-current assets		**254 316**	232 707
Property, plant and equipment		**108 776**	99 769
Intangible assets and goodwill		**50 277**	43 760
Right-of-use assets		**50 625**	42 957
Investments	12	**9 593**	19 916
Investment in associates and joint ventures		**22 942**	13 848
Deferred tax and other non-current assets		**12 103**	12 457
Current assets		**134 207**	125 800
Cash and cash equivalents		**44 350**	39 488
Mobile Money deposits		**38 661**	38 260
Trade and other receivables		**31 918**	31 002
Restricted cash		**10 235**	6 801
Other current assets		**9 043**	10 249
Non-current assets held for sale	18.4	**3 358**	7 291
Total assets		**391 881**	365 798
Total equity		**122 343**	114 982
Attributable to equity holders of the Company		**116 601**	111 047
Non-controlling interests		**5 742**	3 935
Non-current liabilities		**126 563**	118 486
Interest-bearing liabilities	14	**65 781**	65 484
Lease liabilities		**52 473**	41 409
Deferred tax and other non-current liabilities		**8 309**	11 593
Current liabilities		**139 874**	127 928
Mobile Money payables		**39 273**	38 869
Trade and other payables		**56 815**	50 767
Interest-bearing liabilities	14	**16 209**	15 418
Lease liabilities		**5 871**	6 505
Other current and tax liabilities		**21 706**	16 369
Liabilities directly associated with non-current assets held for sale	18.4	**3 101**	4 402
Total equity and liabilities		**391 881**	365 798

Summary Group statement of changes in equity

for the year ended 31 December 2022

	Note	2022 Rm	2021 Rm
Opening balance at 1 January		**111 047**	102 873
Total comprehensive income		**8 181**	6 079
Profit after tax		**19 337**	13 750
Other comprehensive income after tax		**(11 156)**	(7 671)
Transactions with owners of the Company			
Purchase of treasury shares		**(1 417)**	–
Share-based payment transaction – Scancom PLC (MTN Ghana) share localisation	18.3	**330**	–
Share-based payment transactions		**659**	710
Dividends declared		**(5 414)**	–
Gain on MTN Uganda initial public offering		**–**	1 774
Acquisition of aYo non-controlling interests		**–**	(212)
Gain on transactions with non-controlling interests		**400**	–
Gain on MTN Nigeria Communications PLC (MTN Nigeria) secondary offer	18.1	**3 046**	–
Other movements		**(231)**	(177)
Attributable to equity holders of the Company		**116 601**	111 047
Non-controlling interests		**5 742**	3 935
Closing balance		**122 343**	114 982

Summary Group statement of cash flows

for the year ended 31 December 2022

	Note	2022 Rm	2021 Rm
Net cash generated from operating activities		**68 121**	67 286
Cash generated from operations		**94 247**	88 670
Interest received		**1 873**	1 161
Interest paid		**(14 417)**	(12 145)
Dividends received from joint ventures		**371**	554
Income tax paid		**(13 953)**	(10 954)
Net cash used in investing activities		**(43 436)**	(30 953)
Acquisition of property, plant and equipment		**(31 398)**	(24 413)
Acquisition of intangible assets		**(13 786)**	(10 812)
Proceeds from sale of investments in associates	18.1	**–**	1 807
Increase in non-current investments and joint venture		**(65)**	(22)
Proceeds from sale of MTN South Africa tower sale		**6 355**	
Proceeds from exit in Yemen, net of cash deconsolidated		**–**	(900)
Acquisition of right-of-use asset[1]		**(628)**	–
Realisation of non-current investment bonds		**157**	667
Purchase of non-current investment bonds and fixed deposits		**(147)**	(121)
Realisation of current investment bonds, treasury bills and foreign deposits		**335**	4 521
Increase in restricted cash		**(9 384)**	(11 744)
Decrease in restricted cash		**5 326**	10 242
Cash acquired on acquisition of subsidiary		**–**	68
Cash deconsolidated on loss of control		**–**	(228)
Movement in other investing activities		**(201)**	(18)
Net cash used in financing activities		**(17 419)**	(26 179)
Proceeds from MTN Nigeria secondary offer		**1 970**	–
Purchase of treasury shares		**(1 417)**	–
Consideration received on MTN Ghana share localisation		**234**	–
Consideration received on transaction with MTN Ghana non-controlling interests		**267**	–
Proceeds from borrowings	15	**25 000**	23 754
Repayment of borrowings	15	**(28 134)**	(43 953)
Repayment of lease liabilities		**(7 405)**	(5 949)
Dividends paid to equity holders of the Company		**(5 414)**	–
Dividends paid to non-controlling interests		**(3 689)**	(2 084)
Proceeds from MTN Uganda initial public offering		**103**	2 191
Acquisition of additional shares in aYo		**–**	(257)
Proceeds from disposal of shares in aYo	18.2	**702**	–
Other financing activities		**364**	119
Net increase in cash and cash equivalents		**7 266**	10 154
Net cash and cash equivalents at beginning of the year		**39 019**	30 636
Exchange losses on cash and cash equivalents		**(2 280)**	(1 515)
Net monetary gain/(loss) on cash and cash equivalents		**175**	(380)
(Increase)/decrease in cash classified as held for sale	18.4	**(546)**	124
Net cash and cash equivalents at end of the year		**43 634**	39 019

[1] Relates to fully prepaid leases.

Notes to the summary Group financial statements
for the year ended 31 December 2022

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 2022 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, 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) 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 2022, 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 2022, 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 2022

5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

5.1 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 deferred tax assets for the current year amounted to R6 571 million (2021 : R7 223 million). The Group has deductible temporary differences and unused assessed losses of R16 138 million (2021: R9 219 million) for which no deferred tax asset has been recognised as at 31 December 2022, as well as an unrecognised deferred tax asset of R728 million (2021: R585 million) relating to foreign tax credits.

MTN Mauritius recognised a deferred tax asset of R4 386 million (2021: R5 750 million) mainly resulting from an assessed loss. The Group discontinued the recognition of any further increases in the deferred tax asset in 2022 and recognised a reduction of the deferred tax asset due to the change in the SA corporate tax rate. The Group derecognised R1 171 million of the previously recognised deferred tax asset as a result of incorporating additional risk factors to the estimated utilisation of the deferred tax asset over the expected recovery period.

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 continue in the medium term.
- Interest expense and foreign exchange exposures will continue to reduce as MTN Mauritius repays its US$ denominated intercompany debt. The repayments are currently scheduled to occur in 2024 and 2026.
- Technical service fees from subsidiaries are expected to increase as contracts for central services with group companies are formalised.

Based on current business plans and stress scenarios, the Group expects to utilise the deferred tax asset in the next ten to 13 years.

Notes to the summary Group financial statements (continued)

for the year ended 31 December 2022

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 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:

	2022	
	Revenue Rm	**Capital expenditure Rm**
Sudan	**2 659**	**873**
South Sudan (included in other SEA)	**(175)**	**(16)**
	2 484	**857**
Major joint venture – Irancell	**1 346**	**551**

	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

Notes to the summary Group financial statements (continued)

for the year ended 31 December 2022

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).
- Middle East and North Africa (MENA).

South Africa and Nigeria comprise the segment information for the South African and Nigerian cellular 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.

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, 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).
- Impairment loss on remeasurement of non-current asset held for sale.
- Fair value gain on acquisition of subsidiary.
- Loss on deconsolidation of subsidiary.
- Gain on disposal of investment in associates.
- Gain on exit in Yemen.
- Gain on disposal of subsidiary.
- Gain on sale of MTN SA towers.
- Impairment loss on Yemen property, plant and equipment and intangible assets.

These exclusions have remained unchanged from the prior year except for the gain on sale of MTN SA towers. Impairment losses on property, plant and equipment and intangible assets are generally included in the CODM EBITDA as they are operational in nature. As the impairment of Yemen's property, plant and equipment and intangible assets arose from MENA exit strategy, it was 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 2022

7. SEGMENT ANALYSIS (continued)

REVENUE	Network services Rm	Mobile devices Rm	Interconnect and roaming Rm
2022			
South Africa	32 018	9 792	4 359
Nigeria	65 721	237	6 518
SEA	12 732	240	872
Uganda	6 518	90	400
Zambia	2 096	104	184
Other SEA	4 118	46	288
WECA	35 510	204	2 294
Ghana	12 920	62	590
Côte d'Ivoire	6 446	46	663
Cameroon	5 829	28	354
Other WECA	10 315	68	687
MENA	5 005	27	1 007
Sudan	3 276	19	642
Afghanistan	1 729	8	365
Major joint venture – Irancell[1]	7 093	183	362
Head office companies[2]	1 856	-	6 180
Eliminations	(957)	(3)	(5 571)
Hyperinflation impact	1 988	13	419
Irancell revenue exclusion	(7 093)	(183)	(362)
Consolidated revenue	153 873	10 510	16 078

[1] 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.

[2] 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
2 417	1 573	50 159	481	50 640
4 087	697	77 260	-	77 260
5 019	479	19 342	-	19 342
2 932	186	10 126	-	10 126
869	63	3 316	-	3 316
1 218	230	5 900	-	5 900
8 920	1 351	48 279	-	48 279
4 170	289	18 031	-	18 031
1 116	647	8 918	-	8 918
1 422	94	7 727	-	7 727
2 212	321	13 603	-	13 603
146	27	6 212	-	6 212
78	17	4 032	-	4 032
68	10	2 180	-	2 180
702	206	8 546	18	8 564
–	15 100	23 136	255	23 391
(22)	(13 810)	(20 363)	(242)	(20 605)
49	15	2 484	-	2 484
(702)	(206)	(8 546)	(18)	(8 564)
20 616	5 432	206 509	494	207 003

Notes to the summary Group financial statements (continued)
for the year ended 31 December 2022

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.
[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 received 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 2022

7. SEGMENT ANALYSIS (continued)

External versus inter-segment revenue	2022 External revenue Rm	2022 Inter-segment revenue Rm	2022 Total revenue Rm	2021 External revenue Rm	2021 Inter-segment revenue Rm	2021 Total revenue Rm
South Africa	**50 153**	**487**	**50 640**	48 223	493	48 716
Nigeria	**76 015**	**1 245**	**77 260**	58 835	1 215	60 050
SEA	**18 892**	**450**	**19 342**	16 498	457	16 955
Uganda	**9 790**	**336**	**10 126**	8 223	326	8 549
Zambia	**3 269**	**47**	**3 316**	2 366	63	2 429
Other SEA	**5 833**	**67**	**5 900**	5 909	68	5 977
WECA	**47 047**	**1 232**	**48 279**	46 717	1 288	48 005
Ghana	**17 401**	**630**	**18 031**	18 659	528	19 187
Côte d'Ivoire	**8 759**	**159**	**8 918**	8 735	168	8 903
Cameroon	**7 540**	**187**	**7 727**	7 028	216	7 244
Other WECA	**13 347**	**256**	**13 603**	12 295	376	12 671
MENA	**5 381**	**831**	**6 212**	5 908	642	6 550
Sudan	**3 472**	**560**	**4 032**	1 748	478	2 226
Afghanistan	**1 909**	**271**	**2 180**	1 928	164	2 092
Other MENA[1]	**-**	**-**	**-**	2 232	-	2 232
Major joint venture – Irancell[2]	**8 564**	**-**	**8 564**	6 725	-	6 725
Head office companies[3]	**7 013**	**16 378**	**23 391**	5 452	13 644	19 096
Eliminations	**–**	**(20 605)**	**(20 605)**	-	(17 713)	(17 713)
Hyperinflation impact	**2 502**	**(18)**	**2 484**	13	(26)	(13)
Irancell revenue exclusion	**(8 564)**	**-**	**(8 564)**	(6 725)	-	(6 725)
Consolidated revenue	**207 003**	**-**	**207 003**	181 646	-	181 646

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

[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 received from segments.

Notes to the summary Group financial statements (continued)

for the year ended 31 December 2022

7. SEGMENT ANALYSIS (continued)

CODM EBITDA	2022 Rm	2021 Rm
South Africa	**19 480**	18 956
Nigeria	**41 087**	31 852
SEA	**8 877**	7 847
Uganda	**5 233**	4 387
Zambia	**847**	556
Other SEA	**2 797**	2 904
WECA	**19 109**	19 369
Ghana	**10 210**	10 557
Côte d'Ivoire	**2 950**	3 096
Cameroon	**2 752**	2 507
Other WECA	**3 197**	3 209
MENA	**2 716**	2 082
Sudan	**2 128**	1 085
Afghanistan	**588**	615
Other MENA[1]	**–**	382
Head office companies[3]	**2 571**	(1 007)
Eliminations	**(3 961)**	652
CODM EBITDA	**89 879**	79 751
Major joint venture - Irancell[2]	**3 555**	2 446
Hyperinflation	**851**	(2)
Gain on disposal of investment in associates	**–**	1 212
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
Gain on sale of MTN SA towers	**371**	–
Impairment loss on remeasurement of non-current assets held for sale	**(1 263)**	(53)
impairment loss on Yemen PPE and intangible assets	**–**	(609)
Irancell CODM EBITDA exclusion	**(3 555)**	(2 446)
CODM EBITDA before impairment of goodwill	**89 838**	76 158
Depreciation, amortisation and impairment of goodwill and investment in joint venture	**(35 275)**	(35 223)
Net finance cost	**(17 686)**	(14 448)
Net monetary gain	**1 251**	275
Share of results of associates and joint ventures after tax	**3 369**	2 054
Profit before tax	**41 497**	28 816

[1] Syria and Yemen segment analysis has been included until the Group lost control of MTN Syria on 25 February 2021 and Group exited Yemen 17 November 2021.
[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] Includes R3.8 billion gain on the MTN Nigeria secondary offer and R1.4 billion gain on the MTN Ghana share localisation.

Notes to the summary Group financial statements (continued)

for the year ended 31 December 2022

7. SEGMENT ANALYSIS (continued)

CAPITAL EXPENDITURE INCURRED	2022	2021 Rm
South Africa	**15 294**	10 409
Nigeria	**19 088**	14 905
SEA	**6 483**	3 608
Uganda	**4 261**	1 743
Zambia	**636**	507
Other SEA	**1 586**	1 358
WECA	**8 588**	7 477
Ghana	**3 515**	3 651
Côte d'Ivoire	**1 844**	1 290
Cameroon	**1 075**	967
Other WECA	**2 154**	1 569
MENA	**1 647**	1 015
Sudan	**1 264**	504
Afghanistan	**383**	378
Other MENA[1]	**-**	133
Major joint venture – Irancell[2]	**3 283**	2 237
Head office companies	**2 243**	1 804
Eliminations	**(99)**	–
Hyperinflation impact	**857**	167
Irancell capital expenditure exclusion	**(3 283)**	(2 237)
	54 101	39 385

[1] Syria and Yemen capital expenditure has been included until the Group lost control of MTN Syria on 25 February 2021 and Group exited of Yemen 17 November 2021.

[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.

Notes to the summary Group financial statements (continued)

for the year ended 31 December 2022

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:

	2022 Rm	2021 Rm
MTN Yemen	**–**	(550)
MTN Guinea-Bissau	**(251)**	–
Other	**(32)**	(33)
	(283)	(583)
Impairment of Joint venture – Mowali	**(149)**	–
Impairment of Joint venture – MEIH	**(193)**	–
	(342)	–

9. NET FINANCE COSTS

	2022 Rm	2021 Rm
Interest income on loans and receivables	**638**	396
Interest income on bank deposits	**1 404**	802
Finance income	**2 042**	1 198
Interest expense on financial liabilities measured at amortised cost	**(7 888)**	(7 010)
Net foreign exchange losses	**(5 048)**	(2 551)
Unwind of revision of cash flows[1]	**-**	43
Lease liability interest expense	**(6 792)**	(6 128)
Finance costs	**(19 728)**	(15 646)
Net finance costs recognised in profit or loss	**(17 686)**	(14 448)

[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 2022

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

	2022 Rm	2021 Rm
	3 369	2 054
Irancell	**3 101**	1 709
Others	**268**	345

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 2022, Iranian rial denominated receivables amounted to R2 194 million[1] (2021: R1 531 million) and the Iranian rial denominated loan amounted to R2 013 million[2] (2021: R1 882 million).

The Group has intercompany receivables of R5 828 million (including the Iranian rial denominated receivable and loan detailed above) owing from Irancell as at 31 December 2022. Considering the continued uncertainty of when the sanctions will be lifted, the Group has reassessed and determined that the settlement of R5 009 million of the outstanding receivables is neither planned nor likely to occur in the foreseeable future. Therefore, the balances have been reclassified from current to non-current in the summary consolidated statement of financial position and presented as part of investment in associates and joint ventures. The Group intends to repatriate the remaining intercompany receivables (including R770 million Iranian rial denominated receivable) when circumstances permit.

[1] Receivables denominated in Iranian rial to the value of R2 158 million (2021: R1 525 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	**2022**	2021
Number of ordinary shares in issue		
At end of the year (excluding MTN Zakhele Futhi and treasury shares)	**1 806 114 844**	1 803 226 302
Weighted average number of shares	**1 805 193 078**	1 801 959 524
Add: Dilutive shares		
– Share options – MTN Zakhele Futhi	**29 041 554**	24 698 778
– Share schemes	**17 851 150**	22 509 453
Shares for dilutive earnings per share	**1 852 085 782**	1 849 167 755

Treasury shares

Treasury shares of 1 319 536 (2021: 4 208 078) are held by the Group and 76 835 378 (2021: 76 835 378) are held by MTN Zakhele Futhi (RF) Limited (MTN Zakhele Futhi).

Headline earnings

Headline earnings/(loss) is calculated in accordance with the circular titled Headline Earnings as issued by the South African Institute of Chartered Accountants 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 2022

11. EARNINGS PER ORDINARY SHARE (continued)

	2022 Rm	2021 Rm
Reconciliation between net profit attributable to the equity holders of the Company and headline earnings:		
Profit attributable to equity holders of the Company	**19 337**	13 750
Net profit on disposal of property, plant and equipment and intangible assets	**(190)**	(99)
- Subsidiaries (IAS 16)	**(185)**	(79)
- Joint ventures (IAS 28)	**(5)**	(20)
Impairment of goodwill and investments in joint ventures (IAS 36)	**625**	583
Net impairment loss on property, plant and equipment, right-of-use assets and intangible assets (IAS 36)	**184**	545
Impairment loss on remeasurement of non-current asset held for sale (IFRS 5)	**1 263**	53
Gain on disposal of investment in associate (IAS 28)	**-**	(1 212)
Gain on sale of MTN South Africa towers (IFRS 5)	**(371)**	-
Gain on exit in Yemen (IFRS 10)	**-**	(15)
Gain on disposal of a subsidiary (IFRS 10)	**-**	(38)
Fair value gain on acquisition of a subsidiary (IFRS 10)	**-**	(526)
Loss on derecognition of a subsidiary (IFRS 10)	**-**	4 720
Total non-controlling interest and tax effect of adjustments	**(16)**	(20)
Headline earnings	**20 832**	17 781
Earnings per share (cents)		
- Basic	**1 071**	763
- Basic headline	**1 154**	987
Diluted earnings per share (cents)		
- Diluted	**1 044**	744
- Diluted headline	**1 125**	962

Notes to the summary Group financial statements (continued)

for the year ended 31 December 2022

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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 R7 703 million at 31 December 2022 (2021: R12 050 million) and a fair value of R7 480 million (2021: R12 494 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 R8 930 million (2021: R19 144 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$6.15 (2021: 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.

A fair value decrease of R10 908 million (2021: R10 336 million) has been recognised. On 9 March 2023, the IHS Group share price was US$7.4, equating to a reduction in the fair value of R2 771 million subsequent to 31 December 2022.

Notes to the summary Group financial statements (continued)

for the year ended 31 December 2022

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (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 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 1 January 2022	**1 294**
Contributions paid to insurance cell captives	**330**
Claims received by insurance cell captives	**(253)**
Additional investment	**334**
Loss recognised in profit or loss	**(311)**
Balance at 31 December 2022	**1 394**

Investments	Rm
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 measurement hierarchy	(31 528)
Balance at 1 January 2022	**364**
Foreign exchange movements	**(93)**
Balance at 31 December 2022	**271**

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. In the current year MTN Guinea-Bissau breached a loan covenant as result of negative EBITDA performance. No formal wavier has been provided by lender as result the full outstanding balance of R171 million has been included in current borrowing balance. 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 recapitalisation was finalised in May 2022 and MTN Cameroon is compliant with the OHADA Uniform Act on Commercial Companies. The Group has complied with all other external loan covenants during the current year. The Group has complied with all other externally imposed loan covenants during the current financial year.

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

	2022 Rm	2021 Rm
	37 075	34 535
– Contracted	**9 808**	12 725
– Not contracted	**27 267**	21 810

14. INTEREST-BEARING LIABILITIES

	2022 Rm	2021 Rm
Bank overdrafts	**716**	469
Current borrowings	**15 493**	14 949
Current interest-bearing liabilities	**16 209**	15 418
Non-current borrowings	**65 781**	65 484
Total interest-bearing liabilities	**81 990**	80 902

Notes to the summary Group financial statements (continued)

for the year ended 31 December 2022

15. ISSUE AND REPAYMENT OF DEBT SECURITIES

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

	Raised 2022 Rm	Repaid 2022 Rm	Raised 2021 Rm	Repaid[1] 2021 Rm
Mobile Telephone Networks Holdings Limited	**4 127**	**4 822**	5 350	11 128
Loan facilities	**–**	**2 500**	700	9 028
Domestic medium term programme	**4 127**	**2 322**	4 650	2 100
MTN Mauritius	**–**	**–**	–	2 202
Loan facilities	**–**	**–**	–	2 202
MTN (Mauritius) Investments Limited	**–**	**5 444**	–	7 550
United States dollar senior unsecured notes	**–**	**5 444**	–	7 550
Scancom PLC (MTN Ghana)[2]	**–**	**347**	410	1 104
Term loan	**–**	**–**	–	285
Revolving credit facility	**–**	**347**	410	819
MTN Côte d'Ivoire S.A. (MTN Côte d'Ivoire)	**1 600**	**1 316**	5	1 035
Syndicated term loan	**1 600**	**1 316**	5	1 035
MTN Nigeria Communications PLC (MTN Nigeria)	**18 397**	**13 874**	15 178	18 239
Term loans	**8 577**	**8 005**	5 494	12 402
Bond and commercial paper[2,3]	**9 820**	**5 869**	9 684	5 837
Other	**876**	**2 331**	2 811	2 695
Total	**25 000**	**28 134**	23 754	43 953

[1] The 2021 year saw a substantial increase in borrowing repayments in line with the Group's strategy to accelerate the delivering of the Holdco* balance sheet, reducing exposure to United States dollar debt and improving the funding mix at a Holdco level.

[2] On April 12, 2022 MTN Nigeria issued N150 billion commercial paper; Series I with face value of N51 billion for 184 days and Series II N75.6 billion for 254 days. It also Issued Series III on 14 September 2022 with face value of N23 billion for 184 days.

[3] In September 2022 MTN Nigeria issued local bond Series I Tranche A with face value N10 billion with a four-year tenor and Tranche B with face value of N105 billion 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 2022

16. CONTINGENT LIABILITIES

	2022 Rm	2021 Rm
Contingent liabilities	**2 021**	2 878
Uncertain tax matters	**1 142**	1 622
Legal and regulatory matters	**879**	1 256

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 2022, 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 2022

17. EXCHANGE RATES TO SOUTH AFRICAN RAND

		Closing rates		Average rates	
		2022	2021	**2022**	2021
Foreign currency to South African rand:					
United States dollar	US$	**17.05**	15.94	**16.37**	14.82
South African rand to foreign currency:					
Nigerian naira	NGN	**27.05**	26.61	**26.05**	27.54
Iranian rial[1,2]	IRR	**16 914.43**	15 391.55	**15 736.47**	15 425.94
Ghanaian cedi	GHS	**0.62**	0.40	**0.54**	0.40
Cameroon Communauté Financière Africaine franc	XAF	**35.93**	36.15	**37.98**	37.37
Côte d'Ivoire Communauté Financière Africaine franc	CFA	**35.93**	36.14	**38.08**	37.36
Ugandan shilling	UGX	**218.43**	222.99	**225.50**	241.06
Syrian pound[2,3]	SYP	**N/A**	157.59	**N/A**	147.69
Sudanese pound[2]	SDG	**34.03**	27.47	**33.51**	25.07

[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.
[3] Not applicable for the 2022 financial year as the Group lost control of MTN Syria and exited Yemen in the prior year.

The Group's functional and presentation currency is rand. The strengthening of the closing rate of the rand against the functional currencies of the Group's largest operations contributed to the decrease in consolidated assets and liabilities and the resulting foreign currency translation reserve decrease of R279 million (2021: R579 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 R16.0 billion (2021: R21.4 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 2022

18. CHANGES IN SHAREHOLDING

18.1 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 NGN97.6 billion (R3.4 billion translated at the effective date). This resulted in a net gain of R3 billion that was recognised in equity as a transaction with non-controlling interest.

18.2 Disposal of aYo shares

On 15 March 2022, the Group entered into a transaction to dispose of 50% of the shares held in aYo. The sale was subject to a number of conditions precedent which were met on 28 October 2022 and the sale became effective. This took the Group's shareholding from 100% to 50%. The Group retained control in aYo through a shareholder's agreement. The agreement gives the Group power over the detailed business plans, which enables the Group to direct the relevant activities of aYo. Proceeds generated from the sale of the shares, net of transaction costs amounted to USD40 million (R729 million[1]). This resulted in a net gain of R293 million that was recognised in equity as a transaction with non-controlling interest.

[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 MTN Ghana localisation

In April 2022, the Group concluded the transfer of a 5% interest in MTN Ghana to Ghanaian citizens as part of the Group's localisation strategy. The shares are held through five separate special purpose vehicles (Ghana SPVs).

The Ghana SPVs acquired 614 523 715 of MTN Ghana's shares at a price of GHS0.90 per share for a total consideration of R1 122 million. The acquisition of these shares was funded through equity contributions from the Ghana SPVs shareholders and vendor loans provided by MTN (Dubai) Limited (MTN Dubai).

The Ghana SPVs must repay the vendor loans using dividends on the MTN Ghana shares over a period of 10 years before the shares become unencumbered. Consequently, the Group does not recognise a non-controlling interest for the MTN Ghana shares legally sold to the Ghana SPVs and consolidates the Ghana SPVs until the vendor loans are fully repaid.

The transactions have been accounted for as equity-settled share-based payment transactions in accordance with IFRS 2 *Share-based Payments* and the Group recognised an expense of R85 million in profit or loss, with a corresponding entry in equity.

Notes to the summary Group financial statements (continued)

for the year ended 31 December 2022

18. CHANGES IN SHAREHOLDING (continued)

18.4 MTN Afghanistan

On 20 June 2022, the Group received a binding offer for the sale of MTN Afghanistan for a consideration of approximately US$24 million (R434 million[1]) on a discounted basis. MTN Dubai and MINT Trading Middle East Limited (a 100% subsidiary of M1 Group Limited) have subsequently signed a sale and purchase agreement on 10 March 2023, which is subject to conditions precedent. The Group expects the sale to be concluded during the second half of 2023. Accordingly, MTN Afghanistan's assets and liabilities have been presented as held for sale.

An impairment loss of R1 263 million after writing down the carrying amount of the disposal group to its fair value less costs to sell has been recognised in profit or loss. MTN Afghanistan is presented as part of the MENA cluster in the segment information (note 7). On disposal of MTN Afghanistan, accumulated foreign currency translation reserve (FCTR) gains will be reclassified to profit and loss. As at 31 December 2022, MTN Afghanistan's accumulated FCTR gain was R696 million.

The carrying amounts of assets and liabilities that have been reclassified to non-current assets held for sale as at 31 December 2022 were:

	31 December 2022 Rm
Property, plant and equipment	**449**
Right-of-use assets	**245**
Intangible assets	**151**
Deferred tax asset	**43**
Trade receivables and other current assets	**518**
Cash and cash equivalents	**546**
Total assets	**1 952**
Current liabilities	**1 135**
Lease liabilities	**383**
Total liabilities	**1 518**
Net carrying amount of assets held for sale	**434**

[1] Translated at the closing exchange at 31 December 2022 of US$1 = R17.0471.

19. MTN SA TOWERS SALE

On 16 November 2021, MTN SA entered into an agreement with IHS Group to sell its tower infrastructure (comprising approximately 5 700 tower sites) and power assets; cede related agreements including land lease agreements (on which the towers are constructed) to IHS Group; and lease back space on the towers which it would sell. Additionally, IHS Group, will provide electricity utility services at each site, as well as a direct current power backup service. The related conditions precedent were fulfilled and the transaction became effective on 30 May 2022.

Nature of transaction

As MTN SA has transferred its land leases and tower infrastructure to IHS Group and is leasing tower spaces back on this infrastructure, this part of the transaction has been accounted for as a sale and leaseback in terms of IFRS 16 Leases. MTN SA has agreed to lease tower spaces for its own use for a 10-year period, with an option to renew for a further 10 years. In addition, MTN SA has leased additional tower spaces that it can only utilise in terms of an existing barter arrangement for a period of 30 years.

As MTN SA is transferring its power assets and will be receiving electricity and other services going forward, the Group accounted for this part of the transaction as a disposal of property, plant and equipment as it no longer has the right to control the use of an identifiable asset. The electricity utility and power backup service arrangement are accounted for as a service arrangement and recognised as an expense as the service is received.

Pre-existing barter arrangement

Prior to the transaction, MTN SA had a barter arrangement with another mobile network operator, where they each co-located on each other's towers on a non-cash basis. As the tower spaces that are exchanged are similar in nature, MTN SA had previously assessed that this barter arrangement lacks commercial substance and, therefore, is not required to be accounted for.

Subsequent to the transaction with IHS Group, MTN SA has retained the pre-existing barter arrangement with another mobile network operator. MTN SA received a reduced upfront purchase price for the tower infrastructure and thereby, in substance, prepaid for the lease of these barter spaces. Control of the barter spaces has transferred to IHS Group as MTN SA is not allowed to utilise the barter spaces for its own benefit or lease these spaces to any party other than the specified mobile network operator and the use of the tower spaces remains with IHS should the mobile network operator cancel the barter arrangement. MTN SA has therefore accounted for these barter spaces as part of the sale and leaseback arrangement.

Notes to the summary Group financial statements (continued)

for the year ended 31 December 2022

19. MTN SA TOWERS SALE (continued)

Measurement of transaction

MTN SA has measured the right-of-use asset from the sale and leaseback at the proportion of the previous carrying amount of the assets transferred (including the remaining land leases still to be transferred) that relates to the total right-of-use retained by MTN SA. The right-of-use retained was calculated by comparing the present value of the future lease payments (including the prepayment for the barter spaces) to the fair value of the assets transferred to IHS Group (including the existing land leases).

The remaining land leases transferred to IHS Group will be derecognised as they are legally ceded to IHS Group and the related gain or loss on derecognition will be accounted for as part of the overall gain or loss on disposal group.

MTN SA has recognised a R371 million gain (included in other income) on the disposal of the disposal group, including the land leases, which were ceded when the transaction became effective, up to 31 December 2022. This transaction resulted in a tax income of R34 million, which is included in income tax expense in the Group income statement.

	31 December 2022		
	Tower sale and leaseback Rm	**Power assets Rm**	**Total Rm**
Cash received	5 282	1 073	6 355
(Payable)/receivable	(11)	193	182
Total proceeds	5 271	1 266	6 537
Derecognise:			
Property, plant and equipment	(2 095)	(1 687)	(3 782)
Right-of-use assets – land leases	(2 407)	–	(2 407)
Lease liability –land leases	2 870	–	2 870
Decommissioning provision	12	–	12
Recognise:			
Right-of-use asset – tower space	5 196	–	5 196
Lease liability – tower space	(7 974)	–	(7 974)
Provision for vandalised sites/inventory	(50)	(31)	(81)
Gain/(loss) recognised	823	(452)	371

The remaining land leases are presented as held for sale:

	31 December 2022 Rm
Right-of-use assets	1 406
Lease liabilities	(1 583)
Net carrying amount of assets held for sale	(177)

Notes to the summary Group financial statements (continued)
for the year ended 31 December 2022

20. EVENTS AFTER REPORTING PERIOD

Dividends declared

Dividends declared at the Board meeting held on 10 March 2023 amounted to 330 cents per share.

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]
NP Gosa^
PB Hanratty[2]^
S Kheradpir[3]^
SN Mabaso-Koyana^
SP Miller[4]^
CWN Molope^
N Newton-King (appointed 1 January 2023)
T Pennington[5]^ (appointed 1 August 2022)
NL Sowazi^
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
A sponsored ADR facility is in place
Cusip No. 62474M108
ADR to ordinary share 1:1

Depository: The Bank of New York Mellon
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MTN Group sharecare line
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